

Foreword

This report is submitted in compliance with Utah Code Annotated 36-12-13(2j), which requires the Legislative Fiscal Analyst "to prepare, after each session of the Legislature, a summary showing the effect of the final legislative program on the financial condition of the state."

**2004-2005
APPROPRIATIONS
REPORT**

Utah Legislature

2004 General Session

May 2003 Special Session

November 2003 Special Session

Office of the Legislative Fiscal Analyst

John E. Massey

Legislative Fiscal Analyst

Senator Leonard M. Blackham

Representative Ron Bigelow

Co-chairs, Executive Appropriations Committee

April 2004

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Executive Summary

Executive Summary

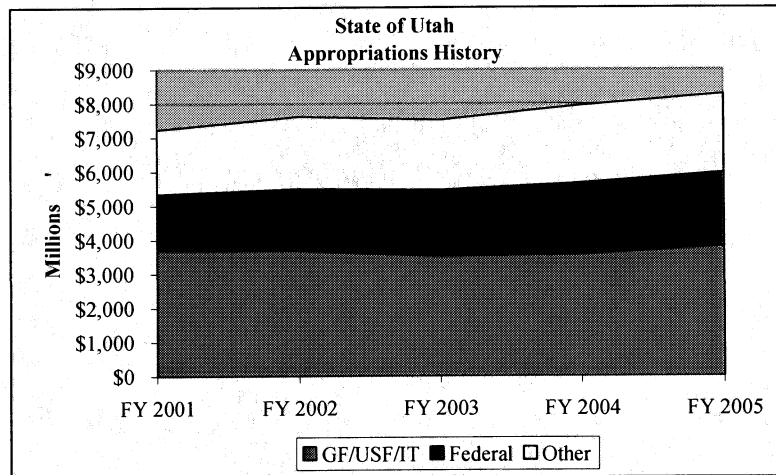
Appropriations Overview

Since the 2003 General Session, the Legislature has held two special sessions – one in May and one in November. Unlike prior year special sessions which were held to balance the state budget, the only appropriation related item was SB 2001, Alcoholic Beverage Amendments, which allowed for the distribution of certain appropriations to local governments. For the first time in almost three years, the legislature did not have to deal with revenue shortfalls. This was due in part to Federal Assistance monies and to a slowly improving economy.

Revised revenue estimates in February of 2004 increased one time revenues by \$42 million over the previously adopted FY 2004 estimates. This, combined with previously identified one time funding and other adjustments, provided approximately \$107.9 million in one time funds available for FY 2004. The revised consensus estimates for FY 2005 provided an additional \$50.3 million in on going revenue over the \$38.1 million as previously estimated.

The Legislature provided an average budget increase in appropriated state funds of 6.5 percent. It had among its highest priorities health, human services, and education programs. Legislators approved a 12 percent increase for social programs like Medicaid. They added nearly \$160 million (6.5 percent) to the public education budget, and \$49 million (5.2 percent) to higher education.

Continuing its penchant for strong fiscal management, the Legislature reduced Utah's structural deficit by \$4 million (10 percent) to \$38.6 million and deposited more than \$12 million into the "rainy day" fund. The rainy Day fund will have a balance of approximately \$38 million. Beyond that, appropriators funded \$130 million in buildings and facilities, and \$50 million in new and improved roads.

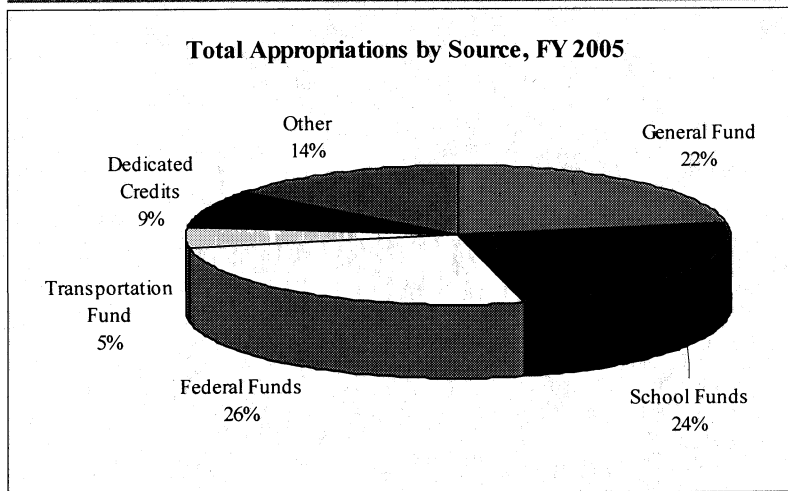


Revenue

The Legislature appropriates funds from a number of revenue sources. These include: the General Fund (GF) - supported primarily by sales taxes; the Uniform School Fund (USF) - consisting largely of income tax; federal funds; the gas-tax based Transportation Fund; dedicated credits (fee for service revenue); property taxes; bond proceeds; and other sources. Appropriators adopted \$3,811,742,326 as available General Fund and Uniform School Fund revenue for FY 2005. This represents a 6.5 percent increase from their revised FY 2004 revenue target of \$3,577,659,974, and 46 percent of total FY 2005 revenue

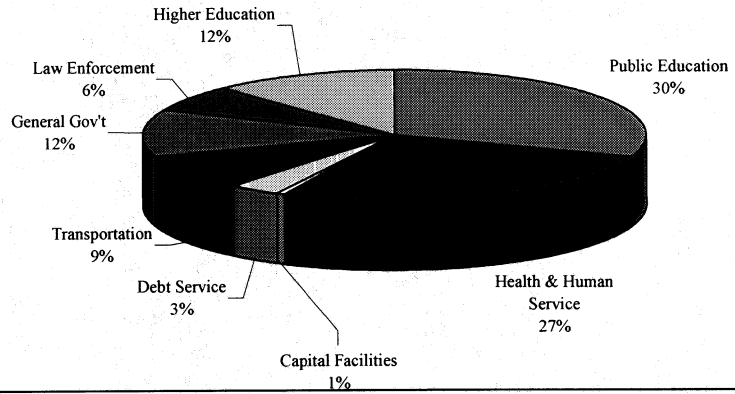
Appropriations

The Legislature approved \$8.3 billion in spending from all sources for FY 2005, an increase of 4.2 percent over the FY 2004 revised appropriations. Of the total amount, Legislators appropriated \$3,809,004,011 from State Funds (the General Fund and school funds), a 6.5 percent increase over FY 2004 revised. The funding sources for the appropriations are illustrated in the following chart.

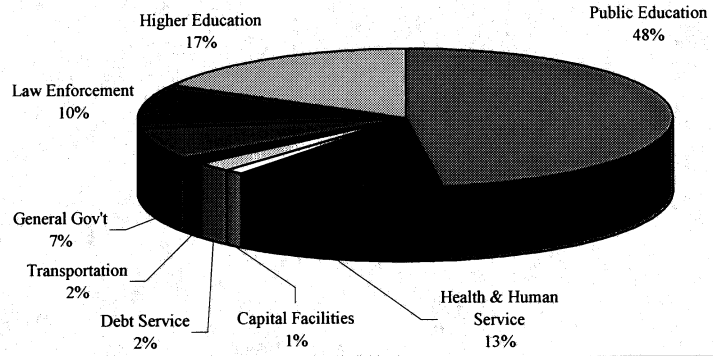


Appropriators reduced the amount of one-time revenue sources used for ongoing appropriations (the State's "structural imbalance") by nearly 10 percent to \$38.7 million, or 1 percent of total General Fund/Uniform School Fund revenue. This structural imbalance is defined as the amount of ongoing appropriations covered by one-time revenue sources. It should be noted, however, that a portion of ongoing appropriations fund one-time expenditures, such as school building support (\$27.3 million) and capital improvements (\$44 million). If these programs were covered by one-time appropriations instead, the state's structural balance would be positive.

Total Appropriations by Area of Expenditure, FY 2005



General Fund and School Funds Appropriations by Area of Expenditure, FY 2005



Special Sessions of the 55th Legislature

First Special Session

The Legislature was called into Special Session on May 21, 2003 and adjourned after passing HB 1001. The Legislature reconvened on June 18, 2003 to address the transfer of funds to cover a shortfall in the Uniform School Fund. However, it was determined that no action was required so the Legislature adjourned sine die.

H.B. 1001, “Amendments to Master Bond Act”: This legislation was necessary to correct an omission of the maturity date for certain bond issues.

Second Special Session

Legislators convened on November 19th, 2003 and adjourned sine die the same day with the passage of the following legislation:

S.B. 2001, “Alcoholic Beverage Amendments”: This legislation provided for the appropriation of Liquor Control monies to the Alcoholic Beverage Enforcement and Treatment Restricted Account for distribution to local governments in accordance with Section 32A-1-115.

S.B. 2003, “Amendments to County Service Area for Extended Fire Protection”: This bill modifies provisions relation to the creation of a county service area for fire protection, paramedic, and emergency services.

S.B. 2004, “Property Tax – Confidentiality of Certain Information”: This bill amends the provisions of the Revenue and Taxation Code to confidentiality of information.

H.B. 2001, “Election Law Amendments”: This bill amends provisions governing voting precincts.

H.B. 2004, “Utah Venture Capital Enhancement Act Amendments”: This bill modifies the Utah Venture Capital Enhancement Act.

Economic Indicators and Revenue Issues

When the revised consensus revenue estimates were adopted in February 2004, the following factors had significant influence in the revenue estimates being adjusted upward:

- Oil prices continue to hover in the \$28-\$30 per barrel range. The expected growth in Oil and Gas severance tax revenues can be attributed to oil prices having risen approximately 20 percent over the past 12-18 months.
- Individual income tax withholdings for the first seven months are up approximately 4 percent for FY 2004 coinciding with the 4 percent increase in non-agricultural wages expected in FY 2004. Some improvements in final payments are expected during the remainder of the fiscal year.
- Corporate franchise tax in FY 2004 is forecast to be up 5.7 percent. An additional increase of 14.6 percent is expected in FY 2005. The significant improvement in corporate profits is a function of the major cost cutting efforts by corporations over the past three years (i.e. reduced labor costs, etc.). In 2002 and 2003 corporations reduced their costs to stem the flow of losses caused by the recession. As the corporate recession came to an end, demand began to pick up and firms continued to hold costs down. Firms have been slow to hire leading to an increase in profits. Through January 2004, corporate franchise collections are up 11.7 percent.
- Mineral lease is up because both price and production of gas are up. Collections have rapidly accelerated. Year to date, collections are more than originally forecast and there are five months remaining.

- Motor fuel is down due to the price elasticity of gas. Gas prices are 30 cents per gallon higher than last year and as a result people are driving less resulting in lower than anticipated revenues.

Areas to Watch

Sales and use tax continues to be sluggish. The forecast for FY 2004 is growth of 1.5 percent. Collections through 7 months are only up 1.1 percent. Some pick up is expected over the last 5 months of the fiscal year due to modest improvements in employment combined with federal tax cuts which should help spending grow moderately. Sales tax collections must grow at 2 percent the rest of the year to reach the level forecasted. Year to date growth is 1.1 percent.

Income tax collections need to grow at 4.6 percent for the rest of the year to reach the forecast level. Current growth is 4 percent.

As of the date of this report, the Utah and National economies continue to slowly improve, although the slow recovery in job growth continues to be a concern. In February 2004, the National unemployment rate remained at 5.6 percent while the Utah unemployment rate was at 4.8 percent. According to the Department of Workforce Services, education and health services led Utah's job growth in February 2004, adding 4,000 new jobs. The professional and business sector added 3,100 new jobs compared to the same period a year ago. Retail trade also saw modest gains, adding 1,000 new jobs over February 2003.

The Legislative Fiscal Analyst believes the economy is headed in the right direction and is cautiously optimistic that critical economic indicators will continue to improve.

Tax Changes / Bills Affecting State Revenue and Expenditures

H.B. 312, "Non Participating Tobacco Manufacturers Fee":
This bill approved a tax on cigarette sales of non-participating

manufacturers. The increase is 35 cents per pack on some brands. This will generate approximately \$680,000 in revenue.

H.B. 273, "Remote Sales Tax Revenue Neutrality": This bill will escrow remote sales tax revenues above current collections into a restricted account and takes this amount out of the budget.

H.B. 66, "State Spending and Debt Limitation Amendments": State General Fund expenditure growth will be limited to inflation and population growth. General Fund and Uniform School fund expenditures for public education, general fund expenditures for transportation, and rainy day fund are exempted from this restriction.

H.B. 330, "Allocation of Tobacco Fund Amendments": Thirty percent of the money received by the state tobacco settlement money in fiscal year 2004-05 only will be deposited into the state's General Fund Budget Reserve Account. This is estimated at \$8 million.

S.B. 195, "Taxation of Multi Channel Video and Audio Services": This bill changed the tax on cable services from a sales tax to an excise tax. This increased revenues by approximately \$4.4 million.

S.B. 190, "Sales and Use Tax Exemption Relating to Film, Television, and Video": This bill provides a sales tax exemption for film equipment rentals and purchases used in film production.

Tobacco Funding

FY 2005 will mark the sixth year of the State receiving funds from the Master Settlement Agreement against tobacco manufacturers. In those 6 years, the state has received over \$173 million. Legislation in 2000 established the Permanent Trust Fund and the Tobacco Settlement Account, a restricted General Fund account.

Deposits into the Permanent Trust Fund have totaled \$65 million, but the Legislature utilized \$44.4 million in FY 2003 to address budget shortfalls. As stated above, approximately \$8

million that would have gone into the Trust Fund in FY 2005 will instead be diverted to the Budget Reserve Account for that year only. In FY 2006, the Trust Fund will receive 30 percent of the annual payment, and 45 percent annually thereafter.

The restricted Tobacco Settlement Account funds the following four programs:

- The State share of the Children's Health Insurance Program (CHIP) (\$7 million)
- Anti-Tobacco and other public health programs carried out at the Department of Health (\$6 million)
- Drug Courts and Drug Boards (\$2 million)
- University of Utah health Sciences (\$4 million)

In FY 2004, a surplus of \$9.8 million in this account was transferred to the General Fund to help alleviate budget shortfalls. Currently, the anticipated revenue should cover the designated appropriations through FY 2006.

Governor's Vetoes

Governor Walker altered the Legislature's budget actions by vetoing five appropriations line items and one bill carrying an appropriation. Her vetoes also eliminated intent language directing studies of government outsourcing and regulatory impact on businesses, as well as language implementing proposals for education reform.

Governor Walker vetoed **H. B. 115, "Carson Smith Special Needs Scholarships"**. The bill carried an appropriation from the Uniform School Fund of \$100,000. She did not veto funds appropriated separately in House Bill 3 to enact House Bill 115. The Legislature explicitly expressed in House Bill 3 that the appropriation (\$1,400,000 from the Uniform School Fund) was "To implement the provisions of H.B. 115, 2004 General Session." As such, these funds cannot be spent for anything other than H.B. 115, and shall remain in the Uniform School Fund by default.

The Governor vetoed Item 18 of **H.B. 1, "Supplemental Appropriations Act"**. This item included intent language

encouraging state agencies to contract with the private sector. It also directed a report on outsourcing. In her veto letter, the Governor explained that she felt the "language is very broad" and that a Privatization Board serving such function already exists.

The Governor also vetoed Item 65 of **H.B. 1, "Supplemental Appropriations Act"**. This item funded a contracted review of instructional materials. The Governor's veto letter expressed concern that intent language included in the line item presented a separation of powers issue. The item also freed up \$1,200,000 from the Uniform School Fund that the legislature appropriated to other areas of public education, and provided \$350,000 to educate sight and hearing impaired students at the Jean Massieu Charter School. These appropriations were nullified by the Governor's veto.

Governor Walker vetoed Items 30 and 31 of **H. B. 3, "Supplemental Appropriations Act II"**. These items respectively redirected \$150,000 to study regulatory impacts on Utah businesses, and provided \$20,000 from the Commerce Service Fund for an annual telecommunications report. The Legislature intended to remove these items itself, but failed to do so in the closing minutes of the annual General Session.

The Governor vetoed Item 85 of **H.B. 3, "Supplemental Appropriations Act II"**. This item provided \$1 million to implement public education reforms via a private contractor. Governor Walker's veto letter suggested that intent language included in the line item raised separation of powers issues.

In an apparent oversight, \$11,500 appropriated to implement **H.J.R. 8, "Resolution Authorizing Legislature to Call Itself into Session"** should have been vetoed. The Legislature did not ultimately pass this resolution, but funding for it was included in Item 3 of the Supplemental Appropriations Act II. As the appropriation is expressly "To implement the provisions of House Joint Resolution 8, 2004 General Session," these resources will remain in the General Fund by default.

As of the date of this report, there remains the potential for a veto override session.

Employee Compensation

After two years of no salary increases, the Legislature provided in FY 2005 the following compensation package for State and Higher Education employees:

- *Cost of Living Adjustments* - Legislators authorized funding for a 1 percent ongoing Cost of Living Adjustment (COLA) for state and Higher Education Employees.
- *1 percent Cost of Living Bonus* - One-time funds equivalent to a total 1 percent COLA were made available for one-time bonuses to state and Higher Education employees to be distributed equally, based on a FTE calculation. All full and part time employees should see a bonus based on actual distributions.
- *Health and Dental Benefits* - the Legislature provided funds necessary to pay a 5.49 percent increase in health and dental benefits. Certain benefits in the current program were modified to allow the Legislature to provide this increase within available funding.
- *Market Comparability Adjustments* - Legislators provided \$2.7 million in State funds for market comparability adjustments for certain bench marked positions as identified by Human Resource Management. In addition, \$785,000 was allocated for the Highway Patrol, and \$500,000 for adjustments within the Attorney Generals Office.
- *Retirement Benefits* – The State Retirement System requested an actuarially determined rate increase which was fully funded. Legislators approved State funding in the amount of \$8.1 million to fund the state retirement contribution rate in accordance with the requirement to keep the fund actuarially sound.

Public Education received funding to provide for employee compensation similar to that received by State and Higher Education Employees. Funding received provides for a 1 percent COLA, and a one-time bonus funded at the level of a 1 percent COLA, but to be distributed equally based on a per FTE calculation. In addition, funding was provided to help school districts cover increases in Health and Dental benefits, as well as retirement benefits. The total compensation package for Public Education exceeds \$63.3 million (\$17.2 million one-time). The ongoing increase corresponds to a Weighted Pupil Unit increase of 1.5 percent.

Funding Detail

The following tables present legislative budget action on a state-wide basis.

Table 1 compares the FY 2005 Appropriated levels to the FY 2004 Revised levels with funding from all sources. The FY 2004 Estimated column includes original appropriations made during the 2003 General Session, as well as any changes in federal funds, dedicated credits, and other sources of funds estimated by agencies. The FY 2004 Revised column and the FY 2005 Appropriated columns reflect the effect of regular appropriations, supplemental appropriations, and other legislative actions taken during the 2004 General Session.

Table 2 compares General Fund, Uniform School Fund, and Income Tax appropriations for FY 2005 to the estimated FY 2004 budget. The table indicates one-time and ongoing expenditures for each fiscal year.

Table 3 shows the allocation of State Funds (General Fund, Uniform School Fund, and Income Tax Funds) in a format similar to that of Table 1.

Tables 4 and 5 break down the allocation of General Fund and Uniform School Fund resources, respectively, from Table 3.

Table 6 includes revenue projections for the General Fund, Uniform School Fund, Transportation Fund, and Mineral lease Account.

Table 7 shows combined State appropriations to various agencies and programs from the General Fund, Uniform School Fund, and Income Tax revenue.

Table 8 shows a ten-year historical view of the appropriation levels for the State.

Table 9 shows a three-year historical view of the number of full-time equivalent (FTE) positions throughout the State.

Table 1
Appropriations Comparison, FY 2004 - FY 2005
All Funds

	FY 2004 Estimated	FY 2004 Supplemental	FY 2004 Revised	FY 2005 Appropriated	Percent Change
Financing					
General Fund	1,742,168,600		1,742,168,600	1,797,004,100	3.15%
General Fund, One-time	2,581,500	5,412,200	7,993,700	38,414,300	380.56%
Uniform School Fund	1,733,793,574		1,733,793,574	1,815,013,211	4.68%
Uniform School Fund, One-time	5,678,700	(920,100)	4,758,600	32,631,900	585.75%
Income Tax	112,000,000		112,000,000	125,865,500	12.38%
Income Tax, One-time		(23,200,000)	(23,200,000)		-100.00%
Transportation Fund	395,058,600	(5,700)	395,052,900	393,692,900	-0.34%
Transportation Fund, One-time		300,000	300,000	325,000	8.33%
Centennial Highway Fund	117,531,900		117,531,900	145,772,200	24.03%
Centennial Highway Fund, One-time		1,796,800	1,796,800		-100.00%
General Fund Restricted	141,458,300	6,479,900	147,938,200	154,926,900	4.72%
Uniform School Fund Restricted	85,800		85,800	90,700	5.71%
Transportation Fund Restricted	19,711,800	2,220,700	21,932,500	22,545,000	2.79%
Aeronautics Fund	10,700,200		10,700,200	11,221,300	4.87%
Federal Funds	2,044,729,742	36,388,000	2,081,117,742	2,163,843,900	3.98%
Dedicated Credits	572,148,286	375,500	572,523,786	712,444,650	24.44%
Land Grant	753,700		753,700	1,058,500	40.44%
Federal Mineral Lease	36,230,400		36,230,400	37,935,550	4.71%
Mineral Bonus	1,766,600		1,766,600	1,540,000	-12.83%
Restricted Revenue	16,259,800		16,259,800	18,533,700	13.98%
Trust and Agency Funds	387,065,137	1,430,700	388,495,837	386,636,477	-0.48%
Transfers	279,386,306	584,200	279,970,506	291,583,300	4.15%
Repayments/Reimbursements	10,093,000		10,093,000	11,040,000	9.38%
Other Financing Sources				1,100	
Pass-through	735,200		735,200	735,200	0.00%
Beginning Balance	432,043,406		432,043,406	147,528,600	-65.85%
Closing Balance	(147,878,640)	790,700	(147,087,940)	(33,078,600)	-77.51%
Lapsing Balance	(4,974,600)		(4,974,600)	(1,893,300)	-61.94%
Total	\$7,909,127,311	\$31,652,900	\$7,940,780,211	\$8,275,412,088	4.21%
Programs					
Legislature	14,587,000	528,300	15,115,300	15,041,400	-0.49%
Elected Officials	69,824,400	1,479,400	71,303,800	67,374,700	-5.51%
Courts	102,780,900	(1,300)	102,779,600	108,390,600	5.46%
Corrections	291,723,100	748,500	292,471,600	298,222,200	1.97%
Public Safety	107,966,000	(300)	107,965,700	115,724,500	7.19%
Administrative Services	23,554,100	8,188,400	31,742,500	24,229,700	-23.67%
Debt Service	210,994,200	5,548,100	216,542,300	269,328,900	24.38%
Capital Facilities	67,334,700		67,334,700	50,767,900	-24.60%
Health	1,534,939,500	1,193,300	1,536,132,800	1,708,925,300	11.25%
Human Services	468,853,200	1,813,900	470,667,100	484,773,100	3.00%
Public Education Agencies	384,445,300		384,445,300	386,549,100	0.55%
Minimum School Program	1,998,181,111	(559,000)	1,997,622,111	2,123,639,488	6.31%
School Building Program	27,288,900		27,288,900	27,288,900	0.00%
Higher Education	845,209,800		845,209,800	921,620,300	9.04%
Higher Ed - Med Ed Council	600,000		600,000	23,000	-96.17%
Higher Ed - UEN	25,214,500		25,214,500	21,211,600	-15.88%
Natural Resources Subcom	170,802,200	2,865,800	173,668,000	160,617,200	-7.51%
Commerce & Revenue Subcom	445,396,800	(201,700)	445,195,100	461,744,100	3.72%
Applied Technology Education	42,801,000		42,801,000	44,855,400	4.80%
Ec Dev & Human Res Subcom	118,729,000	8,957,300	127,686,300	131,299,400	2.83%
National Guard	26,262,900	297,900	26,560,800	27,000,200	1.65%
Environmental Quality	73,445,700	500,000	73,945,700	73,996,400	0.07%
Transportation	858,193,000	294,300	858,487,300	752,788,700	-12.31%
Total	\$7,909,127,311	\$31,652,900	\$7,940,780,211	\$8,275,412,088	4.21%

Table 2
Ongoing and One-time Appropriations
General Fund, Uniform School Fund, and Income Tax

	FY 2004			FY 2005		
	Ongoing	One-time	Total	Ongoing	One-time	Total
Financing						
General Fund	1,742,168,600	7,993,700	1,750,162,300	1,797,004,100	38,414,300	1,835,418,400
Uniform School Fund	1,733,793,574	4,758,600	1,738,552,174	1,815,013,211	32,631,900	1,847,645,111
Income Tax	112,000,000	(23,200,000)	88,800,000	125,865,500		125,865,500
Total	\$3,587,962,174	(\$10,447,700)	\$3,577,514,474	\$3,737,882,811	\$71,046,200	\$3,808,929,011
Programs						
Legislature	13,776,000	774,300	14,550,300	14,356,700	62,500	14,419,200
Elected Officials	27,051,900	2,714,100	29,766,000	28,629,700	616,800	29,246,500
Courts	88,835,900	781,700	89,617,600	92,027,700	616,700	92,644,400
Corrections	245,750,900	297,200	246,048,100	255,189,900	1,751,500	256,941,400
Public Safety	43,433,500	134,400	43,567,900	46,058,900	337,200	46,396,100
Administrative Services	13,593,600	7,901,500	21,495,100	13,991,000	76,800	14,067,800
Debt Service	73,998,000	1,530,600	75,528,600	78,885,900		78,885,900
Capital Facilities	44,584,700	(4,200,000)	40,384,700	43,976,900	1,540,000	45,516,900
Health	263,677,400	(36,910,700)	226,766,700	285,751,300	1,345,200	287,096,500
Human Services	199,272,900	1,217,700	200,490,600	204,877,800	1,802,700	206,680,500
Public Education Agencies	66,539,100	269,500	66,808,600	66,587,800	2,088,600	68,676,400
Minimum School Program	1,606,343,274	4,441,000	1,610,784,274	1,686,939,511	31,800,400	1,718,739,911
School Building Program	27,288,900		27,288,900	27,288,900		27,288,900
Higher Education	565,350,900	170,000	565,520,900	579,916,100	5,705,200	585,621,300
Higher Ed - Med Ed Council	6,600		6,600	19,900	3,100	23,000
Higher Ed - UEN	14,895,600	23,000	14,918,600	15,052,700	945,300	15,998,000
Natural Resources Subcom	43,094,200	980,100	44,074,300	44,248,400	232,800	44,481,200
Commerce & Revenue Subcom	107,756,600	502,300	108,258,900	107,463,500	17,609,700	125,073,200
Applied Technology Education	37,674,900		37,674,900	39,745,500	226,400	39,971,900
Ec Dev & Human Res Subcom	32,115,500	8,084,700	40,200,200	33,231,400	4,175,800	37,407,200
National Guard	3,973,200	305,900	4,279,100	4,472,600	25,900	4,498,500
Environmental Quality	9,203,800	535,000	9,738,800	9,487,900	83,600	9,571,500
Transportation	59,744,800		59,744,800	59,682,800		59,682,800
Total	\$3,587,962,174	(\$10,447,700)	\$3,577,514,474	\$3,737,882,811	\$71,046,200	\$3,808,929,011

Table 3
Appropriations Comparison, FY 2004 - FY 2005
General Fund, Uniform School Fund, and Income Tax

	FY 2004 Estimated	FY 2004 Supplemental	FY 2004 Revised	FY 2005 Appropriated	Percent Change
Financing					
General Fund	1,742,168,600		1,742,168,600	1,797,004,100	3.15%
General Fund, One-time	2,581,500	5,412,200	7,993,700	38,414,300	380.56%
Uniform School Fund	1,733,793,574		1,733,793,574	1,815,013,211	4.68%
Uniform School Fund, One-time	5,678,700	(920,100)	4,758,600	32,631,900	585.75%
Income Tax	112,000,000		112,000,000	125,865,500	12.38%
Income Tax, One-time		(23,200,000)	(23,200,000)		-100.00%
Total	\$3,596,222,374	(\$18,707,900)	\$3,577,514,474	\$3,808,929,011	6.47%
Programs					
Legislature	14,022,000	528,300	14,550,300	14,419,200	-0.90%
Elected Officials	28,286,600	1,479,400	29,766,000	29,246,500	-1.75%
Courts	89,059,600	558,000	89,617,600	92,644,400	3.38%
Corrections	246,299,600	(251,500)	246,048,100	256,941,400	4.43%
Public Safety	43,567,900		43,567,900	46,396,100	6.49%
Administrative Services	13,928,700	7,566,400	21,495,100	14,067,800	-34.55%
Debt Service	73,998,000	1,530,600	75,528,600	78,885,900	4.45%
Capital Facilities	40,384,700		40,384,700	45,516,900	12.71%
Health	263,764,700	(36,998,000)	226,766,700	287,096,500	26.60%
Human Services	199,642,500	848,100	200,490,600	206,680,500	3.09%
Public Education Agencies	67,158,600	(350,000)	66,808,600	68,676,400	2.80%
Minimum School Program	1,611,343,274	(559,000)	1,610,784,274	1,718,739,911	6.70%
School Building Program	27,288,900		27,288,900	27,288,900	0.00%
Higher Education	565,520,900		565,520,900	585,621,300	3.55%
Higher Ed - Med Ed Council	6,600		6,600	23,000	248.48%
Higher Ed - UEN	14,918,600		14,918,600	15,998,000	7.24%
Natural Resources Subcom	43,074,300	1,000,000	44,074,300	44,481,200	0.92%
Commerce & Revenue Subcom	108,310,800	(51,900)	108,258,900	125,073,200	15.53%
Applied Technology Education	37,674,900		37,674,900	39,971,900	6.10%
Ec Dev & Human Res Subcom	35,006,400	5,193,800	40,200,200	37,407,200	-6.95%
National Guard	3,981,200	297,900	4,279,100	4,498,500	5.13%
Environmental Quality	9,238,800	500,000	9,738,800	9,571,500	-1.72%
Transportation	59,744,800		59,744,800	59,682,800	-0.10%
Total	\$3,596,222,374	(\$18,707,900)	\$3,577,514,474	\$3,808,929,011	6.47%

Table 4
Appropriations Comparison, FY 2004 - FY 2005
General Fund Only

Financing	FY 2004	FY 2004	FY 2004	FY 2005	Percent Change
	Estimated	Supplemental	Revised	Appropriated	
General Fund	1,742,168,600		1,742,168,600	1,797,004,100	3.15%
General Fund, One-time	2,581,500	5,412,200	7,993,700	38,414,300	380.56%
Total	\$1,744,750,100	\$5,412,200	\$1,750,162,300	\$1,835,418,400	4.87%
Programs					
Legislature	14,022,000	528,300	14,550,300	14,419,200	-0.90%
Elected Officials	28,286,600	1,479,400	29,766,000	29,246,500	-1.75%
Courts	89,059,600	558,000	89,617,600	92,644,400	3.38%
Corrections	246,299,600	(251,500)	246,048,100	256,941,400	4.43%
Public Safety	43,567,900		43,567,900	46,396,100	6.49%
Administrative Services	13,928,700	7,566,400	21,495,100	14,067,800	-34.55%
Debt Service	56,833,700	1,530,600	58,364,300	61,721,600	5.75%
Capital Facilities	23,384,700		23,384,700	28,516,900	21.95%
Health	263,764,700	(36,998,000)	226,766,700	287,096,500	26.60%
Human Services	199,642,500	848,100	200,490,600	206,680,500	3.09%
Public Education Agencies	254,900		254,900	1,654,900	549.23%
Higher Education	470,520,900	23,200,000	493,720,900	476,755,800	-3.44%
Higher Ed - Med Ed Council	6,600		6,600	23,000	248.48%
Higher Ed - UEN	14,918,600		14,918,600	15,998,000	7.24%
Natural Resources Subcom	43,074,300	1,000,000	44,074,300	44,481,200	0.92%
Commerce & Revenue Subcom	91,538,700	(40,800)	91,497,900	107,642,700	17.64%
Applied Technology Education	37,674,900		37,674,900	39,971,900	6.10%
Ec Dev & Human Res Subcom	35,006,400	5,193,800	40,200,200	37,407,200	-6.95%
National Guard	3,981,200	297,900	4,279,100	4,498,500	5.13%
Environmental Quality	9,238,800	500,000	9,738,800	9,571,500	-1.72%
Transportation	59,744,800		59,744,800	59,682,800	-0.10%
Total	\$1,744,750,100	\$5,412,200	\$1,750,162,300	\$1,835,418,400	4.87%

Table 5
Appropriations Comparison, FY 2004 - FY 2005
School Funds Only

Financing	FY 2004	FY 2004	FY 2004	FY 2005	Percent Change
	Estimated	Supplemental	Revised	Appropriated	
Uniform School Fund	1,733,793,574		1,733,793,574	1,815,013,211	4.68%
Uniform School Fund, One-time	5,678,700	(920,100)	4,758,600	32,631,900	585.75%
Income Tax	112,000,000		112,000,000	125,865,500	12.38%
Income Tax, One-time		(23,200,000)	(23,200,000)		-100.00%
Total	\$1,851,472,274	(\$24,120,100)	\$1,827,352,174	\$1,973,510,611	8.00%
Programs					
Debt Service	17,164,300		17,164,300	17,164,300	0.00%
Capital Facilities	17,000,000		17,000,000	17,000,000	0.00%
Public Education Agencies	66,903,700	(350,000)	66,553,700	67,021,500	0.70%
Minimum School Program	1,611,343,274	(559,000)	1,610,784,274	1,718,739,911	6.70%
School Building Program	27,288,900		27,288,900	27,288,900	0.00%
Higher Education	95,000,000	(23,200,000)	71,800,000	108,865,500	51.62%
Commerce & Revenue Subcom	16,772,100	(11,100)	16,761,000	17,430,500	3.99%
Total	1,851,472,274	(24,120,100)	1,827,352,174	1,973,510,611	8.00%

Table 6
Revenue Estimates, FY 2004 - FY 2005
In Thousands

	FY 2004	FY 2005	Legislative	FY 2005
General Fund	Estimate	Estimate	Changes*	Estimate
Sales and Use Tax	1,469,000	1,511,500	11,173	1,522,673
Liquor Profits	36,450	37,050		37,050
Insurance Premiums	62,550	65,150		65,150
Beer, Cigarette & Tobacco	56,000	59,000	680	59,680
Oil and Gas Severance	35,000	35,100		35,100
Metal Severance	6,500	7,000		7,000
Inheritance	8,600	4,050		4,050
Investment Income	7,750	7,450		7,450
Other	47,800	47,350	(1,539)	45,811
Property & Energy Tax Credit	(5,500)	(5,500)		(5,500)
Subtotal	\$1,724,150	\$1,768,150	\$10,314	\$1,778,464
Uniform School Fund				
Individual Income Tax	1,642,950	1,712,950	8	1,712,958
Corporate Franchise Tax	161,000	183,900		183,900
Gross Receipts Tax	7,950	8,050		8,050
Escheats	7,550	7,700	(713)	6,987
Permanent Fund Interest	8,600	8,900		8,900
Subtotal	\$1,828,050	\$1,921,500	(\$705)	\$1,920,795
Total	\$3,552,200	\$3,689,650	\$9,609	\$3,699,259
Transportation Fund				
Motor Fuel Tax	237,033	240,367		240,367
Special Fuel Tax	85,750	87,850		87,850
Other	64,750	65,800		65,800
Total	\$387,533	\$394,017		\$394,017
Federal Mineral Lease				
Royalties	55,000	44,000		44,000
Bonuses	11,000	8,700		8,700
Total	\$66,000	\$52,700		\$52,700

*Legislators authorized, but did not appropriate, \$500,000 annually from the Fire Academy Support Fund beginning in FY 2005.

Table 7
Revenue to Expenditure Comparison, FY 2004 - FY 2005
General Fund, Uniform School Fund, Income Tax (In Thousands)

	FY 2004 Revised	FY 2005 Appropriated	Percent Change
Financing			
Beginning Balance	44,694	107,220	
General Fund	1,724,150	1,778,464	3.15%
Uniform School Fund	1,739,250	1,794,930	3.20%
Income Tax	88,800	125,866	41.74%
Subtotal	<u>\$3,552,200</u>	<u>\$3,699,259</u>	4.14%
Federal Taxpayer Relief	52,286		
MSP Lapsing Balances	15,687		
Tobacco Settlement	9,822		
Internal Service Fund Earnings	4,232		
Mineral Lease Discretionary*		3,703	
Iron County Jail Sale	1,550		
Enterprise Fund Earnings		1,540	
UTFC Liquidation	564		
Hazardous Waste Tax Repeal	(356)		
Other One-time Revenue	4,055	166	
Total	<u>\$3,684,734</u>	<u>\$3,811,888</u>	3.45%
Programs			
Legislature	14,550	14,419	-0.90%
Elected Officials	29,766	29,247	-1.75%
Courts	89,618	92,644	3.38%
Corrections	246,048	256,941	4.43%
Public Safety	43,568	46,396	6.49%
Administrative Services	21,495	14,068	-34.55%
Debt Service	75,529	78,886	4.45%
Capital Facilities	40,385	45,517	12.71%
Health	226,767	287,097	26.60%
Human Services	200,491	206,681	3.09%
Public Education Agencies	66,809	68,676	2.80%
Minimum School Program	1,610,784	1,718,740	6.70%
School Building Program	27,289	27,289	
Higher Education	565,521	585,621	3.55%
Higher Ed - Med Ed Council	7	23	248.48%
Higher Ed - UEN	14,919	15,998	7.24%
Natural Resources Subcom	44,074	44,481	0.92%
Commerce & Revenue Subcom	108,259	125,073	15.53%
Applied Technology Education	37,675	39,972	6.10%
Ec Dev & Human Res Subcom	40,200	37,407	-6.95%
National Guard	4,279	4,499	5.13%
Environmental Quality	9,739	9,572	-1.72%
Transportation	59,745	59,683	-0.10%
Total	<u>\$3,577,514</u>	<u>\$3,808,929</u>	6.47%
Ending Balance	\$107,220	\$2,959	

*The Legislature authorized use of Mineral Lease discretionary funds, but must still transfer them to the General Fund in a supplemental appropriation.

Table 8a
Ten-year Appropriations History
All Funds by Source of Financing

	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Revised	Appropriated
Financing										
General Fund	1,271,134,200	1,362,649,577	1,456,092,199	1,519,875,999	1,582,168,650	1,673,413,150	1,778,987,080	1,795,120,600	1,742,168,600	1,797,004,100
General Fund, One-time	9,129,350	122,734,400	1,311,950	14,994,200	5,219,600	28,022,150	5,882,200	19,782,750	7,993,700	38,414,300
Uniform School Fund	1,284,816,800	1,469,402,700	1,468,469,400	1,563,395,600	1,615,286,630	1,705,459,900	1,782,346,560	1,684,266,694	1,733,793,574	1,815,013,211
Uniform School Fund, One-time				9,449,000	5,124,400	36,840,000	32,191,400	10,436,000	4,758,600	32,631,900
Income Tax	534,300	29,068,500	98,732,500	133,134,200	152,075,600	167,311,800	93,424,100	4,908,000	112,000,000	125,865,500
Income Tax, One-time		11,485,500		10,500,000	1,000,241	82,551,300	(17,500)	1,935,100	(23,200,000)	
Transportation Fund	324,179,400	262,058,700	366,155,500	358,210,900	357,399,700	390,189,100	406,266,600	389,538,000	395,052,900	393,692,900
Transportation Fund, One-time	2,268,900	2,277,200		2,118,900					300,000	325,000
Centennial Highway Fund	(96,900)		26,298,400	54,438,200	62,532,700	63,833,700	106,621,200	103,848,200	117,531,900	145,772,200
Centennial Highway Fund, One-time						3,079,000			1,796,800	
General Fund Restricted	68,121,500	76,157,800	90,361,400	101,879,500	98,392,300	114,856,200	117,397,400	130,217,200	147,938,200	154,926,900
Uniform School Fund Restricted	10,532,900	11,451,800	12,248,400	12,837,300	15,623,700	17,139,300	19,685,000	19,626,800	21,932,500	22,545,000
Transportation Fund Restricted	11,000,000	12,077,200	13,214,400	14,194,000	15,623,700	13,179,800	8,998,000	7,947,000	10,700,200	11,221,300
Aeronautics Fund	7,830,300	7,485,600	7,332,300	6,438,900	9,100,700	9,100,700	8,998,000	7,947,000	10,700,200	11,221,300
Federal Funds	1,213,225,234	1,272,173,670	1,285,706,777	1,505,636,399	1,543,284,139	1,647,387,849	1,821,741,428	1,941,960,562	2,081,117,742	2,163,843,900
Dedicated Credits	426,551,103	378,539,855	1,301,355,962	596,862,508	466,997,990	578,883,135	956,285,782	774,058,339	572,533,786	712,444,650
Land Grant	211,790	1,180,571	1,126,402	568,537	490,377	857,800	1,148,200	771,000	755,700	1,058,500
Federal Mineral Lease	37,498,418	33,342,002	41,714,383	30,371,440	33,365,229	27,662,500	34,909,500	43,612,900	36,230,400	37,935,550
Mineral Bonus	100,000	100,000	100,000				2,100,000	2,100,000	1,766,600	1,540,000
Restricted Revenue	1,699,000			57,500		182,100	2,850,000	9,606,100	9,606,100	16,533,700
Trust and Agency Funds	316,339,900	287,660,200	394,325,400	364,705,700	338,853,729	429,809,766	447,388,660	377,644,015	388,495,837	386,636,477
Transfers	129,821,862	151,075,767	151,168,063	151,997,056	218,537,519	256,854,660	279,591,804	310,161,147	279,970,506	291,583,300
Repayments/Reimbursements	20,339,300	25,232,900	13,468,800	30,087,800	31,062,600	33,064,300	7,999,200	12,260,800	10,093,000	11,040,000
Other Financing Sources				25,400		1,722,300				1,100
Pass-through	186,400		50,000	32,300		31,100		69,500	735,200	735,200
Beginning Balance	134,859,544	158,253,866	150,025,766	615,907,808	463,651,769	280,690,072	230,171,156	469,397,769	432,043,406	147,528,600
Closing Balance	(161,068,420)	(137,582,008)	(616,319,689)	(450,220,876)	(297,939,451)	(268,010,391)	(462,440,476)	(500,456,942)	(147,087,940)	(33,078,600)
Lapsing Balance	(28,999,802)	(24,117,881)	(38,114,811)	(33,087,907)	(15,821,269)	(52,806,873)	(45,866,873)	(68,457,656)	(4,974,600)	(1,893,300)
Total	\$5,080,215,079	\$5,512,707,919	\$6,228,001,602	\$6,610,002,864	\$6,690,814,253	\$7,232,505,194	\$7,615,971,821	\$7,520,432,279	\$7,940,780,211	\$8,275,412,088

*Dedicated credits include charges between non-internal service fund agencies, as well as charges to the public for fees that do not accrue to a restricted fund. For example, a copy fee
 **Transfers include internal reallocations of base resources and may result in double-counting. The largest part of this amount is Medicaid funding transferred among the
 ***FY 2004 Supplemental and FY 2005 Appropriated reflect votes exercised by Governor

Table 9
Full Time Equivalent Employees
Appropriated Entities and Internal Service Funds
FY 2003 - FY 2005

Programs	FY 2003 Actual	FY 2004 Revised	Difference '03 - '04	FY 2005 Approp	Difference '04 - '05
Elected Officials	572.8	569.5	(3.3)	572.5	3.0
Courts	1,209.3	1,213.2	3.9	1,214.8	1.6
Corrections	3,298.7	3,295.8	(2.8)	3,298.2	2.4
Public Safety	1,104.8	1,142.5	37.8	1,144.5	2.0
Administrative Services	705.6	706.0	0.4	701.0	(5.0)
Health	1,244.6	1,307.6	62.9	1,301.4	(6.2)
Human Services	3,561.6	3,658.0	96.4	3,673.2	15.2
Public Education Agencies	1,033.4	1,056.9	23.6	1,058.8	1.9
Higher Education	11,500.5	12,357.7	857.3	12,357.5	(0.2)
Higher Ed - Med Ed Council	6.5	6.5	0.0	6.0	(0.5)
Higher Ed - UEN	104.0	104.0	0.0	104.0	0.0
Natural Resources Subcom	1,451.9	1,519.9	68.0	1,532.6	12.7
Commerce & Revenue Subcom	3,537.1	3,637.1	100.0	3,730.5	93.4
Applied Technology Education	512.0	540.9	28.9	540.9	0.0
Ec Dev & Human Res Subcom	311.3	311.5	0.2	312.8	1.3
National Guard	139.0	139.0	0.0	139.0	0.0
Environmental Quality	418.0	418.0	0.0	418.0	0.0
Transportation	1,789.0	1,733.0	(56.0)	1,730.0	(3.0)
Total	32,499.8	33,717.1	1,217.2	33,835.6	118.5



**Executive Offices and
Criminal Justice**

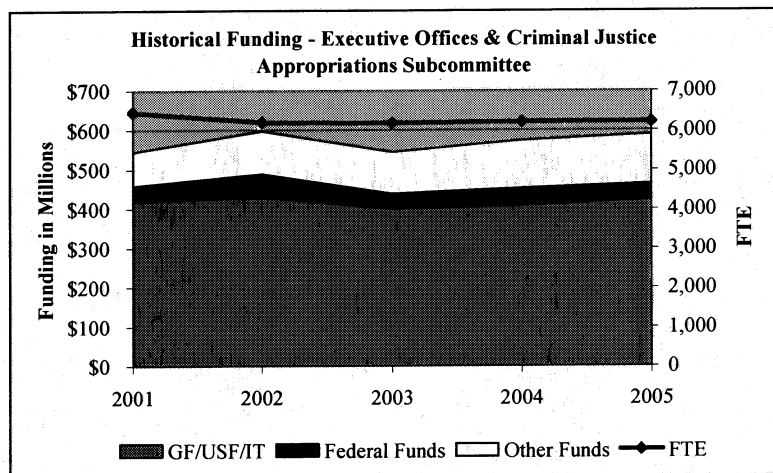
Executive Offices and Criminal Justice

Subcommittee Overview

The Executive Offices and Criminal Justice Appropriations Subcommittee provides legislative oversight for nine State Agencies that employ just over 6,200 FTEs. Of the Subcommittee's \$589.7 million budget, 72 percent is from the General Fund.

While the Subcommittee approves budgets for each of the five elected officials in the Executive Branch, law enforcement activities dominate the agenda. Law enforcement efforts include those in the Department of Public Safety and the Office of the Attorney General, adjudication from the Administrative Office of the Courts, and punishment/rehabilitation efforts within the Division of Juvenile Justice Services, Department of Corrections, and Board of Pardons and Parole. Over 95 percent of the total budget is devoted to these activities.

The FY 2005 appropriation from all sources of funding is \$589,712,000. The General Fund budget for FY 2005 is \$425,228,400, an increase of \$16,228,800 over the FY 2004 Revised Estimate. This represents a 4.0 percent increase.



General Subcommittee Issues

The Subcommittee reviewed the non-lapsing status of all agencies' line items within this budget and determined to extend this authority for FY 2005 as in previous years. In the 2002 General Session, the Department of Public Safety was authorized to combine major line items into a single line item to provide greater budget flexibility in managing its operations for FY 2003. This authority was also extended for FY 2005.

Executive Offices

Four separate budgets comprise the Executive Offices portion of the Subcommittee's work. These include the Office of the Governor, Office of the Attorney General, State Auditor, and State Treasurer.

Office of the Governor

The Office of the Governor is divided into three main divisions: the Governor's Office, the Governor's Office of Planning and Budget (GOPB), and the Commission on Criminal and Juvenile Justice (CCJJ). Within the Governor's Office are the programs and budget of the Governor's personal staff and statewide oversight and service functions. The Elections, Emergency Fund, and RS 2477 Rights of Way line items are also grouped within the Governor's Office.

The Governor's Office of Planning and Budget is organized to provide advisory information to the Governor and other executive branch agencies. The Office of Planning and Budget plays a central role in the creation and formulation of the annual Governor's Budget Recommendations. The Office also develops statistical and economical information and facilitates local and regional planning throughout the state.

The Commission on Criminal and Juvenile Justice (CCJJ) was created by the 1983 Legislature. This Commission reports directly to the Governor. It is designed to promote philosophical agreement concerning the objectives of the criminal and juvenile justice system in Utah and to provide a mechanism for coordinating the functions of the various branches and levels of government concerned with criminal and juvenile justice. It also helps coordinate statewide efforts to reduce crime and victimization in Utah.

The Office of the Governor received a General Fund appropriation for FY 2005 in the amount of \$7,039,900. In addition, the Legislature approved a supplemental appropriation of \$700,000 to the Elections Office to meet federal matching requirements for voting equipment.

Legislative Action

The following are bills with fiscal impact that passed during the 2004 General Session:

H.J.R. 12, “Resolution-Exception to Subscribing to Stock Prohibition”: The Legislature appropriated one-time FY 2005 General Fund in the amount of \$11,500 to the Elections Office to place this proposed amendment on the ballot at the next general election.

S.J.R. 6, “Resolution on Impeachment Authority”: The Legislature also appropriated one-time General Fund of \$11,500 to the Elections Office to place this proposed amendment on the ballot at the next general election.

H.B. 231, “Review and Approval of Federal Monies Received by the State”: The Legislature provided \$81,000 from the General Fund to the Governor’s Office of Planning Budget to implement the tracking and reporting requirements of this legislation.

“Help America Vote Act” Funding Match: The Legislature appropriated supplemental General Fund in the amount of \$700,000 to the Elections Office to meet Federal matching requirements of the “Help America Vote Act.”

Elections Printing Costs: The Legislature provided one-time General Fund in the amount of \$280,000 to the Elections Office to publish and distribute the Voter’s Information Pamphlet as required by statute.

Governor’s Reading Program: The Legislature appropriated \$50,000 from the General Fund for the Governor’s *Utah Reads* Program to promote reading with children.

Gubernatorial Transition Costs: The Legislature provided \$85,000 (one-time) from the General Fund in FY 2005 to pay for the transition costs of the new Governor.

Commission on Criminal and Juvenile Justice Rent Increase for Additional Space: The Legislature appropriated ongoing General Fund of \$14,000 to rent additional space needed for the Office of Crime Victims Reparations.

Commission on Criminal and Juvenile Justice Office Positions: The Legislature appropriated ongoing General Fund of \$84,300 to hire two additional employees to deal with the increased workload in the Office of Crime Victim Reparations.

Oxbow Jail Facility: The Commission on Criminal and Juvenile Justice was directed by the Legislature to participate in the funding of the purchase of the Oxbow Jail Facility. The Commission will apply \$2,200,000 in Federal VOI/TIS Funds toward the purchase of the Oxbow Jail.

Information Technology Services Savings: The Legislature identified savings in the Office of Information Technology Services in the amount of \$152,000 and approved the use of those funds for the ongoing operations of the Governor’s Chief Information Officer.

Intent Language

In conjunction with the RS-2477 Rights of Way Program, the Legislature again approved intent language directing that the funding be used for litigation or negotiations designed to quiet title on the existing rights of way established before 1976 under the program guidelines. The Governor or his designee will report to the Legislature before the 2005 General Session detailing the funded activities including information on cooperation and coordination with counties and the Utah Attorney General's Office.

Funding Detail

Governor's Office					
	2004	2004	2004	2005	Change from
	Estimated	Supplemental	Revised	Appropriated	2004 Revised
Financing					
General Fund	6,177,500		6,177,500	6,601,100	423,600
General Fund, One-time	521,000	700,000	1,221,000	438,800	(782,200)
Federal Funds	18,091,300		18,091,300	14,187,300	(3,904,000)
Dedicated Credits Revenue	394,200		394,200	392,900	(1,300)
GFR - Constitutional Defense	1,880,000		1,880,000	1,884,200	4,200
Crime Victims Reparation Trust	2,323,300		2,323,300	2,461,300	138,000
Transfers - Commission on Criminal and Juve	(4,714,000)		(4,714,000)		4,714,000
Transfers - Within Agency	53,000		53,000	53,000	
Beginning Nonlapsing	4,660,100		4,660,100	370,000	(4,290,100)
Closing Nonlapsing	(370,000)		(370,000)	(102,000)	268,000
Total	<u>\$29,016,400</u>	<u>\$700,000</u>	<u>\$29,716,400</u>	<u>\$26,286,600</u>	<u>(\$3,429,800)</u>
Programs					
Governor's Office	3,246,900	150,000	3,396,900	2,918,900	(478,000)
Elections	847,200	700,000	1,547,200	1,217,700	(329,500)
Emergency Fund					
RS-2477 Rights of Way	3,054,200		3,054,200	1,884,300	(1,169,900)
Governor's Office of Planning and Budget	5,110,400	(150,000)	4,960,400	3,096,000	(1,864,400)
GOPB - Chief Information Officer	726,000		726,000	556,100	(169,900)
Commission on Criminal and Juvenile Justice	16,031,700		16,031,700	16,613,600	581,900
Total	<u>\$29,016,400</u>	<u>\$700,000</u>	<u>\$29,716,400</u>	<u>\$26,286,600</u>	<u>(\$3,429,800)</u>
Total FTE	109.5	0.0	109.5	111.5	2.0

Office of the Attorney General

The Office of the Attorney General is charged by the Utah Constitution with the exclusive responsibility to act as legal advisor to the Governor and all of the executive branch agencies. The Attorney General must also prosecute or defend, in federal and state courts, all cases where the State of Utah or any of its officers, boards or commissions is a party.

The FY 2005 appropriated General Fund for the Office of the Attorney General is \$18,532,500. The Legislature provided significant additions to the Attorney General's budget in the form of supplemental appropriations for FY 2004 and one-time and ongoing funding for FY 2005.

Legislative Action

Attorney Market Comparability Adjustments: The Legislature appropriated \$500,000 from the General Fund for attorney market comparability adjustments.

Tobacco Settlement Funding: The Legislature appropriated \$100,000 from the General Fund Restricted - Tobacco Settlement Account to fund continuing efforts of the Attorney General to enforce provisions of the Master Settlement Agreement.

Litigation/Settlements: The Legislature appropriated supplemental General Funds of \$797,900 for FY 2004 to settle several legal decisions. These settlements include:

- University of Utah Miners' Hospital settlement (\$300,000);
- UPEA/UEA settlement (\$385,000 less the unexpended prior year funding for the same litigation of \$125,000);
- David C. et al. versus Michael Leavitt et al. Plaintiff's Attorney's Fees (\$114,900);
- Brian Barnard settlement (\$23,000);
- Robert Allsop settlement (\$100,000).

Transfer from the Department of Natural Resources: The Legislature transferred one FTE from the Department of Natural Resources to the Attorney General. The transfer increases the Attorney General's budget by \$40,800.

H.B. 165, "Child Protection Registry": The Legislature appropriated ongoing General Fund of \$56,500 and one-time General Funds of \$1,500 for FY 2005 to the Attorney General to enforce provisions of this legislation.

Children's Justice Centers: The Legislature appropriated \$25,000 (one-time) General Fund to assist with programs targeted at victims of child abuse.

Intent Language

In conjunction with the attorneys' market comparability adjustments, the Attorney General will report to the Executive Appropriations Committee with a plan for the funding allocation and its impact on state agencies.

During the interim, the Office of the Legislative Fiscal Analyst will examine whether the cost of computer assisted legal research can be reduced at the Office of the Attorney General.

Funding Detail

Attorney General					
	2004	2004	2004	2005	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2004 Revised
General Fund	17,353,500		17,353,500	18,383,200	1,029,700
General Fund, One-time	699,700	779,400	1,479,100	149,300	(1,329,800)
Federal Funds	1,228,300		1,228,300	1,228,300	
Dedicated Credits Revenue	12,781,800		12,781,800	13,119,500	337,700
GFR - Commerce Service	443,600		443,600	456,900	13,300
GFR - Constitutional Defense	120,000		120,000	123,600	3,600
GFR - Domestic Violence	78,500		78,500	78,600	100
GFR - Public Safety Support	500,100		500,100	511,000	10,900
GFR - Tobacco Settlement	100,000		100,000	100,000	
Attorney General Litigation Fund	255,600		255,600	256,100	500
Transfers - Commission on Criminal and Juvc	77,000		77,000	77,000	
Transfers - Other Agencies	55,000		55,000	55,000	
Beginning Nonlapsing	1,730,900		1,730,900	700,000	(1,030,900)
Closing Nonlapsing	(700,000)		(700,000)		700,000
Total	\$34,724,000	\$779,400	\$35,503,400	\$35,238,500	(\$264,900)
Programs					
Attorney General	31,262,100	(18,500)	31,243,600	32,144,200	900,600
Contract Attorneys	700,000	797,900	1,497,900	300,000	(1,197,900)
Children's Justice Centers	2,183,300		2,183,300	2,204,700	21,400
Prosecution Council	500,100		500,100	511,000	10,900
Domestic Violence	78,500		78,500	78,600	100
Total	\$34,724,000	\$779,400	\$35,503,400	\$35,238,500	(\$264,900)
Total FTE	387.8	0.0	387.8	388.8	1.0

State Auditor

The purpose of the Office of the Utah State Auditor is to help ensure the financial integrity and accountability of Utah's state and local governments. This is accomplished by providing independent, innovative audits or investigations and by monitoring and advising Utah's elected and appointed officials at all levels of government.

The State Auditor's appropriated General Fund budget for FY 2005 is \$2,819,100. This is an increase of \$107,800 over the FY 2004 Revised Estimate.

Funding Detail

State Auditor					
	2004 Estimated	2004 Supplemental	2004 Revised	2005 Appropriated	Change from 2004 Revised
Financing					
General Fund	2,699,900		2,699,900	2,795,800	95,900
General Fund, One-time	11,400		11,400	23,300	11,900
Dedicated Credits Revenue	690,000		690,000	772,000	82,000
Beginning Nonlapsing	191,700		191,700		(191,700)
Closing Nonlapsing					
Total	<u>\$3,593,000</u>	<u>\$0</u>	<u>\$3,593,000</u>	<u>\$3,591,100</u>	<u>(\$1,900)</u>
Programs					
State Auditor	3,593,000		3,593,000	3,591,100	(1,900)
Total	<u>\$3,593,000</u>	<u>\$0</u>	<u>\$3,593,000</u>	<u>\$3,591,100</u>	<u>(\$1,900)</u>
Total FTE	45.0	0.0	45.0	45.0	0.0

State Treasurer

The State Treasurer is responsible for the management of all state funds. The office controls the receipt and deposit of state monies, manages the banking relationships for all bank accounts, invests all funds at the highest market rates and provides liquidity for all state disbursements. In addition, the Treasurer coordinates the sale of all debt authorized by the Legislature, operates a local government investment pool for the benefit of all public entities, reconciles bank accounts and manages the Division of Unclaimed Property. The Treasurer also provides staff support for the Money Management Council which oversees the deposit and investment of all public monies.

The State Treasurer manages the investments for the Permanent State School and Institutional Trust Land Funds. The investment income for the public school's portion of the portfolio funds the State Trust Land Program.

The Unclaimed Property Division of the Treasurer is responsible for reuniting lost or abandoned property with its rightful owners. Property types include savings accounts, life insurance policies, payroll checks, safe deposit box contents, stocks and mutual funds, and other types of property. The costs of administering the Unclaimed Property Fund are paid from the trust fund. Any amount not returned to rightful owners is deposited in the Uniform School Fund.

The State Treasurer's appropriated General Fund budget for FY 2005 is \$855,000. This is an increase of \$31,400 over the FY 2004 Revised Estimate.

Funding Detail

State Treasurer					
	2004	2004	2004	2005	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2004 Revised
General Fund	821,000		821,000	849,600	28,600
General Fund, One-time	2,600		2,600	5,400	2,800
Dedicated Credits Revenue	189,500		189,500	191,700	2,200
Unclaimed Property Trust	1,181,600		1,181,600	1,211,800	30,200
Beginning Nonlapsing	296,300		296,300		(296,300)
Total	\$2,491,000	\$0	\$2,491,000	\$2,258,500	(\$232,500)
Programs					
State Treasurer	2,491,000		2,491,000	2,258,500	(232,500)
Total	\$2,491,000	\$0	\$2,491,000	\$2,258,500	(\$232,500)
Total FTE	27.3	0.0	27.3	27.3	0.0

Department of Public Safety

The objectives of the Department of Public Safety are to preserve order, reduce the number and severity of accidents, and reduce damage to life, health, property, and finances caused by unlawful activity.

The Department of Public Safety's appropriated General Fund budget for FY 2005 is \$46,396,100. This is an increase of \$2,828,200 over the FY 2004 Revised Estimate.

Legislative Action

Utah Highway Patrol Compensation Increase: The Legislature appropriated \$785,000 from the General Fund to the Utah Highway Patrol for market comparability increases.

H.B. 36, "Management, Enhancement, and Funding of 911 System": The Legislature provided ongoing funds from the General Fund Restricted Statewide Unified E-911 Emergency Service Fund in the amount of \$3,900,000 to the Utah 911 Committee in the Department of Public Safety for the development of enhanced 911 emergency services and integrated wireless systems.

Additional Positions: The Legislature appropriated \$107,900 to fund two additional FTEs - one criminalist and one document examiner - to enable the Department to carry out its mission.

Intent Language

The Legislature again authorized the Department of Public Safety to increase its fleet if funding is provided through federal aid or other sources for special programs or projects. Vehicles so purchased are not eligible for replacement using General fund borrowing capacity held by the State Division of Fleet Operations. Any expansion vehicle purchase during the interim under this intent language is to be reported to the Legislative Fiscal Analyst.

The Legislature again authorized that receipts above the appropriated dedicated credits amount of reimbursable flight time for the Department of Public Safety aircraft be used for major aircraft maintenance.

In the 2002 General Session, the Legislature authorized the Department of Public Safety to combine major line items into a single line item to mitigate base budget reductions and provide greater budget flexibility in managing its operations for FY 2003. This authority was extended for FY 2005.

Funding Detail

Department of Public Safety					
	2004	2004	2004	2005	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2004 Revised
General Fund	43,433,500		43,433,500	46,058,900	2,625,400
General Fund, One-time	134,400		134,400	337,200	202,800
Transportation Fund	5,495,500		5,495,500	5,495,500	
Federal Funds	21,555,300		21,555,300	22,029,600	474,300
Dedicated Credits Revenue	5,080,100		5,080,100	6,070,600	990,500
GFR - DNA Specimen	425,000		425,000	425,000	
GFR - E-911 Emergency Services				3,900,000	3,900,000
GFR - Fire Academy Support	4,367,100		4,367,100	4,412,800	45,700
GFR - Nuclear Oversight	1,793,300		1,793,300	1,793,300	
GFR - Public Safety Support	2,805,300		2,805,300	2,867,400	62,100
GFR - Statewide Warrant Ops	422,800	(300)	422,500	433,600	11,100
TFR - Motorcycle Education	207,900		207,900	208,000	100
TFR - Dept. of Public Safety Rest. Acct.	17,810,000		17,810,000	18,452,800	642,800
TFR - Uninsured Motorist I.D.	1,560,100		1,560,100	1,560,100	
Transfers - Commission on Criminal and Juve	817,100		817,100	787,600	(29,500)
Transfers - Other Agencies	1,171,900		1,171,900	1,170,900	(1,000)
Transfers - Within Agency	421,400		421,400	421,400	
Pass-through	660,000		660,000	660,000	
Beginning Nonlapsing	2,675,700		2,675,700	1,067,100	(1,608,600)
Closing Nonlapsing	(1,067,100)		(1,067,100)	(624,000)	443,100
Lapsing Balance	(1,803,300)		(1,803,300)	(1,803,300)	
Total	\$107,966,000	(\$300)	\$107,965,700	\$115,724,500	\$7,758,800
Programs					
Public Safety Programs & Operations	65,145,300	(300)	65,145,000	73,087,600	7,942,600
Emergency Services and Homeland Security	12,374,700		12,374,700	12,522,100	147,400
Peace Officers' Standards and Training	6,438,100		6,438,100	6,450,400	12,300
Liquor Law Enforcement	1,337,200		1,337,200	1,382,300	45,100
Driver License	19,115,500		19,115,500	18,702,000	(413,500)
Highway Safety	3,555,200		3,555,200	3,580,100	24,900
Total	\$107,966,000	(\$300)	\$107,965,700	\$115,724,500	\$7,758,800
Total FTE	1,142.5	0.0	1,142.5	1,144.5	2.0

Courts

The Utah State Court System consists of two appellate courts, the court of general jurisdiction (District Court) and a Juvenile Court. The state trial courts (District and Juvenile) are organized into eight Judicial Districts. These courts are fully funded and operated by the state. Additional courts not-of-record (Justice Courts) are funded and operated by local governments under standards established by the state.

The Courts' appropriated General Fund budget for FY 2005 is \$92,644,400. This is an increase of \$3,026,800 over the FY 2004 Revised Estimate.

Legislative Action

S.B. 196, "Court Fee Adjustments": The Legislature appropriated \$1.8 million (one-time) from the Court Security Account and \$900,000 (one-time) from the Justice Court Technology, Security, and Training Account to the Courts to fund security and technology in Juvenile and Justice Courts.

Jury, Witness and Interpreter Program: The Legislature provided \$559,300 supplemental funding for the Jury, Witness and Interpreter Program to fully fund two years of deficits.

Second District Courts: The Legislature appropriated \$227,800 to add one judge and staff to the Second District Courts.

Sanpete Juvenile Day Reporting Center: The Legislature appropriated \$127,500 to fund a new juvenile day reporting center in Sanpete County.

Appellate Mediation Program: The Legislature appropriated \$157,800 to restore funding to the Appellate Mediation Program that had been reduced in previous years.

Judicial Branch Contracts and Leases: The Legislature provided \$300,000 as phase one of a two-year plan to restore funds

reallocated to General Fund needs and \$171,000 for increased lease costs.

Tooele Courthouse - Third District Courts: The Legislature authorized \$7,100,000 for the Courts to enter into a joint project with Tooele County for the construction of the Tooele Courthouse.

Intent Language

The state court system is to examine the possibility of establishing an electronic filing system which could be used for most, if not all, documents filed within the state courts system and report to the Executive Appropriation Committee when such a system could be in place, how much it would cost and whether a self-funded system would be a feasible alternative.

During the interim, the Office of the Legislative Fiscal Analyst will examine whether the cost of computer assisted legal research can be reduced at the Courts.

Funding Detail

Judicial Council/State Court Administrator					
	2004	2004	2004	2005	Change from
	Estimated	Supplemental	Revised	Appropriated	2004 Revised
Financing					
General Fund	88,835,900		88,835,900	92,027,700	3,191,800
General Fund, One-time	223,700	558,000	781,700	616,700	(165,000)
Federal Funds	52,700		52,700	53,300	600
Dedicated Credits Revenue	890,400		890,400	996,500	106,100
General Fund Restricted	1,859,600		1,859,600		(1,859,600)
GFR - Alternative Dispute Resolution				145,000	145,000
GFR - Children's Legal Defense	410,800		410,800	657,500	246,700
GFR - Court Reporter Technology	100,000		100,000	350,000	250,000
GFR - Court Security Account	2,200,000		2,200,000	4,000,000	1,800,000
GFR - Court Trust Interest	250,000		250,000	250,000	
GFR - DNA Specimen				136,800	136,800
GFR - Guardian Ad Litem Services	309,400		309,400	314,600	5,200
GFR - Justice Court Tech. Sec.& Training				900,000	900,000
GFR - Non-Judicial Assessment				594,700	594,700
GFR - Online Court Assistance	35,000		35,000	50,000	15,000
GFR - State Court Complex	4,122,200		4,122,200	4,122,200	
GFR - Substance Abuse Prevention				414,600	414,600
GFR - Tobacco Settlement				193,700	193,700
Transfers	581,700		581,700	580,400	(1,300)
Transfers - Federal	1,523,400		1,523,400	1,554,100	30,700
Beginning Nonlapsing	860,800		860,800	(525,300)	(1,386,100)
Closing Nonlapsing	525,300	(559,300)	(34,000)	958,100	992,100
Total	\$102,780,900	(\$1,300)	\$102,779,600	\$108,390,600	\$5,611,000
Programs					
Administration	77,943,400	(1,300)	77,942,100	83,223,200	5,281,100
Grand Jury	800		800	800	
Contracts and Leases	19,348,600		19,348,600	19,569,500	220,900
Jury and Witness Fees	1,730,000		1,730,000	1,730,000	
Guardian ad Litem	3,758,100		3,758,100	3,867,100	109,000
Total	\$102,780,900	(\$1,300)	\$102,779,600	\$108,390,600	\$5,611,000
Total FTE	1,213.2	0.0	1,213.2	1,214.8	1.6

Department of Corrections

The Department of Corrections, as the adult correctional authority for the State of Utah, has a primary mission of community protection. To accomplish this goal, the Department develops and provides programs that identify and control convicted offenders' inappropriate behavior, and helps them learn to function as law-abiding citizens.

The Department of Corrections FY 2005 appropriated General Fund budget is \$183,284,400. This is an increase of \$7,119,500 over the FY 2004 Revised Estimate.

Legislative Action

Central Utah Correctional Facility Funding: The Legislature appropriated \$2,199,700 to fund 192 additional beds at the Central Utah Correctional Facility (Gunnison).

Jail Reimbursement Funding: The Legislature provided a FY 2004 supplemental of \$1,000,000 from the Department's non-lapsing balances and \$565,100 ongoing General Funds for FY 2005 to address the growth in Jail Reimbursement.

Oxbow Jail: The Legislature provided \$7 million to purchase the Oxbow Facility in South Salt Lake from Salt Lake County for use as a women's prison. The Legislature directed the Department to use \$1,540,000 from the Correctional Industries Enterprise Fund as part of the funding.

S.B. 16, "Identity Theft Amendments": The Legislature appropriated \$35,700 to fund the incarceration costs of future convicted offenders of this legislation.

S.B. 137, "Interstate Compact for Adult Offender Supervision - Application Fee": The Legislature provided \$29,000 from the Interstate Compact for Adult Offender Supervision Restricted Account to the Department of Corrections. The Department will establish rules and oversee the process of

transferring the supervision of offenders applying to move to another state.

Intent Language

The Legislature approved intent language directing the Department of Corrections to pursue the following performance goals in FY 2005: Housing Utilization: 95% of Maximum Capacity; Parolee Rate of Return: 25% New Prison Admission of Parolees; and Probationer Rate of Return: 3.5% New Prison Admission of Probationers.

To enable greater budget management flexibility and provide internal funding for anticipated growth, the Legislature authorized the Department to consolidate the Programs and Operations, Medical Services, and Utah Correctional Industries programs for FY 2004 and FY 2005. The remainder of the Department's line items of appropriation will each remain separate line items.

The Legislature clarified that state money is guaranteed for funding the core rate and that medical costs will be funded as available after the core costs are covered at the statutory level.

The Department of Corrections will open and operate the Oxbow Jail incrementally only as necessary. The Department is to do so in a manner that minimizes average per bed costs for all state adult corrections capacity, including contract beds. The Department will report monthly to the Executive Appropriations Committee on the progress of transitioning inmates to the new facility.

Funding Detail

Utah Department of Corrections					
	2004	2004	2004	2005	Change from
	Estimated	Supplemental	Revised	Appropriated	2004 Revised
Financing					
General Fund	175,751,100		175,751,100	182,178,900	6,427,800
General Fund, One-time	413,800		413,800	1,105,500	691,700
Federal Funds	746,300		746,300	696,300	(50,000)
Dedicated Credits Revenue	16,898,300		16,898,300	17,505,200	606,900
General Fund Restricted				29,000	29,000
GFR - DNA Specimen	515,000		515,000	515,000	
GFR - Tobacco Settlement	81,700		81,700	81,700	
Crime Victims Reparation Trust	750,000		750,000	750,000	
Transfers - Commission on Criminal and Juve	665,100		665,100	502,800	(162,300)
Transfers - Human Services	264,100		264,100		(264,100)
Beginning Nonlapsing	4,646,900		4,646,900	4,646,900	
Closing Nonlapsing	(4,646,900)	1,000,000	(3,646,900)	(4,646,900)	(1,000,000)
Total	<u>\$196,085,400</u>	<u>\$1,000,000</u>	<u>\$197,085,400</u>	<u>\$203,364,400</u>	<u>\$6,279,000</u>
Programs					
Corrections Programs & Operations	155,483,300		155,483,300	161,727,800	6,244,500
Utah Correctional Industries	14,000,000		14,000,000	14,469,400	469,400
Jail Contracting	18,086,200		18,086,200	18,086,200	
Jail Reimbursement	8,515,900	1,000,000	9,515,900	9,081,000	(434,900)
Total	<u>\$196,085,400</u>	<u>\$1,000,000</u>	<u>\$197,085,400</u>	<u>\$203,364,400</u>	<u>\$6,279,000</u>
Total FTE	2,267.1	0.0	2,267.1	2,267.1	0.0

Board of Pardons

The Board of Pardons is the release authority for all inmates in the State of Utah. The Board is responsible for reviewing an inmate's performance during incarceration, and determining when, and under what conditions, the inmate may be released after serving the minimum sentence required by law. In addition, the Board reviews violations of release conditions to decide whether an inmate should be sent back to prison.

As a quasi-judicial body, the Board has a responsibility not only for public safety and equity of inmate treatment, but for the record keeping and process that must meet stringent legal scrutiny. In Utah, most sentencing is indeterminate. The Board becomes the final sentencing authority and sets the standard for length of confinement for most felons. The Board of Pardons and Parole has played a significant role in reducing the number of inmates at the State Prison.

The Board of Pardons appropriated General Fund budget for FY 2005 is \$2,649,500. This is a slight increase from the FY 2004 Revised Estimate of \$2,556,700.

Funding Detail

Board Of Pardons and Parole					
	2004	2004	2004	2005	Change from
	Estimated	Supplemental	Revised	Appropriated	2004 Revised
Financing					
General Fund	2,547,600		2,547,600	2,632,500	84,900
General Fund, One-time	9,100		9,100	17,000	7,900
Dedicated Credits Revenue	2,200		2,200	2,200	
GFR - Tobacco Settlement	77,400		77,400	77,400	
Beginning Nonlapsing	144,800		144,800	144,800	
Closing Nonlapsing	(144,800)		(144,800)		144,800
Total	<u>\$2,636,300</u>	<u>\$0</u>	<u>\$2,636,300</u>	<u>\$2,873,900</u>	<u>\$237,600</u>
Programs					
Board Of Pardons and Parole	2,636,300		2,636,300	2,873,900	237,600
Total	<u>\$2,636,300</u>	<u>\$0</u>	<u>\$2,636,300</u>	<u>\$2,873,900</u>	<u>\$237,600</u>
Total FTE	33.0	0.0	33.0	33.0	0.0

Division of Juvenile Justice Services

The Division of Juvenile Justice Services (formerly Division of Youth Corrections) is responsible for all delinquent offenders committed by the state's Juvenile Courts. In addition, the Division operates receiving centers and detention facilities that deal with pre-adjudicated youth.

The Division of Juvenile Justice Services' appropriated General Fund budget for FY 2005 is \$70,740,000. This is an increase of \$3,681,000 from the FY 2004 Revised Estimate.

Legislative Action

Youth Facilities: The Legislature expanded services for youth offenders in the Washington and Canyonlands Regions. The Legislature appropriated \$807,000 ongoing General Funds for full-year operations at the Washington County Youth Detention Center. The Legislature also appropriated \$350,000 ongoing General Funds for shelter beds at the Canyonlands Youth Detention Center in Blanding.

Funding Reallocation: The Legislature reallocated \$251,500 of General Fund in both FY 2004 and FY 2005 from the Division of Juvenile Justice Services to the Department of Human Services for consolidation of human resource functions.

Intent Language

The Division of Juvenile Justice Services may provide capital to the Division of Fleet Operations for the purchase of no more than two vehicles for use at the new Washington County facility.

Funding Detail

Department of Human Services - Division of Juvenile Justice Services					
	2004	2004	2004	2005	Change from
	Estimated	Supplemental	Revised	Appropriated	2004 Revised
Financing					
General Fund	67,184,700		67,184,700	70,111,000	2,926,300
General Fund, One-time	125,800	(251,500)	(125,700)	629,000	754,700
Federal Funds	2,094,800		2,094,800	2,220,600	125,800
Dedicated Credits Revenue	2,769,600		2,769,600	2,810,700	41,100
Restricted Revenue	91,000		91,000		(91,000)
GFR - DNA Specimen				91,000	91,000
GFR - Youth Corrections Victims	1,069,300		1,069,300	1,069,300	
Transfers - Commission on Criminal and Juve	5,631,100		5,631,100	1,295,400	(4,335,700)
Transfers - Medicaid	11,900,000		11,900,000	12,359,200	459,200
Transfers - Other Funds	898,500		898,500	1,129,100	230,600
Other Financing Sources				1,100	1,100
Beginning Nonlapsing	969,100		969,100		(969,100)
Total	<u>\$92,733,900</u>	<u>(\$251,500)</u>	<u>\$92,482,400</u>	<u>\$91,716,400</u>	<u>(\$766,000)</u>
Programs					
Programs and Operations	92,411,200	(251,500)	92,159,700	91,427,600	(732,100)
Youth Parole Authority	322,700		322,700	288,800	(33,900)
Total	<u>\$92,733,900</u>	<u>(\$251,500)</u>	<u>\$92,482,400</u>	<u>\$91,716,400</u>	<u>(\$766,000)</u>
Total FTE	998.5	(7.3)	991.3	991.2	(0.1)

Funding Detail

Executive Offices & Criminal Justice Appropriations Subcommittee					
	2004	2004	2004	2005	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2004 Revised
General Fund	405,072,200		405,072,200	421,906,200	16,834,000
General Fund, One-time	2,141,500	1,785,900	3,927,400	3,322,200	(605,200)
Transportation Fund	5,495,500		5,495,500	5,495,500	
Federal Funds	43,768,700		43,768,700	40,415,400	(3,353,300)
Dedicated Credits Revenue	39,696,100		39,696,100	41,861,300	2,165,200
Restricted Revenue	91,000		91,000		(91,000)
General Fund Restricted	1,859,600		1,859,600	29,000	(1,830,600)
GFR - Alternative Dispute Resolution				145,000	145,000
GFR - Children's Legal Defense	410,800		410,800	657,500	246,700
GFR - Commerce Service	443,600		443,600	456,900	13,300
GFR - Constitutional Defense	2,000,000		2,000,000	2,007,800	7,800
GFR - Court Reporter Technology	100,000		100,000	350,000	250,000
GFR - Court Security Account	2,200,000		2,200,000	4,000,000	1,800,000
GFR - Court Trust Interest	250,000		250,000	250,000	
GFR - Domestic Violence	78,500		78,500	78,600	100
GFR - DNA Specimen	940,000		940,000	1,167,800	227,800
GFR - E-911 Emergency Services				3,900,000	3,900,000
GFR - Fire Academy Support	4,367,100		4,367,100	4,412,800	45,700
GFR - Guardian Ad Litem Services	309,400		309,400	314,600	5,200
GFR - Justice Court Tech, Sec. & Training				900,000	900,000
GFR - Non-Judicial Assessment				594,700	594,700
GFR - Nuclear Oversight	1,793,300		1,793,300	1,793,300	
GFR - Online Court Assistance	35,000		35,000	50,000	15,000
GFR - Public Safety Support	3,305,400		3,305,400	3,378,400	73,000
GFR - State Court Complex	4,122,200		4,122,200	4,122,200	
GFR - Statewide Warrant Ops	422,800	(300)	422,500	433,600	11,100
GFR - Substance Abuse Prevention				414,600	414,600
GFR - Tobacco Settlement	259,100		259,100	452,800	193,700
GFR - Youth Corrections Victims	1,069,300		1,069,300	1,069,300	
TFR - Motorcycle Education	207,900		207,900	208,000	100
TFR - Dept. of Public Safety Rest. Acct.	17,810,000		17,810,000	18,452,800	642,800
TFR - Uninsured Motorist I.D.	1,560,100		1,560,100	1,560,100	
Attorney General Litigation Fund	255,600		255,600	256,100	500
Crime Victims Reparation Trust	3,073,300		3,073,300	3,211,300	138,000
Unclaimed Property Trust	1,181,600		1,181,600	1,211,800	30,200
Transfers	581,700		581,700	580,400	(1,300)
Transfers - Commission on Criminal and Juve	2,476,300		2,476,300	2,662,800	186,500
Transfers - Federal	1,523,400		1,523,400	1,554,100	30,700
Transfers - Human Services	264,100		264,100		(264,100)
Transfers - Medicaid	11,900,000		11,900,000	12,359,200	459,200
Transfers - Other Agencies	1,226,900		1,226,900	1,225,900	(1,000)
Transfers - Other Funds	898,500		898,500	1,129,100	230,600
Transfers - Within Agency	474,400		474,400	474,400	
Other Financing Sources				1,100	1,100
Pass-through	660,000		660,000	660,000	
Beginning Nonlapsing	16,176,300		16,176,300	6,403,500	(9,772,800)
Closing Nonlapsing	(6,403,500)	440,700	(5,962,800)	(4,414,800)	1,548,000
Lapsing Balance	(1,803,300)		(1,803,300)	(1,803,300)	
Total	\$572,294,400	\$2,226,300	\$574,520,700	\$589,712,000	\$15,191,300
Programs					
Governor's Office	29,016,400	700,000	29,716,400	26,286,600	(3,429,800)
State Auditor	3,593,000		3,593,000	3,591,100	(1,900)
State Treasurer	2,491,000		2,491,000	2,258,500	(232,500)
Attorney General	34,724,000	779,400	35,503,400	35,238,500	(264,900)
Corrections	196,085,400	1,000,000	197,085,400	203,364,400	6,279,000
Board of Pardons and Parole	2,636,300		2,636,300	2,873,900	237,600
Juvenile Justice Services	92,733,900	(251,500)	92,482,400	91,716,400	(766,000)
Courts	102,780,900	(1,300)	102,779,600	108,390,600	5,611,000
Public Safety	107,966,000	(300)	107,965,700	115,724,500	7,758,800
Restricted Revenue - EOCJ	267,500		267,500	267,500	
Total	\$572,294,400	\$2,226,300	\$574,520,700	\$589,712,000	\$15,191,300
Total FTE	6,223.8	(7.3)	6,216.5	6,223.0	6.5



**Capital Facilities and
Administrative Services**

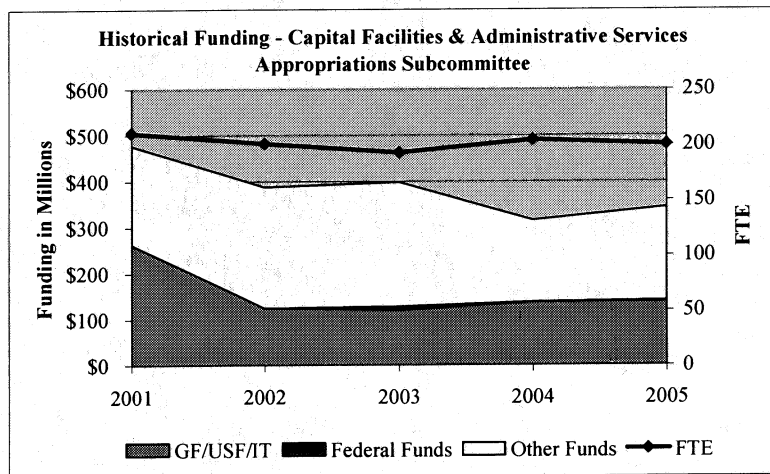
Capital Facilities & Administrative Services

Subcommittee Overview

The Capital Facilities and Administrative Service (CFAS) Appropriation Subcommittee oversees funding for the Capitol Preservation Board, the Department of Administrative Services, Capital Facilities and Debt Service.

When all oversight areas are totaled, the CFAS Subcommittee authorized budget levels totaling \$344.3 million for Fiscal Year 2005. Of the total, approximately \$24.2 million provides operating budgets for the Department of Administrative Services and the Capitol Preservation Board. Seventy-eight percent of the total appropriation - \$269.3 million - provides funds for debt service obligations.

The Legislature authorized issuance of \$86.4 million in general obligation debt for capital facilities and an additional \$50 million of general obligation debt for highway projects. Capital improvement authorizations totaled \$43.9 million – the highest level ever appropriated to address the state’s maintenance backlog.



Capitol Preservation Board

The Capitol Preservation Board (CPB) oversees the daily activities on the Capitol Campus, which includes all buildings and grounds. The Board created a 20 year Master Plan that addresses management, planning, design and renovation of the Capitol Building. With construction of the East/West Extension buildings coming to a close, the Board received \$50 million to begin the work on the restoration and base isolation project for the Capitol Building.

Day to day operations are managed by the Executive Director with the assistance of two staff members funded from CPB budgets. The Director contracts with DFCM for janitorial, maintenance and utility service. Of the Board's \$2.5 operating budget, more than \$2.3 million pays for the DFCM management contract and other current expenses associated with building maintenance. For the third consecutive fiscal year, the Board will charge a portion of staff salaries to the construction project in an effort to free up funds for other state needs. Over the course of the project this will increase costs by as much as a half percent, but the added flexibility is necessary to prevent loss of critical staff members.

Funding Detail

Capitol Preservation Board					
	2004	2004	2004	2005	Change from
	Estimated	Supplemental	Revised	Appropriated	2004 Revised
Financing					
General Fund	2,165,400		2,165,400	2,175,800	10,400
General Fund, One-time	600		600	1,500	900
Dedicated Credits Revenue	228,000		228,000	228,300	300
Transfers	104,000		104,000	141,400	37,400
Beginning Nonlapsing	37,400		37,400		(37,400)
Total	\$2,535,400	\$0	\$2,535,400	\$2,547,000	\$11,600
Programs					
Capitol Preservation Board	2,535,400		2,535,400	2,547,000	11,600
Total	\$2,535,400	\$0	\$2,535,400	\$2,547,000	\$11,600
Total FTE	3.0	0.0	3.0	3.0	0.0

Department of Administrative Services

The Department of Administrative Services (DAS) is divided into two central service agencies. The first is an appropriated division responsible for coordinating the statewide financial system, administration of rules and archival materials, overseeing construction projects and managing statewide purchasing. The second is a group of centralized internal service funds that consolidates common functions such as technology services, fleet operations, facility maintenance and risk management.

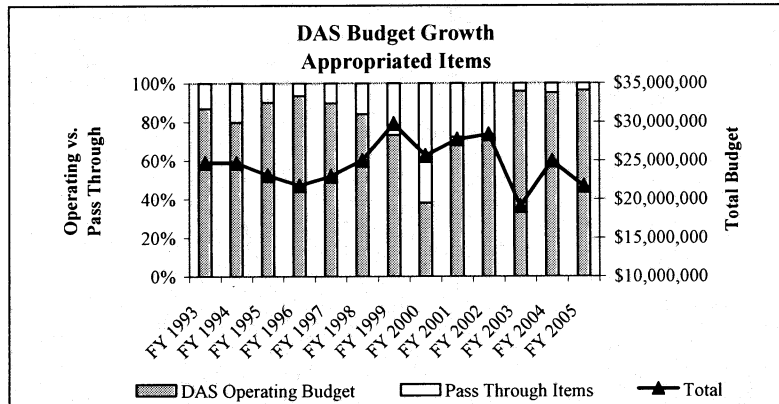
DAS Appropriated Divisions

The FY 2005 appropriated operating budget for the Department of Administrative Services is 11 percent less than it was in 1993. The combination of a departmental reorganization and the implementation of technology initiatives allow DAS to operate without significant new appropriations.

The Department of Administrative Services provides accounting services for many short-term programs throughout the state through the Division of Finance. Each year, the Division of Finance serves as the holding agency for funds to be expended by other agencies for projects not related to the mission of DAS. Over the years, these projects have included funding for Y2K,

Underground Storage Tank Mitigation, and the LeRay McAllister Critical Land Conservation Fund.

The following table shows annual changes in the total budget and reflects the percentage of pass-through items that create fluctuations in the appropriated budget.



Executive Director's Office: The Executive Director's Office provides department financial management, strategic planning, organizational development, and public relations. The Division employs eight FTEs with a budget of \$844,600.

Administrative Rules: The Division of Administrative Rules establishes procedures for administrative rule-making. Statute requires the division to register administrative rules, make administrative rules available to the public, publish summaries of proposed rules, and compile and codify all effective rules in the Utah Administrative Code. The Division employs four FTE with a budget for FY 2005 of \$287,600.

Division of Archives: The Utah State Archives is the depository for the official records of the State and its political subdivisions. It serves State government and the public by managing records created by the legislative, judicial, and executive branches of government. This includes cataloging vital records, storage of historic documents, and the management of records created by the court system. Archives employs 29 FTEs, spread over five programs with a budget of \$2,066,500.

Division of Purchasing and General Services: The Division of Purchasing and General Services provides for the procurement of all supplies and services needed by the State. The division has 22 FTEs and a budget of \$1,421,800.

Division of Finance: The Director of the Division of Finance is the state's chief fiscal officer and is responsible for State government's accounting structure. The division produces the Comprehensive Annual Financial Report (CAFR), ensures compliance with generally accepted accounting principles, issues warrants to vendors and manages the state's payroll. The Division budget of \$10,436,900 funds five programs with a combined FTE count of 78.

Division of Facilities Construction and Management: The Division of Facilities Construction and Management (DFCM) is responsible for construction, remodeling and equipping of buildings for all state institutions and agencies. The Division addresses the state's maintenance backlog by administering capital improvement projects for existing buildings. The appropriated portion of the Division employs 42 FTEs and has an operating budget of \$3,950,000 – an amount taken from project funds for the third straight year.

Funding Detail

Department of Administrative Services					
Financing	2004		2004	2005	Change from 2004 Revised
	Estimated	Supplemental	Revised	Appropriated	
General Fund	11,428,200		11,428,200	11,815,200	387,000
General Fund, One-time	334,500	3,328,400	3,662,900	75,300	(3,587,600)
Transportation Fund	450,000		450,000	450,000	
Federal Funds		474,000	474,000	500,000	26,000
Dedicated Credits Revenue	3,407,100	148,000	3,555,100	2,377,100	(1,178,000)
Total	\$21,018,700	\$3,950,400	\$24,969,100	\$21,682,700	(\$3,286,400)
Programs					
Executive Director	861,600		861,600	844,600	(17,000)
Automated Geographic Reference Center	1,025,800	622,000	1,647,800	1,645,400	(2,400)
Administrative Rules	280,500	55,000	335,500	287,600	(47,900)
DFCM Administration	3,854,900		3,854,900	3,950,600	95,700
State Archives	1,979,900		1,979,900	2,066,500	86,600
Finance Administration	10,894,300	2,823,400	13,717,700	10,436,900	(3,280,800)
Finance - Mandated	482,600	450,000	932,600	482,600	(450,000)
Post Conviction Indigent Defense	74,000		74,000	74,000	
Judicial Conduct Commission	228,100		228,100	233,700	5,600
Purchasing	1,337,000		1,337,000	1,421,800	84,800
Child Welfare Parental Defense				239,000	239,000
Total	\$21,018,700	\$3,950,400	\$24,969,100	\$21,682,700	(\$3,286,400)
Total FTE	198.5	3.0	201.5	197.5	(4.0)

Internal Service Funds (ISF)

The Department manages divisions that function as Internal Service Funds. These divisions provide goods and services based on legislatively approved rates and are mandated to operate in the manner of a private sector enterprise except in regard to profit. As “vendors” to state agencies, ISFs are designed to recover only the costs associated with providing the service. ISF revenue is derived from rates charged to other agencies for services that would be more expensive if they were not centralized. In all, Administrative Services ISFs generate \$156 million and employ 526 FTE.

Division of Purchasing and General Services (ISF):

The ISF portion of this division includes a stockless, vendor direct central store, central copy services and a central mail operation. The mail operation offers processing for forms, folding and special mailers. Electronic purchasing cards allow agencies to order office supplies online, and the centralized copier service coordinates statewide pools to reduce publishing costs.

Division of Fleet Operations: The Division of Fleet Operations operates the State Central Motor Pool, the Surplus Property Program and the state fuel network.

Division of Information Technology Services: The Division of Information Technology Services (ITS) is required to provide cost effective, reliable data processing and communication service to state and local government. The data processing area of ITS provides software development, computer time-sharing, main frame computing and consultation services. The telecommunications area of ITS delivers priority service to public safety agencies and negotiates on behalf of state agencies the purchase, lease or rental of private or public telecommunications services.

Division of Risk Management: As the state’s risk manager, the division provides liability, property and auto damage coverage to state agencies, school districts, colleges and eight local

health departments. The liability insurance program is entirely self funded and the property insurance program is self funded up to a \$2.5 million deductible. A private carrier provides coverage beyond the aggregated deductible amount.

Division of Facilities Construction and Management - Facilities Management (ISF): The DFCM internal service fund provides building management throughout the state. Included in this budget are building expenses such as utilities, janitorial, garbage collection, and security. DFCM also evaluates preventative maintenance programs by conducting building assessments for state owned buildings and college facilities.

Office of Debt Collection: The Office of State Debt Collection collects and manages state receivables and develops policies governing long-term outstanding debt. Private collection firms provide the actual collection work. Formerly funded with tax funds, the Division now operates entirely as an internal service fund, generating dedicated credits to fund all expenditures.

Legislative Action

FINET Upgrade: The Legislature provided \$3 million to replace the state's financial accounting system (FINET). Funds came from excess retained earnings in the Risk Management program.

LeRay McAllister Critical Land Fund: The Legislature enhanced funding for protection of open spaces with an additional \$300,000 in one-time funds. The amount earmarked for the fund will total \$782,400 in FY 2004 and return to \$482,400 in FY 2005.

State Archives Facility Costs: The Legislature used internal reallocations to fund \$105,000 in additional lease costs at the State Records Center and for operation and maintenance costs associated with the new Archives facility.

Administrative Rules: To offset rising workload issues within the Division, the Legislature provided \$55,000 in one-time funds to hire contract employees to assist with preparation and publication of rules.

Purchasing Agent: The Legislature reallocated \$75,000 to provide the Division of Purchasing with funds to restore an eliminated position and to retain current employees.

Chief Information Officer: Using savings from proposed ITS rates, the Legislature provided \$152,000 to fully fund the state CIO's office.

AGRC: Following several years of annual one-time appropriations, the Legislature provided ongoing funds in the amount of \$250,000 for the Automated Geographic Reference Center.

ISF Capital Outlay Authority (SB 15): Creates new rules regarding the amount of Capital Outlay Funds available to internal service funds, providing additional oversight tools for legislative use in managing ISF operations.

ITS Procurement (HB 31): Requires ITS to present a business case prior to making large purchases.

Rate Committee Changes (HB 30): Clarifies the role of the rate committee and requires market comparability studies in the establishment of ISF rates.

Child Welfare Processes (HB 268): Transferred \$239,000 from Human Services to establish an office dedicated to contracting for parental defense attorneys.

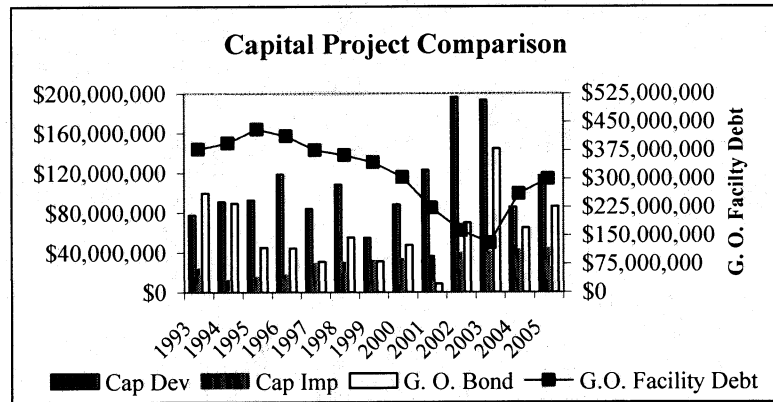
Funding Detail

ISF - Administrative Services					
	2004	2004	2004	2005	Change from
	Estimated	Supplemental	Revised	Appropriated	2004 Revised
Financing					
Dedicated Credits Revenue	367,000		367,000	367,000	
Premiums	28,995,900		28,995,900	28,430,700	(565,200)
Licenses/Fees	168,000		168,000	168,000	
Interest Income	661,000		661,000	661,000	
Dedicated Credits - Intragvt Rev	119,543,800		119,543,800	120,040,700	496,900
Restricted Revenue	6,932,800		6,932,800	8,517,600	1,584,800
Other Financing Sources	2,100		2,100	2,100	
Total	\$156,670,600	\$0	\$156,670,600	\$158,187,100	\$1,516,500
Programs					
ISF - Office of State Debt Collection	1,101,600		1,101,600	1,105,200	3,600
ISF - Purchasing & General Services	13,785,400		13,785,400	14,094,600	309,200
ISF - Information Technology Services	49,404,800		49,404,800	47,833,400	(1,571,400)
ISF - Fleet Operations	38,662,400		38,662,400	38,356,500	(305,900)
ISF - Risk Management	36,290,200		36,290,200	37,302,300	1,012,100
ISF - Facilities Management	19,343,000		19,343,000	19,262,800	(80,200)
Total	\$158,587,400	\$0	\$158,587,400	\$157,954,800	(\$632,600)
Profit/(Loss)	(\$1,916,800)	\$0	(\$1,916,800)	\$232,300	\$2,149,100
FTE/Other					
Total FTE	501.5	0.0	501.5	500.5	(1)
Authorized Capital Outlay	\$21,249,385	\$0	\$21,249,385	\$22,949,200	1,699,815
Retained Earnings	\$15,634,200	(\$3,355,000)	\$12,279,200	\$12,181,700	(97,500)

Capital Budget

The capital budget provides funding to purchase, construct and repair State facilities.

State-funded capital projects include all projects paid for with general tax revenue (GF/USF/Income Tax) or with general obligation bonds. For FY 2005, the Legislature authorized \$43.9 million in state tax funds for capital improvements (projects that do not add new space and cost less than \$1.5 million) and an additional \$86.4 million in general obligation bonds to fund capital developments.



The chart above shows the historical relationship between funding for capital improvements (also called alterations, repairs, and improvements), new or replacement facilities (capital developments) and annual bond authorizations. General Obligation Facility Debt totals (the right vertical axis shown in the chart) will not include debt authorized during the 2004 session until it has actually been issued.

Legislative Action

Capital Improvements - Maintaining existing facilities:

To balance the FY 2005 budget, the Legislature continued to fund Capital Improvements at the minimum statutory rate of 0.9 percent. Even at this lower level, the appropriation of \$43.9 million represents the highest level of funding ever authorized to address the state's maintenance backlog.

Non-state funded projects (HB 328): Approves donated projects (\$97.2 million), lease-purchases (\$2.9 million) and other projects that are funded within agency budgets through revenue bonds (\$75.5 million).

DFCM Contract Procedures (HB 217): Requires DFCM to establish a dispute resolution system for subcontractors.

Approval of Non-State Projects (HB 226): Prevents state agencies from acquiring non-state funded projects without Legislative approval.

Funding Detail

Capital Budget					
	2004	2004	2004	2005	Change from
	Estimated	Supplemental	Revised	Appropriated	2004 Revised
Financing					
General Fund	27,584,700		27,584,700	26,976,900	(607,800)
General Fund, One-time	(4,200,000)		(4,200,000)	1,540,000	5,740,000
Income Tax	17,000,000		17,000,000	17,000,000	
Federal Funds				2,200,000	2,200,000
Dedicated Credits - GO Bonds	4,200,000		4,200,000		(4,200,000)
Dedicated Credits - Revenue Bonds	22,750,000		22,750,000		(22,750,000)
GFR - Special Administrative Expense				2,801,000	2,801,000
GFR - Wildlife Resources Trust				250,000	250,000
Total	<u>\$67,334,700</u>	<u>\$0</u>	<u>\$67,334,700</u>	<u>\$50,767,900</u>	<u>(\$16,566,800)</u>
Programs					
DPCM Capital Program	67,334,700		67,334,700	46,777,900	(20,556,800)
Total	<u>\$67,334,700</u>	<u>\$0</u>	<u>\$67,334,700</u>	<u>\$50,767,900</u>	<u>(\$16,566,800)</u>

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State Funded Capital Projects

The table below shows projects funded in part or in whole by state funds and General Obligation Bonds.

State Funded Projects	State Funds	Other Funds	G. O. Bond	Total Authorized
Capital Improvements	\$43,976,000			\$43,976,000
WSU Swenson Remodel			\$5,569,000	5,569,000
SLCC Health Sciences			21,000,000	21,000,000
CEU San Juan Health Sciences		\$2,400,000	2,400,000	4,800,000
UNG Readiness Ctr.		10,500,000	2,719,000	13,219,000
Capitol Restoration			50,000,000	50,000,000
Oxbow Jail	1,540,000	2,200,000	4,800,000	8,540,000
	<u>\$45,516,000</u>	<u>\$15,100,000</u>	<u>\$86,488,000</u>	<u>\$147,104,000</u>

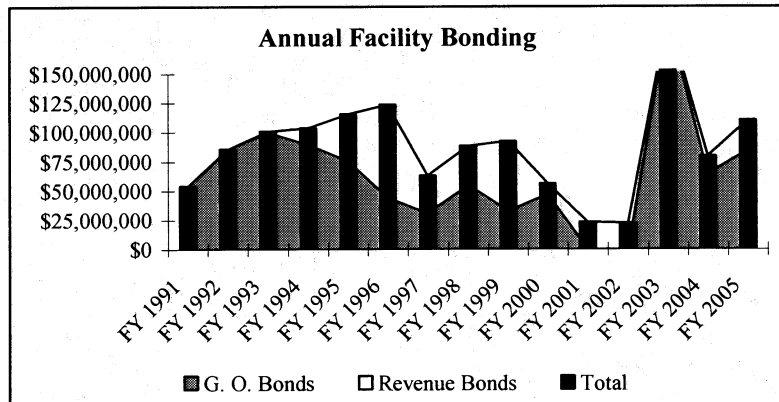
Non-State Funded Capital Projects

	Revenue Bond	USHE Bond	Internal Funds	Total Authorized
Tooele County Courts	\$7,103,000			\$7,103,000
DABC Stores	8,205,000			8,205,000
Moab Regional Center	1,450,000			1,450,000
Ogden Regional Center	8,914,000			8,914,000
USHE Office Space		\$3,600,000		3,600,000
USU Stadium/Housing/Childcare		47,500,000		47,500,000
UCAT Mntlnd Lease Purchase			\$2,900,000	2,900,000
DWR Carbon Property			250,000	250,000
DWS Logan Employment Ctr.			2,801,000	2,801,000
	\$25,672,000	\$51,100,000	\$5,951,000	\$82,723,000

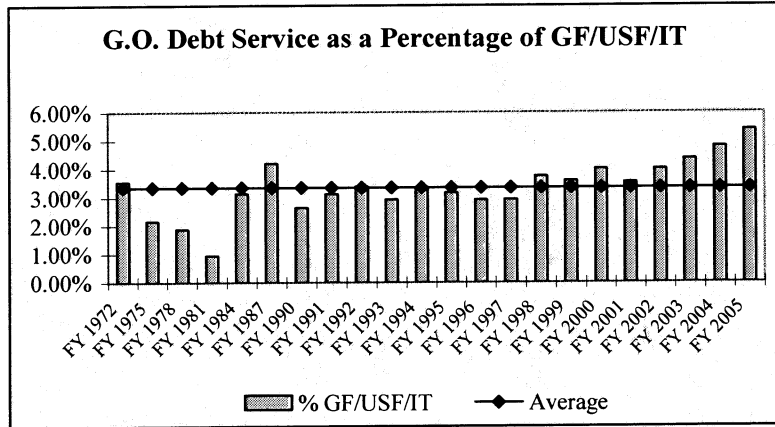
Debt Service

Outstanding Indebtedness: The State Constitution limits general obligation debt to 1.5 percent of the taxable value of property in the state. Current outstanding debt utilizes just under one-half of the Constitutional authority.

Debt Service for FY 2005 requires an increase of \$4.8 million in state funds for capital facility obligations and an additional \$21.2 million from the Centennial Highway Fund for transportation debt. The Legislature approved \$205.2 in total debt service for General Obligation bonds. Dedicated Credits, used to fund revenue bonds, doubled to \$62.2 million as the final payment came due on the Olympic Housing project at the University of Utah. The project was funded through SLOC revenue rather than state tax funds.



As shown in the following chart, General Obligation Debt Service as a percent of FY 2005 General Fund and Uniform School Fund appropriations rose to 5.39 percent, up more than a half percent from the previous year. FY 2005 will mark the first time that G.O. debt service will exceed five percent of tax funds. Although debt service exceeds Utah's historical average, sound management practices help to maintain the State's AAA bond rating from all three major rating agencies.



Funding Detail

State Board of Bonding Commissioners - Debt Service					
	2004	2004	2004	2005	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2004 Revised
General Fund	56,833,700		56,833,700	61,721,600	4,887,900
General Fund, One-time		1,530,600	1,530,600		(1,530,600)
Uniform School Fund	17,164,300		17,164,300	17,164,300	
Centennial Highway Fund	97,724,900		97,724,900	125,371,200	27,646,300
Centennial Highway Fund, One-time		1,796,800	1,796,800		(1,796,800)
Dedicated Credits Revenue	30,392,900		30,392,900	62,881,500	32,488,600
TFR - Public Transp. System Tax		2,220,700	2,220,700	2,190,300	(30,400)
Beginning Nonlapsing	16,004,400		16,004,400	7,126,000	(8,878,400)
Closing Nonlapsing	(7,126,000)		(7,126,000)	(7,126,000)	
Total	\$210,994,200	\$5,548,100	\$216,542,300	\$269,328,900	\$52,786,600
Programs					
Debt Service	210,994,200	5,548,100	216,542,300	269,328,900	52,786,600
Total	\$210,994,200	\$5,548,100	\$216,542,300	\$269,328,900	\$52,786,600
					0.0

Funding Detail

Capital Facilities & Administrative Services Appropriations Subcommittee					
	2004	2004	2004	2005	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2004 Revised
General Fund	98,012,000		98,012,000	102,689,500	4,677,500
General Fund, One-time	(3,864,900)	9,097,000	5,232,100	1,616,800	(3,615,300)
Uniform School Fund	17,164,300		17,164,300	17,164,300	
Income Tax	17,000,000		17,000,000	17,000,000	
Transportation Fund	450,000		450,000	450,000	
Centennial Highway Fund	97,724,900		97,724,900	125,371,200	27,646,300
Centennial Highway Fund, One-time		1,796,800	1,796,800		(1,796,800)
Federal Funds		474,000	474,000	2,700,000	2,226,000
Dedicated Credits Revenue	34,028,000	148,000	34,176,000	65,486,900	31,310,900
Dedicated Credits - GO Bonds	4,200,000		4,200,000		(4,200,000)
Dedicated Credits - Revenue Bonds	22,750,000		22,750,000		(22,750,000)
GFR - E-911 Emergency Services				250,000	250,000
GFR - ISF Overhead	1,490,000		1,490,000	1,272,400	(217,600)
GFR - Special Administrative Expense				2,801,000	2,801,000
GFR - Wildlife Resources Trust				250,000	250,000
TFR - Public Transp. System Tax		2,220,700	2,220,700	2,190,300	(30,400)
Transfers	104,000		104,000	141,400	37,400
Capital Project Fund	2,666,400		2,666,400	3,956,700	1,290,300
Beginning Nonlapsing	18,729,100		18,729,100	8,475,700	(10,253,400)
Closing Nonlapsing	(8,475,700)		(8,475,700)	(7,402,300)	1,073,400
Lapsing Balance	(95,100)		(95,100)	(87,400)	7,700
Total	\$301,883,000	\$13,736,500	\$315,619,500	\$344,326,500	\$28,707,000
Programs					
Capitol Preservation Board	2,535,400		2,535,400	2,547,000	11,600
Administrative Services	21,018,700	3,950,400	24,969,100	21,682,700	(3,286,400)
Capital Budget	67,334,700		67,334,700	50,767,900	(16,566,800)
Debt Service	210,994,200	5,548,100	216,542,300	269,328,900	52,786,600
Restricted Revenue - CFAS		4,238,000	4,238,000		(4,238,000)
Total	\$301,883,000	\$13,736,500	\$315,619,500	\$344,326,500	\$28,707,000
Total FTE	201.5	3.0	204.5	200.5	(4.0)

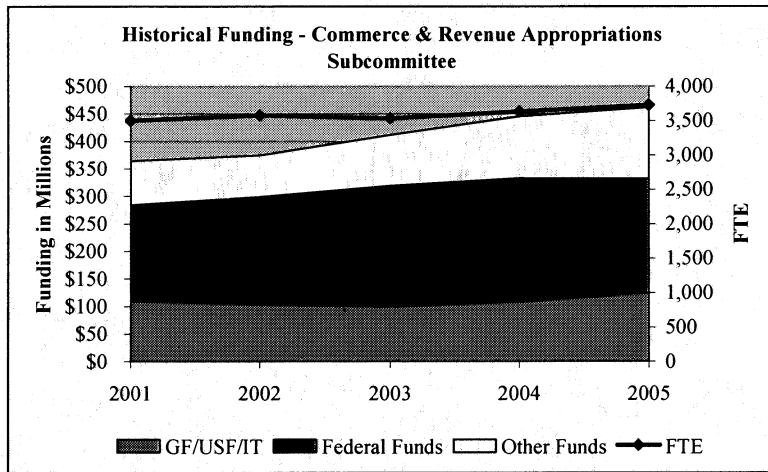


Commerce and Revenue

Commerce and Revenue

Subcommittee Overview

The Legislature appropriated \$461,744,100 to eight state agencies: Alcoholic Beverage Control, Commerce, Financial Institutions, Insurance, Labor Commission, Public Service Commission, Tax Commission, and Workforce Services. State funds (General Fund and Uniform School Funds) increased 11.7%, from \$108,258,900 to \$125,073,200.



Alcoholic Beverage Control

The Department of Alcoholic Beverage Control regulates the manufacture, sale, and use of alcoholic beverages by licensing on-premise businesses, manufacturers, wholesalers, warehouse, importers, and liquor representatives.

Utah is one of 18 liquor control states and one of two totally state run systems. The Department operates 36 state stores and about 80 package agencies which are the exclusive retailers of liquor, wine and heavy beer in the state.

Legislative Action

The Legislature appropriated a total of \$19,389,200 from the Liquor Control Fund to Alcoholic Beverage Control. Included in the appropriation is an additional \$341,800 from the Liquor Control Fund to pay for the revenue bond, \$75,000 for 2 FTEs for the expanded Tooele store, and \$31,600 for package agency increases.

Funding Detail

Department of Alcoholic Beverage Control					
	2004	2004	2004	2005	Change from
	Estimated	Supplemental	Revised	Appropriated	2004 Revised
Financing					
Liquor Control Fund	18,494,600		18,494,600	19,389,200	894,600
Beginning Nonlapsing	21,300		21,300		(21,300)
Total	<u>\$18,515,900</u>	<u>\$0</u>	<u>\$18,515,900</u>	<u>\$19,389,200</u>	<u>\$873,300</u>
Programs					
Alcoholic Beverage Control	18,515,900		18,515,900	19,389,200	873,300
Total	<u>\$18,515,900</u>	<u>\$0</u>	<u>\$18,515,900</u>	<u>\$19,389,200</u>	<u>\$873,300</u>
Total FTE	309.5	0.0	309.5	311.5	2.0

Commerce

The Department of Commerce registers businesses, licenses professionals, runs consumer protection and education, oversees public utilities, and monitors the real estate and securities industries. The department is funded mostly from fees paid to the Commerce Service Fund. In general, fees are equal to costs but the department also collects fines. Excess collections to the Commerce Service Fund can be transferred to the General Fund.

Legislative Action

The Legislature appropriated \$21,585,400 to the Commerce Department. There are no state funds in the Commerce appropriation. The total appropriation includes \$120,200 for a new Licensing Technician, Board Secretary, and current expense in the Real Estate Division; and \$97,600 for an additional Occupational and Professional Licensing Investigative Manager and vehicle.

Regulated utilities in the State pay a revenue-based assessment (Public Utility Regulatory Fee or PURF) to cover the costs of the regulation. The collections from this assessment are deposited to the Commerce Service Fund. Funding for the Division of Public Utilities and the Committee of Consumer Services has been from the PURF. PURF also funds the Public Service Commission but the mechanism is through the General Fund. This disparate treatment has caused programs funded from the same source to be treated differently. To solve this problem, the Legislature is now referring to the revenue as “GFR-CSF-PURF” which stands for General Fund Restricted – Commerce Service Fund – Public Utility Regulatory Fees.

The Department will receive additional funding and 5.5 FTEs as a result of the following bills that passed during the 2004 General Session:

- **H.B. 165, “Child Protection Registry”** will add \$78,800 from the Commerce Service Fund to the Division of Consumer Protection
- **H.B. 136, “Electronic Filing of Preliminary Lien Documents”** will increase the Division of Occupational and Professional Licensing’s budget by \$338,100
- **H.B. 209, “Licensing of Plumbing and Electrical Trades”** adds \$1,900 from the Commerce Service Fund to the Division of Occupational and Professional Licensing
- **H.B. 70, “Geriatric Care Managers”** increases the Division of Occupational and Professional Licensing budget by \$26,500
- **S.B. 114, “Amendments to Prescribing, Preparation, and Dispensing of Prescription Drugs”** will add \$27,200 from the Commerce Service Fund and \$5,000 from Dedicated Credits to the Division of Occupational and Professional Licensing
- **S.B. 178, “Mortgage Broker Amendments”** adds \$40,700 from the newly created Mortgage Education and Recovery Fund to the Division of Real Estate

Funding Detail

Department of Commerce					
	2004	2004	2004	2005	Change from
	Estimated	Supplemental	Revised	Appropriated	2004 Revised
Financing					
Federal Funds	204,400		204,400	217,600	13,200
Dedicated Credits Revenue	1,469,000	(1,200)	1,467,800	1,542,000	74,200
General Fund Restricted				40,700	40,700
GFR - Commerce Service	13,504,000	(36,200)	13,467,800	14,533,600	1,065,800
GFR - CSF - PURF	4,335,500		4,335,500	4,384,400	48,900
GFR - Factory Built Housing Fees	104,700		104,700	104,700	
GFR - Geologist Ed. & Enf.	10,000		10,000	10,000	
GFR - Nurses Ed & Enf Fund	10,000		10,000	10,000	
Real Estate Education and Recovery	188,100		188,100	192,200	4,100
Transfers					
Pass-through	75,200		75,200	75,200	
Beginning Nonlapsing	920,100		920,100	475,000	(445,100)
Beginning Fund Balances - CSF	296,700		296,700		(296,700)
Closing Nonlapsing	(475,000)		(475,000)		475,000
Total	\$20,642,700	(\$37,400)	\$20,605,300	\$21,585,400	\$980,100
Programs					
Commerce General Regulation	19,423,100	(37,400)	19,385,700	20,318,200	932,500
Real Estate Education	296,800		296,800	192,200	(104,600)
Public Utilities Professional & Technical Serv	188,300		188,300	175,000	(13,300)
Committee of Consumer Services Professiona	734,500		734,500	900,000	165,500
Total	\$20,642,700	(\$37,400)	\$20,605,300	\$21,585,400	\$980,100
Total FTE	253.0	0.0	253.0	259.5	6.5

Financial Institutions

The Department of Financial Institutions regulates state chartered deposit-taking institutions including banks, credit unions, savings and loans, industrial loan corporations, and check cashers. Funding for the Department is from the General Fund Restricted – Financial Institutions. This fund's revenue comes from fees collected on assets and for examinations (UCA 7-1-401, 402, 403). These funds are restricted for the regulation of financial institutions. Funds remaining at the end of the year lapse back to the restricted account.

Legislative Action

The Legislature appropriated \$4,674,300 from General Fund Restricted – Financial Institutions to operate the department.

Funding Detail

Financial Institutions					
	2004	2004	2004	2005	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2004 Revised
GFR - Financial Institutions	4,590,800		4,590,800	4,674,300	83,500
Total	\$4,590,800	\$0	\$4,590,800	\$4,674,300	\$83,500
Programs					
Financial Institutions Administration	4,590,800		4,590,800	4,674,300	83,500
Total	\$4,590,800	\$0	\$4,590,800	\$4,674,300	\$83,500
Total FTE	50.0	0.0	50.0	50.0	0.0

Insurance

The Insurance Department regulates the state’s insurance industry to protect consumers and the public. It monitors and promotes insurance company solvency and fosters a competitive insurance market. It also oversees the Comprehensive Health Insurance Pool, the Title Insurance Industry, and the Bail Bond Surety Program. Funding comes from the General Fund (46 %) and fees (54 %).

Legislative Action

The Legislature appropriated \$50,200,100 for the Department of Insurance including \$10,515,500 in Ongoing General Fund and \$10,091,600 in One-time General Fund.

The Legislature appropriated an additional \$55,000 from the General Fund to pay for COSMOS software maintenance.

Utah’s insurer of the uninsurable, the Comprehensive Health Insurance Pool called *HIPUtah*, received a one-time General Fund appropriation of \$10,000,000 to prevent capping services.

Intent Language

The Legislature approved the following intent language concerning the Comprehensive Health Insurance Pool:

The Legislature intends to provide sufficient funding so that HIPUtah will not have to cap enrollment. If the amount appropriated is not sufficient, HIPUtah should request a supplemental appropriation in the next legislative session. The Legislature will give high priority to such a request.

Funding Detail

Insurance Department					
	2004	2004	2004	2005	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2004 Revised
General Fund	11,094,100		11,094,100	10,515,500	(578,600)
General Fund, One-time	12,600		12,600	10,091,600	10,079,000
Dedicated Credits Revenue	1,814,500		1,814,500	19,574,100	17,759,600
Restricted Revenue	13,456,300		13,456,300		(13,456,300)
GFR - Bail Bond Surety Admin		22,100		22,100	
Beginning Nonlapsing	5,450,000		5,450,000	937,400	(4,512,600)
Closing Nonlapsing	(937,400)		(937,400)	9,062,000	9,999,400
Lapsing Balance	(2,600)		(2,600)	(2,600)	
Total	\$30,909,600	\$0	\$30,909,600	\$50,200,100	\$19,290,500
Programs					
Insurance Department Administration	5,926,200		5,926,200	6,184,700	258,500
Comprehensive Health Insurance Pool	24,898,300		24,898,300	43,928,400	19,030,100
Bail Bond Program	19,500		19,500	19,500	
Title Insurance Program	65,600		65,600	67,500	1,900
Total	\$30,909,600	\$0	\$30,909,600	\$50,200,100	\$19,290,500
Total FTE	82.0	0.0	82.0	82.0	0.0

Labor Commission

The Labor Commission improves work environments with programs aimed at safety, health, fairness, and non-discrimination. It also administers state and federal fair housing programs and administers policies related to worker's compensation for employers that are self-insured.

Legislative Action

The Legislature appropriated \$95,000 from the General Fund to pay for an Administrative Law Judge. Also funded was \$54,400 for an Administrative Secretary for the Industrial Accidents program. The funding for this position is from the Employers' Reinsurance Fund and the Uninsured Employers Fund.

The Legislature replaced \$38,000 in funding for the Workplace Safety Program.

Funding Detail

Labor Commission					
	2004		2004	2005	Change from
	Estimated	Supplemental	Revised	Appropriated	2004 Revised
Financing					
General Fund	4,425,200		4,425,200	4,657,300	232,100
General Fund, One-time	12,700		12,700	30,200	17,500
Federal Funds	2,491,200		2,491,200	2,381,500	(109,700)
GFR - Workplace Safety	765,000		765,000	805,100	40,100
Employers' Reinsurance Fund	214,700		214,700	245,600	30,900
Uninsured Employers' Fund	662,500		662,500	794,900	132,400
Transfers	38,000		38,000	25,000	(13,000)
Lapsing Balance	126,800		126,800		(126,800)
Total	\$8,736,100	\$0	\$8,736,100	\$8,939,600	\$203,500
Programs					
Labor Commission	8,736,100		8,736,100	8,939,600	203,500
Total	\$8,736,100	\$0	\$8,736,100	\$8,939,600	\$203,500
Total FTE	115.0	0.0	115.0	116.0	1.0

Public Service Commission

The Public Service Commission regulates public utilities with the goal of efficient, reliable, reasonably priced service for customers while maintaining their financial stability. It also oversees several other programs: Research and Analysis (the court mandated Wexpro Agreement) funded from dedicated credits, Speech and Hearing Impaired funded from dedicated credits, and Universal Telecommunications Service Support Fund funded from restricted funds.

The Commission will be funded from the Commerce Service Fund – Public Utility Regulatory Fee (PURF). Previously, the Commission has been funded from the General Fund.

Legislative Action

The Legislature appropriated \$12,224,600 to the four line items that make up the Public Service Commission.

During FY 2004, the Commission was funded at \$1,520,300 from the General Fund. Those funds were revenue

from the Public Utility Regulatory Fee (PURF), which utilities pay as an assessment to cover the costs of regulation. These fees will now be deposited in the Commerce Service Fund – General Fund Restricted – Public Utility Regulatory Fee for appropriation.

Funding Detail

Public Service Commission					
	2004	2004	2004	2005	Change from
	Estimated	Supplemental	Revised	Appropriated	2004 Revised
Financing					
General Fund	1,515,900		1,515,900		(1,515,900)
General Fund, One-time	4,400		4,400		(4,400)
Dedicated Credits Revenue	1,370,100		1,370,100	1,367,700	(2,400)
GFR - CSF - PURF				1,581,700	1,581,700
Universal Public Telecom Service Fund	8,517,500		8,517,500	9,048,900	531,400
Beginning Nonlapsing	9,190,800		9,190,800	8,429,400	(761,400)
Closing Nonlapsing	(8,429,400)		(8,429,400)	(8,183,100)	246,300
Total	\$12,169,300	\$0	\$12,169,300	\$12,244,600	\$75,300
Programs					
Public Service Commission	1,757,500		1,757,500	1,642,900	(114,600)
Research and Analysis	60,000		60,000	60,000	
Speech and Hearing Impaired	1,473,000		1,473,000	1,662,900	189,900
Universal Telecommunications Support Fund	8,878,800		8,878,800	8,878,800	
Total	\$12,169,300	\$0	\$12,169,300	\$12,244,600	\$75,300
Total FTE	17.0	0.0	17.0	17.0	0.0

Tax Commission

The Tax Commission collects state and local taxes. It administers tax and motor vehicle laws; handles revenue from more than 40 taxes, surcharges, and fees; registers automobiles; and regulates the automobile dealer industry. It employs more than 850 individuals in 12 offices across the state and collects more than \$4.5 billion in revenue annually.

Legislative Action

In a Special Session in November, the Legislature passed **S.B. 2001, "Alcoholic Beverage Amendments"**, which appropriated \$600,000 from the Tax Commission – Liquor Profit Distribution and deposited it in the Alcoholic Beverage Enforcement and Treatment Restricted Account. It also appropriated \$2,712,500 from the account for distribution to local governments, in accordance with Section 32A-1-115.

The Legislature appropriated a total of \$68,997,800 to the Tax Commission. That total includes \$20,735,400 in Ongoing General Fund, \$236,400 in One-time General Fund, \$17,287,600 in Uniform School Fund, and \$142,900 in one-time Uniform School Fund.

Increases included in the total are: replacement of one-time funding of \$374,600 with on-going General Fund to pay for four auditors and four collectors; and \$110,000 in General Fund to pay rent increases at the Davis County office. In the past, the rent has been paid by the county.

The Legislature authorized an increase of 12 FTE to handle the Streamlined Sales Tax (SST). This increase was authorized in FY 2003 and became effective in FY 2005.

Intent Language

The Legislature passed intent requiring the Commission to report on progress towards implementing the recommendations of the Legislative Auditors Report #2003-08.

Funding Detail

Utah State Tax Commission					
	2004	2004	2004	2005	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2004 Revised
General Fund	21,149,800		21,149,800	20,735,400	(414,400)
General Fund, One-time	(2,036,800)	(12,000)	(2,048,800)	236,400	2,285,200
Uniform School Fund	16,712,900		16,712,900	17,287,600	574,700
Uniform School Fund, One-time	59,200	(11,100)	48,100	142,900	94,800
Transportation Fund	5,857,400		5,857,400	5,857,400	
Federal Funds	455,600		455,600	455,600	
Dedicated Credits Revenue	10,863,000	(600)	10,862,400	11,875,100	1,012,700
GFR - Alc Bev Enf & Treatment	2,712,500		2,712,500	3,133,700	421,200
GFR - Sales and Use Tax Admin Fees	7,496,900	(5,900)	7,491,000	7,132,000	(359,000)
TFR - Uninsured Motorist I.D.	133,800		133,800	133,800	
Transfers	60,300		60,300	60,300	
Beginning Nonlapsing	6,899,600		6,899,600	5,627,600	(1,272,000)
Closing Nonlapsing	(5,627,600)		(5,627,600)	(3,680,000)	1,947,600
Lapsing Balance	(600,000)		(600,000)		600,000
Total	\$64,136,600	(\$29,600)	\$64,107,000	\$68,997,800	\$4,890,800
Programs					
Tax Administration	59,408,600	(29,600)	59,379,000	63,848,600	4,469,600
License Plates Production	2,015,500		2,015,500	2,015,500	
Liquor Profit Distribution	2,712,500		2,712,500	3,133,700	421,200
Total	\$64,136,600	(\$29,600)	\$64,107,000	\$68,997,800	\$4,890,800
Total FTE	847.5	0.0	847.5	859.5	12.0

Workforce Services

The Department of Workforce Services administers the state's job placement, job training, and welfare functions. It has 49 employment and eligibility centers throughout the state.

Legislative Action

The Legislature appropriated a total of \$275,713,100. That total includes \$54,267,700 in ongoing General Fund, and \$7,108,600 in one-time General Fund. The funding includes \$3,644,900 from the General Fund and \$3,000,000 from the General Fund Restricted – Special Administrative Expense Fund to build extensions from eRep to Medicaid and Food Stamps.

The Legislature appropriated \$945,200 in one-time General Fund for Food Stamp caseload growth and \$454,800 in ongoing General Fund for Food Stamp federal match rate change. To cover General Assistance caseload growth, the Legislature appropriated \$2,424,300 in one-time General Fund.

Intent Language

The appropriation from the Special Administrative Expense Fund included intent authorizing the Department's use of up to \$3 million to develop the Electronic Resources Eligibility Product (eRep).

Funding Detail

Department of Workforce Services					
	2004		2004	2005	Change from
	Estimated	Supplemental	Revised	Appropriated	2004 Revised
Financing					
General Fund	52,858,700		52,858,700	54,267,700	1,409,000
General Fund, One-time	2,502,100	(28,800)	2,473,300	7,108,600	4,635,300
Federal Funds	222,155,300	(102,600)	222,052,700	203,666,200	(18,386,500)
Dedicated Credits Revenue	2,888,200	(200)	2,888,000	2,746,800	(141,200)
GFR - Special Administrative Expense				3,000,000	3,000,000
Unemployment Compensation Trust	2,322,500		2,322,500	2,160,000	(162,500)
Transfers	2,969,000	(3,100)	2,965,900	2,763,800	(202,100)
Total	<u>\$285,695,800</u>	<u>(\$134,700)</u>	<u>\$285,561,100</u>	<u>\$275,713,100</u>	<u>(\$9,848,000)</u>
Programs					
Workforce Services	285,695,800	(134,700)	285,561,100	275,713,100	(9,848,000)
Total	<u>\$285,695,800</u>	<u>(\$134,700)</u>	<u>\$285,561,100</u>	<u>\$275,713,100</u>	<u>(\$9,848,000)</u>
Total FTE	2,033.0	0.0	2,033.0	2,033.0	0.0

Funding Detail

Commerce & Revenue Appropriations Subcommittee					
	2004	2004	2004	2005	Change from
	Estimated	Supplemental	Revised	Appropriated	2004 Revised
Financing					
General Fund	91,043,700		91,043,700	90,175,900	(867,800)
General Fund, One-time	495,000	(40,800)	454,200	17,466,800	17,012,600
Uniform School Fund	16,712,900		16,712,900	17,287,600	574,700
Uniform School Fund, One-time	59,200	(11,100)	48,100	142,900	94,800
Transportation Fund	5,857,400		5,857,400	5,857,400	
Federal Funds	225,306,500	(102,600)	225,203,900	206,720,900	(18,483,000)
Dedicated Credits Revenue	18,404,800	(2,000)	18,402,800	37,105,700	18,702,900
Restricted Revenue	13,456,300		13,456,300		(13,456,300)
General Fund Restricted				40,700	40,700
GFR - Alc Bev Enf & Treatment	2,712,500		2,712,500	3,133,700	421,200
GFR - Bail Bond Surety Admin	22,100		22,100	22,100	
GFR - Commerce Service	13,504,000	(36,200)	13,467,800	14,533,600	1,065,800
GFR - CSF - PURF	4,335,500		4,335,500	5,966,100	1,630,600
GFR - Factory Built Housing Fees	104,700		104,700	104,700	
GFR - Financial Institutions	4,590,800		4,590,800	4,674,300	83,500
GFR - Geologist Ed. & Enf.	10,000		10,000	10,000	
GFR - Nurses Ed & Enf Fund	10,000		10,000	10,000	
GFR - Sales and Use Tax Admin Fees	7,496,900	(5,900)	7,491,000	7,132,000	(359,000)
GFR - Special Administrative Expense				3,000,000	3,000,000
GFR - Workplace Safety	765,000		765,000	805,100	40,100
TFR - Uninsured Motorist I.D.	133,800		133,800	133,800	
Employers' Reinsurance Fund	214,700		214,700	245,600	30,900
Liquor Control Fund	18,494,600		18,494,600	19,389,200	894,600
Real Estate Education and Recovery	188,100		188,100	192,200	4,100
Unemployment Compensation Trust	2,322,500		2,322,500	2,160,000	(162,500)
Uninsured Employers' Fund	662,500		662,500	794,900	132,400
Universal Public Telecom Service Fund	8,517,500		8,517,500	9,048,900	531,400
Transfers	3,067,300	(3,100)	3,064,200	2,849,100	(215,100)
Pass-through	75,200		75,200	75,200	
Beginning Nonlapsing	22,481,800		22,481,800	15,469,400	(7,012,400)
Beginning Fund Balances - CSF	296,700		296,700		(296,700)
Closing Nonlapsing	(15,469,400)		(15,469,400)	(2,801,100)	12,668,300
Lapsing Balance	(475,800)		(475,800)	(2,600)	473,200
Total	\$445,396,800	(\$201,700)	\$445,195,100	\$461,744,100	\$16,549,000
Programs					
Tax Commission	64,136,600	(29,600)	64,107,000	68,997,800	4,890,800
Workforce Services	285,695,800	(134,700)	285,561,100	275,713,100	(9,848,000)
Alcoholic Beverage Control	18,515,900		18,515,900	19,389,200	873,300
Labor Commission	8,736,100		8,736,100	8,939,600	203,500
Commerce	20,642,700	(37,400)	20,605,300	21,585,400	980,100
Financial Institutions	4,590,800		4,590,800	4,674,300	83,500
Insurance	30,909,600		30,909,600	50,200,100	19,290,500
Public Service Commission	12,169,300		12,169,300	12,244,600	75,300
Total	\$445,396,800	(\$201,700)	\$445,195,100	\$461,744,100	\$16,549,000
Total FTE	3,687.1	0.0	3,687.1	3,728.5	41.4

Utah College of Applied Technology

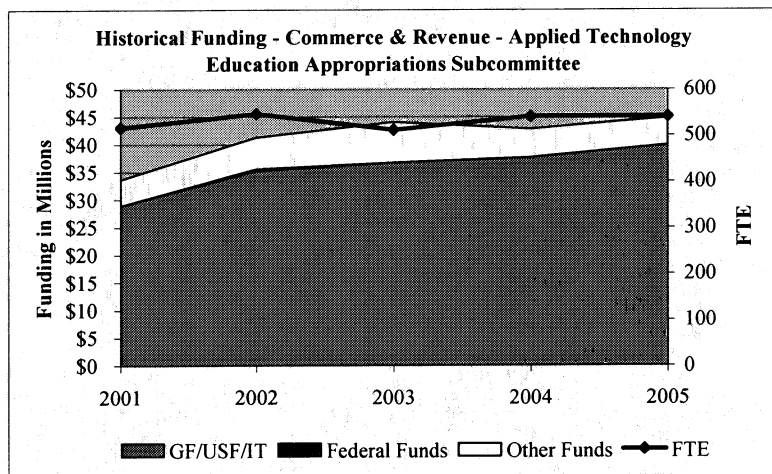


**Utah College of Applied
Technology**

Department Overview

The Utah College of Applied Technology

The Utah College of Applied Technology (UCAT) is the tenth institution of the Utah System of Higher Education with nine regional campuses. The mission of UCAT is to provide applied technology education (ATE) to post-secondary and secondary students through collaborative partnerships between the educational systems, business, and industry. UCAT is to offer quality educational programs and innovative delivery systems to ensure a skilled and educated workforce. ATE programs provide open-entry/open-exit, high-quality, competency-based training and offer certificates of completion, associate of applied technology degrees, and competency-based high school diplomas. UCAT provides over 6.3 million membership hours of training annually.



Legislative Action

For FY 2005, funding for the Utah College of Applied Technology was increased by \$2,054,400, a 4.8 percent increase when compared to the FY 2004 revised budget of \$42,801,000. The General Funds appropriated for UCAT increased \$2,297,000, a 6.1 percent increase from the FY 2004 revised level of

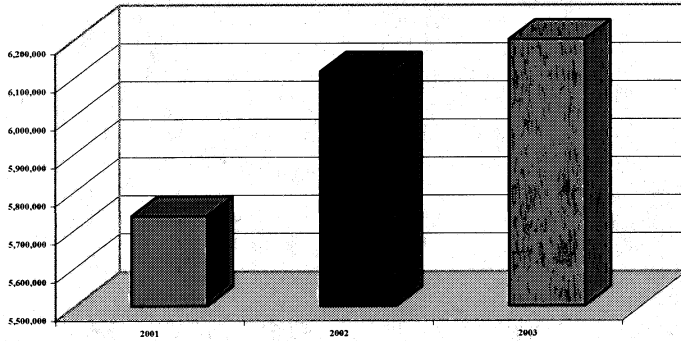
\$37,674,900. The total funding of \$44,855,400 for FY 2005 consists of General Funds and Dedicated Credits (tuition). State General Funds account for \$39,971,900 or about 89.1 percent of the UCAT appropriated budget.

The new funding for the Utah College of Applied Technology for FY 2005 is as follows:

- **Internal Service Fund Adjustments:** Internal Service Fund adjustments for UCAT for FY 2005 increased the General Fund by \$1,100.
- **Compensation:** The Legislature provided UCAT with a one percent salary increase of \$269,200 and a one-time bonus of \$226,400; \$276,200 for increases in retirement rate contributions; and \$195,300 for health and dental rate increases from General Funds.
- **Enrollment Growth Funding:** UCAT was appropriated \$850,000 for enrollment growth funding for the current year growth of 201,620 membership hours. Additional growth funding of approximately \$625,100 will come from tuition revenue generated by the new adult membership hours.
- **Lease of Facilities:** Several UCAT campuses do not own property and must lease space to accommodate the students in their regions. Two campuses were provided with lease funding of \$478,800. Mountainland received \$442,800 and Southeast received \$36,000 for leases.

UCAT has experienced growth of approximately 9.7 percent since its inception as noted in the following chart:

UCAT 3 Year Enrollment History



Intent Language

The Legislature approved intent language for UCAT that financial reports and budget requests be submitted to the Office of the Legislative Fiscal Analyst by November 1st and that the Applied Technology Education Study be completed by October of 2005.

Funding Detail

Utah College of Applied Technology					
	2004	2004	2004	2005	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2004 Revised
General Fund	37,674,900		37,674,900	39,745,500	2,070,600
General Fund, One-time				226,400	226,400
Dedicated Credits Revenue	4,883,500		4,883,500	4,883,500	
Beginning Nonlapsing	242,600		242,600		(242,600)
Total	\$42,801,000	\$0	\$42,801,000	\$44,855,400	\$2,054,400
Programs					
Administration	4,556,200		4,556,200	4,319,600	(236,600)
Bridgerland ATC	8,404,500		8,404,500	8,719,500	315,000
Davis ATC	8,515,800		8,515,800	8,940,300	424,500
Dixie ATC	893,700		893,700	943,700	50,000
Mountainland ATC	2,356,000		2,356,000	3,000,700	644,700
Ogden/Weber ATC	9,368,200		9,368,200	9,813,900	445,700
Salt Lake/Tooele ATC	2,111,200		2,111,200	2,171,600	60,400
Southeast ATC	972,000		972,000	1,036,000	64,000
Southwest ATC	1,473,200		1,473,200	1,582,800	109,600
Uintah Basin ATC	4,150,200		4,150,200	4,327,300	177,100
Total	\$42,801,000	\$0	\$42,801,000	\$44,855,400	\$2,054,400
Total FTE	540.9	0.0	540.9	540.9	0.0



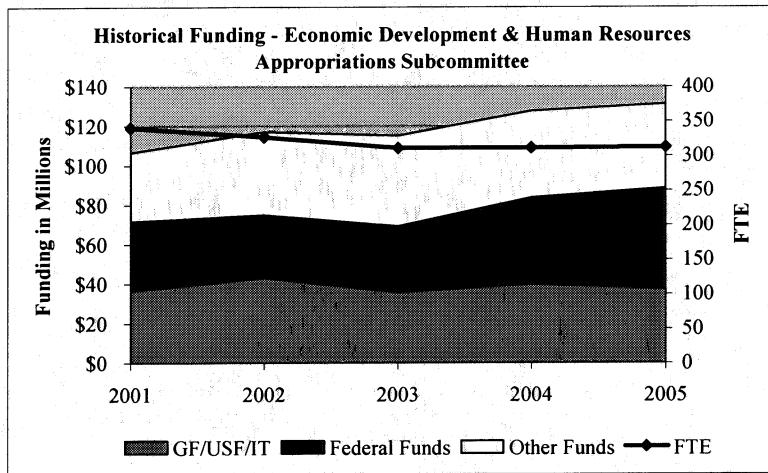
Economic Development and Human Resources

Economic Development and Human Resources

Subcommittee Overview

The Economic Development and Human Resources Subcommittee is responsible for the budgets of the Department of Community and Economic Development, the Department of Human Resource Management, and the Career Service Review Board. The Committee also reviews, but does not appropriate, the Utah Housing Corporation's budget.

The Legislature appropriated \$131,299,400 for FY 2005 to the agencies mentioned above. Of that amount, \$33,231,400 is ongoing General Fund and \$4,175,800 is one-time General Fund. Compared to the FY 2004 Revised Appropriation, the total increased 2.8 percent. The ongoing General Fund appropriation level increased by 3.4 percent; the one-time General Fund decreased by 45.4 percent.



Department of Community and Economic Development

The Department's divisions and offices are:
 Administration, Incentives Funds, Business Development, Indian Affairs, Travel Council, Utah State Historical Society, State

History, Fine Arts, State Library, Community Development, and Community Development Capital.

Department Administration

Department Administration leads the department and provides public relations, personnel, accounting, research, legal, and data processing services.

Legislative Action

The Legislature provided \$2,000,000 in one-time funding to the Defense Alliance in FY 2005. Funds will be used to facilitate efforts to purchase easements and to aid alliance efforts during the upcoming round of federal base closures.

Incentive Funds

The Industrial Assistance Fund gives financial incentives to attract jobs to the state. It also manages the Private Activity Bond Authority (the State's tax exempt volume cap) and the Community and Economic Development Project Fund.

Legislative Action

The Industrial Assistance Fund was provided an appropriation of \$5,183,500 in FY 2004 to replenish the fund. Intent language identified earmarked revenues from the Utah Technology Finance liquidation for deposit in the Industrial Assistance Fund.

Indian Affairs

The Division of Indian Affairs promotes intergovernmental coordination between tribal and State government.

Business and Economic Development

Business and Economic Development promotes and develops Utah's economy.

The Film Commission entices motion picture, television and advertising businesses to Utah.

The International Development program develops foreign investment in Utah and helps Utah businesses export to foreign countries. It is currently involved in promoting several post-Olympic trade missions.

The Business Development program focuses on business retention and expansion. They also administer programs which draw businesses to the State.

The Technology and Science program oversees all technology and science related initiatives including the Centers of Excellence which is devoted to commercializing research at Utah's universities.

Legislative Action

Ongoing funding of \$250,000 was provided in the 2005 General Session to fund the Utah Technology Alliance. The Legislature also increased the Manufacturer's Extension Partnership by \$385,000 in FY 2005. One-time funding was provided for Smart-site development (\$250,000) and the Sports Commission (\$750,000).

Travel Development

Travel Development improves the State's economy through tourism. Strategic Development is responsible for administration, advertising and research. Internal Development oversees the Welcome Centers, information services, travel publications, and publicity. External Development manages the national and international travel development programs.

Legislative Action

The Legislature allocated one-time funding in the amount of \$450,000 in FY 2004 from the Tourism Marketing Performance Fund for travel development promotion throughout the State.

State History and the State Historical Society

State History promotes all things related to the State's history except paleontology, which belongs in the Department of Natural Resources. The Historical Society is the Division's fund raising arm and is shown as a separate line item. Collections and Education curates collections and sets up shows for educational and public relation purposes. It also publishes the **Utah Historical Quarterly, Beehive History**, and books such as *Brief History of Utah* as well as the County Histories Project.

The Preservation Office funds the Division's Antiquities Section which issues archeological work permits for state lands and maintains a cultural sites database. It also funds both state and federal historic preservations programs. Through the History Projects program, the division funds the Utah State History Fair, and the Utah Heritage Foundation.

Arts Council

The Arts Council promotes fine arts in the State. Grants are available to more than 200 nonprofit arts organizations. The Community Arts Outreach and Development provides technical assistance to organizations and runs the Arts in Education, Visual Arts, Folk Arts, Literary Arts, Community/State Partnership, Public Art, Traveling Exhibit, and the Individual Artist Endowment programs.

Legislative Action

The Legislature provided \$58,900 in ongoing funding to bring the Humanities Council appropriation back up to \$65,000.

State Library

The mission of the State Library is to improve Utah's libraries. The Blind and Physically Handicapped program is the sole state source of material for the visually handicapped and, by contract with the Library of Congress, serves 24 other states. The division has a computer-driven Braille printer that can generate materials. The Library Development program trains and consults local librarians. Information Services coordinates the interlibrary loan network for smaller libraries; orders, catalogs, and processes library materials; circulates audiovisual materials; reimburses net lender libraries; and sponsors a children's book examination center. The library also operated PIONEER, an online electronic library.

Legislative Action

The Legislature increased dedicated credit funding for Braille and Multi State Center West services by \$141,700. They also increased funding for bookmobile services by \$35,600. Supplemental funding totaling \$109,200 was provided for these programs from dedicated credit revenue.

Community Development

Community Development is comprised of a number of programs which help local governments develop infrastructure.

Weatherization helps low income, elderly, and handicapped persons save on energy bills.

Museum Services gives grants and technical support to local museums.

Community Assistance administers the federal Community Development Block Grant program and staffs the

Permanent Community Impact Board, Disaster Relief Board, Private Activity Bond Review, Navajo Revitalization Fund and the Uintah Basin Revitalization Fund.

Pioneer Communities helps local governments preserve and revitalize their historic districts.

Housing Development staffs all of the State's housing programs: Homeless Committee, HOME, Housing Trust Fund, Critical Needs Housing, and Emergency Shelter.

Community Services administers the federal anti-poverty Community Services Block Grant Program and special projects like funding for food banks, and Healthy Communities.

The Commission on Volunteers is the federal AmeriCorps program that gives post secondary scholarships for volunteer work.

The Homeless Committee channels General Fund and income tax homeless check-off funds to state and local homeless organizations.

The Emergency Food Program helps fund emergency food organizations.

Special Housing is a federally-funded program that pays for utilities, building renovations and leased space for special population homeless.

HEAT is Utah's name for the federal LIHEAP program that provides winter utility assistance to low-income households. It is administered through the Associations of Governments and nonprofit agencies.

The Ethnic Offices were merged with Community Development in FY 2004. The Hispanic Affairs, Pacific Islander Affairs, Black Affairs and Asian Affairs are now listed as separate programs under Community Development. They function as a resource for impacted populations.

The Martin Luther King Commission promotes the holiday and principles of non-violence.

Legislative Action

One-time funding of \$200,000 was provided to the Homeless Trust Fund along with authorization to spend \$100,000 appropriated in the 2003 General Session. The Legislature also authorized the Homeless Committee to spend funds which have accrued to the account in both FY 2004 and FY 2005. Total accrued funding authorized over the two year period is \$300,000.

The Legislature provided \$200,000 in one-time funding for the Olene Walker Housing Loan Fund, \$100,000 for museum grants, \$30,000 for the Emergency Food Network, and \$7,000 to the Martin Luther King Commission. Funding of \$95,000 was provided to the Community Assistance program to enhance the Summer Games and assist Daggett County in a Capital Murder trial.

The Legislature also authorized the Division to utilize federal funding for the Section 8 housing program totaling \$10,000,000 in FY 2005 and \$2,500,000 in FY 2004.

Intent Language

Intent language was included that requests the Permanent Community Impact Board to consider funding the Association of Governments with \$385,000 in Permanent Community Impact Board funds.

Community Development Capital

Community Development Capital mitigates the impacts of non-metallic mineral extraction on local communities. It administers the Permanent Community Impact and Special Service District Funds from Mineral Lease Revenues. These funds are distributed by formula.

Zoos

The state provided pass-through support for the Hogle Zoo and the Willow Park Zoo through this program. Ongoing funding was held flat for FY 2005. However, a one-time appropriation of \$200,000 was made to facilitate planning efforts between the Hogle Zoo and This is the Place Heritage Park.

Funding Detail

Department of Community & Economic Development					
	2004	2004	2004	2005	Change from
	Estimated	Supplemental	Revised	Appropriated	2004 Revised
Financing					
General Fund	27,112,600		27,112,600	28,161,200	1,048,600
General Fund, One-time	2,631,500		2,631,500	3,756,100	1,124,600
Transportation Fund	118,000		118,000	118,000	
Federal Funds	38,055,000	2,791,400	40,846,400	48,509,400	7,663,000
Dedicated Credits Revenue	3,742,300	222,100	3,964,400	3,817,900	(146,500)
Federal Mineral Lease	1,728,100		1,728,100	1,698,200	(29,900)
GFR - Homeless Trust	250,000	300,000	550,000	650,000	100,000
GFR - Industrial Assistance	186,600		186,600	189,300	2,700
GFR - Tourism Marketing Performance		450,000	450,000		(450,000)
Permanent Community Impact	16,013,700		16,013,700	17,929,900	1,916,200
Transfers	494,500		494,500		(494,500)
Beginning Nonlapsing	3,915,700		3,915,700		(3,915,700)
Total	<u>\$94,248,000</u>	<u>\$3,763,500</u>	<u>\$98,011,500</u>	<u>\$104,830,000</u>	<u>\$6,818,500</u>
Programs					
Administration	2,411,900		2,411,900	4,407,600	1,995,700
Incentive Funds	346,600		346,600	349,300	2,700
Indian Affairs	212,400		212,400	210,500	(1,900)
Business and Economic Development	10,910,200		10,910,200	9,835,600	(1,074,600)
Travel Council	3,950,000	450,000	4,400,000	3,895,100	(504,900)
State History	2,462,400		2,462,400	2,388,500	(73,900)
Historical Society	705,000		705,000	514,800	(190,200)
Fine Arts	3,561,800		3,561,800	3,306,000	(255,800)
State Library	7,224,700	109,200	7,333,900	7,718,200	384,300
Community Development	44,092,900	3,204,300	47,297,200	51,769,500	4,472,300
Zoos	1,398,700		1,398,700	1,598,700	200,000
Community Development Capital Budget	16,971,400		16,971,400	18,836,200	1,864,800
Total	<u>\$94,248,000</u>	<u>\$3,763,500</u>	<u>\$98,011,500</u>	<u>\$104,830,000</u>	<u>\$6,818,500</u>
Total FTE	270.0	3.0	273.0	274.3	1.3

Department of Human Resource Management

The Department of Human Resource Management operates the State's personnel system.

Legislative Action

Funding for the Department of Human Resource Management was held flat for FY 2005.

Funding Detail

Department of Human Resources Management					
	2004	2004	2004	2005	Change from
	Estimated	Supplemental	Revised	Appropriated	2004 Revised
Financing					
General Fund	2,879,300		2,879,300	2,943,000	63,700
General Fund, One-time	8,900		8,900	18,700	9,800
Dedicated Credits Revenue	343,000		343,000	362,000	19,000
Beginning Nonlapsing	171,900		171,900		(171,900)
Total	<u>\$3,403,100</u>	<u>\$0</u>	<u>\$3,403,100</u>	<u>\$3,323,700</u>	<u>(\$79,400)</u>
Programs					
Human Resource Management	3,403,100		3,403,100	3,323,700	(79,400)
Total	<u>\$3,403,100</u>	<u>\$0</u>	<u>\$3,403,100</u>	<u>\$3,323,700</u>	<u>(\$79,400)</u>
Total FTE	36.5	0.0	36.5	36.5	0.0

Career Service Review Board

The Career Service Review Board manages the state's grievance and appeals process.

The Legislature provided a \$40,000 supplemental (FY 2004) to deal with caseload growth resulting from reductions in force.

Funding Detail

Career Service Review Board					
	2004	2004	2004	2005	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2004 Revised
General Fund	162,200		162,200	165,800	3,600
General Fund, One-time	500	40,000	40,500	1,000	(39,500)
Beginning Nonlapsing	100		100		(100)
Total	\$162,800	\$40,000	\$202,800	\$166,800	(\$36,000)
Programs					
Career Service Review Board	162,800	40,000	202,800	166,800	(36,000)
Total	\$162,800	\$40,000	\$202,800	\$166,800	(\$36,000)
Total FTE	2.0	0.0	2.0	2.0	0.0

Outside Reporting Agencies

Utah Housing Corporation

The Utah Housing Corporation helps create affordable housing through financial incentives. The Legislature oversees, but does not appropriate this budget.

Funding Detail

Economic Development & Human Resources Appropriations Subcommittee					
	2004	2004	2004	2005	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2004 Revised
General Fund	32,115,500		32,115,500	33,231,400	1,115,900
General Fund, One-time	2,890,900	5,193,800	8,084,700	4,175,800	(3,908,900)
Transportation Fund	118,000		118,000	118,000	
Federal Funds	40,745,000	2,791,400	43,536,400	51,199,400	7,663,000
Dedicated Credits Revenue	4,085,300	222,100	4,307,400	4,179,900	(127,500)
Federal Mineral Lease	15,975,200		15,975,200	18,085,700	2,110,500
GFR - Homeless Trust	250,000	300,000	550,000	650,000	100,000
GFR - Industrial Assistance	186,600		186,600	189,300	2,700
GFR - Mineral Bonus	1,766,600		1,766,600	1,540,000	(226,600)
GFR - Tourism Marketing Performance		450,000	450,000		(450,000)
Permanent Community Impact	16,013,700		16,013,700	17,929,900	1,916,200
Transfers	494,500		494,500		(494,500)
Beginning Nonlapsing	4,087,700		4,087,700		(4,087,700)
Total	\$118,729,000	\$8,957,300	\$127,686,300	\$131,299,400	\$3,613,100
Programs					
Career Services Review Board	162,800	40,000	202,800	166,800	(36,000)
Human Resource Management	3,403,100		3,403,100	3,323,700	(79,400)
Community & Economic Development	94,248,000	3,763,500	98,011,500	104,830,000	6,818,500
Restricted Revenue - EDHR	20,915,100	5,153,800	26,068,900	22,978,900	(3,090,000)
Total	\$118,729,000	\$8,957,300	\$127,686,300	\$131,299,400	\$3,613,100
Total FTE	308.5	3.0	311.5	312.8	1.3

Health and
Human Svc.



Health and Human Services



Department of Health

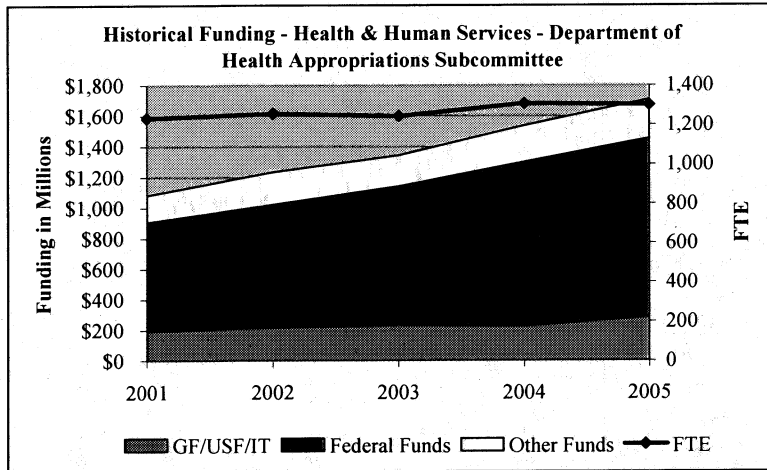


Department of Human Services

Department of Health

Department Overview

The mission of the Utah Department of Health is to protect the public's health through preventing avoidable illness, injury, disability, and premature death; to assure access to affordable, quality health care; and to promote healthy lifestyles.



Legislative Action

The Legislature approved a total FY 2005 spending level for the Department of Health of \$1,708,925,300, with \$287,096,500 from the General Fund. The total appropriation represents an increase of 11.25 percent over the FY 2004 revised appropriation level and an 8.7 percent increase over the FY 2004 General Fund level. The significant increases are due mostly to funding in the Medicaid program.

Budgetary issues that will be felt Department-wide include funding for health and dental insurance increases, retirement rate increases, and funding of a one percent cost-of-living adjustment (COLA) and a one-time bonus. These increases total \$3.1 million (\$874,100 General Fund). State Internal Service Fund rate changes will decrease the Department's FY 2005 budget by \$382,200 (\$179,600 General Fund).

The appropriations increases and legislative intent language for the divisions and offices of the Department are outlined below.

Executive Director: The Executive Director's Office includes those functions of the Department of Health that provide overall direction of policy, management, and administrative support to the divisions, offices, and programs of the Department. This organizational category also includes the Office of the Medical Examiner, the Center for Health Data, and the federally-funded Bioterrorism Grants program.

The Legislature approved funding for FY 2005 in the amount of \$26,959,100 (\$5,553,800 General Fund). The Bioterrorism Grants program is the largest budget in the Executive Director's Office and is funded with federal funds at \$14.7 million.

Health Systems Improvement: The Division of Health Systems Improvement assures and improves the quality of the Utah health care system. This is achieved through examination, analysis, acceptability, continuity, quality, and cost.

The Legislature approved increasing the funding for primary care grants by \$100,000 (one-time funds). These grants are awarded to health care providers whose services are mainly utilized by low-income individuals and families.

The approved FY 2005 budget for the Health Systems Improvement line item is \$13,020,500, with \$4,277,100 coming from the General Fund. Federal funds and dedicated credits revenue account for over \$8.5 million.

Intent Language

In conjunction with this program, the Legislature again approved intent language directing that the funding not be used for any inter-departmental projects, except for Community Partnered Mobile Dental Services.

Workforce Financial Assistance Program: This program was established during the 2002 Legislative session by consolidating three separate loan/scholarship programs in an effort to increase the number of health care professionals in underserved areas in the State. The loan repayment grants and scholarships are granted in return for providing professional services for an obligated period of time.

Lawmakers approved \$994,900 for the Workforce Financial Assistance Program as the FY 2005 budget. The General Fund appropriation was \$419,900; nonlapsing funds make up the balance of the appropriation.

Epidemiology and Laboratory Services: The Division of Epidemiology and Laboratory Services encompasses three programs within the State Health Laboratory and three programs associated with community health services.

For FY 2005, the approved appropriation was \$15,053,100, of which \$4,217,000 will be from the General Fund. Federal funds and dedicated credits revenue account for over \$10.5 million of this budget.

Community and Family Health Services: This division assures that women, infants, and children, and their families have access to comprehensive coordinated, affordable, community-based quality health care. These services are available to all citizens of the State according to their ability to pay, but primary clients are women, infants, and children who have special health care needs and are low income. The Division coordinates efforts, identifies needs, prioritizes programs, and develops resources necessary to reduce illness, disability, and death from adverse pregnancy outcomes, chronic diseases, disabling conditions, injury and violence, and vaccine-preventable infections.

The Legislature's budget for this division for FY 2005 is \$98,346,300, with a General Fund level of \$8,560,400. Other significant funding sources include Federal Funds, dedicated credits, and restricted funds from cigarette taxes and the Tobacco Settlement Account.

Legislative Action

The 2004 Legislature approved **S.B. 135, "Center for Multicultural Health"** with funding in the amount of \$50,000. The Center will be an office to promote and coordinate the research, data production and dissemination, education and health promotion relevant to multicultural and minority health issues.

Health Care Financing: This division is the administrative agency for Utah's Medical Assistance Program which administers state and federal funding and contracting with providers.

For FY 2005, the Legislature approved a budget level of \$71,563,100, with \$9,561,100 coming from the General Fund. Federal funds provide nearly \$40 million of the Division's budget.

Legislative Action

The Legislature passed **S.B. 128, "Long-Term Care Facilities Amendments"**, which provides for an assessment on nursing care facilities, which will be used as "seed money" to receive the federal Medicaid match, and then returned to the facilities in the form of higher reimbursement rates to enhance services and ensure their economic viability. Administrative costs associated with the implementation of this bill and appropriated to this division were estimated at \$200,000.

The Legislature also passed **H.B. 86, "Primary Care Network Amendments"**, which reduces the annual fee to enroll in the Primary Care Network for individuals whose income is below 50 percent of the federal poverty level. This bill replaced \$130,000 of dedicated credits revenue with \$65,000 General Funds and \$65,000 matching Federal Funds.

As a FY 2004 supplemental appropriation, \$1.4 million (\$460,000 General Fund) was approved to fund the eligibility module of the new eREP computer program.

Medical Assistance: Medical Assistance is a joint federal/state entitlement program that provides health care to

Medical Assistance: Medical Assistance is a joint federal/state entitlement program that provides health care to selected low-income populations who are deemed categorically eligible for the program.

The Medicaid budget is the largest piece of the Department's budget. The approved FY 2005 level is \$1.4 billion, with \$252,466,000 from the General Fund. Federal funds provide over \$1 billion for the Medicaid budget. The following table demonstrates the growth in the Medicaid program since FY 2003 as well as the specific Medicaid services that are provided to recipients.

Historical Medical Assistance Expenditures			
Total Funding, including State General Fund and Federal Funds			
FY 2003 - FY 2005			
<u>Category</u>	<u>FY 2003</u> <u>Actual</u>	<u>FY 2004</u> <u>Estimated</u>	<u>FY 2005</u> <u>Appropriated</u>
Nursing Facilities	\$89,241,537	\$89,650,600	\$118,831,700
Skilled Nursing Facilities	17,948,702	18,031,000	23,900,100
Nursing Facilities - ICF/MR	23,801,881	24,863,100	25,609,000
Inpatient Hospital	177,102,860	216,604,600	243,905,200
Outpatient Hospital	41,595,264	53,012,700	58,819,000
Dental Services	13,601,994	15,101,600	20,981,600
Pharmacy	149,956,017	184,482,200	224,153,400
Physician Services	44,525,268	54,656,500	61,189,500
HMOs	141,484,839	146,113,200	162,116,500
Mental Health	101,042,624	112,157,300	124,494,600
Services through DHS	172,133,499	191,068,000	212,085,500
Home Health	10,916,908	13,457,800	14,931,800
Medical Supplies	7,518,892	9,247,100	10,259,900
Medical Transportation	5,915,737	7,321,400	8,366,500
Other	103,376,644	114,989,600	128,635,700
Total	<u>\$1,100,162,666</u>	<u>\$1,250,756,700</u>	<u>\$1,438,280,000</u>

ICF/MR - Intermediate Care Facility for people with Mentally Retardation
DHS - Department of Human Services

Legislative Action

General Medicaid Increases: Increases that the Legislature approved include funding to cover (1) projected

caseload growth and utilization at \$83.3 million (\$18.6 million General Fund); (2) inflationary increases in the amount of \$29.5 million (\$7.8 million General Fund), which were limited to hospitals, pharmacy services, federally qualified health centers (FQHCs), rural health, Medicare buy-in, and three specific provider groups (physicians, dentists, and ambulance providers); and (3) emergency dental services at \$3.6 million (\$1 million General Fund). The Federal government provides the largest share of the program's funding through the Federal Medical Assistance Percentage (FMAP). For FY 2005, the FMAP is projected to increase by 0.44 percentage points. This means that the Federal government will pick up more of the total costs, freeing up state funds. For FY 2005, that 0.44 percent translates to \$3.9 million.

As mentioned previously, the Legislature passed **S.B. 128, "Long-Term Care Facilities Amendments"**, which provides for an assessment on nursing care facilities, which will be used as "seed money" to receive the federal Medicaid match, and then returned to the facilities in the form of higher reimbursement rates to enhance services and ensure their economic viability. The projected amount of the assessment, less the administrative costs, is estimated at \$9.8 million, which, when matched with the Medicaid federal funds, will provide a total of \$35 million to enhance reimbursement rates to nursing care facilities.

The Legislature also passed **S.B. 30, "Medical Benefits Recovery Act Amendments"**, which enhances the ability of the Office of Recovery Services to recover from estates monies that have been expended by the Medicaid program. The State portion of the recovered amount, estimated at \$141,400, will be used to offset other Medicaid expenditures; the Federal portion (\$358,600) will be returned to the Federal government.

The Legislature approved a FY 2004 supplemental item which replaced \$37.3 million of General Fund with funding that the State received as a result of the Federal Jobs and Growth Tax Relief Reconciliation Act of 2003.

Intent Language

Legislative intent language outlines methods to improve the oral health of low-income citizens; to continue with the Resource Utilization Group System (RUGS) as the method of Medicaid reimbursement for individuals in nursing facilities; and to limit the emergency dental services funded through the one-time appropriation to Medicaid clients who are aged, blind, or disabled.

Children's Health Insurance Program (CHIP): CHIP provides health insurance coverage to uninsured children up to age 19 living in families whose income is less than 200 percent of the Federal Poverty Level.

The budget that the Legislature approved for the CHIP for FY 2005 was \$36.7 million. Of this amount, the state's portion is just over \$7 million, funded from the Tobacco Settlement Account. The matching Federal funds are estimated at \$28.9 million.

Local Health Departments: The State provides a block grant to the twelve local health departments (LHDs) as funding for the state-mandated services provided by the LHDs. This funding is distributed among the twelve LHDs according to a formula.

The 2004 Legislature approved a level of \$2,041,200 for this block grant.

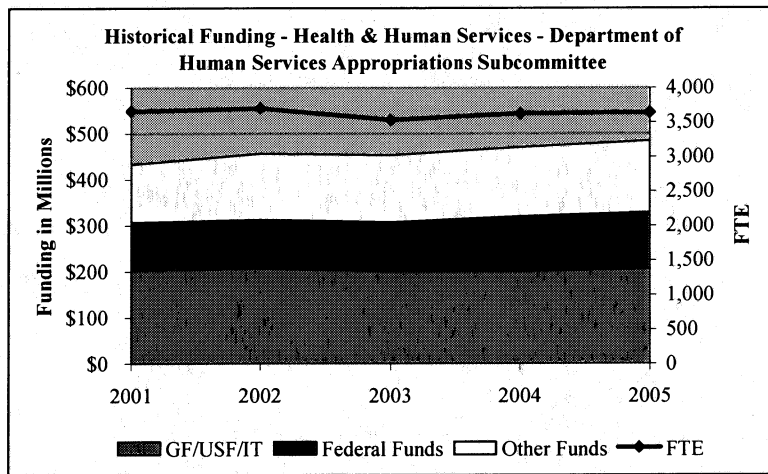
Funding Detail

Department of Health					
	2004	2004	2004	2005	Change from
	Estimated	Supplemental	Revised	Appropriated	2004 Revised
Financing					
General Fund	263,677,400		263,677,400	285,751,300	22,073,900
General Fund, One-time	87,300	(36,998,000)	(36,910,700)	1,345,200	38,255,900
Federal Funds	1,041,160,542	32,845,300	1,074,005,842	1,166,397,900	92,392,058
Dedicated Credits Revenue	101,082,386	(1,300)	101,081,086	110,190,400	9,109,314
GFR - Cigarette Tax Rest	3,131,500		3,131,500	3,131,500	
GFR - Kurt Oscarson Trans	100,000		100,000	100,000	
GFR - Medicaid Restricted		5,347,300	5,347,300		(5,347,300)
GFR - Nursing Care Facilities Account				10,100,000	10,100,000
GFR - State Lab Drug Testing Account	277,600		277,600	293,600	16,000
GFR - Tobacco Settlement	13,064,900		13,064,900	13,155,200	90,300
Organ Donation Contribution Fund	113,000		113,000	113,000	
Transfers	110,826,306		110,826,306	117,061,500	6,235,194
Beginning Nonlapsing	3,802,306		3,802,306	2,383,700	(1,418,606)
Closing Nonlapsing	(2,383,740)		(2,383,740)	(1,098,000)	1,285,740
Total	\$1,534,939,500	\$1,193,300	\$1,536,132,800	\$1,708,925,300	\$172,792,500
Programs					
Executive Director's Operations	27,755,800	(21,400)	27,734,400	26,959,100	(775,300)
Health Systems Improvement	13,013,900		13,013,900	13,020,500	6,600
Workforce Financial Assistance	652,200		652,200	994,900	342,700
Epidemiology & Lab Services	15,060,500		15,060,500	15,053,100	(7,400)
Community & Family Health	98,440,200		98,440,200	98,346,300	(93,900)
Health Care Financing	72,237,200	1,214,700	73,451,900	71,563,100	(1,888,800)
Medical Assistance	1,269,054,200		1,269,054,200	1,444,238,200	175,184,000
Children's Health Ins Prog	36,712,900		36,712,900	36,708,900	(4,000)
Local Health Departments	2,012,600		2,012,600	2,041,200	28,600
Total	\$1,534,939,500	\$1,193,300	\$1,536,132,800	\$1,708,925,300	\$172,792,500
Total FTE	1,307.6	0.0	1,307.6	1,301.4	(6.2)

Department of Human Services

Department Overview

The Department of Human Services functions under authority of Title 62A of the Utah Code. In addition to the Executive Director Operations, there are six divisions within the Department of Human Services. These include the Divisions of Substance Abuse and Mental Health, Services for People with Disabilities, Aging and Adult Services, Office of Recovery Services, Child and Family Services, and Juvenile Justice Services (formerly Youth Corrections). There is also a separate line item of appropriation which provides treatment funds for Drug Courts and Boards. The Division of Juvenile Justice Services is not included in this chapter of the report as its budget is heard in the Executive Offices and Criminal Justice Appropriations Subcommittee.



Legislative Action

The total appropriation for FY 2005 is \$484,773,100, including \$206,680,500 from the General Fund. This represents an increase of \$25.9 million in total funds (5.6%) from the revised FY 2004 budget. The General Fund increased by \$6.2 million (3.1%).

After the 2004 General Session, the revised FY 2004 appropriated budget totals \$470,667,100 (\$200,490,600 General Fund).

General Departmental Issues

FY 2005 Budget Increases: Major funding increases were made in the budgets of Mental Health, Services for People with Disabilities, Child and Family Services, and Aging Services. The Legislature appropriated additional funds for new staff in the State Hospital's new Rampton II complex, local mental health centers and pre-school autism programs, case growth in Child and Family Services, the DD/MR (People with Developmental Disabilities and Mental Retardation) waiting list, replacement of one-time funds for non-waiver DD/MR services, and meals and other in-home services for the aged.

Personnel Services Adjustments: The statewide funding increases for salary and benefit adjustment of state employees increased the Department of Human Services' budget by \$8.3 million (\$3.6 million General Fund). This includes nearly \$1.5 million (\$405,200 General Fund) for market cost adjustments, mostly in the Office of Recovery Services. Cost of living adjustments (1 percent on-going plus 1 percent one-time) were also provided for employees of local providers of mental health, substance abuse, aging services, and private contract providers of services to the Divisions of Child and Family Services and Services for People with Disabilities, at a cost of \$2.7 million (\$1.4 million General Fund).

Medicaid Match Rate Change: Due to an increase in the federal share of FMAP (Federal Medical Assistance Percentage), from 71.60 percent to 72.01 percent in FY 2005, the Department will see a "savings" of \$817,600 of General Funds. These "freed up" state funds were used to fund some of the increases approved for the FY 2005 budget.

Human Resources Office Consolidation: The Department consolidated its Human Resource Office under a single manager in the Executive Director Operations in FY 2004. Nineteen HR employees previously working in the various

department divisions, and their budgets, were moved into the consolidated office. HR staff members working at the Developmental Center, the State Hospital, and at the Office of Recovery Services are still housed and budgeted in those locations but are under the management of the Department's HR director.

TANF Transfers to SSBG: As in several previous sessions, the FY 2005 funding includes \$5,307,000 in transfers from the Temporary Assistance for Needy Families Fund (TANF) to the Social Services Block Grant (SSBG). These funds will be used in the Division of Child and Family Services. It is uncertain if this source of funds will be available in future years.

FY 2004 Budget Adjustments: During the 2004 General Session, the Legislature appropriated \$902,000 (\$509,400 General Funds) for contracted programming services to enable Human Services data systems to communicate with the Department of Workforce Services' new "eREP" data system which is replacing "PACMIS."

Other Legislation: The FY 2005 budget is also affected by several pieces of legislation passed during the 2004 General Session. The Division of Child and Family Services received \$100,000 (General Fund) to implement **H.B. 54, "Videotape of Minors,"** and \$39,600 (General Fund) for **H.B. 268, "Child Welfare Process."** H.B. 268 also eliminated the \$239,000 General Fund appropriation in the Office of Child Protection Ombudsman to fund the newly created Office of Child Welfare Parental Defense in the Department of Administrative Services.

Executive Director Operations

The Executive Director Operations (EDO) budget includes the Department Director's Office and various services and bureaus that serve other divisions in the Department such as Fiscal Operations and Human Resource Management. EDO also includes programs that are independent of the divisions, such as the Governor's Council for People with Disabilities, and Foster Care Citizens Review Boards.

Legislative Action

For FY 2005, the Legislature appropriated a total budget of \$19,463,000 (\$7,489,900 General Funds). This amount reflects the consolidation of the Human Resource Office which transferred in 19 FTEs and \$649,900 General Funds, plus related federal funds. One position was also transferred from the EDO line item to the Office of Recovery Services as a resource development specialist. There were no licensing fee increases for FY 2005.

For FY 2004, after the 2004 General Session, the total appropriated budget for EDO is \$19,999,100 (\$8,004,900 General Fund). The Legislature appropriated \$660,300 (\$463,900 General Fund) for "eREP" related programming needs. Since the Human Resource Office consolidation occurred in FY 2004, the 2004 EDO budget was also increased by the same amount as was transferred for FY 2005.

Drug Courts, Drug Boards

Drug Court is a judicial process that offers nonviolent, drug-abusing offenders intensive court-supervised drug treatment as an alternative to jail if the offender completes the program. Local area substance abuse authorities and private entities provide treatment services. Drug Board is an administrative process that functions similar to a Drug Court, but is offered by the Board of Pardons and Parole in the Corrections system to individuals entering parole. Funds appropriated to the Department of Human Services provide treatment services through the local substance abuse authorities.

Legislative Action

For FY 2005, the Legislature appropriated \$1,647,200 for this line item (all General Fund Restricted - Tobacco Settlement Account). Of this amount, \$1,296,300 is intended for various Drug Courts around the State and \$350,000 is for Drug Board programs in Weber and Davis Counties. This is the same level appropriation as in several previous years.

Division of Substance Abuse and Mental Health

The Division of Substance Abuse and Mental Health (DSAMH) is the State's public substance abuse treatment and prevention and mental health authority. The Division has general supervision of the State Hospital in Provo. Eleven local mental health authorities deliver other mental health services. The Division contracts with county governing boards and distributes state and federal funds earmarked for mental health services. Counties are required to provide a minimum scope and level of service, and must provide a minimum 20 percent funding match. The Division also administers state and federal funds for the treatment and prevention of substance abuse. It contracts with the 13 local substance abuse authorities, which either provide services directly or through contracts with private providers.

Legislative Action

For FY 2005, the Legislature appropriated a total budget of \$108,177,600 (\$67,786,100 General Fund). This is an increase of \$3.7 million in total funds (3.5%) and \$2.2 million in General Funds (3.3%) over the FY 2004 revised appropriation.

The approved funding level for FY 2005 for mental health programs is \$75.0 million (\$56.9 million General Fund) including \$23.4 million (\$21.2 million General Funds) for local mental health centers and \$42.8 million (\$30.6 million General Fund) for the State Hospital. The Legislature increased the appropriation for local mental health centers by \$300,000 (General Fund) for increased services. It also boosted funding for pre-school autism programs by \$200,000 General Funds (\$50,000 from one-time funds).

The Legislature funded 19 additional staff in the youth section of the new Rampton II facility at the State Hospital (\$265,800 General Funds and an estimated \$438,100 of additional federal Medicaid funds). The Division's budget was also increased by \$167,200 General Funds (plus an estimated \$152,700 additional Medicaid funds) for the growth of Preadmission Screening and Resident Reviews (PASRR) and court-ordered competency evaluations.

The FY 2005 appropriation for substance abuse programs is \$30.8 million (\$9.8 million General Fund), including \$23.7 million (\$9.2 million General Fund) for local substance abuse authorities.

For FY 2004, the Legislature appropriated \$234,400 (\$90,200 General Fund) for additional staff in the youth section of the new Rampton II facility at the State Hospital. This wing was opened during the current year, and the old Hyde building was condemned and torn down.

Division of Services for People with Disabilities

The Division of Services for People with Disabilities (DSPD) is responsible for providing residential, day support and other services for people with mental retardation and other developmental disabilities. It also provides services to people with brain injuries and other physical disabilities. Services provided range from limited family support to a full array of 24-hour services both in the community and at the Utah State Developmental Center. Community services are provided under contracts with private providers. Services are also available in private Intermediate Care Facilities for people with Mental Retardation (ICFs/MR) with Medicaid funding through the Department of Health.

Waiting List: There are currently about 1,925 people with immediate needs waiting for various community-based services, including 424 waiting for community residential services. It would take approximately \$8.3 million dollars (General Fund) to fund the current waiting list under current service policies. In addition there are 83 people currently in service that have an immediate need for additional services.

In December 2002, the Disability Law Center filed a class-action lawsuit in the U.S. District Court, claiming the State has unlawfully failed to provide services to individuals on the waiting list in violation of Medicaid law and the Americans with Disabilities Act. On August 26, 2003, the U.S. District Court dismissed the Medicaid claims of the lawsuit. The lawsuit is still progressing on the other claims.

Legislative Action

For FY 2005, the Legislature appropriated a total budget of \$157,593,700 (\$43,338,900 General Fund), including \$33.0 million (\$8.7 million General Fund) for the State Developmental Center. The FY 2005 appropriation is an increase of \$12.3 million (8.4%) in total funding and \$909,500 in General Funds (2.1%) over the revised FY 2004 appropriated budget. The bulk of the increase is from increased federal Medicaid collections.

The Legislature increased funding for the waiting list by \$990,000 (\$300,000 General Fund) which will provide services for approximately 85 additional people. It also provided a base General Fund increase of \$350,000 to replace a one-time appropriation made last year for the non-waiver services program.

Intent Language

The Legislature authorized DSPD to use FY 2003 non-lapsing carry-forward funds in FY 2004 and FY 2005 to serve people with disabilities coming into service due to emergency situations, court-orders, and people aging out of state custody from child welfare and juvenile justice services. Through a complete review of its service delivery system and budgeting practices, the Division is expected to generate adequate internal savings by FY 2006 to provide continued funding for these services.

In appropriating funds for increased compensation for employees of DSPD's private contract providers, it limited the use of those funds for that purpose and directed that DSPD report to the Legislature on the distribution of those funds.

In other intent language, the Legislature directed the division to consider prevailing labor market conditions when renewing contracts with private service providers. It also indicated that rent collected from occupants of state owned group homes should be applied to maintenance costs of these homes, with the Division providing an accounting to the Legislature. Other intent language states that DSPD must limit funds appropriated for the home and community based services waiting list to direct services and related support only.

Office of Recovery Services

The Office of Recovery Services (ORS) is responsible for collecting child support and other funds owed to the State by individuals receiving services in the social service and medical assistance areas. Federal law also requires the Office to provide child support collection services to families not receiving government assistance.

Legislative Action

For FY 2005 the Legislature appropriated \$45,073,000 (\$10,689,300 General Fund). This represents an increase of \$4.4 million (10.9%) including an increase of \$670,300 (6.7%) from the General Fund over the revised FY 2004 appropriations. Federal fund collections are expected to increase by over \$3.3 million. The Legislature appropriated \$192,100 (\$41,300 General Fund) for increased rent and lease costs in FY 2005

For FY 2004, the Legislature appropriated \$241,700 (\$45,500 General Funds) for "eREP" related programming needs in the ORS data management system (ORSIS). The funds were given non-lapsing status for both FY 2004 and FY 2005.

Division of Child and Family Services

State statute (62A-4a-103) defines the primary purpose of the Division of Child and Family Services (DCFS) as providing child welfare services. The Division shall also, "when possible and appropriate, provide preventive services and family preservation services" Furthermore, the Division shall "provide domestic violence services in accordance with federal law."

The David C. Settlement agreement expired in 1998, and a new Performance Milestone Plan was agreed upon with the plaintiff, the Court and the State. The Division must report compliance with the plan through the court appointed monitor, Paul Vincent and the Child Welfare Policy and Practice Group of Montgomery, Alabama. In November, 2002, Judge Campbell

ordered the parties to renegotiate a more achievable, "trimmed down" plan, which would also list additional resources required. The 2003 Legislature provided funds for an additional 51 caseworkers and trainers, which have now been hired. In December, 2003, the judge requested that DCFS, within two years, either complete the items in the Milestone Plan, with any agreed stipulations for trimming the plan, or bring reasons why it is not possible. Stipulations for trimming the Plan are to be submitted to the judge by May, 2004. Another status conference is set for June.

Legislative Action

For FY 2005, the total appropriated budget for DCFS is \$131,157,600 (\$65,030,700 General Fund). The total of all funds appropriated is \$4.9 million above the revised FY 2004 appropriation. General Funds increased by \$2.1 million or 3.4%.

FY 2005 budget increases include \$424,900 (\$358,000 General Fund) for increased out home care caseloads and \$621,000 (\$450,000 General Fund) for anticipated increased adoption subsidy cases. DCFS also received \$72,000 (\$59,500 General Fund) for increased rents at various regional offices. In addition, the Legislature increased the appropriations from both the Domestic Violence Services Account and the Children's Trust Account by \$50,000 each.

Intent Language

In appropriating funds for increased compensation for employees of DCFS's private contract providers, it limited the use of those funds for that purpose and directed that DCFS report to the Legislature on the distribution of those funds.

Division of Aging and Adult Services

The Division of Aging and Adult Services (DAAS) is the designated State agency authorized to coordinate all State activities related to the Older Americans Act of 1965. It advocates for the elderly, contracts for services, and administers State and federal programs for the elderly. The Division is also responsible for the

protection of abused, neglected and exploited adults through Adult Protective Services. Programs funded through the Older Americans Act are distributed to the State's 12 local Area Agencies on Aging (AAAs) through an approved funding formula.

Legislative Action

For FY 2005, the Legislature appropriated a total budget of \$21,661,000 (\$12,345,600 General Fund). Compared to the revised FY 2004 appropriated budget, the total FY 2005 appropriation increased by \$1.1 million (5.5%) and \$824,700 General Fund (7.2%).

The Legislature increased funding for delivered meals by \$400,000 (General Funds), half of which is from one-time funds. In addition, it appropriated another \$200,000 (General Funds) for other in-home services and \$50,000 for reimbursements of volunteers' service related transportation costs.

Internal Service Funds

The Department of Human Services operates two internal service funds (ISFs) that provide shared services to divisions and bureaus of the Department. General Services collects funds from divisions in the Department for building maintenance and rent in the main office in Salt Lake City. Data Processing provides programming services for the Department.

The FY 2005 Appropriations Act authorizes collections of \$4,029,500, with operating expenses estimated at \$4,018,500. This should provide a small operating income of \$11,000. Accumulated retained earnings are expected to reach \$84,440 by the end of FY 2005. The Legislature also approved a staffing level of 32 FTEs and no capital acquisitions for FY 2005.

Funding Detail

Department of Human Services					
	2004		2004	2005	Change from
	Estimated	Supplemental	Revised	Appropriated	2004 Revised
Financing					
General Fund	199,272,900		199,272,900	204,877,800	5,604,900
General Fund, One-time	369,600	848,100	1,217,700	1,802,700	585,000
Federal Funds	119,187,300	379,900	119,567,200	122,090,300	2,523,100
Dedicated Credits Revenue	11,574,500	(1,400)	11,573,100	12,024,900	451,800
GFR - Children's Trust	350,000		350,000	400,000	50,000
GFR - Domestic Violence	650,000		650,000	700,000	50,000
GFR - Intoxicated Driver Rehab	1,200,000		1,200,000	1,200,000	
GFR - Tobacco Settlement	1,647,200		1,647,200	1,647,200	
GFR - Trust for People with Disabilities	435,000		435,000		(435,000)
Transfers - H - Medical Assistance	132,402,300	144,100	132,546,400	137,174,800	4,628,400
Transfers - Human Services		246,000	246,000		(246,000)
Transfers - Other Agencies	724,500	197,200	921,700	951,900	30,200
Beginning Nonlapsing	4,152,600		4,152,600	3,112,700	(1,039,900)
Closing Nonlapsing	(3,112,700)		(3,112,700)	(1,209,200)	1,903,500
Total	\$468,853,200	\$1,813,900	\$470,667,100	\$484,773,100	\$14,106,000
Programs					
Executive Director Operations	18,495,400	1,443,800	19,939,200	19,463,000	(476,200)
Drug Courts/Boards	1,450,000	197,200	1,647,200	1,647,200	
Substance Abuse & Mental Health	105,142,500	461,000	105,603,500	108,177,600	2,574,100
Svcs for People w/Disabilities	152,603,500	(58,800)	152,544,700	157,593,700	5,049,000
Office of Recovery Services	42,043,700	225,900	42,269,600	45,073,000	2,803,400
Child and Family Services	128,059,700	(445,500)	127,614,200	131,157,600	3,543,400
Aging and Adult Services	21,058,400	(9,700)	21,048,700	21,661,000	612,300
Total	\$468,853,200	\$1,813,900	\$470,667,100	\$484,773,100	\$14,106,000
Total FTE	3,613.2	13.3	3,626.5	3,641.7	15.2



Higher Education

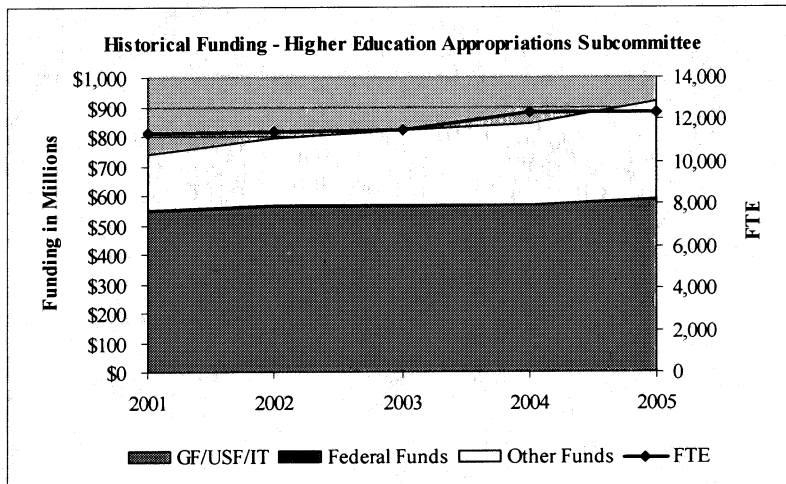
Higher Education

Subcommittee Overview

The Legislature appropriated \$942,854,900 for the Utah System of Higher Education, the Utah Education Network and the Utah Medical Education Council for FY 2005. This represents an increase of \$71,830,600 or 8.2 percent over the FY 2004 revised budget of \$871,024,300. State funding from the General Fund and Income Tax is \$601,642,300 or 63.8 percent of the total funding. General Fund Restricted Accounts total \$8,284,500 with the remaining balance of \$332,928,100 consisting of federal revenue, dedicated credits, transfers from CCJJ, mineral lease and land grant management funds.

The Utah System of Higher Education

The Utah System of Higher Education (USHE) is comprised of two research universities, two metropolitan/regional universities, two state colleges, three community colleges and the Utah College of Applied Technology (UCAT). The complete discussion of the UCAT FY 2005 Appropriation is presented in the Commerce and Revenue section of this Appropriations Report.



Legislative Action

The Legislature increased State funding for the Utah System of Higher Education by \$20,100,400 or 3.6 percent increase over the FY 2004 revised budget of \$565,520,900. The funding for Higher Education comes from several sources. The total funding of \$921,620,300 for FY 2005 consists of General Funds, Income Tax Revenue, Dedicated Credits (tuition and fees), Federal Funds, Mineral Lease Account, Transfers from CCJJ, Land Grant Management, the Cigarette Tax General Restricted Fund Account and the Tobacco Settlement General Fund Restricted Account. State funds (General Funds and Income Tax Revenue) account for \$585,621,300 or 63.5 percent of the budget appropriated for Higher Education.

The new funding for the Utah System of Higher Education for FY 2005 is as follows:

- **Internal Service Fund Adjustments:** The change to the base for Internal Service Fund adjustments of \$112,200 includes increases for Risk Management and Fleet Management with \$62,500 from General Funds and \$49,700 from dedicated credits.
- **Compensation:** For FY 2005, the Legislature appropriated a one percent salary increase of \$6.4 million with \$4.2 million in State funds. In addition, the Legislature provided a one-time bonus totaling \$5.2 million with \$3.5 million in State funds. The Legislature adopted intent language for the equitable distribution of salary for faculty and staff. In addition, funding in the amount of \$1,986,800 was approved for retirement rate contributions with \$1.3 million from State resources. To cover increased costs in health and dental insurance, the Legislature appropriated \$3,867,300 with \$2.6 million from the General Fund.
- **USU Water Research Lab Mineral Leases Funds:** As provided by statute, the Water Research Lab at Utah State University receives an allocation of 2.25 percent of the

royalties deposited in the Mineral Lease Account. The projected amount of Mineral Lease for FY 2005 is \$799,600, an increase of \$47,000 from the FY 2004 appropriation of \$752,600.

- **Transfers from the Commission on Criminal and Juvenile Justice (CCJJ):** The University of Utah and Utah State University received \$62,600 from CCJJ for oversight of the federal Youth and Families with Promise Program.
- **Engineering and Computer Science Initiative:** The Legislature appropriated an additional \$1,000,000 (\$500,000 as one-time) for this initiative.
- **Engineering Loan Forgiveness Program:** The Engineering Loan Forgiveness Program was established to encourage computer science and engineering graduates to work in the State upon completion of their education. The Legislature appropriated \$50,000 for FY 2005 for this program.
- **Financial Aid:** The Utah System of Higher Education received \$1.5 million (one-time funding) for student financial aid. This funding provides \$265,000 for the state match for federal financial aid programs, \$407,000 for the New Century Scholarship and \$828,000 for the Utah Centennial Opportunities Program for Education (UCOPE). The Legislature also reduced the first tier tuition by 0.5 percent or \$1.3 million which had been designated in the State Board of Regents' request for FY 2005 to support financial aid.
- **Nursing Initiative:** An appropriation of \$725,000 (\$50,000 one-time) was appropriated for the Nursing Initiative. In addition, the Legislature adopted intent language providing for the distribution of the ongoing funding of \$675,000, and requiring each institution receiving nursing initiative monies to provide a one-to-one match.

- **Southern Utah University Nursing Program:** The nursing program at SUU has been administered by Weber State University through an outreach program. The State Board of Regents approved the transfer of the nursing program from WSU to SUU beginning in FY 2005. The Legislature approved the transfer of \$272,900 to support the nursing program at SUU. This figure includes \$178,700 of the General Fund and \$94,200 from tuition revenue.
- **University of Utah Museum of Natural History:** The University of Utah was provided funding of \$200,000 for archeology.
- **Dixie State College:** An appropriation of \$100,000 was made to Dixie State College for a Paleontologist.
- **Campus Compact:** The Legislature appropriated \$100,000 to the State Board of Regents to support the membership of the Utah System of Higher Education in the national Campus Compact.
- **Utah State University Agriculture Experiment Station:** USU's Agriculture Experiment Station was appropriated \$300,000 (\$180,000 of one-time) for the support of the Climate Center.

Tuition: The State Board of Regents approved a 4.5 percent first tier tuition rate increase for academic year 2004-2005 with 0.5 percent being dedicated to financial aid for the second year in a row. The Legislature decreased the first tier tuition rate by 1.5 percent through intent language based on the proposed compensation package. A 3.0 percent increase will generate approximately \$7.9 million.

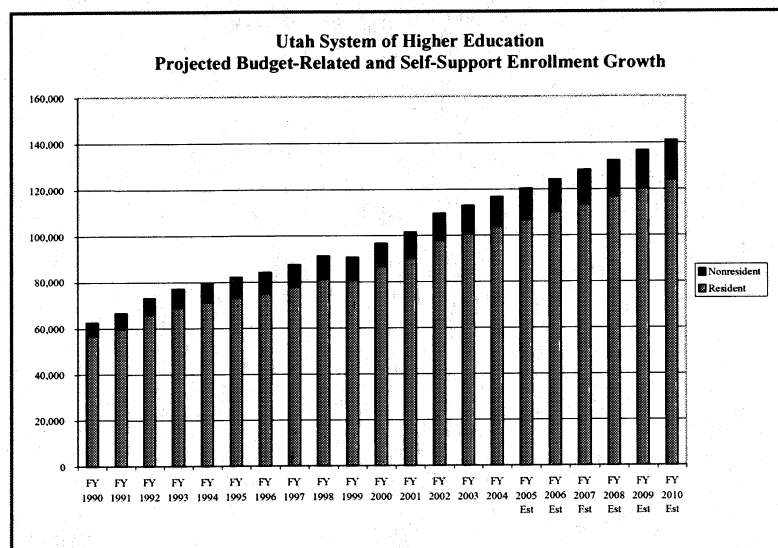
In addition, in the FY 2005 plan of financing, the State Board of Regents' proposed second tiered tuition increases system-wide averaging 6.7 percent, which was adopted by the Legislature. The Legislature adopted intent language giving the Institutions' Presidents the flexibility to address institutional needs with the estimated second tiered tuition increase of \$18.0 million. The

Legislature also capped the second tier tuition increases. The second tier tuition is shown in the following table.

Institution	Type of Student	FY 2004		2nd-tier Increase		Total Increase		2nd-tier Tuition Revenue
		Annual Tuition	Dollar Amount	Dollar Amount	Percent Increase	Dollar Amount	Percent Increase	
University of Utah	Undergraduate	\$3,058	\$214		7.0%	\$306	10.0%	\$7,400,000
	Graduate	\$2,484	\$298		12.0%	\$373	15.0%	
Utah State University	Returning Undergraduate	\$2,545	\$102		4.0%	\$178	7.0%	\$1,800,000
	Returning Undergrad. (After 2002)	\$2,615	\$105		4.0%	\$183	7.0%	
	Returning Graduate	\$2,449	\$98		4.0%	\$171	7.0%	
	Incoming Freshman	\$2,615	\$157		6.0%	\$235	9.0%	
	Incoming Graduate	\$2,449	\$147		6.0%	\$220	9.0%	
Weber State University	All Students	\$2,130	\$149		7.0%	\$213	10.0%	\$2,070,900
Southern Utah University	All Students	\$2,332	\$187		8.0%	\$257	11.0%	\$760,000
Snow College	All Students	\$1,370	\$82		6.0%	\$123	9.0%	\$140,900
Dixie State College	Lower division	\$1,416	\$64		4.5%	\$106	7.5%	\$510,000
	Upper division	\$2,016	\$101		5.0%	\$161	8.0%	
College of Eastern Utah	All Students	\$1,406	\$56		4.0%	\$98	7.0%	\$93,100
Utah Valley State College	Lower division	\$2,072	\$162		11.5%	\$300	14.5%	\$4,300,000
	Upper division	\$2,130	\$179		8.4%	\$243	11.4%	
Salt Lake Community College	All Students	\$1,697	\$85		5.0%	\$136	8.0%	\$1,279,000
USHE Total								\$18,333,900

Enrollment Growth: The Legislature appropriated \$4.6 million for enrollment growth for FY 2005. In addition, the tuition revenue expected from the new students is approximately \$29.2 million.

One of the hallmarks of Utah's higher education system has been open access to any USHE institution for which a student is suitably prepared. Over the past decade, student enrollment has increased by 39,500 new FTE students. Current estimates suggest that this high growth trend will continue over the next decade as illustrated by the following graph:



The Higher Education Appropriations Subcommittee adopted intent language to address unfunded mandates totaling \$34,670,900 (\$21,372,600 for fuel and power; \$2,444,400 for operation and maintenance of new facilities; and \$10,853,900 for unfunded growth) for higher education through the internal reallocation of funds.

The outcome of this action was a base budget reduction for FY 2005. The Subcommittee, in the decision to reallocate institutional funds, granted the USHE institutions the full flexibility in allocating the money identified for fuel and power, operations and maintenance of new facilities, and enrollment funded target computations.

Legislation

The following bills, which affect Higher Education, were passed during the 2004 General Session:

H.B. 65, "Tuition Waivers for Purple Heart Recipients"

H.B. 64, "Resident Tuition Status for National Guard Members"

H.B. 226, "Legislative Approval for Capital Projects"

H.B. 248, "Disclosure of Higher Education Costs"

H.B. 320, "Transferability of Credits Among Higher Education Institutions"

H.B. 328, "Revenue Bond and Capital Facility Authorizations"

H.C.R. 11, "Resolution on Higher Education Remedial Classes"

H.J.R. 12, "Constitutional Amendment – Exception to Subscribing to Stock Prohibition"

S.B. 40, "Cesar Chavez Scholarship Program"

S.B. 48, "Utah Firearms Laws"

S.B.185, "Public Education Amendments"

Intent Language

The Legislature adopted intent language for the USHE during the 2004 General Session requiring that: (1) financial reports and budget requests be submitted to the Office of the

Legislative Fiscal Analyst by November 1st, (2) the Applied Technology Education Study be completed by October of 2005, and (3) a plan to manage energy costs be developed for all State entities, including higher and public education, and report on the plan to the Higher Education Appropriation Subcommittee in the interim.

Additional intent language directs the State Board of Regents to refine the funding formula for the Utah System of Higher Education and consider policy and funding issues relating to unfunded mandates, tuition and financial aid.

The Legislature also directed the Board of Regents to coordinate the acquisition of library materials.

Intent language directed at specific institutions requires (1) a report to the Higher Education Appropriation Subcommittee on the full implementation of admission standards, policies and practices by the University of Utah, School of Medicine, and (2) that payments from Utah State University's energy savings agreement be included in its budget request.

Funding Detail

Higher Education Appropriations Subcommittee					
	2004	2004	2004	2005	Change from
	Estimated	Supplemental	Revised	Appropriated	2004 Revised
Financing					
General Fund	470,350,900		470,350,900	471,050,600	699,700
General Fund, One-time	170,000	23,200,000	23,370,000	5,705,200	(17,664,800)
Income Tax	95,000,000		95,000,000	108,865,500	13,865,500
Income Tax, One-time		(23,200,000)	(23,200,000)		23,200,000
Federal Funds	4,203,700		4,203,700	4,203,900	200
Dedicated Credits Revenue	265,617,800		265,617,800	321,589,900	55,972,100
Dedicated Credits - Land Grant	753,700		753,700	1,058,500	304,800
Federal Mineral Lease	752,600		752,600	799,600	47,000
GFR - Cigarette Tax Rest	4,284,500		4,284,500	4,284,500	
GFR - Tobacco Settlement	4,000,000		4,000,000	4,000,000	
Transfers					
Transfers - Commission on Criminal and Juve	76,600		76,600	62,600	(14,000)
Total	<u>\$845,209,800</u>	<u>\$0</u>	<u>\$845,209,800</u>	<u>\$921,620,300</u>	<u>\$76,410,500</u>
Programs					
University of Utah	304,722,500		304,722,500	336,527,000	31,804,500
Utah State University	179,948,300		179,948,300	187,509,100	7,560,800
Weber State University	86,115,300		86,115,300	95,023,300	8,908,000
Southern Utah University	37,906,900		37,906,900	39,024,500	1,117,600
Snow College	21,386,900		21,386,900	21,899,100	512,200
Dixie State College	22,982,100		22,982,100	24,328,700	1,346,600
College of Eastern Utah	15,175,100		15,175,100	15,532,300	357,200
Utah Valley State College	78,576,000		78,576,000	91,722,200	13,146,200
Salt Lake Community College	80,874,300		80,874,300	89,656,300	8,782,000
State Board of Regents	17,522,400		17,522,400	20,397,800	2,875,400
Total	<u>\$845,209,800</u>	<u>\$0</u>	<u>\$845,209,800</u>	<u>\$921,620,300</u>	<u>\$76,410,500</u>
Total FTE	12,357.7	0.0	12,357.7	12,357.5	(0.2)

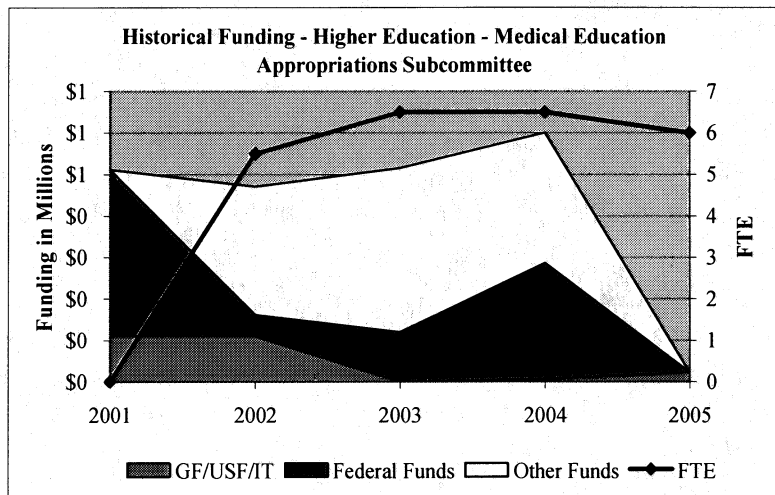
The Utah Medical Education Council

The Utah Medical Education Council (UMEC) determines the types and numbers of health care professionals needed to provide appropriate levels of health care. In addition, the UMEC seeks public and private funding for clinical training and determines the method of reimbursement for the entities sponsoring clinical training. The UMEC is identifying ways to maximize the revenue sources and stabilize funding for clinical training programs.

Legislative Action

Beginning in 2002, the budget for UMEC was moved to the Higher Education Appropriations Subcommittee. The appropriated budget for UMEC for FY 2005 is \$23,000 in General Funds (\$1,900 of one-time).

The \$23,000 General Fund appropriation is for compensation, retirement rate and health and dental rate increases.

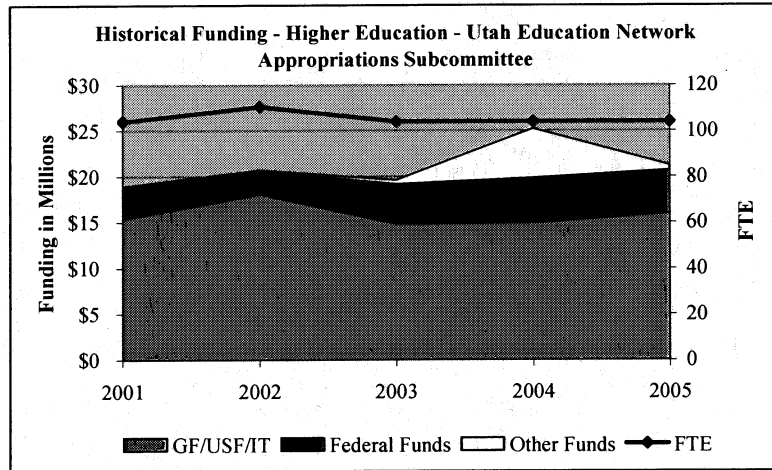


Funding Detail

Higher Education - Medical Education					
Financing	2004 Estimated	2004 Supplemental	2004 Revised	2005 Appropriated	Change from 2004 Revised
General Fund	6,600		6,600	19,900	13,300
General Fund, One-time				3,100	3,100
Federal Funds	280,000		280,000		(280,000)
Dedicated Credits Revenue	295,300		295,300		(295,300)
Beginning Nonlapsing	18,100		18,100		(18,100)
Total	\$600,000	\$0	\$600,000	\$23,000	(\$577,000)
Programs					
Medical Education Program	600,000		600,000	23,000	(577,000)
Total	\$600,000	\$0	\$600,000	\$23,000	(\$577,000)
Total FTE	6.5	0.0	6.5	6.0	(0.5)

Utah Education Network

The Utah Education Network (UEN), a partnership of Utah's public and higher education institutions, delivers distance learning educational services statewide. It operates the State's two public television stations, KUED-7 and KULC-9; provides closed-circuit, two-way video services through EDNET; and connects state institutions to each other and the Internet with UtahLINK. Its mission is to "provide the citizens of Utah access to the highest quality, most effective instructional experiences, administrative support services, library services, student services, and teacher resources regardless of location or time."



Legislative Action

For FY 2005, the Legislature provided \$157,800 in new ongoing General Fund resources and \$945,300 in additional one-time General Fund appropriations to bring UEN's annual budget to \$21,211,600. The Legislature also increased appropriations by \$157,800 for health, dental, retirement, cost-of-living adjustments, and \$45,300 in one-time state funds for an across-the-board bonus. Appropriators funded \$900,000 for UEN to improve network capacity, reliability, and security (\$400,000); convert analog video networks to digital video (\$240,000); and for enterprise level support for on-line instruction (\$260,000). While \$540,000 worth

of these costs are characterized by UEN as ongoing, budgeters were only able to identify one-time resources to cover them in FY 2005. Legislators thus must reexamine these new programs in the 2005 General Session.

Intent Language

Legislators included intent language in the 2004 Appropriations Act establishing performance goals and measures for UEN for Internet Bandwidth Utilization, Network Health, Internet Instruction, and Web Resources. These measures will serve as a baseline against which to measure UEN's performance in FY 2005.

Funding Detail

Higher Education - Utah Education Network					
Financing	2004	2004	2004	2005	Change from
	Estimated	Supplemental	Revised	Appropriated	2004 Revised
General Fund	14,895,600		14,895,600	15,052,700	157,100
General Fund, One-time	23,000		23,000	945,300	922,300
Federal Funds	4,928,200		4,928,200	4,705,600	(222,600)
Dedicated Credits Revenue	510,900		510,900	508,000	(2,900)
Beginning Nonlapsing	4,856,800		4,856,800		(4,856,800)
Total	\$25,214,500	\$0	\$25,214,500	\$21,211,600	(\$4,002,900)
Programs					
Utah Education Network	25,214,500		25,214,500	21,211,600	(4,002,900)
Total	\$25,214,500	\$0	\$25,214,500	\$21,211,600	(\$4,002,900)
Total FTE	104.0	0.0	104.0	104.0	0.0

Funding Detail

Higher Education Appropriations Subcommittee					
	2004	2004	2004	2005	Change from
	Estimated	Supplemental	Revised	Appropriated	2004 Revised
Financing					
General Fund	485,253,100		485,253,100	486,123,200	870,100
General Fund, One-time	193,000	23,200,000	23,393,000	6,653,600	(16,739,400)
Income Tax	95,000,000		95,000,000	108,865,500	13,865,500
Income Tax, One-time		(23,200,000)	(23,200,000)		23,200,000
Federal Funds	9,411,900		9,411,900	8,909,500	(502,400)
Dedicated Credits Revenue	266,424,000		266,424,000	322,097,900	55,673,900
Dedicated Credits - Land Grant	753,700		753,700	1,058,500	304,800
Federal Mineral Lease	752,600		752,600	799,600	47,000
GFR - Cigarette Tax Rest	4,284,500		4,284,500	4,284,500	
GFR - Tobacco Settlement	4,000,000		4,000,000	4,000,000	
Transfers					
Transfers - Commission on Criminal and Juve	76,600		76,600	62,600	(14,000)
Beginning Nonlapsing	4,874,900		4,874,900		(4,874,900)
Total	\$871,024,300	\$0	\$871,024,300	\$942,854,900	\$71,830,600
Programs					
University of Utah	304,722,500		304,722,500	336,527,000	31,804,500
Utah State University	179,948,300		179,948,300	187,509,100	7,560,800
Weber State University	86,115,300		86,115,300	95,023,300	8,908,000
Southern Utah University	37,906,900		37,906,900	39,024,500	1,117,600
Snow College	21,386,900		21,386,900	21,899,100	512,200
Dixie State College	22,982,100		22,982,100	24,328,700	1,346,600
College of Eastern Utah	15,175,100		15,175,100	15,532,300	357,200
Utah Valley State College	78,576,000		78,576,000	91,722,200	13,146,200
Salt Lake Community College	80,874,300		80,874,300	89,656,300	8,782,000
State Board of Regents	17,522,400		17,522,400	20,397,800	2,875,400
Medical Education Program	600,000		600,000	23,000	(577,000)
Utah Education Network	25,214,500		25,214,500	21,211,600	(4,002,900)
Total	\$871,024,300	\$0	\$871,024,300	\$942,854,900	\$71,830,600
Total FTE	12,357.7	0.0	12,357.7	12,357.5	(0.2)



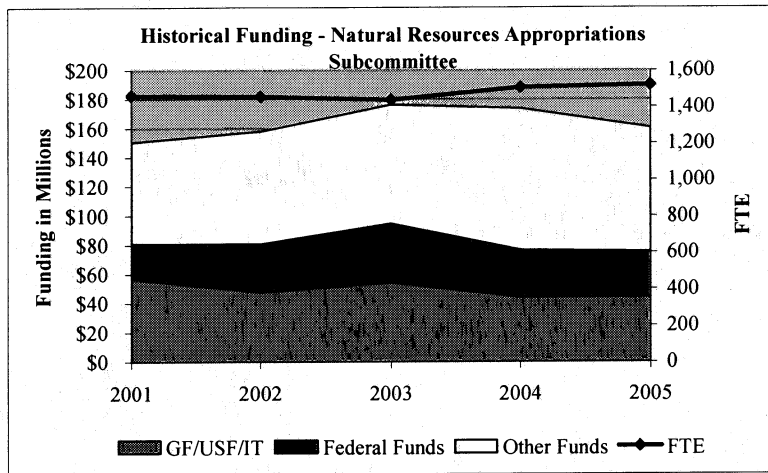
Natural Resources

Natural Resources

Subcommittee Overview

The Natural Resources Appropriations Subcommittee oversees the budgets for the Department of Natural Resources, the Department of Agriculture and Food, the Utah State Fair, and the School and Institutional Trust Lands Administration.

The Legislature approved a total FY 2005 appropriation in the amount of \$160,617,200, which is a decrease of 7.5 percent compared to the FY 2004 revised estimates.



General Subcommittee Issues

Ongoing Reallocations: Passage of H.B. 283, “Department of Agriculture and Food Amendments” will allow the department to increase fee revenues by licensing food establishments and weights and measures devices. In conjunction with the additional fee revenue, the subcommittee reallocated ongoing funds from the Department of Agriculture and Food to the following priorities:

	FY 2005 General Fund	FY 2005 Dedicated Credits
<u>Program</u>		
Agriculture:		
Regulatory Services	(\$343,400)	\$533,600
Meat Inspector	18,400	
Junior Livestock Shows	20,000	
State Fair	100,000	
Natural Resources:		
Soldier Hollow Park Operations	100,000	
Wildlife Resources Operations	60,000	
Water Rights Operations	45,000	
Total	\$0	\$533,600

One-Time Reallocations: The subcommittee also reallocated one-time funds in various programs in order to meet its priorities:

	FY 2005 General Fund	FY 2005 Restricted Funds
<u>Program</u>		
Agriculture:		
Ag in the Classroom	70,000	
High School Rodeo Competitors	10,000	
Ag Market News	45,000	
Brucellosis Prevention (H.B. 92)	20,000	
Natural Resources:		
Forestry, Fire & State Lands	(\$696,500)	\$696,500
Field House of Natural History	100,000	
Soldier Hollow Park Operations	100,000	
Abandoned Mine Reclamation	50,000	
UGS Groundwater Program	116,500	
Bear Lake Commission	40,000	
Cedar Mountain Science Center	25,000	
State General Purposes	120,000	
Total	\$0	\$696,500

Department of Natural Resources

The Department of Natural Resources (DNR) is comprised of seven divisions of state government (in addition to Administration) that affect the state's natural resources in various ways. These divisions include:

- ▶ Forestry, Fire and State Lands
- ▶ Oil, Gas and Mining
- ▶ Wildlife Resources
- ▶ Parks and Recreation
- ▶ Utah Geological Survey
- ▶ Water Resources
- ▶ Water Rights

The department's total FY 2005 appropriation of \$128,904,600 is a decrease of 8.1 percent increase from the revised FY 2004 level of \$140,313,300. The FY 2005 General Fund appropriation of \$33,698,100 represents an increase of 3.1 percent when compared to the FY 2004 revised General Fund level of \$32,675,100.

Administration

Administration includes the Executive Director and other administrative functions. In addition, it includes the Private Property Ombudsman, the Utah Energy Office, Law Enforcement oversight, Species Protection, internal service funds, building maintenance, and pass-through funding for the Bear Lake Regional Commission.

Legislative Action

The FY 2005 appropriation is \$11,884,800 with \$5,118,300 from the General Fund.

Bear Lake Regional Commission: The Legislature reallocated \$40,000 in one-time General Funds to assist with water

quality projects at Bear Lake in FY 2005. These funds are in addition to the ongoing base budget of \$28,700.

Utah Energy Office: To meet the increased demand for energy efficiency projects, the Legislature appropriated \$430,700 (FY 2004) and \$432,200 (FY 2005) from oil overcharge settlement funds.

Wetlands Specialist: The Legislature transferred \$25,000 in General Funds from DNR Administration to the Division of Wildlife Resources to help fund a Wetlands Specialist position.

Intent Language

Species Protection: The Legislature approved intent language requiring that DNR Administration provide detailed information to the Natural Resources Interim Committee on how funds are spent, including information on contracts and accomplishments.

Forestry, Fire and State Lands

The Division of Forestry, Fire and State Lands manages the sovereign lands of the state, which are lands, exposed or submerged, that were navigable waterway areas at the time of statehood. The division also assists individuals and organizations in the use of scientific forestry practices. During the wildland fire season, the division carries out the state's commitment to fighting fires.

In spite of continued drought and a severe fire season, the division did not need a supplemental appropriation for fire suppression.

Legislative Action

The FY 2005 appropriation is \$13,570,100, with \$2,224,700 from the General Fund.

Utah Lake Boundary Settlements: The Legislature issued an FY 2004 supplemental appropriation of \$450,000 from the General Fund Restricted – Sovereign Land Management Account to resolve Utah Lake boundary disputes.

Utah Lake Comprehensive Management Plan: Though the boundaries of Utah Lake are still being resolved, the Legislature approved the use of \$25,000 from the General Fund Restricted – Sovereign Land Management Account to compile necessary background information for a comprehensive management plan.

Initial Attack Fire Crew: In order to replace a crew formerly made up of inmates from the Department of Corrections, the Legislature appropriated \$168,000 from Dedicated Credits. The new civilian crew will be self-funded through fees charged for services.

Ramp Improvements: The Legislature appropriated \$18,000 from the General Fund Restricted – Sovereign Land Management Account to repair the boat ramp on the Little Valley Harbor on the Great Salt Lake.

One-Time Reallocation of General Funds: The Legislature appropriated an additional \$696,500 from the General Fund Restricted – Sovereign Land Management Account, freeing up the same amount of General Funds for a one-time reallocation to other line items. (See the table under “General Subcommittee Issues” for more information.)

Oil, Gas and Mining

In order to regulate the extraction of oil, natural gas, minerals, and other related resources in the state, the Division of Oil, Gas and Mining authorizes the operation and inspects the sites of such activities. The division also represents the interests of the federal government, through primacy, in assuring that these operations adhere to federal law.

Legislative Action

The FY 2005 appropriation to the Division of Oil, Gas and Mining is \$7,422,200, of which \$1,338,900 is from the General Fund.

Abandoned Mine Reclamation: The Legislature reallocated \$50,000 in one-time General Funds to protect public safety by securing abandoned mines. These funds will be matched by federal funds.

Wildlife Resources

The Legislature has declared that all wildlife in the state, not held by private ownership, is managed by the state. The Division of Wildlife Resources is the wildlife authority for the state under the policymaking authority of the Wildlife Board. With an operating and a capital budget, the division manages all fish and wildlife species, regulates hunting, fishing and trapping, and conducts nonconsumptive activities.

Legislative Action

The Division was appropriated \$47,699,500 for FY 2005. The General Fund appropriation was \$3,749,000.

Wetlands Specialist: The Legislature transferred \$25,000 in General Funds from DNR Administration to the Division of Wildlife Resources to help fund a Wetlands Specialist position.

Operating Costs: The Legislature reallocated \$60,000 in ongoing General Funds to help fund the division's operating costs.

Intent Language

The Legislature approved intent language which requires that the Habitat Council and Blue Ribbon Fisheries Council advise

the division director on expending resources to create a three-year walk-in access program.

Further intent states that the division use revenues generated by sportsmen solely for management, enhancement, and administration of game species and their habitats.

The Legislature also requires the division to enter into a \$500,000 contract with the Department of Agriculture and Food for predator control, with \$150,000 of the contract to be used to match funds from local governments. Funds will be directed to areas of the state not meeting deer herd management objectives.

To improve deer herds according to management plans, the division must spend a minimum of \$265,000.

Income tax contributions for wolf depredation/management shall first be used to compensate livestock owners for damages caused by wolves. Any remaining funds are available for wolf management.

Due to drought conditions, the division should consider refraining from issuing doe mitigation permits in rangeland depredation situations, but consider other ways to compensate landowners for crops damaged by deer.

The division must spend up to \$500,000 on the Blue Ribbon Fisheries Program, and up to \$250,000 on the Community Fisheries Program.

Any funds used from the General Fund Restricted – Wildlife Trust Account to construct a building in Price must be paid back to the account in twenty years or less at a three percent interest rate.

Parks and Recreation

Responsibility for the management and development of the state's park system is entrusted to the Division of Parks and Recreation under the Parks Board. Utah's state parks are a

combination of heritage, scenic, and recreation parks. The division is also responsible for statewide boating safety and statewide off-highway vehicle programs.

Legislative Action

The FY 2005 appropriation for the Parks division is \$27,488,400, with \$8,885,100 of that amount coming from the General Fund.

Soldier Hollow Operations: To assist with operating costs at Soldier Hollow, the Legislature appropriated:

- ▶ \$140,000 from the General Fund Restricted – Boating Account (FY 2004)
- ▶ \$100,000 from the General Fund Restricted – Off-Highway Vehicle Account (FY 2004)
- ▶ \$115,000 from Dedicated Credits as a result of the Golf User Fee (FY 2005)
- ▶ \$1,237,200 from the General Fund Restricted – State Park Fees Account as a result of other golf fees (FY 2005)
- ▶ \$100,000 in reallocated one-time General Funds (FY 2005)
- ▶ \$100,000 in reallocated ongoing General Funds (FY 2005)

OHV Rider Management: The Legislature appropriated \$200,000 in FY 2004 supplemental funds from the General Fund Restricted – Off-Highway Vehicle Account to improve OHV access and rider education.

Field House of Natural History: To fund increased operations and maintenance costs at the recently completed museum in Vernal, the Legislature reallocated \$100,000 in one-time General Funds to the Division of Parks and Recreation.

Nonresident OHV User Fee: Passage of H.B. 51 resulted in a new user fee on some nonresidents who use their OHVs in Utah. The Legislature approved an increase of \$16,900 from the restricted Off-Highway Vehicle Account for administrative expenses.

Intent Language

The Legislature approved intent language dealing with the management fee to the This is the Place Foundation (not to exceed \$700,000), and restricting the Golf Course at Soldier Hollow so that no portion of it will infringe upon space designated for winter or summer biathlon or cross-country events.

Utah Geological Survey

The Utah Geological Survey generates, interprets, preserves, and distributes geological information. The survey cooperates with local, state, and federal agencies, universities, industry, and private groups to promote economic development and public safety. The Survey emphasizes making timely geological information available.

Legislative Action

The FY 2005 appropriation for the UGS is \$4,508,400, with General Funds comprising \$2,323,300.

Groundwater Monitoring: The Legislature reallocated \$116,500 in one-time General Funds to study strategic aquifers and assist other agencies in making long-range decisions that will protect groundwater resources.

Water Resources

The Division of Water Resources provides comprehensive water planning, protects Utah's rights to interstate waters, and manages Utah's water development programs. In addition, the division promotes the orderly and timely planning, conservation, development, utilization, and protection of Utah's water resources.

Legislative Action

Sales taxes in the amount of \$7,175,000 are anticipated to be deposited in the division's FY 2005 capital budget for water developments, of which \$3,800,000 is for dam safety grants.

The total FY 2005 appropriation for Water Resources is \$10,003,100. The General Fund appropriation is \$4,055,700.

The budget for the division was increased only by the amount of the compensation package.

Water Rights

The Division of Water Rights is the office of record for water rights in the State of Utah. The division acts as a quasi-judicial body that submits its rulings to the courts for final action. The division also oversees dam safety, stream alteration permits, and well drilling.

Legislative Action

For FY 2005, lawmakers approved a budget of \$6,328,100 (\$6,003,100 General Fund).

Operating Costs: The Legislature reallocated \$45,000 in ongoing General Funds to help fund the division's operating costs.

Funding Detail

Department of Natural Resources					
	2004	2004	2004	2005	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2004 Revised
General Fund	33,007,300		33,007,300	33,797,000	789,700
General Fund, One-time	(332,200)		(332,200)	(98,900)	233,300
Federal Funds	30,386,400		30,386,400	28,866,700	(1,519,700)
Dedicated Credits Revenue	8,407,400		8,407,400	8,194,800	(212,600)
Federal Mineral Lease	779,200		779,200	809,400	30,200
GFR - Boating	3,553,800	140,000	3,693,800	3,647,600	(46,200)
GFR - Off-highway Vehicle	2,282,300	300,000	2,582,300	2,545,500	(36,800)
GFR - Oil & Gas Conservation Account	1,707,700		1,707,700	1,760,900	53,200
GFR - Sovereign Land Mgt	2,424,800	450,000	2,874,800	3,019,500	144,700
GFR - Species Protection	687,200		687,200	1,105,000	417,800
GFR - State Fish Hatch Maint	1,000,000		1,000,000	1,000,000	
GFR - State Park Fees	8,541,500	(465,000)	8,076,500	9,447,900	1,371,400
GFR - Wildlife Habitat	2,388,500		2,388,500	2,398,900	10,400
GFR - Wildlife Resources	23,883,400		23,883,400	24,333,400	450,000
Oil Overchg - Exxon	927,800	327,300	1,255,100	1,261,000	5,900
Oil Overchg - Stripper Well	295,000	103,400	398,400	411,300	12,900
Water Resources C&D	5,702,400		5,702,400	5,757,400	55,000
Water Res Construction	150,000		150,000	150,000	
Transfers					
Transfers - Natural Resources	(76,700)		(76,700)	(59,600)	17,100
Beginning Nonlapsing	17,150,900		17,150,900	808,700	(16,342,200)
Closing Nonlapsing	(808,700)		(808,700)	(251,900)	556,800
Lapsing Balance	(2,600,400)		(2,600,400)		2,600,400
Total	\$139,457,600	\$855,700	\$140,313,300	\$128,904,600	(\$11,408,700)
Programs					
Administration	6,576,500	430,700	7,007,200	6,669,100	(338,100)
Species Protection	3,137,200		3,137,200	3,555,000	417,800
Building Operations	1,660,700		1,660,700	1,660,700	
Forestry, Fire and State Lands	15,971,300	450,000	16,421,300	13,570,100	(2,851,200)
Oil, Gas and Mining	7,398,200		7,398,200	7,422,200	24,000
Wildlife Resources	35,122,700		35,122,700	38,536,400	3,413,700
Predator Control					
GFR - Wildlife Resources	68,000		68,000	74,800	6,800
Contributed Research	336,700		336,700	338,400	1,700
Cooperative Env Studies	5,377,600		5,377,600	5,433,900	56,300
Wildlife Resources Capital	4,316,000		4,316,000	3,316,000	(1,000,000)
Parks & Recreation	23,756,200	(25,000)	23,731,200	25,144,200	1,413,000
Parks & Recreation Capital	14,583,100		14,583,100	2,344,200	(12,238,900)
Utah Geological Survey	4,771,100		4,771,100	4,508,400	(262,700)
Water Resources	4,823,000		4,823,000	4,620,800	(202,200)
W Res Revolving Const	4,339,100		4,339,100	4,339,100	
W Res Conserv & Develop	1,043,200		1,043,200	1,043,200	
Water Rights	6,177,000		6,177,000	6,328,100	151,100
Total	\$139,457,600	\$855,700	\$140,313,300	\$128,904,600	(\$11,408,700)
Total FTE	1,234.8	0.0	1,234.8	1,243.5	8.7

Department of Agriculture and Food

The Department of Agriculture and Food is responsible for the administration of Utah's agricultural laws. The laws mandate a variety of activities including inspection, regulation, information, rule-making, loan issuance, marketing and development, pest and disease control, improving the economic position of agriculture, and consumer protection.

The department protects consumers by inspecting commercial food processing establishments. Inspections are made of meat packing plants, grocery stores, dairy farms, and cattle auctions. Further, inspections are made of establishments that sell goods using weights and measures, to ensure that uniform standards are met. The department also ensures that labeling reflects the true measure and composition of package contents.

For FY 2005, the Legislature approved an appropriation of \$16,658,700. This represents a decrease of 7.2 percent compared to the FY 2004 revised funding level. The FY 2005 General Fund level is \$9,989,800, a 6.3 percent decrease from the FY 2004 General Fund level.

Legislative Action

Insect Infestations: The Legislature appropriated \$200,000 to control cricket and grasshopper infestations, and \$500,000 to control mosquito populations in FY 2004. Additional federal funds may be available for additional control efforts.

Delta Egg Farms: The department is under contract to provide inspection services at Delta Egg Farms. The Legislature appropriated \$10,100 (FY 2004) and \$40,300 (FY 2005) in Dedicated Credits to provide an additional inspector.

Brand Inspection: Every five years the department allows brand owners to renew registrations, and issues a new brand book. The Legislature appropriated \$40,000 from the General

Fund Restricted – Livestock Brand Account for the renewal cycle beginning in 2005.

Ongoing Reallocation of General Funds: The Legislature made ongoing reallocations affecting the department. As shown above under “General Subcommittee Issues” the following changes were made:

- ▶ Regulatory Services Division: (\$343,400). Funds will be replaced by Dedicated Credits collected under new authority of H.B. 283.
- ▶ Additional Meat Inspector: \$18,400 (matched by federal funds).
- ▶ Junior Livestock Shows: \$20,000

One-Time Reallocation of General Funds: The department received one-time reallocations of General Funds from other programs as shown above under “General Subcommittee Issues.”

- ▶ “Ag in the Classroom” pass-through to USU: \$70,000
- ▶ High school rodeo competitors pass-through: \$10,000
- ▶ Cedar Mountain Science Center pass-through: \$25,000
- ▶ Brucellosis Vaccinations (H.B. 92): \$20,000
- ▶ Market News: \$45,000

Fee Increases: The Legislature authorized fee increases in the Agricultural Inspection Program, the Brand Inspection Program, and the Regulatory Services Program. To authorize the expenditure of anticipated revenues, the Legislature appropriated an additional \$713,600 from Dedicated Credits (\$180,000 to Agricultural Inspection and \$533,600 to Regulatory Services).

Brucellosis Vaccinations (H.B. 92): In addition to one-time reallocation of General Funds for administrative costs, the Legislature appropriated \$20,000 in ongoing General Funds to help purchase vaccine supplies.

Market News: In addition to one-time reallocation of General Funds as shown above, the Legislature appropriated

\$40,000 in ongoing General Funds to maintain this program which had its funding cut in the 2003 General Session.

Junior Livestock Shows: In addition to ongoing reallocation of General Funds as shown above, the Legislature appropriated \$20,000 in one-time General Funds for FY 2005.

Farm Safety: The Legislature appropriated \$40,000 in one-time General Funds for farm safety education.

Rabbit Indemnity Payments: The Legislature appropriated \$28,600 to indemnify farmers whose rabbits were euthanized by order of the state due to Viral Hemorrhagic Disease.

Intent Language

The Legislature appropriated funds for conservation easements and has allowed, through intent language, those funds to be granted to charitable organizations, or they may be used by the department to protect agricultural lands.

The department should seek to create reciprocal fee agreements with neighboring states regarding brand inspections.

The Division of Wildlife Resources is required to enter into a \$500,000 contract with the Department of Agriculture and Food for predator control. An amount of \$150,000 of the contract will be used to match funds from local governments. Funds will be directed to areas of the state not meeting deer herd management objectives.

Funding Detail

Department of Agriculture and Food					
	2004	2004	2004	2005	Change from
	Estimated	Supplemental	Revised	Appropriated	2004 Revised
Financing					
General Fund	9,643,600		9,643,600	9,658,100	14,500
General Fund, One-time	312,300	700,000	1,012,300	331,700	(680,600)
Federal Funds	2,122,400		2,122,400	2,183,500	61,100
Dedicated Credits Revenue	1,568,600	10,100	1,578,700	2,358,600	779,900
GFR - Horse Racing	50,000		50,000	50,000	
GFR - Livestock Brand	751,300		751,300	816,700	65,400
GFR - Wildlife Damage Prev	540,200		540,200	554,700	14,500
Agri Resource Development	629,400		629,400	631,500	2,100
Utah Rural Rehab Loan	18,000		18,000	18,000	
Transfers - Natural Resources	266,400		266,400	59,600	(206,800)
Beginning Nonlapsing	1,348,000		1,348,000		(1,348,000)
Closing Nonlapsing				(3,700)	(3,700)
Total	\$17,250,200	\$710,100	\$17,960,300	\$16,658,700	(\$1,301,600)
Programs					
Administration	13,921,700	704,100	14,625,800	13,623,800	(1,002,000)
Building Operations	264,000	6,000	270,000	270,000	
Predatory Animal Control	1,468,200		1,468,200	1,171,600	(296,600)
Resource Conservation	1,282,200		1,282,200	1,277,100	(5,100)
Loans	314,100		314,100	316,200	2,100
Total	\$17,250,200	\$710,100	\$17,960,300	\$16,658,700	(\$1,301,600)
Total FTE	209.1	1.0	210.1	214.1	4.0

State Fair

The State Fair Corporation is an independent, public nonprofit entity that operates the fair and fairgrounds year round. Subject to the approval of the board of directors, the corporation may hold exhibitions that will best stimulate agricultural, industrial, artistic and educational pursuits and the sharing of talents among the people of Utah. Utah's first state fair was held in 1856.

The FY 2005 appropriation to the Fair was \$3,533,000, with \$793,300 from the General Fund. While the total appropriation shows a 12.8 percent decrease, the General Fund support is an increase of 6.7 percent over the revised FY 2004 appropriation.

Legislative Action

Increased State Subsidy: To ensure the continued viability of the Fair, the Legislature appropriated an additional \$300,000 General Funds in FY 2004, and an additional \$350,000 ongoing General Funds in FY 2005. The base annual state subsidy for the Fair is now \$793,300.

Funding Detail

Utah State Fair Corporation					
	2004	2004	2004	2005	Change from
	Estimated	Supplemental	Revised	Appropriated	2004 Revised
Financing					
General Fund	443,300		443,300	793,300	350,000
General Fund, One-time		300,000	300,000		(300,000)
Dedicated Credits Revenue	2,917,400		2,917,400	2,838,200	(79,200)
Beginning Nonlapsing	615,300		615,300	223,700	(391,600)
Closing Nonlapsing	(223,700)		(223,700)	(322,200)	(98,500)
Total	<u>\$3,752,300</u>	<u>\$300,000</u>	<u>\$4,052,300</u>	<u>\$3,533,000</u>	<u>(\$519,300)</u>
Programs					
Utah State Fair Corporation	3,752,300	300,000	4,052,300	3,533,000	(519,300)
Total	<u>\$3,752,300</u>	<u>\$300,000</u>	<u>\$4,052,300</u>	<u>\$3,533,000</u>	<u>(\$519,300)</u>

0.0

School and Institutional Trust Lands Administration

The School and Institutional Trust Lands Administration (SITLA), a quasi-governmental independent state agency, is established to manage lands that Congress granted to the State of Utah for the support of common schools and other beneficiary institutions under the Utah Enabling Act. Management in this sense refers to maximizing revenue from the lands. Funding for SITLA operations is provided through the Land Grant Management Fund, which consists of revenues derived from trust lands. Unexpended appropriations are distributed back to the beneficiaries or the Permanent School Fund.

The Legislature appropriated \$11,520,900 for SITLA for FY 2005. There are no state General Funds in this appropriation.

Legislative Action

Auditing Services: Auditing to check for contract compliance is critical to SITLA's ability to generate revenues. Due to a growing number of contracts, the Legislature appropriated \$40,000 to allow the agency to outsource some auditing functions.

Capital Developments: The Legislature appropriated \$1,000,000 in FY 2004 and FY 2005 to improve raw land in order to increase the value of the agency's real estate transactions.

Funding Detail

School and Institutional Trust Lands Administration					
Financing	2004		2004	2005	Change from
	Estimated	Supplemental	Revised	Appropriated	2004 Revised
Land Grant Mgt Fund	10,342,100	1,000,000	11,342,100	11,520,900	178,800
Total	<u>\$10,342,100</u>	<u>\$1,000,000</u>	<u>\$11,342,100</u>	<u>\$11,520,900</u>	<u>\$178,800</u>
Programs					
School & Inst Trust Lands	10,342,100	1,000,000	11,342,100	11,520,900	178,800
Total	<u>\$10,342,100</u>	<u>\$1,000,000</u>	<u>\$11,342,100</u>	<u>\$11,520,900</u>	<u>\$178,800</u>
Total FTE	62.0	0.0	62.0	62.0	0.0

Funding Detail

Natural Resources Appropriations Subcommittee					
	2004	2004	2004	2005	Change from
	Estimated	Supplemental	Revised	Appropriated	2004 Revised
Financing					
General Fund	43,094,200		43,094,200	44,248,400	1,154,200
General Fund, One-time	(19,900)	1,000,000	980,100	232,800	(747,300)
Federal Funds	32,508,800		32,508,800	31,050,200	(1,458,600)
Dedicated Credits Revenue	12,893,400	10,100	12,903,500	13,391,600	488,100
Federal Mineral Lease	779,200		779,200	809,400	30,200
GFR - Boating	3,553,800	140,000	3,693,800	3,647,600	(46,200)
GFR - Horse Racing	50,000		50,000	50,000	
GFR - Livestock Brand	751,300		751,300	816,700	65,400
GFR - Off-highway Vehicle	2,282,300	300,000	2,582,300	2,545,500	(36,800)
GFR - Oil & Gas Conservation Account	1,707,700		1,707,700	1,760,900	53,200
GFR - Sovereign Land Mgt	2,424,800	450,000	2,874,800	3,019,500	144,700
GFR - Species Protection	687,200		687,200	1,105,000	417,800
GFR - State Fish Hatch Maint	1,000,000		1,000,000	1,000,000	
GFR - State Park Fees	8,541,500	(465,000)	8,076,500	9,447,900	1,371,400
GFR - Wildlife Damage Prev	540,200		540,200	554,700	14,500
GFR - Wildlife Habitat	2,388,500		2,388,500	2,398,900	10,400
GFR - Wildlife Resources	23,883,400		23,883,400	24,333,400	450,000
Agri Resource Development	629,400		629,400	631,500	2,100
Land Grant Mgt Fund	10,342,100	1,000,000	11,342,100	11,520,900	178,800
Oil Overchg - Exxon	927,800	327,300	1,255,100	1,261,000	5,900
Oil Overchg - Stripper Well	295,000	103,400	398,400	411,300	12,900
Utah Rural Rehab Loan	18,000		18,000	18,000	
Water Resources C&D	5,702,400		5,702,400	5,757,400	55,000
Water Res Construction	150,000		150,000	150,000	
Transfers					
Transfers - Natural Resources	189,700		189,700		(189,700)
Beginning Nonlapsing	19,114,200		19,114,200	1,032,400	(18,081,800)
Closing Nonlapsing	(1,032,400)		(1,032,400)	(577,800)	454,600
Lapsing Balance	(2,600,400)		(2,600,400)		2,600,400
Total	\$170,802,200	\$2,865,800	\$173,668,000	\$160,617,200	(\$13,050,800)
Programs					
Natural Resources	139,457,600	855,700	140,313,300	128,904,600	(11,408,700)
Agriculture	21,002,500	1,010,100	22,012,600	20,191,700	(1,820,900)
School & Institutional Trust Lands	10,342,100	1,000,000	11,342,100	11,520,900	178,800
Total	\$170,802,200	\$2,865,800	\$173,668,000	\$160,617,200	(\$13,050,800)
Total FTE	1,505.9	1.0	1,506.9	1,519.6	12.7

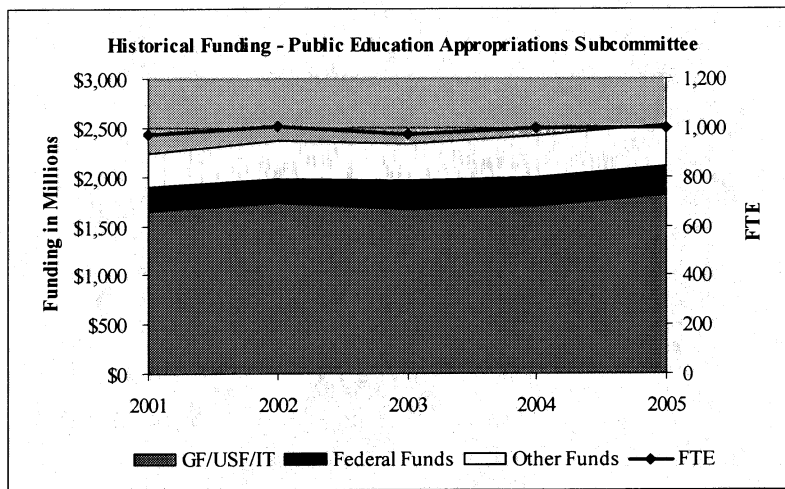


Public Education

Public Education

Subcommittee Overview

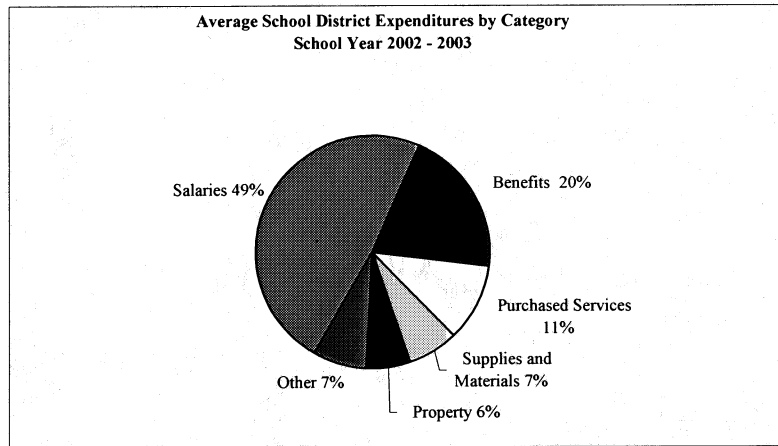
The Public Education Appropriations Subcommittee has the responsibility for the largest expenditure category of the State budget. The Legislature appropriated more than \$2.53 billion to Public Education for FY 2005, a 5.3 percent increase over the FY 2004 revised budget. The Public Education budget represents 47.6 percent of the State's General and Uniform School Fund expenditures for FY 2005. The subcommittee oversees budgeting for the Minimum School Program; Utah State Office of Education; Child Nutrition Programs; School Building Programs; Utah State Office of Rehabilitation; Utah Schools for the Deaf and the Blind; Fine Arts and Sciences Outreach Program; and Educational Contracts.



The State Board of Education is constitutionally charged with the general control and supervision of the public school system. It appoints the State Superintendent of Public Instruction to oversee the administration of the system. Public education is delivered through the forty school districts and 25 charter schools.

Fall 2003 enrollment figures indicate that schools enroll roughly 486,900 students statewide. Projections suggest that an additional 7,162 may enroll in the public schools in Fall 2004.

The following table illustrates average school district expenditures by category. School district expenditures increased in the 2002-2003 school year by roughly \$55 million over the 2001-2002 school year, an increase of 1.8 percent. Approximately 69 percent of school district expenditures provide employee salaries and benefits.



Minimum School Program

The Minimum School Program is the single largest portion of the Public Education budget. It provides support to public schools in each of forty local school districts to allow educational opportunities for all children in the State. Distribution of State funds is made on a formula basis to equalize wealth between "poorer" and "richer" districts. The basis for the distribution of State funds is the Weighted Pupil Unit (WPU). The Legislature appropriated the first \$2 billion budget for FY 2005 to the Minimum School Program. The appropriation of \$2,123,639,488 is a 6.3 percent increase over the FY 2004 revised appropriation.

Legislative Action

Weighted Pupil Unit (WPU) Equivalent Increase: The Legislature increased the value of the WPU by \$32 for a total of

\$2,182 for FY 2005. This amounted to an increase of \$25.2 million. This increase effectively raised the value of the WPU by 1.5 percent over last year. The Legislature appropriated funding for compensation for a one-time bonus for school districts in the amount of \$17,200,400.

The Legislature provided new funding for student growth; health insurance increases, salary bonus, retirement rate increase, a new reading program, teacher supplies, UPASS technology online testing, charter school local replacement funding, adult education, and the Electronic High School, effective for FY 2005; and prioritized funding needs by reallocating resources available for the education budget.

Major items funded by the Legislature include:

1. **Weight Pupil Unit** - \$25,220,432
2. **USPASS Technology - On Line Testing** - The Legislature appropriated \$5,000,000 one-time from the Uniform School Fund to the State Board of Education to award grants to school districts and charter schools to implement a system for the online delivery of summative tests required under U-PASS (Utah Performance Assessment System for Students).
3. **Student Growth Costs** - \$24,467,376 - funding for student growth of 7,162 in new fall enrollment count represents a 1.47 percent increase for a total fall enrollment estimate for FY 2005 of 494,100.

The enrollment trends for the next decade are predicted to increase between 100,000 and 150,000 new students. This will require not only resource allocation for new growth but also new facilities. Potential enrollment and cost projections are indicated in the following chart.

Public Education Enrollment and Cost Projections FY 2004 Through FY 2017						
Fiscal Year	Fall Enrollment Increase	Increase in WPU's	Projected Cost - Growth Only	WPU Value Increase	Projected Cost- Growth Plus WPU @ 2%/Yr.	WPU Value Incremental Increase
2003				\$2,132		
2004	5,795	5,630	\$15,726,018	2,150 *	\$50,590,229	\$18
2005	7,162	9,276	24,467,376	2,182	60,206,433	32
2006	8,471	11,097	29,842,866	2,237	66,894,690	44
2007	11,667	15,284	41,889,924	2,281	79,728,817	44
2008	13,371	17,516	49,090,714	2,327	89,439,996	46
2009	14,097	18,467	53,708,584	2,374	95,877,876	47
2010	16,212	21,238	63,435,212	2,421	106,772,752	47
2011	17,882	23,425	71,344,957	2,470	117,727,194	49
2012	17,980	23,554	73,104,129	2,519	120,837,144	49
2013	19,610	25,689	81,209,030	2,569	131,350,969	50
2014	18,158	23,787	76,588,339	2,621	130,049,353	52
2015	17,090	22,387	73,556,379	2,673	128,379,848	52
2016	16,061	21,040	70,563,980	2,727	128,696,676	54
2017	13,595	17,809	60,853,371	2,781	120,111,592	54
Total	197,151	256,199	\$785,380,879		\$1,426,663,569	\$638

4. **Charter Schools** - \$4,602,450 - The Legislature provided for charter school students to be funded equitably with regular public school students. They also maintained the position that the state should be responsible to fully fund these students and that school districts should not be required to give up local revenues for students choosing to attend charter schools. The funding of \$4,602,450 includes the current base funding of \$2,377,172 and new funding of \$2,225,278. The new funding also covered student growth costs for Charter Schools.

The Legislature also provided a supplemental appropriation of \$716,000 for FY 2004 to provide for additional growth that has occurred in Charter Schools.

For funds that are distributed from Weighted Pupil Unit monies, students enrolled in a Charter School receive the following Weighted Pupil Unit Weightings for Minimum School Program allocations, except for

the Charter School Local Fund Replacement Line.

Kindergarten	55%
Grades 1-6	90%
Grades 7-8	99%
Grades 9-12	120%

Local replacement funding is determined by the following formula:

The amount of money provided for each charter school student shall be determined by calculating the sum of school districts' operations and maintenance revenues derived from local property taxes, except revenues from imposing a minimum basic tax rate pursuant to Section 53A-17a-135; school districts' capital projects revenues derived from local property taxes; school districts' expenditures for interest on debt; and dividing the sum by the total average daily membership of the districts' schools. Of the monies provided to a charter school under Subsection (4)(a), 10 percent shall be expended funding school facilities only. (The underlined sentence was added by the 2004 Legislature.)

The Legislature passed intent language to ensure full funding for charter schools based on unforeseen enrollments by allowing nonlapsing balances to supplement charter schools' appropriations for the replacement of local property tax revenues.

5. **Retirement Rate Increase** – The retirement rate increase resulted in additional funding of \$20,416,700 appropriated in the Minimum School Program.
6. **Teacher Supplies and Materials** – The Legislature appropriated one time funding of \$5,500,000 for teacher supplies and materials for FY 2005. The distribution of funds is specified as follows:

“There is appropriated from the Uniform School Fund to the State Board of Education, for fiscal year 2003-

04 only, \$5,000,000 for classroom supplies and materials. The board shall distribute the appropriation to classroom teachers in school districts, the Schools for the Deaf and the Blind, the Edith Bowen Laboratory School, and charter schools on the basis of the number of classroom teachers in each school as compared to the total number of classroom teachers.

Each teacher in grades kindergarten through six shall receive up to \$225 and each teacher in grades seven through 12 shall receive up to \$175 from this appropriation. Teachers shall spend the money for school supplies, materials, or field trips under rules adopted by the State Board of Education.”

7. **Electronic High School** - The Legislature provided additional funding in the amount of \$175,000 as a supplemental appropriation for the Electronic High School in FY 2004. For FY 2005, an additional \$300,000 was appropriated which provides for a total \$700,000 program.
8. **Adult Education** – The Legislature appropriated one-time funding of \$1,600,000 for FY 2005 for Adult Education to help maintain programming that was reduced by the 2002 Legislature.

The following intent language was adopted:

“The State Board of Education shall make rules providing for the establishment of fees which shall be imposed by local school boards for participation in adult education programs. A fee structure for adult education shall take into account the ability of a Utah resident who participates in adult education to pay the fees. Sections 53A-12-103 and 53A-12-104 pertaining to fees and fee waivers in secondary schools do not apply to adult education.”

9. Quality Teaching Block Grant - Legislative Intent

The Legislature passed legislative intent for the use of Quality Teaching Block Grant funds, to “. . . *recognize the additional cost of training and or testing related to being recognized as a "Highly Qualified Teacher" and encourage the state and local school districts to give consideration to funding through the Quality Teaching Block Grant the additional out of pocket expense that current certified teachers will be asked to bear a high priority...*”

10. **Board and Voted Leeway** – The Legislature funded half of the statutory increase to the Board and Voted Leeway Program which was estimated to be \$2,663,607. The statutory full increase was delayed to FY 2006.
11. **Math/Science – Beginning Teacher Recruitment** – This \$600,000 program was eliminated and the ongoing funds were prioritized to other public education needs.
12. **Foreign Exchange Program** – The Legislature clarified the statutes for foreign exchange programs to ensure individual school districts that they can choose to continue these programs regardless of specific funding from the state Legislature.

School Building Program

The funding level for the School Building Program is \$27,288,900. Of the \$27,288,900 appropriated, an amount of \$2,930,900 is designated for distribution under the Enrollment Growth program category.

The following table shows the appropriations for FY 2004 as revised by the Legislature, and the funding for FY 2005 along with a comparison between the two years. The budget reductions and funding increases are also detailed.

**MINIMUM SCHOOL PROGRAM
FY 2005**

Line	Description	FY 2004 Revised		2004-05 WPUIS	FY 2005 Legislature Funding @ WPUIS	FY 2005 Difference From Rev. 04	% Diff 04 to 2005
		WPUIS 2003-04	Funding @ \$2,150				
1	Financing						
2	I. Local Revenue						
3	A. Basic Tax Levy	0.001743	\$212,110,681	0.001734	\$217,590,703	\$5,480,022	2.6%
4	B. Voted Leeway		136,088,319		146,631,201	10,542,882	7.7%
5	C. Board Leeway		38,638,837		40,677,673	2,038,836	5.3%
6			386,837,837		404,899,577	18,061,740	4.7%
7	Local Contribution (A, B, & C) Subtotal						
8	II. State Revenue						
9	A. Uniform School Fund		1,604,893,274		1,686,939,511	82,046,237	5.1%
10	B. Uniform School Fund - One Time		5,891,000		31,800,400	25,909,400	439.8%
11	State Revenue Subtotal		1,610,784,274		1,718,739,911	107,955,637	6.7%
12	REVENUE (I & II) TOTAL		1,997,622,111		2,123,639,488	126,017,377	6.3%
13	I. Basic Program						
14	A. Regular Basic School Programs						
15	1. Kindergarten	20,433	43,930,950	22,481	49,053,542	5,122,592	11.7%
16	2. Grades 1-12	432,649	930,195,350	438,303	956,377,146	26,181,796	2.8%
17	3. Necessarily Existent Small Schools	7,532	16,193,800	7,667	16,729,394	535,594	3.3%
18	4. Professional Staff	41,548	89,228,200	42,814	93,420,148	4,091,948	4.6%
19	5. Administrative Costs	1,655	3,558,250	1,662	3,626,484	68,234	1.9%
20	Regular Basic School Programs (1-5) Subtotal	503,817	1,083,206,550	512,927	1,119,206,714	36,000,164	3.3%
21	B. Restricted Basic School Programs						
22	1. Special Education-Regular Program	53,489	115,001,350	53,891	117,590,162	2,588,812	2.3%
23	a. Special Education add-on WPU's	12,417	26,696,550	12,579	27,447,378	750,828	2.8%
24	b. Self-Contained Regular WPU's	6,269	13,478,350	6,664	14,540,848	1,062,498	7.9%
25	2. Special Education - Pre-School	321	690,150	351	765,882	75,732	11.0%
26	3. Extended Year Program for Severely Disabled	1,358	2,919,700	1,378	3,006,796	87,096	3.0%
27	4. Special Education-State Programs	73,854	158,786,100	74,863	163,351,066	4,564,966	2.9%
28	Special Education - District	23,348	50,198,200	23,698	51,709,036	1,510,836	3.0%
29	5. Applied Technology Education - District	995	2,139,250	1,010	2,203,820	64,570	3.0%
30	6. Applied Tech. Education-District Set Aside	24,561	52,337,450	24,708	53,912,856	1,575,406	3.0%
31	Applied Technology Ed. (5 - 6) Subtotal	29,757	63,977,550	30,203	65,902,946	1,925,396	3.0%
32	7. Class Size Reduction	631,989	1,358,307,650	642,701	1,402,373,582	44,065,932	3.2%
33	Basic School Programs (A - B) TOTAL						

34	C. Related to Basic Programs								
35	1. Interventions for Student Success Block Grant	15,308,708	15,308,708	15,308,708					
36	2. Quality Teaching Block Grant	57,426,623	57,426,623	57,426,623					
37	3. Local Discretionary Block Grant Program	21,824,448	21,824,448	21,824,448					
38	4. Social Security & Retirement	232,739,964	232,739,964	261,482,231					12.3%
39	5. Pupil Transportation	56,245,567	56,245,567	57,061,128					1.5%
40	6. Grantee Transportation Levy	500,000	500,000	500,000					
41	7. Math/Science - Beginning Teacher Recruitment	600,000	600,000						
42		384,645,310	384,645,310	413,603,138					
43	D. Special Populations								
44	1. Highly Impacted Schools	5,123,207	5,123,207	5,123,207					
45	2. At Risk Programs	24,778,484	24,778,484	24,778,484					
46	3. Adult Education	5,826,865	5,826,865	5,826,865					
47	4. Accelerated Learning Programs	8,695,104	8,695,104	8,695,104					
48		44,423,660	44,423,660	44,423,660					
49	E. Other								
50	1. Reading Program SB 230	400,000	400,000	400,000					
51	2. Electronic High School	8,600,000	8,600,000	8,600,000					
52	3. School Land Trust Program	2,377,172	2,377,172	2,225,278					2.6%
53	4. Charter School Local Replacement Funding	375,000	375,000	375,000					93.6%
54	5. U of U Reading Clinic	11,752,172	11,752,172	26,997,450					129.7%
55		440,821,142	440,821,142	485,024,248					10.0%
56									
57	II. Board and Voted Leeway Programs:								
58	A. Voted Leeway Program	149,234,487	149,234,487	159,084,242					6.6%
59	B. Board Leeway Program	43,367,832	43,367,832	45,357,016					4.6%
60	Voted and Board Leeway Programs TOTAL	192,602,319	192,602,319	204,441,258					6.1%
61	Minimum School Program - I - II Subtotal	1,991,731,111	1,991,731,111	2,091,839,088					5.0%
62	III. One Time Appropriations TOTAL	5,891,000	5,891,000	31,800,400					439.8%
63	MINIMUM SCHOOL PROGRAM (I - III) TOTAL	\$1,997,622,111	\$1,997,622,111	\$2,123,639,488					6.3%
64	School Bonding Program	\$29,288,900	\$29,288,900	\$27,288,900					-6.8%
65	One Time Appropriations Summary								
66	1. Electronic High School	\$175,000	\$175,000	\$1,600,000					-100.0%
67	2. Adult Education			5,000,000					
68	3. UPASS Technology - On line Testing (SB 51)			716,000					-100.0%
69	4. Charter School Local Replacement Funding			5,000,000					10.0%
70	5. Teacher Supplies & Materials			17,200,400					
71	6. One time Funding - 1% Compensation Bonus			2,500,000					
72	7. One time Funding - Reading Program SB 230			\$31,800,400					439.8%
73	III. One Time Appropriations TOTAL	\$5,891,000	\$5,891,000	\$31,800,400					439.8%

Public Education Agencies

Public Education Agencies consist of several entities under the supervision of the State Board of Education. These agencies supplement the basic educational program provided to students through the Minimum School Program. The agencies provide educational services and support to the school districts, charter schools, as well as people with disabilities and students in state custody.

The Agencies include the Utah State Office of Education (USOE), Utah State Office of Rehabilitation (USOR), Utah Schools for the Deaf and Blind (USDB), Child Nutrition Programs, Fine Arts and Sciences, and Education Contracts. Combined, these agencies provide the support framework for the state's public education system.

Legislative Action

Legislature appropriated \$386,549,100 million to the Public Education Agencies for FY 2005, including \$67,021,500 million from the Uniform School Fund, \$1,654,900 from the General Fund, and \$289,363,600 in Federal Funds. Appropriators increased the agencies' FY 2005 budgets by a total of \$2,603,800 when compared to the FY 2004 revised appropriation, representing a 0.7 percent increase. State funds appropriated to the agencies reflect a 3.6 percent increase.

Utah State Office of Education

The largest of the Agencies, the Utah State Office of Education (USOE), develops state curricula, provides training, offers leadership and administrative support and manages the funds for the public education system. The USOE budget covers the State Board of Education and the three operating divisions, namely, Student Achievement and School Success; Data and Business Services; and Law, Legislation and Educational Services.

Legislative Action

The Legislature appropriated \$197,243,200 to USOE for FY 2005, including \$21,418,300 from the Uniform School Fund and \$166,511,900 in Federal Funds. The Legislature also appropriated \$1,468,900 in one-time state funds. The total USOE appropriation represents an increase of \$140,300 from the revised FY 2004 funding level, including an increase of \$11,400 in state funds. These budget changes result in a total increase of 0.1 percent compared to the FY 2004 revised levels.

Of the total USOE appropriation, approximately 14 percent provides for the operation of the State Office itself. The remaining 86 percent, or \$169,706,100, is passed through to local school districts.

Charter School Governance: H.B. 152, "Charter School Governance" provides for the creation of a State Charter School Board. The board authorizes and promotes the establishment of charter schools and advises the State Board of Education on charter school issues. Legislators provided a total of \$187,100 in ongoing funds to support board functions and to hire a director and an administrative assistant. Appropriators redirected \$164,000 in Federal Funds and provided an additional \$23,100 in Uniform School Funds to support the newly created board. A federal grant received by USOE for charter schools allows a percentage of the grant to be used for administration.

Carson Smith Special Needs Scholarship: H.B. 115, "Carson Smith Special Needs Scholarships" authorized \$1,500,000 in one-time state funding to provide private school scholarships to special needs students. Of the authorized funds, \$1,400,000 in one-time General Funds implements the scholarship program itself, and \$100,000 in one-time USF provided to the State Office of Education to cover the costs associated with program administration. Bill provisions allow for a program review and report by the Legislative Auditor General after two years of operation. **(Note: Following the General Session, the Governor vetoed this bill along with the \$100,000 that the bill appropriated. The \$1.4 million of authorized funding was to fund the provisions of the bill, but was not appropriated by the**

bill and so remains appropriated to the USOE. However, the this funding cannot be spent without legislative approval.)

Educator Licensing: Legislators increased most of the fees associated with teacher licensure from \$15 to \$45 and provided the authorization for license renewal fees. In addition, the Legislature increased the fee for Alternative Licensure to \$100. The additional revenue enables USOE to hire additional staff to handle the increasing number of licensing and renewal requests.

S.B. 154 (2003 General Session) Interim RFP Process: S.B. 154 “Public Education Amendments” directed the Education Interim Committee to “issue a three-stage request for proposals responding to Utah’s need to stretch educational dollars and improve student performance.” Two proposals satisfied the RFP process established by the Education Interim Committee. The Education Interim Committee recommended the RFP applicants to the Public Education Appropriations Subcommittee for funding. The Legislature reallocated funding for these proposals and provided intent language. The Governor vetoed Item 65 of H.B. 1 “Supplemental Appropriations Act” and Item 85 of H.B. 3 “Supplemental Appropriations Act” relating to these items.

School LAND Trust Administration: The Legislature transferred \$80,000 in Uniform School Funds to the State Board of Education to cover the costs of implementing the School LAND Trust Program. This action formalizes current practice and aids in tracking administrative costs. Further, Legislators passed intent language clarifying that these funds come from the Interest and Dividends restricted account in the Uniform School Fund.

Employee Compensation Package: Legislators authorized \$215,100 to fund increased costs in Health, Dental and Retirement benefits for employees. In addition, appropriators provided \$109,700 in funding for a 1 percent cost-of-living increase and \$98,800 in one-time funds to provide for employee bonuses calculated on a per FTE basis. Finally, Legislators also appropriated \$30,400 for Market Comparability Adjustments. The employee compensation package totals \$454,000, of which \$337,000 is from the Uniform School Fund.

Intent Language

Through intent language, the Legislature requested that the State Board of Education submit a teacher licensing fee plan in its FY 2006 budget request that provides enough fee revenue to cover the costs of the Educator Licensing Section.

Funding Detail

State Office of Education					
	2004	2004	2004	2005	Change from
	Estimated	Supplemental	Revised	Appropriated	2004 Revised
Financing					
General Fund, One-time				1,400,000	1,400,000
Uniform School Fund	22,776,300		22,776,300	21,349,400	(1,426,900)
Uniform School Fund, One-time	30,600		30,600	68,900	38,300
Federal Funds	166,429,800		166,429,800	166,511,900	82,100
Dedicated Credits Revenue	6,351,000		6,351,000	6,360,450	9,450
Federal Mineral Lease	954,400		954,400	971,850	17,450
GFR - Substance Abuse Prevention	475,000		475,000	490,000	15,000
USFR - Professional Practices	85,800		85,800	90,700	4,900
Beginning Nonlapsing	4,533,600		4,533,600	4,533,600	
Closing Nonlapsing	(4,533,600)		(4,533,600)	(4,533,600)	
Total	\$197,102,900	\$0	\$197,102,900	\$197,243,200	\$140,300
Programs					
Board of Education	3,192,000		3,192,000	1,374,000	(1,818,000)
Student Achievement	171,851,600		171,851,600	172,120,800	269,200
Data and Business Services	12,115,700		12,115,700	12,240,200	124,500
Law, Legislation and Education Services	9,943,600		9,943,600	11,241,100	1,297,500
School LAND Trust Administration				80,000	80,000
State Charter School Board				187,100	187,100
Total	\$197,102,900	\$0	\$197,102,900	\$197,243,200	\$140,300
Total FTE	192.5	0.0	192.5	192.0	(0.4)

Utah State Office of Rehabilitation

The Utah State Office of Rehabilitation (USOR), under the direction of the Utah State Board of Education, operates programs designed to assist individuals with disabilities to prepare for and obtain gainful employment and increase their independence. USOR contains an Executive Director's Office and four operating divisions: Rehabilitation Services, Disability Determination Services, Services to the Deaf and Hard-of-Hearing, and Services to the Blind and Visually Impaired.

USOR provides tailored services focusing on the need, interest, ability, and informed choice of the individual. Services are time-limited and designed to increase and maintain levels of independence and community participation. USOR works in concert with other community service and resource providers to offer rehabilitative services throughout the state.

Legislative Action

For FY 2005, the Legislature appropriated \$50,920,400 to USOR, including \$19,125,500 from the Uniform School Fund, \$254,900 from the General Fund, and \$30,859,700 from Federal Funds. This appropriation represents an increase of \$1,216,700 from the FY 2004 revised level, including a state fund increase of \$959,400. These changes result in a total increase of 2.4 percent from the FY 2004 revised levels.

Assistive Technology: Legislators provided \$100,000 in ongoing Uniform School Fund revenue to provide for assistive technology. The program provides assistive technology devices for individuals that meet a financial needs test and cannot obtain funding from other sources. The increased funding helps eligible people currently waiting for assistive technology to receive equipment.

Vocational Rehabilitation: The Legislature appropriated \$200,000 in ongoing Uniform School Fund revenue to mitigate the impact of increasing caseload size for rehabilitation counselors. Funding provides for additional rehabilitation counselors and other caseload costs.

Independent Living: Legislators authorized \$150,000 in ongoing Uniform School Fund revenue for Utah's six Independent Living Centers. Similar to Vocational Rehabilitation, an increasing population impacts the services the centers can offer. The Legislature provided additional funding to assist with this growth.

Employee Compensation Package: Legislators authorized \$354,200 to fund increased costs in Health, Dental and Retirement benefits for employees. In addition, appropriators provided \$162,600 in funding for a 1 percent cost-of-living increase and \$209,200 in one-time funds to provide for employee bonuses calculated on a per FTE basis. Finally, Legislators appropriated \$18,300 for Market Comparability Adjustments. The employee compensation package totals \$744,300, of which \$455,200 is from the Uniform School Fund.

Funding Detail

State Office of Rehabilitation					
Financing	2004	2004	2004	2005	Change from 2004 Revised
	Estimated	Supplemental	Revised	Appropriated	
General Fund	254,900		254,900	254,900	
Uniform School Fund	18,128,200		18,128,200	18,996,900	868,700
Uniform School Fund, One-time	37,900		37,900	128,600	90,700
Federal Funds	30,610,700		30,610,700	30,859,700	249,000
Dedicated Credits Revenue	672,000		672,000	680,300	8,300
Total	\$49,703,700	\$0	\$49,703,700	\$50,920,400	\$1,216,700
Programs					
Executive Director	1,410,300		1,410,300	1,437,400	27,100
Blind and Visually Impaired	5,365,800		5,365,800	5,454,500	88,700
Rehabilitation Services	33,682,900		33,682,900	34,514,100	831,200
Disability Determination	7,452,100		7,452,100	7,577,200	125,100
Deaf and Hard of Hearing	1,792,600		1,792,600	1,937,200	144,600
Total	\$49,703,700	\$0	\$49,703,700	\$50,920,400	\$1,216,700
Total FTE	403.8	0.0	403.8	406.3	2.5

Utah Schools for the Deaf and Blind

The Utah Schools for the Deaf and Blind (USDB) provide educational services to hearing and/or visually impaired children from birth to age 21. The agency operates an educational resource center that supplies educational materials to other agencies, and school districts that serve sensory-impaired children. Also, USDB operates a short-term, five day per week, residential program for autistic children.

The two main divisions of USDB include Instruction and Support Services. Instruction provides educational programs for the deaf, blind, and deaf-blind children of Utah, including, residential, daytime, and extension programs in a number of locations across the State. Support Services provides services related to Administration, Educational Support, Residential Care, Transportation and other operational services.

Legislative Action

Legislators appropriated \$22,983,400 to USDB, including \$19,166,600 from the Uniform School Fund for FY 2005. This appropriation represents a total increase of \$849,700 from the FY 2004 revised funding level, including a state fund increase of \$1,059,800. These budget changes result in a total increase of 3.8 percent from the FY 2004 revised levels.

Teacher Salary Adjustments: The Legislature added \$172,200 to USDB's FY 2005 budget for teacher salary adjustments. Under Utah Code 53A-25-111, each year USDB instructors are to be given a compensation adjustment equal to the average of that given to school district instructors in the previous year.

USDB Audit: During the 2003 General Session, the Public Education Appropriations Subcommittee recommended an audit of the USDB. Legislators asked the Legislative Auditor General to evaluate the cause for the year-end balances reported by USDB, if the USDB teachers receive all funds appropriated to them for salary, and the general management of USDB.

Legislative Auditors made several recommendations to improve the functions of USDB. The Legislature passed several items of intent language implementing these recommendations. The major items include: moving the financial management of USDB to USOE, directing the board to oversee the calculation of teacher salary adjustments, defining the appropriate use of USDB Trust Land funds, and reporting to the Public Education Appropriations Subcommittee in the fall.

Jean Massieu Charter School: The Legislature reduced the USDB FY 2004 beginning balances by \$350,000 to be transferred to the Jean Massieu Charter School. Per student funding varies greatly between USDB and Jean Massieu, subsequently, Jean Massieu has difficulty delivering educational services at the same level as USDB.

The Governor vetoed Item 65 of H.B. 1 “Supplemental Appropriations Act” that appropriated the \$350,000 to the charter school but did not veto the reduction in USDB beginning balances. The \$350,000 is currently unallocated and awaits further action by the Legislature.

Legislative intent language directs the State Board of Education to combine the services of USDB and Jean Massieu, integrate representatives from Jean Massieu into the USDB Institutional Council, and provide both types of instruction offered at the two schools.

Employee Compensation Package: Legislators authorized \$289,700 to fund increased costs in Health, Dental and Retirement benefits for employees. In addition, appropriators provided \$151,200 in funding for a 1 percent cost-of-living increase and \$191,600 in one-time funds to provide for employee bonuses calculated on a per FTE basis. Finally, Legislators appropriated \$29,500 for Market Comparability Adjustments. The employee compensation package totals \$662,000, of which \$587,600 is from the Uniform School Fund.

Funding Detail

School for the Deaf and Blind					
	2004	2004	2004	2005	Change from
	Estimated	Supplemental	Revised	Appropriated	2004 Revised
Financing					
Uniform School Fund	18,406,100		18,406,100	18,996,400	590,300
Uniform School Fund, One-time	50,700	(350,000)	(299,300)	170,200	469,500
Dedicated Credits Revenue	484,200		484,200	633,700	149,500
Transfers - Health	67,500		67,500	45,800	(21,700)
Transfers - Interagency	24,300		24,300	24,300	
Transfers - State Office of Education	2,964,400		2,964,400	3,043,900	79,500
Beginning Nonlapsing	605,600		605,600	119,100	(486,500)
Closing Nonlapsing	(469,100)	350,000	(119,100)	(50,000)	69,100
Total	<u>\$22,133,700</u>	<u>\$0</u>	<u>\$22,133,700</u>	<u>\$22,983,400</u>	<u>\$849,700</u>
Programs					
Instruction	12,948,700		12,948,700	13,725,200	776,500
Support Services	9,185,000		9,185,000	9,258,200	73,200
Total	<u>\$22,133,700</u>	<u>\$0</u>	<u>\$22,133,700</u>	<u>\$22,983,400</u>	<u>\$849,700</u>
Total FTE	372.0	0.0	372.0	371.8	(0.2)

USDB – Institutional Council

Legislative action during the 2003 General Session, created the USDB – Institutional Council line item. As an advisory panel to the State Board of Education, the Institutional Council “makes recommendations to and advises the superintendent of schools, the state superintendent of public instruction, and the [State] board with respect to the continued employment of the superintendent of schools, staff positions, policy, budget, operations and other duties as assigned by the board.”

Legislative Action

Legislators appropriated \$290,000 to USDB – Institutional Council. The Institutional Council only receives the interest and dividends generated off of the investment of the permanent fund created for the Schools for the Deaf and Blind in Section 12 of the Utah Enabling Act, commonly referred to as “Trust Lands” revenue. The appropriation represents an estimate of generated revenue.

Employee Compensation Package: The Institutional Council has funded several partial FTE employees from USDB trust land funds. The Legislature authorized \$3,100 in Dedicated

Credits revenue to provide for employee bonuses calculated on a per FTE basis.

Child Nutrition Programs

The Child Nutrition Programs offer high quality, nutritionally well-balanced meals to students and develop nutritional awareness among students. Qualifying students in public and non-profit private schools may receive low cost or free meals through the program.

Child Nutrition Programs are federal assistance programs including National School Lunch, National School Breakfast, the Special Milk Program, Summer Food Service Program, and several Food Distribution Programs. The state contribution to the nutrition programs represents about 15 percent of the overall funding, most of which is generated through the liquor tax.

Legislative Action

For FY 2005, the Legislature appropriated \$107,945,800 to the Child Nutrition Programs, including \$144,800 from the Uniform School Fund, \$15,809,000 in Dedicated Credits from the Liquor Tax, and \$91,992,000 from Federal Funds. This appropriation represents a total increase of \$65,700 from FY 2004 revised, including a state fund increase of \$4,700. These budget changes result in a total increase of 0.1 percent from the FY 2004 revised levels.

Employee Compensation Package: Legislators authorized \$24,600 to fund increased costs in Health, Dental and Retirement benefits for employees. In addition, appropriators provided \$11,000 for a 1 percent cost-of-living increase and \$13,100 in one-time funds to provide for employee bonuses calculated on a per FTE basis. Finally, Legislators appropriated \$21,800 for Market Comparability Adjustments. The employee compensation package totals \$70,500, of which \$4,900 is from the Uniform School Fund.

Funding Detail

Child Nutrition					
	2004	2004	2004	2005	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2004 Revised
Uniform School Fund	139,800		139,800	143,900	4,100
Uniform School Fund, One-time	300		300	900	600
Federal Funds	91,940,800		91,940,800	91,992,000	51,200
Dedicated Credits Revenue	15,799,200		15,799,200	15,809,000	9,800
Total	\$107,880,100	\$0	\$107,880,100	\$107,945,800	\$65,700
Programs					
Child Nutrition	107,880,100		107,880,100	107,945,800	65,700
Total	\$107,880,100	\$0	\$107,880,100	\$107,945,800	\$65,700
Total FTE	25.5	0.0	25.5	25.5	0.0

Fine Arts and Sciences

The Fine Arts and Sciences Program commonly called the Professional Outreach Program in the Schools, or POPS, provides funding to several organizations through a line item program and a request for proposal (RFP) program. Participating organizations provide educational demonstrations, performances, presentations, and activities for children in Utah's public schools. The program enhances the art and science core curriculum.

Arts organizations that received funding in FY 2004 include The Utah Symphony, Ballet West, Utah Opera, Children's Dance Theatre, Repertory Dance Theatre, Ririe-Woodbury Dance Company, Springville Arts Museum, The Utah Festival Opera, and The Utah Shakespearean Festival. The Clark Planetarium, The Utah Museum of Natural History and the Children's Museum of Utah participated in FY 2004 as line-item science providers.

The RFP program enables smaller regional organizations to participate in the program without the requirement of statewide outreach. Two organizations received RFP funding in FY 2004 – ARTS Inc. and The Living Planet Aquarium.

Legislative Action

For FY 2005, the Legislature appropriated \$3,311,500 from the Uniform School Fund to the Fine Arts and Sciences, of which, \$2,991,500 is ongoing. This appropriation represents an increase of \$332,500 from FY 2004 revised.

Program Reorganization: The Legislature, upon recommendation from legal counsel, reorganized the Fine Arts and Sciences program. Counsel indicated that the Legislature should not appropriate directly to specific private non-profit organizations, but rely on the Board of Education to make these decisions. The Legislature combined all organizations into three main areas.

- *Professional Outreach Programs in the Schools –* The Legislature combined all previous “line-item” programs listed above into this program. The program should remain largely intact, as the State Board of Education has developed rules governing this program and these organizations have already received State Board approval for ongoing funding. The Legislature increased funding for this program by \$222,500 (\$12,500 ongoing.)
- *Request for Proposal Program:* The RFP program remains largely unchanged from previous years. Legislators transferred \$50,000 of ongoing RFP funds to the newly created Arts and Science Subsidy Program. With the existing \$30,000 of ongoing RFP funds, the Legislature added \$110,000 of one-time funds.
- *Arts and Science Subsidy:* The Legislature created the Arts and Science Subsidy program with \$50,000 in ongoing Uniform School Funds. The program targets organizations deemed by the State Board of Education as providing valuable services in the schools, but for a specific reason do not qualify for the Professional Outreach Program. Legislators created this program to provide

ongoing funding to these organizations and add stability not found in the RFP program.

Intent Language

In addition to reorganizing the program, the Legislature adopted intent language indicating that organizations that received funding in FY 2004 continue to receive funding in FY 2005 as long as they continue to provide the same level of service and meet all the necessary requirements applicable to other groups participating in the program. Further intent language directs the State Board of Education to make rules governing the eligibility, funding distribution, and reporting requirements for each of the three programs.

Funding Detail

Fine Arts and Sciences					
	2004	2004	2004	2005	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2004 Revised
Uniform School Fund	2,979,000		2,979,000	2,991,500	12,500
Uniform School Fund, One-time				320,000	320,000
Total	\$2,979,000	\$0	\$2,979,000	\$3,311,500	\$332,500
Programs					
Request for Proposal Program	80,000		80,000	140,000	60,000
Clark Planetarium	440,200		440,200		(440,200)
Ririe-Woodbury Dance Company	83,700		83,700		(83,700)
Repertory Dance Company	85,200		85,200		(85,200)
Children's Dance Theater	98,400		98,400		(98,400)
Utah Opera Company	203,900		203,900		(203,900)
Ballet West	389,800		389,800		(389,800)
Utah Symphony	800,500		800,500		(800,500)
Arts and Science Subsidy				50,000	50,000
Springville Arts Museum	122,600		122,600		(122,600)
Children's Museum of Utah	44,900		44,900		(44,900)
Utah Museum of Natural History	264,000		264,000		(264,000)
Utah Festival Opera	163,000		163,000		(163,000)
Utah Shakespearean Festival	202,800		202,800		(202,800)
Professional Outreach Programs in the School				3,121,500	3,121,500
Total	\$2,979,000	\$0	\$2,979,000	\$3,311,500	\$332,500
					0.0

Education Contracts

The Utah State Board of Education takes responsibility for the education of students in the custody of the state and acts as the "school board" governing their education. The two programs in Education Contracts provide the educational services to these

students. The Youth Center provides services to students at the State Hospital in Provo, and Corrections Institutions provide services to inmates in the state's correctional facilities.

The State Board contracts with various school districts to provide educational services at the Youth Center, State Prisons and some county jails. School districts receiving contract funds include: Provo (State Hospital), Jordan, South Sanpete and Iron (Correctional Facilities.)

Legislative Action

For FY 2005, the Legislature appropriated \$3,854,800 in Uniform School Fund revenue to Education Contracts. Each program received the same level of funding as in FY 2004.

Funding Detail

Educational Contracts					
	2004	2004	2004	2005	Change from
	Estimated	Supplemental	Revised	Appropriated	2004 Revised
Financing					
Uniform School Fund	3,854,800		3,854,800	3,854,800	
Beginning Nonlapsing	59,000		59,000	59,000	
Closing Nonlapsing	(59,000)		(59,000)	(59,000)	
Total	<u>\$3,854,800</u>	<u>\$0</u>	<u>\$3,854,800</u>	<u>\$3,854,800</u>	<u>\$0</u>
Programs					
Youth Center	1,153,200		1,153,200	1,153,200	
Corrections Institutions	2,701,600		2,701,600	2,701,600	
Total	<u>\$3,854,800</u>	<u>\$0</u>	<u>\$3,854,800</u>	<u>\$3,854,800</u>	<u>\$0</u>

0.0

Utah State Office of Education – Internal Service Funds

The State Office of Education operates two internal service funds (ISFs). The Indirect Cost Pool (ICP) includes accounting, budgeting, purchasing, and government liaison functions of the State Office of Education. This ICP does not receive Uniform School Funds, but rather takes a portion of all federal and state funds that support personal services to fund its operations. The State Board of Education Internal Service Fund supports the Board's print shop and mailroom. The ISF receives funding entirely through Dedicated Credits collected from the operating entities at the State Office.

Legislative Action


Lawmakers approved an FY 2005 operating budget of \$4,827,100 for State Office of Education internal service funds. The Legislature also authorized \$36,900 in capital outlay.

Funding Detail

ISF - USOE Internal Service Fund					
	2004	2004	2004	2005	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2004 Revised
Dedicated Credits - Intragvt Rev	4,295,600	(500)	4,295,100	4,827,100	532,000
Total	\$4,295,600	(\$500)	\$4,295,100	\$4,827,100	\$532,000
Programs					
ISF - State Board ISF	960,000		960,000	960,000	
ISF - USOE Indirect Cost Pool	3,335,600	(500)	3,335,100	3,867,100	532,000
Total	\$4,295,600	(\$500)	\$4,295,100	\$4,827,100	\$532,000
Total FTE	57.3	0.0	57.3	57.3	0.0

Funding Detail

Public Education Appropriations Subcommittee					
	2004	2004	2004	2005	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2004 Revised
General Fund	254,900		254,900	254,900	
General Fund, One-time				1,400,000	1,400,000
Uniform School Fund	1,699,916,374		1,699,916,374	1,780,561,311	80,644,937
Uniform School Fund, One-time	5,619,500	(909,000)	4,710,500	32,489,000	27,778,500
Federal Funds	288,981,300		288,981,300	289,363,600	382,300
Dedicated Credits Revenue	23,709,400		23,709,400	23,846,550	137,150
Federal Mineral Lease	954,400		954,400	971,850	17,450
GFR - Substance Abuse Prevention	475,000		475,000	490,000	15,000
USFR - Professional Practices	85,800		85,800	90,700	4,900
Local Property Tax	386,837,837		386,837,837	404,899,577	18,061,740
Transfers - Health	67,500		67,500	45,800	(21,700)
Transfers - Interagency	24,300		24,300	24,300	
Transfers - State Office of Education	2,964,400		2,964,400	3,043,900	79,500
Beginning Nonlapsing	10,650,000		10,650,000	10,275,400	(374,600)
Closing Nonlapsing	(10,625,400)	350,000	(10,275,400)	(10,279,400)	(4,000)
Total	\$2,409,915,311	(\$559,000)	\$2,409,356,311	\$2,537,477,488	\$128,121,177
Programs					
State Board of Education	383,945,300		383,945,300	386,549,100	2,603,800
Minimum School Program	1,998,181,111	(559,000)	1,997,622,111	2,123,639,488	126,017,377
School Building Program	27,788,900		27,788,900	27,288,900	(500,000)
Total	\$2,409,915,311	(\$559,000)	\$2,409,356,311	\$2,537,477,488	\$128,121,177
Total FTE	999.7	0.0	999.7	1,001.6	1.9

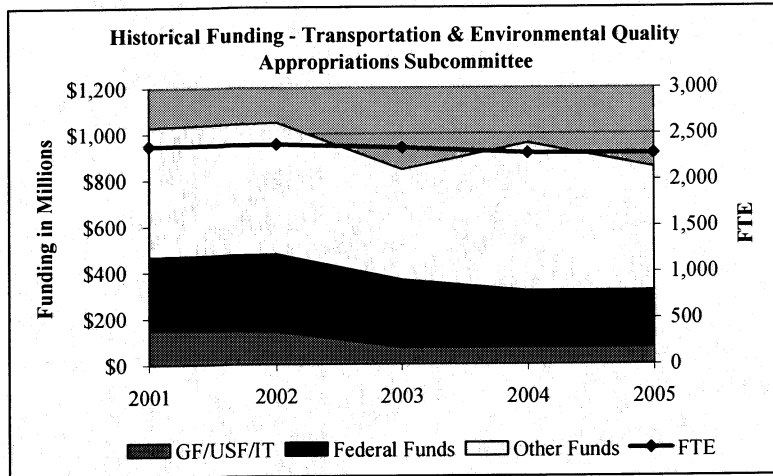


**Transportation,
Environmental Quality, and
National Guard**

Transportation, Environmental Quality, and National Guard

Subcommittee Overview

The Legislature provided funding in the amount of \$853,785,300 to the Department of Transportation, Department of Environmental Quality, and the Utah National Guard for FY 2005. Major sources of funding for these agencies include: General Funds, Transportation Funds and Federal Funds. The following chart shows funding trends and sources of funding for the agencies under the purview of the Transportation and Environmental Quality Subcommittee.



Department of Transportation

State highways in Utah are constructed and maintained, for the most part, with highway user revenues. Principal revenue sources are motor fuel taxes, motor vehicle registration fees, and special transportation permit revenues. These funds are deposited into the State's Transportation Fund. Other sources of revenue for the Department of Transportation include federal grants from the Federal Highway Trust Fund, bonding, and the General Fund. Revenue estimates adopted by the Legislature for FY 2005 for the Transportation Fund total \$394,017,000.

The Legislature approved FY 2005 expenditures for the Department of Transportation of \$752,788,700. This includes \$3,765,100 in compensation adjustments and a decrease of \$156,200 to reflect Internal Service Fund rate changes. The FY 2005 appropriation also includes \$213,724,500 to fund the FY 2005 portion of the Centennial Highway Program.

Support Services

The Support Services Division is comprised of the following programs: Administration, Data Processing, Human Resource Management, Procurement, Building and Grounds, Loss Management, Motor Carrier/Ports of Entry, Comptroller's Office, Internal Auditor, and Community Relations. The Legislature approved a FY 2005 budget of \$24,237,100 for Support Services which is a decrease of \$968,200 from the FY 2004 revised estimate.

Engineering Services

The Engineering Services Division includes the following programs: Safety Operations, Traffic Safety, Program Development, Preconstruction Administration, Structures, Research, Materials Lab, Engineering Services, Right of Way, Civil Rights, and Contract Management. The FY 2005 budget approved for the Engineering Services Division is \$29,294,900.

The Legislature increased the FY 2004 appropriation by \$300,000 and increased the FY 2005 appropriation by \$4,778,800 to the Engineering Services line item. The FY 2004 increase was for purchase of asphalt testing equipment. The appropriations for FY 2005 include FTE assignment changes primarily by transferring personnel from Civil Rights and Contract Management (56 FTE) and from Construction to the Engineering Services line item.

Intent Language

The Legislature approved intent language encouraging the Department to continue its efforts to

increase efficiencies and effectiveness and to allow the Department the flexibility to achieve those efficiencies. The Department is to report on these activities to the Subcommittee and to the Interim Committee.

Construction

The Construction line item includes the Rehabilitation/Preservation, Federal Construction-New, and State Construction-New. The Legislature approved a total FY 2005 budget for the Construction line item of \$182,553,200.

Legislative Action

The FY 2005 appropriation included funding for the following items:

Sales Tax for Infrastructure: The appropriation transferred \$1,124,600 from sales tax revenue due to provisions of H.B. 6004, "Sales and Use Tax Amendments", passed during the 2002 Sixth Special Session. This law directs the first 3 percent of the amount generated by a 1/16 of one percent sales tax increase to be used for corridor preservation. The amount is estimated at \$562,300. H.B. 6004 also provides another 3 percent of the amount generated by the 1/16 of one percent sales tax increase to be used for State Park Access Highways Improvement for park access throughout the state.

Since July 1, 1998, H.B. 111, "Transportation Corridor Funding" has provided \$400,000 for corridor preservation. This law directs increased taxes collected on rental vehicles be provided for corridor preservation.

The Legislature reduced the FY 2005 appropriation by \$18,778,300 to the Construction line item. These appropriations include FTE assignment changes primarily by transferring the Field Crew personnel (184 FTE), Civil Rights (5 FTE), and Construction Management (51 FTE) from Construction to the Maintenance Management and Engineering Service line items.

Intent Language

Lawmakers approved intent language allowing the Department to use surplus Transportation funds for the construction, rehabilitation and preservation of State highways in Utah and placed restrictions on how those funds may be used.

Centennial Highway Fund

During the 1996 General Session, a commitment was made by the Legislature to provide funding over a ten-year period for the rebuild of the I-15 corridor from 700 North to approximately 10800 South in the Salt Lake Valley and fund an additional \$1.24 billion dollars in highway construction statewide. These expenditures are in addition to the existing revenue sources that were available at the time. The Centennial Highway Fund was created by action of the Legislature during the 1996 General Session to segregate the increased highway construction funding from the regular ongoing funding revenues. The FY 2005 commitment to the Centennial Highway Fund is \$213,724,500. The following are some of the key funding sources:

- ▶ The Legislature made \$59,594,700 available to the Department of Transportation for highway construction from the General Fund as ongoing funding to the Centennial Highway Fund. These funds are anticipated to be used to mitigate critical statewide transportation issues, particularly along the I-15 corridor and Legacy Highway.
- ▶ An appropriation of \$955,000 in Dedicated Credits was appropriated to the Centennial Highway Fund. These funds are expected to be collected from Local/Private sources.
- ▶ Provisions of S.B. 252, "Collection of Fuel Taxes", enacted during the 1997 General Session are expected to increase Fuel Tax revenues to the Centennial Highway Fund by \$9,224,200 in FY 2005. Enactment of S.B. 253, "Sales Tax Reduction, Fuel Taxes, and Repeal of

Environmental Surcharge on Petroleum”, also enacted during the 1997 General Session is expected to increase revenues to the Centennial Highway Fund by \$58,343,800 in FY 2005.

- ▶ H.B. 414, “Registration Fees on Vehicles”, enacted during the 1997 General Session is estimated to increase Vehicle Registration revenues to the Centennial Highway Fund by \$20,401,000 in FY 2005.
- ▶ Other revenue sources include Designated Sales Tax (\$6,047,000 made available by shifting the 1/64 percent of sales tax from the 2002 Olympics to the Centennial Highway Fund) and \$96,930,000 from beginning balances in the Centennial Highway Fund.
- ▶ General Obligation bonds will be issued in FY 2005 in the amount of \$49.5 million for use on projects within the Centennial Highway Program. Debt service on previous bond issues is estimated to be \$125,371,200 for FY 2005.
- ▶ Federal funds available for Centennial Highway Projects are estimated to be \$35 million. Revenue Transfers of \$6,000,000 from the Department of Transportation and Closing Balances of (\$2,900,000) will also be available to the Centennial Highway Program for FY 2005.

Region Management

The Legislature approved a total FY 2005 budget for Region Management of \$22,866,800, an increase of \$327,800 from FY 2004 estimated.

Equipment Management

The Legislature approved a FY 2005 expenditure level of \$17,573,000 for Equipment Management.

This appropriation includes \$7,305,200 to purchase replacement equipment for those items that will be retired from the Department of Transportation's current fleet. The estimated value of the fleet is over \$40 million.

Maintenance Management

The Legislature approved a budget for Maintenance Management for FY 2005 in the amount of \$98,253,800. The appropriation includes an additional \$1,000,000 from the Transportation Fund to increase maintenance of state highways.

Intent Language

The Legislature approved intent language requiring collections of income from sales go to the Transportation Fund. Further intent requires the Department to report expenditures for environmental issues and land purchases to the Subcommittee.

Sidewalk Construction

The Legislature approved the FY 2005 budget for the Sidewalk Construction Program in the amount of \$500,000.

Intent Language

Included in the appropriations act is Legislative intent language that restricts the use of the funds appropriated in this line item. Additional intent encourages local participation in the construction of pedestrian safety devices.

Mineral Lease/Payment in Lieu

The Legislature approved FY 2005 expenditures for the Mineral Lease/Payment in Lieu programs of \$17,269,000.

Intent Language

Legislative intent language requires that the Federal Mineral Lease funds be used in areas that have been impacted by energy development and private entities in this industry be encouraged to participate in such highway construction.

B & C Road Fund

B & C Roads consist of all public roads which are not state or federal roads. The funds in the B & C Road Account are distributed by a formula that is based on the percentage that the population of the county or municipality is of the total population of the State (50 percent) and the percentage that the B & C road mileage of the county or municipality is of the total B & C road mileage in the State (50 percent).

The Legislature approved \$114,998,200 for distribution to local governments through the B & C Road Account for FY 2005. This is an estimate only since the actual disbursement will depend on the total free revenues collected in the Transportation Fund in FY 2005. The appropriation includes \$17,618,400 from sales tax revenue due to provisions of H.B. 6004, "Sales and Use Tax Amendments", passed during the 2002 Sixth Special Session. This law directs 94 percent of the amount annually generated by a 1/16 of one percent sales tax increase for class B & C roads.

Aeronautics

The Legislature approved a total FY 2005 budget for the Aeronautics Division of \$31,528,200 which is an increase of \$524,800 from the estimated FY 2004 funding level. This is realized primarily because of an increase in Federal Funding for airport construction. A one-time increase of \$500,000 was appropriated from the Aeronautics Restricted Fund to assist local airports with maintenance and reconstruction of their airport facilities.

Funding Detail

Department of Transportation					
	2004	2004	2004	2005	Change from
	Estimated	Supplemental	Revised	Appropriated	2004 Revised
Financing					
General Fund	59,744,800		59,744,800	59,682,800	(62,000)
Transportation Fund	383,137,700	(5,700)	383,132,000	381,772,000	(1,360,000)
Transportation Fund, One-time		300,000	300,000	325,000	25,000
Centennial Highway Fund	19,807,000		19,807,000	20,401,000	594,000
Federal Funds	193,372,900		193,372,900	195,008,900	1,636,000
Dedicated Credits Revenue	19,340,000		19,340,000	18,722,200	(617,800)
Dedicated Credits - Transportation Bonds				49,500,000	49,500,000
Federal Mineral Lease	17,769,000		17,769,000	17,269,000	(500,000)
TFR - Aeronautics Fund	10,700,200		10,700,200	11,221,300	521,100
Debt Service	(101,317,000)		(101,317,000)	(125,371,200)	(24,054,200)
Designated Sales Tax	23,885,700		23,885,700	24,227,700	342,000
Transfers - Within Agency	6,000,000		6,000,000	6,000,000	
Beginning Nonlapsing	322,682,700		322,682,700	96,930,000	(225,752,700)
Closing Nonlapsing	(96,930,000)		(96,930,000)	(2,900,000)	94,030,000
Total	\$858,193,000	\$294,300	\$858,487,300	\$752,788,700	(\$105,698,600)
Programs					
Support Services	25,211,000	(5,700)	25,205,300	24,237,100	(968,200)
Engineering Services	28,750,400	300,000	29,050,400	29,294,900	244,500
Maintenance Management	96,475,300	4,000,000	100,475,300	98,253,800	(2,221,500)
Construction Management	186,981,500	(4,000,000)	182,981,500	182,553,200	(428,300)
Region Management	22,539,000		22,539,000	22,866,800	327,800
Equipment Management	17,485,700		17,485,700	17,573,000	87,300
Aeronautics	31,003,400		31,003,400	31,528,200	524,800
B and C Roads	115,333,900		115,333,900	114,988,200	(345,700)
Safe Sidewalk Construction	2,107,100		2,107,100	500,000	(1,607,100)
Mineral Lease	17,769,000		17,769,000	17,269,000	(500,000)
Centennial Highway Program	314,536,700		314,536,700	213,724,500	(100,812,200)
Total	\$858,193,000	\$294,300	\$858,487,300	\$752,788,700	(\$105,698,600)
Total FTE	1,733.0	0.0	1,733.0	1,730.0	(3.0)

Department of Environmental Quality

The Department of Environmental Quality's responsibility is to safeguard public health and quality of life by protecting and improving environmental quality while considering the benefits to public health, the impacts on economic development, property, wildlife, tourism, business, agriculture, forests, and other interests. The Legislature approved FY 2005 expenditures for the Department of Environmental Quality of \$73,996,400.

Budgetary issues that will be felt Department-wide include funding for a one percent cost-of-living adjustment, health and dental insurance increases, retirement rate increases, and funding a one-time bonus in FY 2005. These increases total \$1,013,100, of which \$272,100 is from the General Fund. State Internal Service Fund rate changes increased the Department budget by \$8,200 (\$3,600 General Fund).

The appropriations and legislative intent for the Department of Environmental Quality are outlined below.

Executive Director's Office

The Executive Director's Office provides administrative direction to the entire department. This office has the responsibility to implement state and federal environmental laws and regulations, coordinate department programs with local health departments, and provide fiscal oversight for the department.

Legislative Action

The Legislature approved a total FY 2005 budget for the Executive Director's Office of \$4,542,200. This appropriation includes salary and benefit adjustments of \$128,600.

High Level Nuclear Waste Storage: A one-time appropriation of \$500,000 in FY 2004 from the General Fund was approved to fund continued State opposition to the storage of high level nuclear waste in Utah.

Air Quality

The mission of the Air Quality Program is to protect the public health, property and vegetation in Utah from the affects of air pollution.

Legislative Action

The Legislature approved a FY 2005 budget for Air Quality of \$8,774,100.

Response and Remediation

The mission of the Division of Environmental Response and Remediation is to protect the health and environment of the citizens of Utah from exposure to hazardous substances.

Legislative Action

The Legislature appropriated \$6,817,600 to the Response and Remediation Program for FY 2005. The appropriation included the following items:

Reauthorization of Attorney: The Legislature reauthorized one-time funding of \$87,200 from the Petroleum Storage Tank Expendable Trust Fund for FY 2005 to continue services of an attorney to recover funds that have been expended to clean up sites not covered by the Petroleum Storage Tank Expendable Trust Fund.

Radiation Control

Radiation Control has the responsibility of assuring the citizens of the state the lowest exposure to any form of radiation.

Legislative Action

The Legislature appropriated \$2,692,400 as an expenditure level for FY 2005 for the Radiation Control Program.

S.B. 172, “Hazardous Waste Regulation and Tax Policy Task Force and Moratorium on Acceptance of Class B & C Radioactive Waste” was enacted by the 2003 Legislature. Provisions of the bill allow for a two-year task force to study policy and taxation of all hazardous waste that is brought into the state for disposal.

H.B. 145, “Approval Required for Disposal of Radioactive Waste” was enacted to require the Legislature, Governor, and local governing body to approve specified types or concentrations of radioactive wastes and adjust taxes on low-level radioactive wastes that are disposed of in Utah.

Water Quality

Water Quality protects the public health and ensures the beneficial use of water by maintaining and enhancing the chemical, physical, and biological integrity of Utah’s waters.

Legislative Action

An expenditure level of \$9,246,500 was approved by the Legislature for the Water Quality Program for FY 2005. In addition, \$19,176,500 was approved for the water quality loan program for FY 2005. The plan of financing includes \$3,587,500 from designated sales tax revenue, which is realized with implementation of provisions of H.B. 6004, “Sales and Use Tax Amendments”, passed during the 2002 Sixth Special Session. This law directs 20.5 percent (\$3,587,500) annually generated by a 1/16 of one percent sales tax increase to be deposited in the Utah Wastewater Loan Program Subaccount to fund wastewater projects.

Drinking Water

The mission of the Drinking Water Division is to see that public water systems in Utah provide safe and adequate drinking water to all residents and visitors.

Legislative Action

The Legislature approved an operating budget for the Division of Drinking Water for FY 2005 of \$3,632,000. In addition, an appropriation of \$12,487,500 was approved for the Drinking Water Loan Program for FY 2005. This appropriation includes \$3,587,000 from Designated Sales Tax Revenue, which is realized with implementation of provisions of H.B. 6004, "Sales and Use Tax Amendments", passed during the 2002 Sixth Special Session. This law directs 20.5 percent (\$3,587,500) annually generated by a 1/16 of one percent sales tax increase to be deposited in the Drinking Water Loan Program Subaccount to fund drinking water projects.

Solid and Hazardous Waste

The Division of Solid and Hazardous Waste protects the public health and environment by ensuring proper management of solid and hazardous wastes within the State of Utah

Legislative Action

The Legislature approved a FY 2005 budget for Solid and Hazardous Waste of \$6,627,600.

House Bill 123, "Drug Lab Cleanup and Disclosure" requires the use of federal funds to establish a certification program for decontamination specialists. Fees will also be collected to recertify decontamination specialists.

Funding Detail

Department of Environmental Quality					
	2004	2004	2004	2005	Change from
	Estimated	Supplemental	Revised	Appropriated	2004 Revised
Financing					
General Fund	9,203,800		9,203,800	9,487,900	284,100
General Fund, One-time	35,000	500,000	535,000	83,600	(451,400)
Federal Funds	30,227,800		30,227,800	29,509,600	(718,200)
Dedicated Credits Revenue	6,828,300		6,828,300	6,894,000	65,700
GFR - Environmental Quality	5,025,200		5,025,200	5,151,500	126,300
GFR - Petroleum Storage Tank	50,200		50,200	50,600	400
GFR - Underground Wastewater System	76,000		76,000	76,000	
GFR - Used Oil Administration	695,300		695,300	702,100	6,800
GFR - Voluntary Cleanup	612,600		612,600	614,200	1,600
GFR - WDS - Drinking Water	54,300		54,300	54,800	500
GFR - WDS - Water Quality	786,600		786,600	805,400	18,800
ET - Petroleum Storage Tank	1,136,900		1,136,900	1,151,900	15,000
ET - Waste Tire Recycling	102,100		102,100	105,300	3,200
Designated Sales Tax	7,175,000		7,175,000	7,175,000	
Petroleum Storage Tank Loan	142,800		142,800	145,200	2,400
Transfers - Environmental Quality				6,200	6,200
Transfers - Within Agency	230,500		230,500	195,000	(35,500)
Repayments	10,093,000		10,093,000	11,040,000	947,000
Beginning Nonlapsing	1,731,100		1,731,100	760,800	(970,300)
Closing Nonlapsing	(760,800)		(760,800)	(12,700)	748,100
Total	\$73,445,700	\$500,000	\$73,945,700	\$73,996,400	\$50,700
Programs					
Environmental Quality	42,728,700	500,000	43,228,700	42,332,400	(896,300)
Water Security Dev Acct - Water Pollution	18,629,500		18,629,500	19,176,500	547,000
Water Security Dev Acct - Drinking Water	12,087,500		12,087,500	12,487,500	400,000
Total	\$73,445,700	\$500,000	\$73,945,700	\$73,996,400	\$50,700
Total FTE	418.0	0.0	418.0	418.0	0.0

National Guard

The primary purposes of the Utah National Guard are to provide (1) military forces to assist with national military actions, (2) a state force to quell civil disturbances, and (3) public assistance during natural disasters. The Utah Army and Air National Guard serve both state and federal governments by providing organized, trained, and equipped air and ground units to perform state missions, as directed by the Governor, while supporting the mobilization programs of the federal government.

Legislative Action

The Legislature approved FY 2005 expenditures for the Utah National Guard of \$27,000,200.

Budgetary issues that will be felt Department-wide include funding for a one percent cost-of-living adjustment, health and dental insurance increases, retirement rate increases, and funding for a one-time bonus in FY 2005. These increases total \$324,900, of which \$86,600 is from the General Fund.

State Internal Service Fund rate changes decreased the Department budget by \$4,600.

Armory Maintenance: An appropriation of \$399,000 was approved to fund additional maintenance of statewide armory facilities for FY 2005. In addition, an appropriation of \$297,900 in FY 2004 was approved to cover increased cost of armory maintenance from the Division of Construction, Facilities and Management.

Veterans' Affairs: An appropriation of \$37,000 was approved to fund a full-time administrative assistant for the Veterans' Affairs Program.

Funding Detail

Utah National Guard					
	2004	2004	2004	2005	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2004 Revised
General Fund	3,973,200		3,973,200	4,472,600	499,400
General Fund, One-time	8,000	297,900	305,900	25,900	(280,000)
Federal Funds	20,059,000		20,059,000	20,478,200	419,200
Dedicated Credits Revenue	1,928,100		1,928,100	1,939,300	11,200
Transfers	202,700		202,700	84,200	(118,500)
Beginning Nonlapsing	91,900		91,900		(91,900)
Total	\$26,262,900	\$297,900	\$26,560,800	\$27,000,200	\$439,400
Programs					
Utah National Guard	26,262,900	297,900	26,560,800	27,000,200	439,400
Total	\$26,262,900	\$297,900	\$26,560,800	\$27,000,200	\$439,400
Total FTE	139.0	0.0	139.0	139.0	0.0

Funding Detail

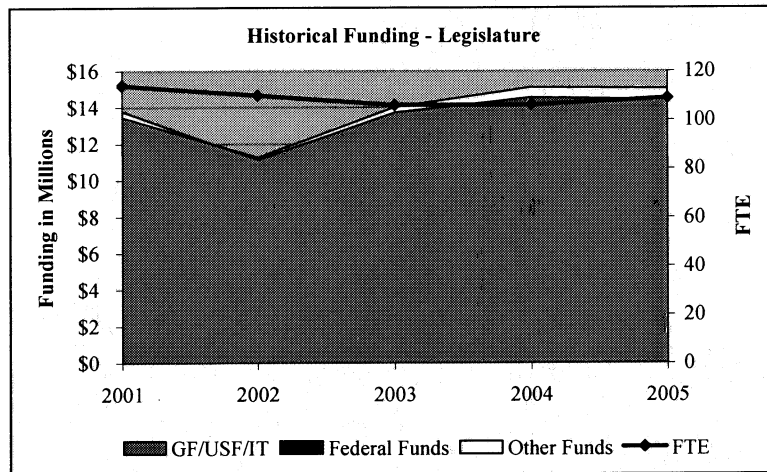
Transportation & Environmental Quality Appropriations Subcommittee					
	2004	2004	2004	2005	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2004 Revised
General Fund	72,921,800		72,921,800	73,643,300	721,500
General Fund, One-time	43,000	797,900	840,900	109,500	(731,400)
Transportation Fund	383,137,700	(5,700)	383,132,000	381,772,000	(1,360,000)
Transportation Fund, One-time		300,000	300,000	325,000	25,000
Centennial Highway Fund	19,807,000		19,807,000	20,401,000	594,000
Federal Funds	243,659,700		243,659,700	244,996,700	1,337,000
Dedicated Credits Revenue	28,096,400		28,096,400	27,555,500	(540,900)
Dedicated Credits - Transportation Bonds				49,500,000	49,500,000
Federal Mineral Lease	17,769,000		17,769,000	17,269,000	(500,000)
GFR - Environmental Quality	5,025,200		5,025,200	5,151,500	126,300
GFR - Petroleum Storage Tank	50,200		50,200	50,600	400
GFR - Underground Wastewater System	76,000		76,000	76,000	
GFR - Used Oil Administration	695,300		695,300	702,100	6,800
GFR - Voluntary Cleanup	612,600		612,600	614,200	1,600
GFR - WDS - Drinking Water	54,300		54,300	54,800	500
GFR - WDS - Water Quality	786,600		786,600	805,400	18,800
TFR - Aeronautics Fund	10,700,200		10,700,200	11,221,300	521,100
ET - Petroleum Storage Tank	1,136,900		1,136,900	1,151,900	15,000
ET - Waste Tire Recycling	102,100		102,100	105,300	3,200
Debt Service	(101,317,000)		(101,317,000)	(125,371,200)	(24,054,200)
Designated Sales Tax	31,060,700		31,060,700	31,402,700	342,000
Petroleum Storage Tank Loan	142,800		142,800	145,200	2,400
Transfers	202,700		202,700	84,200	(118,500)
Transfers - Environmental Quality				6,200	6,200
Transfers - Within Agency	6,230,500		6,230,500	6,195,000	(35,500)
Repayments	10,093,000		10,093,000	11,040,000	947,000
Beginning Nonlapsing	324,505,700		324,505,700	97,690,800	(226,814,900)
Closing Nonlapsing	(97,690,800)		(97,690,800)	(2,912,700)	94,778,100
Total	\$957,901,600	\$1,092,200	\$958,993,800	\$853,785,300	(\$105,208,500)
Programs					
National Guard	26,262,900	297,900	26,560,800	27,000,200	439,400
Environmental Quality	73,445,700	500,000	73,945,700	73,996,400	50,700
Transportation	858,193,000	294,300	858,487,300	752,788,700	(105,698,600)
Total	\$957,901,600	\$1,092,200	\$958,993,800	\$853,785,300	(\$105,208,500)
Total FTE	2,290.0	0.0	2,290.0	2,287.0	(3.0)



Legislature

Legislature

Overview



Legislative Action

The Legislature approved a total FY 2005 spending level for the Legislature and its staff agencies of \$15,041,400, with \$14,419,200 from the General Fund. The appropriation represents a General Fund decrease of 0.8 percent compared to the FY 2004 revised appropriation. This funding includes resources for the annual General Session and Interim Committees of the Legislature and staff offices, as well the following specific issues:

- ▶ Budgetary issues that will affect the Legislature and staff offices, including funding for a one percent cost-of-living adjustment, health and dental insurance increases, retirement rate increases, and funding of a one-time bonus in FY 2005. These increases total \$313,200 from the General Fund. State Internal Service Fund rate changes increased Legislative budgets by \$4,300.
- ▶ The ongoing budget for the Office of Legislative Research and General Counsel was increased by \$150,000 to fund future task forces. This appropriation should eliminate

increased staffing expenditures for FY 2005 and beyond for task forces and commissions of the Legislature.

- ▶ The Office of the Legislative Auditor General was appropriated \$135,000 to increase their staff by two full-time auditors.
- ▶ The Senate's budget was increased by \$2,100 and the House of Representatives' was increased by \$4,200 to meet the increased assessment for National Conference of State Legislatures (NCSL) dues for FY 2005.
- ▶ The Legislature approved increased the funding for the House of Representatives (\$20,300) and the Senate (\$7,800) in order to allow the Legislature to fund per diem allowances for housing expenses of Legislators attending statutory meetings.
- ▶ The Legislature also approved FY 2005 funding in the amount of \$6,300 for Legislative participation in Rural Planning and Development.

The Legislature also approved supplemental General Fund appropriations of \$513,800 for FY 2004 for the following items:

- ▶ To assist with extra special session days and per diem allowances for housing expenses of Legislators attending statutory meetings, the House of Representatives was appropriated \$175,500 and the Senate was appropriated \$67,800.
- ▶ Additional activities associated with the Hazardous Waste Regulation and Policy Task Force resulted in an increase to the Office of Legislative Research and General Counsel in the amount of \$50,000.
- ▶ As reimbursement for outside professional consulting expenses in conjunction with its study of medical expenditures at the Department of Corrections, the Office of the Legislative Fiscal Analyst was appropriated \$15,000.

- Five task forces were approved, with FY 2004 funding of \$205,500. These task forces and commissions include:

1. Transportation Planning Task Force
2. Individual Income and Corporate Franchise Tax Task Force
3. Task Force Studying Water
4. School Building Task Force
5. Motion Picture Task Force

Intent Language

The following intent language was included for the Legislative Management Committee:

It is the intent of the Legislature that these funds be used to hire a consultant to study the impact of tuition tax credits on the state. The Legislature further intends the Legislative Management Committee shall have the sole discretion to hire and compensate consultants for this project.

Funding of \$150,000 was appropriated to the Division of Finance to fund this mandated item.

Funding Detail

Legislature					
Financing	2004 Estimated	2004 Supplemental	2004 Revised	2005 Appropriated	Change from 2004 Revised
General Fund	13,776,000		13,776,000	14,356,700	580,700
General Fund, One-time	246,000	528,300	774,300	62,500	(711,800)
Dedicated Credits Revenue	320,500		320,500	320,500	
Beginning Nonlapsing	2,929,500		2,929,500	2,685,000	(244,500)
Closing Nonlapsing	(2,685,000)		(2,685,000)	(2,383,300)	301,700
Total	\$14,587,000	\$528,300	\$15,115,300	\$15,041,400	(\$73,900)
Programs					
Senate	1,684,250	108,500	1,792,750	1,687,950	(104,800)
House of Representatives	3,072,550	234,800	3,307,350	3,084,350	(223,000)
Legislative Auditor General	1,946,000		1,946,000	2,133,000	187,000
Legislative Fiscal Analyst	2,078,000	15,000	2,093,000	2,023,300	(69,700)
Legislative Printing	801,400		801,400	811,100	9,700
Legislative Research and General Counsel	4,899,800	170,000	5,069,800	5,196,700	126,900
Tax Review Commission	50,000		50,000	50,000	
Constitutional Revision Commission	55,000		55,000	55,000	
Total	\$14,587,000	\$528,300	\$15,115,300	\$15,041,400	(\$73,900)
Total FTE	106.0	0.0	106.0	109.0	3.0



Glossary

Glossary

Glossary of Terms

Administrative Rules - the detailed procedures established by Departments to implement statute and programs.

Allocation - The division of an appropriation into parts which are designated for expenditure by specific units or for specific purposes.

Appropriation - A legislative authorization to make expenditures and incur obligations.

Bill - A proposed law or statute presented to the Legislature for their consideration.

Bill of Bills (Supplemental Appropriations Act II) - A bill which contains funding for legislation that has fiscal impact and funding for other legislative action. It covers two fiscal years.

Bond - A certificate of indebtedness issued by a government entity as evidence of money borrowed. It is a written promise to pay a specified sum at a specified date or dates together with specific periodic interest at a specified rate. The primary bonds used by the State are General Obligation Bonds, Lease Revenue Bonds, and Revenue Bonds.

Budget - Estimates of proposed expenditures and expected revenues for a fiscal year.

Building Blocks - Funding increases or decreases to existing programs.

Calendar Year - The year beginning 1 January and ending 31 December.

Capital Outlay - Expenditures which result in the acquisition or replacement of fixed assets other than computers and related hardware.

Current Expense - An expenditure category which includes general operational expenses of the programs including: consultants, contracts, building maintenance, small office supplies, etc.

Data Processing (DP) - An expenditure category which includes costs incurred to operate information technology systems, such as LAN connections, software under \$5,000, and supplies.

Data Processing Capital (DP Capital) - An expenditure category which includes funding for computer hardware, support equipment, systems, and software over \$5,000.

Debt (General Obligation) - Debt issued backed by the full faith and credit of the state. In Utah's case, G. O. Debt is secured by property tax and paid from general tax revenue.

Debt (Revenue) - A bond that does not carry the "full faith and credit" of the State but rather pledges a revenue or lease stream to pay for debt service.

Debt Limit (Constitutional) - Caps total general obligation debt at 1.5 percent of total fair market value of taxable property.

Debt Limit (Statutory) - UCA 63-38c-402 limits general obligation debt to 20 percent of the allowable spending limit from the General Fund, Uniform School Fund and Transportation Fund, less debt service. The limit may be exceeded with a two-thirds vote of the Legislature.

Debt Service - The money required to pay the current outstanding principle and interest payments on existing obligations according to the terms of the obligations.

Dedicated Credits Revenue - Money that is paid to an agency by other agencies or the public for services or goods. These funds are usually dedicated to paying for expenses of the agency.

Encumbrance - An obligation in the form of purchase orders, contracts or salary commitments which are chargeable to an appropriation and for which a portion of an appropriation is reserved.

Enterprise Fund - Fund established by a governmental unit which operates like a business. Used by governmental units that cover most or all of their operating costs through user charges.

Expenditures - Expense categories for personnel, goods and services needed by the State programs. These include: personal services, travel, current expense, DP processing, DP capital, capital outlay, pass-through, and other.

Federal Funds - Money made available to the State by an Act of the Federal Congress. The Governor is authorized to accept, on behalf of the state, any federal assistance funds for programs that are consistent with the needs and goals of the state and its citizens and that are not prohibited by law. Generally, money comes to the State from the federal government with specific requirements. In many cases, the state must provide a match in State funds.

Fiscal Note - The estimate by the Legislative Fiscal Analyst of the amount of present or future revenue and/or expenditures that will be affected by the passage of a given bill.

Fiscal Year (FY) - An accounting period of 12 months at the end of which the organization ascertains its financial conditions. The State fiscal year (FY) runs from July 1 through June 30. The federal fiscal year (FFY) is from Oct. 1 through Sept. 30.

Fee - A fixed charge for a good or service. This is often recorded as Dedicated Credit Revenue.

Fixed Assets - Long-term assets which will normally last in excess of one year, such as land, buildings, machinery, furniture, etc.

FTE - is the abbreviation for “**Full Time Equivalent**” position or employee. It is a method of standardizing the personnel count. One person working a full 40 hour week for one year is equal to 1 FTE. Two people working part-time 20 hour weeks are equal to 1 FTE. Any combination of hours that would be the equivalent of a full-time, 40-hour a week employee.

Full Faith and Credit - A pledge of the general taxing power of the government for the payment of a debt obligation.

Fund - An independent fiscal and accounting entity with a self-balancing set of accounts.

General Fund (GF) - A major revenue source for the State. These funds can be spent at the discretion of the Legislature, as the Constitution allows. The primary source of this revenue is the sales tax, although there are several other taxes and fees that contribute to the General Fund.

General Obligation Bonds (G.O.) - G.O. debt is secured by the full faith and credit of the State and its ability to tax its citizens and is limited both by the Constitution and statute. G.O. debt is the least expensive tool available to the state for long term borrowing and is usually issued for six-year terms.

Grant - A contribution by one entity to another without expectation of repayment. This is usually made in support of some specified function or goal.

Income Tax - A major source of revenue for the Uniform School Fund and a potential source of revenue for Higher Education.

Indirect Charges - Also called Overhead Shared Expenses, which cannot be exactly identified to a specific product or service that are often allocated rather than computed.

Initiative - A procedure by which citizens can propose a law and ensure its submission to the electorate.

Intent Language - A statement, added to appropriations bills to explain or put conditions on the use of line item appropriations. These statements are part of an Appropriations Act, but expire at the end of the fiscal year. Intent language cannot replace or supersede current statutes.

Interim - The period between regular sessions of the Legislature.

Internal Service Fund - A fund established by a governmental unit to provide goods and services, primarily to

other governmental agencies which will be financed through user charges.

Lapse - The automatic termination of an appropriation and the return of the unexpended funds to the base fund.

Lapsing Funds - Money that is left over at the end of the year reverts (or lapses) back to the base fund, unless otherwise designated.

Lease Revenue Bonds - The State Building Ownership Authority, issues lease revenue bonds as the official owner of state facilities. Debt service (usually paid over 20 years) is funded through rents collected from user agencies and carries an interest rate slightly higher than general obligation debt.

Legislative Oversight - The responsibility of the Legislature to review operations of executive and judicial agencies.

Line Item - Each appropriated sum is identified by an item number in an appropriations bill. Each line item appropriation may have several programs. Once the appropriation becomes law, funds can be moved from program to program within the line item, but, cannot be moved from one line item to another.

Nonlapsing Funds - The Legislature can authorize an agency to keep unused funds at the end of a fiscal year. This can be done in statute or through intent language. Otherwise, unexpended funds are returned to their account of origin.

Obligations - Amounts which a governmental unit may be legally required to pay out of its resources.

One-time vs. Ongoing Funding - Both revenue and expenditures may be one-time (short, distinct period of time) or ongoing (lasting from year to year).

Operating Expenses - Those costs which are necessary to the operations of an agency and its program(s).

Operations and Maintenance (O&M) - Expenses to clean and maintain facilities on a regular basis.

Pass-Through - An expenditure category where funds that are collected by a program or agency and “passed-through” to another group for services or expenditure.

Per Diem - Literally, per day, daily expense money rendered legislators and State personnel.

Personal Services - An expenditure category which includes all personnel costs, including salary and benefits.

Referendum - A method by which a measure, adopted by the Legislature, may be submitted to a popular vote of the electorate.

Regulation - A rule or order of an agency promulgated under the authority of a statute.

Restricted Funds (GFR, USFR, Transportation Fund Restricted) - These accounts restrict revenue for specific purposes or programs.

Retained Earnings - The accumulated earnings of an Internal Service Fund (ISF) or Enterprise Fund (EF) which have been retained in the fund which are not reserved for any specific purpose.

Revenue - The yield of taxes and other sources of income that the state collects.

Revenue Bonds - Revenue bonds are funded through a dedicated source other than a lease payment. Revenue debt service comes primarily from sales revenue such as at State Liquor stores or from auxiliary functions (such as student housing) at institutions of higher education.

Rule - The precise method or procedure of action to govern as determined by each house or both houses.

Shared Revenue - Revenue levied by one governmental unit and distributed to one or more other governmental units.

Short-Term Debt - Debt of less than one year.

Statute - A written law enacted by a duly organized and constituted legislative body and approved by the Governor.

Supplemental Appropriation - The adjustment of funds allocated over/under the original appropriation. Generally, an increase in current year appropriations above the original legislative appropriation.

Surety Bond - A written commitment to pay damages for losses caused by the parties named due to non-performance or default.

Tax - A compulsory charge or contribution levied by the government on persons or organizations for financial support.

Transfers - Movement of money from one governmental unit account to another governmental unit account. (Usually reflects the exchange of funds between line items.)

Transportation Fund - The funding is primarily from the gas tax. This revenue is constitutionally restricted to road and highway related issues.

Travel, In-State and Out-of-State - An expenditure category which includes funding for program travel and supportive services, e.g. airline tickets, rental cars, hotels, meals, etc.

Uniform School Fund (USF) - Revenue for education programs that is primarily from personal income taxes and corporate franchise taxes.

Veto - An official action of the governor to nullify legislative action. The legislature may override the action by a constitutional 2/3 vote of each house if still in Session or if called back into veto override session.

Glossary of Federal Budget Terms

Appropriation

An appropriation is an act of Congress that generally provides legal authority for federal agencies to incur obligations and spend money for specific purposes, usually through the enactment of 13 separate appropriation bills.

Authorization

An authorization is an act of Congress that establishes or continues a federal program or agency, and sets forth the guidelines to which it must adhere.

Balanced Budget

A balanced budget occurs when total revenues equal total outlays for a fiscal year.

Budget Authority (BA)

Budget authority is what the law authorizes, or allows, the federal government to obligate funds for programs, projects, or activities. Budget Authority is usually provided by an appropriation, but may be provided by other means.

Budget Enforcement Act (BEA) of 1990

The BEA is the law that was designed to limit discretionary spending while ensuring that any new entitlement program or tax cuts did not make the deficit worse. It set annual limits on total discretionary spending and created "pay-as-you-go" rules for any changes in entitlements and taxes. (See "pay-as-you-go.")

Balanced Budget and Emergency Deficit Control Act of 1985 (Gramm-Rudman-Hollings, or GRH)

The Balanced Budget and Emergency Deficit Control Act of 1985 was designed to end deficit spending. It set annual deficit targets

for five years, declining to a balanced budget in 1991. If necessary, it required across-the-board cuts in programs to comply with the deficit targets. It was never fully implemented.

Budget Resolution

The budget resolution is the annual framework within which Congress makes its decisions about spending and taxes. This framework includes targets for total spending, total revenues, and the deficit or surplus, as well as allocations, within the spending target, for discretionary and mandatory spending.

"Cap"

A budget "cap" is a legal limit on total annual discretionary spending. A program "cap" usually limits the availability of an entitlement.

Deficit

The deficit is the difference produced when spending exceeds revenues in a fiscal year.

Discretionary Spending

Discretionary spending refers to outlays controllable through the congressional appropriations process. Examples include money for such activities as all federal agencies, Congress, the White House, highway construction, defense and foreign aid. Approximately one-third of all federal spending is discretionary.

Entitlement

An entitlement is a program that legally obligates the federal government to make payments to any person, institution, or government which meets the legal criteria for eligibility unless and until Congress changes the law. Examples include Social Security, Medicare, Medicaid, unemployment benefits, food stamps, and federal pensions.

Excise Taxes

Excise taxes are placed on the sale of various products, including alcohol, tobacco, transportation fuels, and telephone service.

Federal Debt

The gross federal debt is divided into two categories: debt held by the public, and debt the government owes itself. Another category is debt subject to legal limit.

Debt Held by the Public

Debt held by the public is the total of all federal deficits, minus surpluses, over the years. This is the cumulative amount of money the federal government has borrowed from the public, through the sale of notes and bonds of varying sizes and time periods. This includes debt held by the Federal Reserve

Debt the Government Owes Itself

Debt the government owes itself is the total of all trust fund surpluses over the years, like the Social Security surpluses, that the law says must be invested in federal securities.

Debt Subject to Legal Limit

Debt subject to legal limit, which is roughly the same as gross federal debt, is the maximum amount of federal securities that may be legally outstanding at any time. When the limit is reached, the President and Congress must enact a law to increase it.

Fiscal Year

The fiscal year is the federal government's accounting period. It begins October 1 and ends on September 30.

Gross Domestic Product (GDP)

GDP is the standard measurement of the size of the economy. It is the total production of goods and services within the United States.

Mandatory Spending

Mandatory spending is authorized by permanent law. Examples of mandatory spending are Social Security, Medicaid, Medicare, and interest paid to holders of federal debt. Congress can change the law to change the level of spending on mandatory programs. Mandatory spending accounts for two-thirds of all federal spending.

"Off-Budget"

Congress defines some programs as "off-budget", and their accounting is separate from the budget totals. Social Security and the Postal Service are "off-budget."

Outlays

Outlays are the amount of money the government actually spends in a given fiscal year. It is a synonym for spending or expenditure.

"Pay-As-You-Go" (PAYGO)

Set forth by the BEA, "pay-as-you-go" refers to requirements that new spending proposals on entitlements or tax cuts must be offset by cuts in other entitlements or by other tax increases, to ensure that their enactment does not cause the deficit to rise. (See Budget Enforcement Act.)

Reconciliation

The process by which tax laws and spending programs are legislatively amended to meet outlay and revenue targets set in the congressional budget resolution.

Rescission

The legislative cancellation of previously-appropriated budget authority. A rescission bill is an appropriation bill and must be passed by Congress and signed by the President.

Revenue

Revenue is money collected by the federal government.

Sequester

The cancellation of spending authority or to constrain spending to preset budget caps. Appropriations exceeding the caps will trigger a sequester that will cut all budget authority not exempted or partially protected by the amount of the excess. A tax cut or entitlement expansion that are not offset under PAYGO rules will also trigger a sequester of nonexempt entitlement programs.

Social Insurance Payroll Taxes

This tax category includes Social Security taxes, Medicare taxes, unemployment insurance taxes, and federal employee retirement payments.

Special Funds

Special funds are government accounts, as set forth by law as special funds, for revenues and spending designated for specific purposes. Special fund balances are generally held without investment.

Surplus

A surplus is the amount by which annual revenues exceed outlays.

Trust Funds

Trust funds are government accounts, set forth by law as trust funds, for revenues and spending designated for specific purposes.

Trust fund balances are generally inserted in special U.S. Treasury securities.

Unified Budget

The unified budget is the presentation of the federal budget in which revenues from all sources and outlays to all activities are consolidated.