

**2005-2006
APPROPRIATIONS
REPORT**

Utah Legislature

2005 General Session
April 2005 Special Session

Office of the Legislative Fiscal Analyst

**John E. Massey
Legislative Fiscal Analyst**

**Senator Lyle W. Hillyard
Representative Ron Bigelow
Co-chairs, Executive Appropriations Committee**

April 2005

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.”

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Executive Summary

Appropriations Overview

A rebounding state economy afforded Utah's Legislature nearly \$400 million in new sales and income tax revenue. Legislators appropriated \$385 million (10.3 percent increase) of new ongoing funds to state programs, including an additional \$90 million for transportation infrastructure. On top of this, Legislators used \$300 million in one-time money for buildings, transportation, and to shore up the state's rainy day funds.

Among the Legislature's top operating budget priorities were social services, education, and economic development. Total funding for Health and Human Services increased by \$159 million (seven percent) over the FY 2005 base. FY 2006 funding for Public Education increased by \$143 million (six percent) while funding for Higher Education increased by \$54 million (five percent). Funding for economic development increased by \$25 million (12 percent) compared to the FY 2005 base.

The Legislature restored infrastructure funding that was used during the economic downturn. Funding for buildings, including renovation of the State Capitol and the University of Utah's Marriott Library, increased by \$144 million (53 percent). Sales tax appropriations for transportation increased by \$120 million (201 percent). Included in the FY 2006 appropriations was \$125 million (\$35 million for buildings and \$90 million for roads) in ongoing revenue and serves as a "working" rainy day fund. By paying cash for these capital projects, legislators avoided general obligation debt.

Finally legislators deposited \$34.4 million into the state's two rainy day funds (\$10.4 million in General Fund revenue and \$24 million in Uniform School Fund revenue). This brings the state's reserves back to within 10 percent of pre-recession levels.

Grading of the States

In February 2005, Governing Magazine issued "Grading the States – A Report Card on Government Performance." State performance was assessed in four areas – money, people,

infrastructure, and information. The report focused on actual performance rather than good process. The grades that Utah received, together with the national averages are as follows:

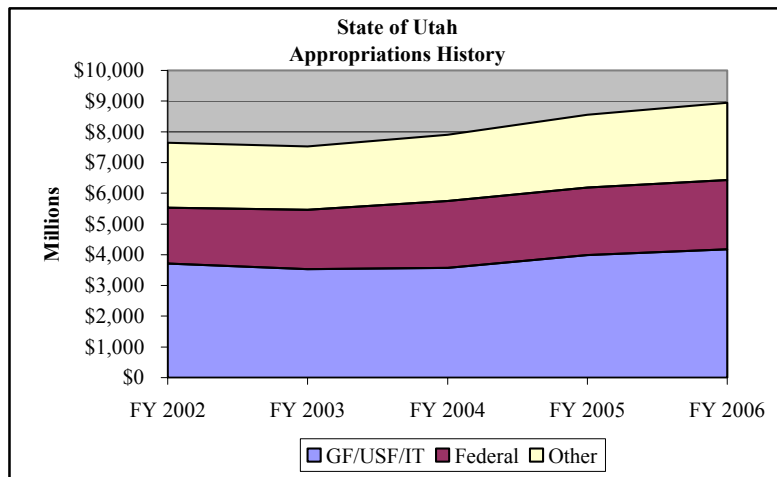
	<u>Utah</u>	<u>National</u>
Money	A	B-
People	B+	B-
Infrastructure	A	B-
Information	A-	B-

In the Money category, Utah was one of only two states to receive an A grade for money management. In the People category (human resource management), three states received a higher grade than Utah - one state received an A and two states received an A-. Utah was the only state to receive an A grade for its infrastructure management. In information technology management, five states, including Utah, received an A-, the highest grade.

Utah has received excellent grades in past projects. The results of this report are an indication of the continued excellent work done by the Legislature with additional input from the Governor and the Executive Branch. More details on this report can be found on www.Governing.com

Structural Balance

Continuing its penchant for strong fiscal management, the Legislature reduced Utah's FY 2006 structural deficit to only \$3.5 million from \$38.6 million the previous year. The Legislature also appropriated \$125 million in ongoing funds for roads and buildings which technically are considered one time projects. If this appropriation were to be considered in terms of overall structural balance, the state would be in a positive structural balance position.



Revenue

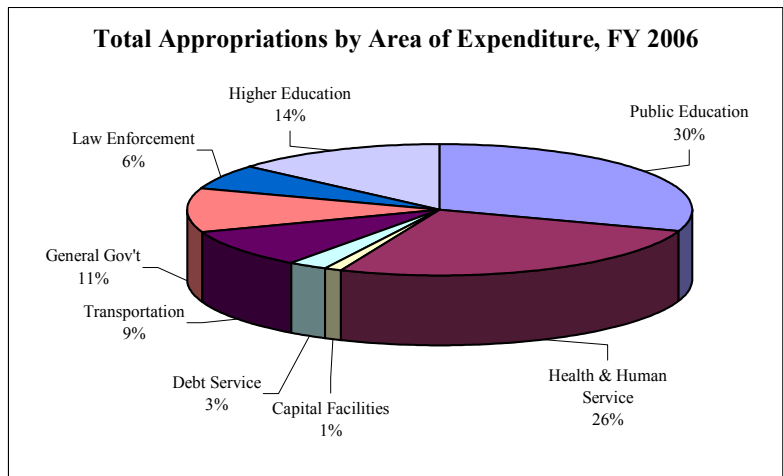
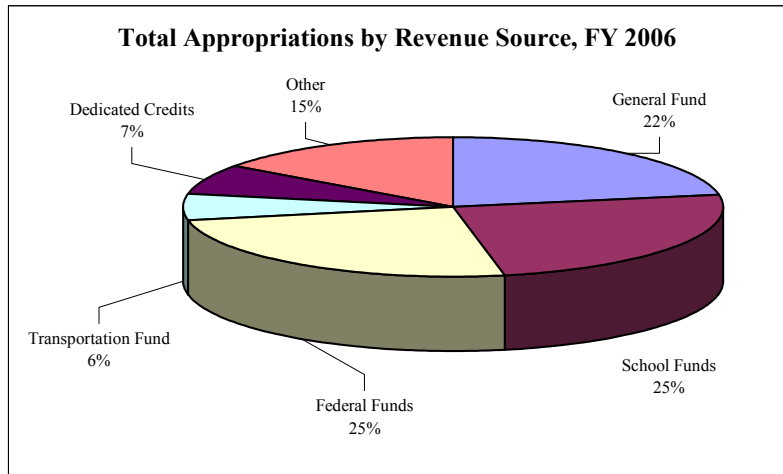
The Legislature appropriates funds from a number of revenue sources. These include: the General Fund (GF) which is supported primarily by sales taxes, and the Uniform School Fund (USF) which consists largely of income tax. Other major sources are federal funds, the gas-tax based Transportation Fund, dedicated credits (fee for service revenue), property taxes, bond proceeds, and other sources. Appropriators adopted \$4,127,400,000 as available General Fund and Uniform School Fund revenue for FY 2006. This represents a 5.3 percent increase from their revised FY 2005 revenue target of \$3,921,300,000, and 47 percent of total FY 2006 revenue. Changes in revenue from legislation approved during the 2005 General Session adjusted the FY 2005 revenue available to \$4,105,948,000 and the FY 2006 amount to \$4,211,448,000.

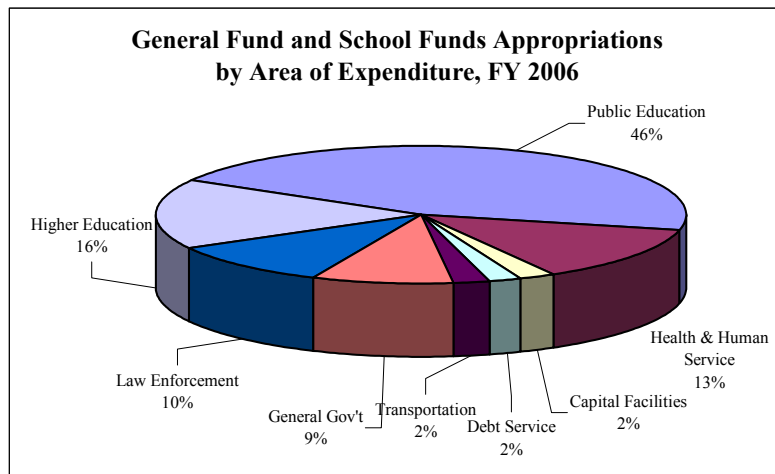
Appropriations

The Legislature approved \$8.97 billion in spending from all sources for FY 2006, an increase of 4.8 percent over the FY 2005 revised appropriations. Of the total amount, Legislators appropriated \$4.2 billion from State Funds (the General Fund and school funds), an increase of 5.35 percent over FY 2005 revised. This included expenditure of some FY 2005 revenue carried forward to FY 2006. It is important to note that the revised FY

2005 level was eight percent over the FY 2004 total appropriation and 13 percent over the FY 2004 state funds appropriation.

The following charts show funding sources and areas of expenditures by funding source.





Economic Indicators and Revenue Issues

Utah's economy continues to improve. Collections continue to come in above forecasts. The following factors had significant influences on revenue estimates made in the 2005 General Session.

- Significant improvement in corporate profits is leading to growth in the corporate franchise tax.
- Mineral Lease revenues are expected to grow as a result of increased gas prices.
- Sales tax collections are growing at approximately eight percent.
- Reasonable employment growth is expected to lead to increased sales and income tax revenues.

Tax Changes / Bills Affecting State Revenue and Expenditures

H.B. 78, "Corporate Franchise and Income Tax Amendments" provided for the election of a double weighted sales in the

apportionment formula. The estimated fiscal impact is a loss of Uniform School Fund of \$7,000,000 beginning in FY 2007.

S.B. 127, “Tax, Fee or Charge Amendments” provided changes to the streamlined sales tax definitions. The estimated fiscal impact is \$1,350,000 in lost revenue.

S.B. 13, “Individual Income Tax – Subtractions for Certain Military Income” provided a deduction of \$2,200 from income tax for those in military service. The estimate fiscal impact is \$1,100,000.

Special Session of the 56th Legislature

First Special Session

The Legislature was called into special session April 19th and 20th to consider 15 matters. The items passed during the Special Session with fiscal impact included the following:

- Tourism funding of \$14 million, with another \$4 million contingent on surpluses (S.B. 1002);
- Drug Offenders Reform Act (DORA) with funding to several agencies in the amount of \$500,000 (S.B. 1004);
- Veterans’ Nursing Home authorizes a general obligation bond of \$4.5 million contingent upon the approval of matching federal funding (H.B. 1007);
- Transportation Investment Act transferred \$59.6 million ongoing and \$30 million one-time from the General Fund to the Transportation Investment Fund for road construction (H.B. 1008);
- Executive Compensation increased the statutory salaries for the Governor, Lieutenant Governor, Auditor, and Treasurer, as well as the appointed officials by 2.5 percent. (H.B. 1009);
- Convention Facilities funding in the amount of \$4 million (H.B. 1011).

Additional information on these actions is included in the subcommittee sections.

Tobacco Funding

FY 2006 marks the seventh year of the State receiving funds from the Master Settlement Agreement with tobacco manufacturers. In those seven years, the state will have received over \$200 million. Legislation in 2000 established the Permanent Trust Fund and the Tobacco Settlement Account, a restricted General Fund account.

Through FY 2006, deposits into the Permanent Trust Fund total \$72.6 million, but the Legislature utilized \$44.4 million in FY 2003 to address budget shortfalls. In FY 2005, approximately \$8 million that would have gone into the Trust Fund at the end of FY 2005 will be diverted to the Budget Reserve Account for that year only. In FY 2006 and FY 2007, the Trust Fund will receive 25 percent of the annual payment, and 40 percent annually thereafter.

The 2005 Legislature approved changing the allocation to allow an additional \$3.3 million to go the Children's Health Insurance Program (CHIP) through **H.B. 114, "Children's Health Care Coverage Amendments"**.

The restricted Tobacco Settlement Account funds the following four programs:

- The State share of the CHIP (\$10.3 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. At the current distribution to the Restricted Fund, the anticipated revenue should cover the designated appropriations through FY 2010.

Governor's Vetoes

Governor Huntsman altered the Legislature's budget actions by vetoing five appropriations line items and one bill carrying an appropriation.

Governor Huntsman vetoed the following items:

H. B. 42, "Medical Recommendations for Children. There was no funding attached to this bill.

H. B. 279, "Clinical Counselor – Title Change. There was no funding attached to this bill.

Item 18 of S.B. 3, "Supplemental Appropriations Act II". This item of appropriation is a duplicate of the appropriation in **S.B. 93, "Children's Justice Center Addition"**.

Items 164 and 168 of S.B. 3, "Supplemental Appropriations Act II". These items were to fund the provisions of H.B. 18, Transportation Investment Act, but that bill did not pass in the General Session.

Employee Compensation

For FY 2006, the Legislature provided the following compensation package for State and Higher Education employees:

- *Cost of Living Adjustments* - Legislators authorized funding for a 2.5 percent ongoing Cost of Living Adjustment (COLA) for state and Higher Education Employees.
- *Health and Dental Benefits* - the Legislature provided funds necessary to pay an 11.8 percent increase in the cost of health benefits and six percent increase in dental benefits costs.
- *Market Comparability Adjustments* - Legislators provided \$15 million in State funds for market comparability

adjustments for certain bench marked positions as identified by Human Resource Management. This included an additional \$770,000 for the Highway Patrol, and \$716,000 for adjustments within the Attorney General's Office.

For Public Education, the Legislature provided State funding for compensation increases for teachers and other public education employees by a factor of more than 4.5 percent. These funds will be allocated to school districts that in turn, will negotiate with their employees for the final compensation packages.

Funding Detail

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

Table 1 compares the FY 2006 Appropriated levels to the FY 2005 Revised levels with funding from all sources. The FY 2005 Estimated column includes original appropriations made during the 2004 General Session, as well as any changes in federal funds, dedicated credits, and other sources of funds estimated by agencies. The FY 2005 Revised column and the FY 2006 Appropriated columns reflect the effect of regular appropriations, supplemental appropriations, and other legislative actions taken during the 2005 General Session.

Table 2 compares General Fund, Uniform School Fund, and Income Tax appropriations for FY 2006 to the estimated FY 2005 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 2005 - FY 2006
All Funds

	FY 2005 Estimated	FY 2005 Supplemental	FY 2005 Revised	Percent Change	FY 2006 Appropriated	Percent Change
Financing						
General Fund	1,797,004,100		1,797,004,100	2.74%	1,910,800,000	5.56%
General Fund, One-time	38,516,300	50,223,800	88,740,100			
Uniform School Fund	1,815,013,211		1,815,013,211	6.54%	1,917,934,675	5.17%
Uniform School Fund, One-time	32,631,900	2,311,900	34,943,800			
Income Tax	125,865,500		125,865,500			
Income Tax, One-time		126,728,900	126,728,900		14,296,600	
Transportation Fund	394,017,900		394,017,900		401,191,400	1.82%
Transportation Fund, One-time					1,457,000	
Centennial Highway Fund	145,772,200		145,772,200		126,393,400	-13.29%
Centennial Highway Fund, One-time		(12,162,400)	(12,162,400)			-100.00%
General Fund Restricted	173,843,900	644,800	174,488,700	0.37%	201,644,700	15.56%
Uniform School Fund Restricted	90,700		90,700		10,092,000	11026.79%
Transportation Fund Restricted	29,632,500		29,632,500		36,617,300	23.57%
Federal Funds	2,193,721,666	1,998,500	2,195,720,166	0.09%	2,260,243,100	2.94%
Dedicated Credits	694,959,531	692,800	695,652,331	0.10%	645,533,100	-7.20%
Land Grant	1,058,500		1,058,500		1,058,500	0.00%
Federal Mineral Lease	54,630,900		54,630,900		69,322,600	26.89%
Restricted Revenue	2,934,100		2,934,100			-100.00%
Trust and Agency Funds	419,842,577	13,162,400	433,004,977	3.14%	572,099,102	32.12%
Transfers	305,174,259	57,500	305,231,759	0.02%	310,564,600	1.75%
Repayments/Reimbursements	11,522,100		11,522,100		11,816,900	2.56%
Pass-through	548,500		548,500		548,500	0.00%
Beginning Balance	323,563,582		323,563,582		177,445,900	-45.16%
Closing Balance	(177,738,638)		(177,738,638)		(53,978,100)	-69.63%
Lapsing Balance	(5,445,600)		(5,445,600)		(1,906,900)	-64.98%
Total	\$8,377,159,688	\$183,658,200	\$8,560,817,888	2.19%	\$8,971,923,077	4.80%
Programs						
Legislature	15,102,400	422,800	15,525,200	2.80%	16,562,400	6.68%
Elected Officials	73,868,100	(20,200)	73,847,900	-0.03%	67,726,700	-8.29%
Courts	108,104,500	145,900	108,250,400	0.13%	112,906,800	4.30%
Corrections	303,784,700	2,495,400	306,280,100	0.82%	323,085,700	5.49%
Public Safety	116,290,500	26,042,600	142,333,100	22.39%	119,929,800	-15.74%
Admin & Tech Services	26,273,500	18,168,500	44,442,000	69.15%	82,602,100	85.86%
Debt Service	273,778,500	1,682,400	275,460,900	0.61%	246,619,400	-10.47%
Capital Facilities	50,067,900	102,073,500	152,141,400	203.87%	101,455,600	-33.31%
Health	1,693,679,900	1,788,300	1,695,468,200	0.11%	1,834,655,400	8.21%
Human Services	487,910,800	2,995,000	490,905,800	0.61%	506,189,300	3.11%
Public Ed - Agencies	412,285,300	(12,500)	412,272,800	0.00%	419,728,800	1.81%
Public Ed - Minimum School Program	2,123,639,488	642,000	2,124,281,488	0.03%	2,254,424,277	6.13%
Public Ed - School Building Program	27,288,900		27,288,900		32,288,900	18.32%
Higher Education	911,791,100	9,516,100	921,307,200	1.04%	962,689,300	4.49%
Higher Ed - UEN	24,810,500		24,810,500		22,814,900	-8.04%
Higher Ed - Med Ed Council	701,100		701,100		1,048,900	49.61%
Higher Ed - UCAT	45,589,200	489,300	46,078,500	1.07%	49,916,700	8.33%
Natural Resources Subcom	174,391,200	6,806,500	181,197,700	3.90%	180,119,200	-0.60%
Commerce & Revenue Subcom	463,589,300	29,000	463,618,300	0.01%	488,524,700	5.37%
Ec Dev & Human Res Subcom	188,429,500	10,393,600	198,823,100	5.52%	213,463,100	7.36%
National Guard	26,996,600		26,996,600		24,563,000	-9.01%
Environmental Quality	74,380,700		74,380,700		78,040,800	4.92%
Transportation	754,406,000	0	754,406,000		832,567,300	10.36%
Total	\$8,377,159,688	\$183,658,200	\$8,560,817,888	2.19%	8,971,923,077	4.80%

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

Financing	FY 2005			FY 2006		
	Ongoing	One-time	Total	Ongoing	One-time	Total
General Fund	1,797,004,100	88,740,100	1,885,744,200	1,910,800,000	79,762,800	1,990,562,800
Uniform School Fund	1,815,013,211	34,943,800	1,849,957,011	1,917,934,675	43,725,000	1,961,659,675
Income Tax	125,865,500	126,728,900	252,594,400	235,260,900	14,296,600	249,557,500
Total	\$3,737,882,811	\$250,412,800	\$3,988,295,611	\$4,063,995,575	\$137,784,400	\$4,201,779,975
Programs						
Elected Officials	28,629,700	1,297,000	29,926,700	30,808,600	105,000	30,913,600
Courts	92,027,700	762,600	92,790,300	97,895,300	10,000	97,905,300
Corrections	255,189,900	4,246,900	259,436,800	278,169,900	(587,700)	277,582,200
Public Safety	46,058,900	26,278,500	72,337,400	50,372,000	20,000	50,392,000
Admin & Tech Services	13,991,000	18,245,300	32,236,300	16,647,600	24,608,700	41,256,300
Debt Service	78,885,900	1,682,400	80,568,300	74,346,000	2,698,000	77,044,000
Capital Facilities	43,976,900	103,613,500	147,590,400	93,859,600	3,836,200	97,695,800
Health	285,751,300	1,845,200	287,596,500	319,339,900	4,639,000	323,978,900
Human Services	204,877,800	4,298,300	209,176,100	219,780,800	2,801,200	222,582,000
Public Ed - Agencies	66,587,800	2,076,100	68,663,900	68,461,700	6,731,900	75,193,600
Public Ed - Minimum School Program	1,686,939,511	32,442,400	1,719,381,911	1,787,123,275	10,579,000	1,797,702,275
Public Ed - School Building Program	27,288,900		27,288,900	27,288,900	5,000,000	32,288,900
Higher Education	579,866,100	15,221,300	595,087,400	622,803,300	5,364,400	628,167,700
Higher Ed - UCAT	39,745,500	715,700	40,461,200	44,192,400	108,000	44,300,400
Higher Ed - Med Ed Council	19,900	3,100	23,000	338,800		338,800
Higher Ed - UEN	15,052,700	945,300	15,998,000	15,886,700	2,300,000	18,186,700
Natural Resources Subcom	44,298,400	4,629,100	48,927,500	48,197,200	1,367,500	49,564,700
Commerce & Revenue Subcom	107,463,500	17,638,700	125,102,200	111,618,600	14,862,500	126,481,100
Ec Dev & Human Res Subcom	33,231,400	13,876,600	47,108,000	35,900,100	20,546,900	56,447,000
National Guard	4,472,600	25,900	4,498,500	4,765,000	500,000	5,265,000
Environmental Quality	9,487,900	83,600	9,571,500	10,296,600	2,000,000	12,296,600
Transportation	59,682,800		59,682,800	90,088,100	30,000,000	120,088,100
Legislature	14,356,700	485,300	14,842,000	15,815,200	293,800	16,109,000
Total	\$3,737,882,811	\$250,412,800	\$3,988,295,611	\$4,063,995,575	\$137,784,400	\$4,201,779,975

Table 3
Appropriations Comparison, FY 2005 - FY 2006
General Fund and Uniform School Funds

Financing	FY 2005 Estimated	FY 2005 Supplemental	FY 2005 Revised	FY 2006 Appropriated	Percent Change
General Fund	1,797,004,100		1,797,004,100	1,910,800,000	5.56%
General Fund, One-time	38,516,300	50,223,800	88,740,100	79,762,800	
Uniform School Fund	1,815,013,211		1,815,013,211	1,917,934,675	
Uniform School Fund, One-time	32,631,900	2,311,900	34,943,800	43,725,000	5.17%
Income Tax	125,865,500		125,865,500	235,260,900	
Income Tax, One-time		126,728,900	126,728,900	14,296,600	
Total	\$3,809,031,011	\$179,264,600	\$3,988,295,611	\$4,201,779,975	5.35%
Programs					
Elected Officials	29,246,500	680,200	29,926,700	30,913,600	3.30%
Courts	92,644,400	145,900	92,790,300	97,905,300	5.51%
Corrections	256,941,400	2,495,400	259,436,800	277,582,200	6.99%
Public Safety	46,396,100	25,941,300	72,337,400	50,392,000	-30.34%
Admin & Tech Services	14,067,800	18,168,500	32,236,300	71,256,300	121.04%
Debt Service	78,885,900	1,682,400	80,568,300	77,044,000	-4.37%
Capital Facilities	45,516,900	102,073,500	147,590,400	97,695,800	-33.81%
Health	287,096,500	500,000	287,596,500	323,978,900	12.65%
Human Services	206,680,500	2,495,600	209,176,100	222,582,000	6.41%
Public Ed - Agencies	68,676,400	(12,500)	68,663,900	75,193,600	9.51%
Public Ed - Minimum School Program	1,718,739,911	642,000	1,719,381,911	1,797,702,275	4.56%
Public Ed - School Building Program	27,288,900		27,288,900	32,288,900	18.32%
Higher Education	585,571,300	9,516,100	595,087,400	628,167,700	5.56%
Higher Ed - UCAT	39,971,900	489,300	40,461,200	44,300,400	9.49%
Higher Ed - Med Ed Council	23,000		23,000	338,800	1373.04%
Higher Ed - UEN	15,998,000		15,998,000	18,186,700	13.68%
Natural Resources Subcom	44,633,200	4,294,300	48,927,500	49,564,700	1.30%
Commerce & Revenue Subcom	125,073,200	29,000	125,102,200	126,481,100	1.10%
Ec Dev & Human Res Subcom	37,407,200	9,700,800	47,108,000	56,447,000	19.82%
National Guard	4,498,500		4,498,500	5,265,000	17.04%
Environmental Quality	9,571,500		9,571,500	12,296,600	28.47%
Transportation	59,682,800		59,682,800	90,088,100	50.94%
Legislature	14,419,200	422,800	14,842,000	16,109,000	8.54%
Total	\$3,809,031,011	\$179,264,600	\$3,988,295,611	\$4,201,779,975	5.35%

Table 4
Appropriations Comparison, FY 2005 - FY 2006
General Fund Only

Financing	FY 2005 Estimated	FY 2005 Supplemental	FY 2005 Revised	FY 2006 Appropriated	Percent Change
General Fund	1,797,004,100		1,797,004,100	1,910,800,000	} 5.56%
General Fund, One-time	38,516,300	50,223,800	88,740,100	79,762,800	
Total	\$1,835,520,400	\$50,223,800	\$1,885,744,200	\$1,990,562,800	5.56%
Programs					
Elected Officials	29,246,500	680,200	29,926,700	30,913,600	3.30%
Courts	92,644,400	145,900	92,790,300	97,905,300	5.51%
Corrections	256,941,400	2,495,400	259,436,800	277,582,200	6.99%
Public Safety	46,396,100	25,941,300	72,337,400	50,392,000	-30.34%
Admin & Tech Services	14,067,800	18,168,500	32,236,300	47,256,300	46.59%
Debt Service	61,721,600		61,721,600	59,879,700	-2.98%
Capital Facilities	28,516,900	50,000,000	78,516,900	50,902,800	-35.17%
Health	287,096,500	500,000	287,596,500	323,978,900	12.65%
Human Services	206,680,500	2,495,600	209,176,100	222,582,000	6.41%
Public Ed - Agencies	1,654,900		1,654,900	2,840,800	71.66%
Higher Education	476,705,800	(64,650,000)	412,055,800	431,729,400	4.77%
Higher Ed - UCAT	39,971,900		39,971,900	40,903,300	2.33%
Higher Ed - Med Ed Council	23,000		23,000	338,800	1373.04%
Higher Ed - UEN	15,998,000		15,998,000	15,257,600	-4.63%
Natural Resources Subcom	44,633,200	4,294,300	48,927,500	49,564,700	1.30%
Commerce & Revenue Subcom	107,642,700	29,000	107,671,700	108,329,700	0.61%
Ec Dev & Human Res Subcom	37,407,200	9,700,800	47,108,000	56,447,000	19.82%
National Guard	4,498,500		4,498,500	5,265,000	17.04%
Environmental Quality	9,571,500		9,571,500	12,296,600	28.47%
Transportation	59,682,800		59,682,800	90,088,100	50.94%
Legislature	14,419,200	422,800	14,842,000	16,109,000	8.54%
Total	\$1,835,520,400	\$50,223,800	\$1,885,744,200	\$1,990,562,800	5.56%

Table 5
Appropriations Comparison, FY 2005 - FY 2006
School Funds Only

Financing	FY 2005 Estimated	FY 2005 Supplemental	FY 2005 Revised	FY 2006 Appropriated	Percent Change
Uniform School Fund	1,815,013,211		1,815,013,211	1,917,934,675	} 5.17%
Uniform School Fund, One-time	32,631,900	2,311,900	34,943,800	43,725,000	
Income Tax	125,865,500		125,865,500	235,260,900	
Income Tax, One-time		126,728,900	126,728,900	14,296,600	
Total	\$1,973,510,611	\$129,040,800	\$2,102,551,411	\$2,211,217,175	5.17%
Programs					
Admin & Tech Services				24,000,000	
Debt Service	17,164,300	1,682,400	18,846,700	17,164,300	-8.93%
Capital Facilities	17,000,000	52,073,500	69,073,500	46,793,000	-32.26%
Public Ed - Agencies	67,021,500	(12,500)	67,009,000	72,352,800	7.97%
Public Ed - Minimum School Program	1,718,739,911	642,000	1,719,381,911	1,797,702,275	4.56%
Public Ed - School Building Program	27,288,900		27,288,900	32,288,900	18.32%
Higher Education	108,865,500	74,166,100	183,031,600	196,438,300	7.32%
Higher Ed - UCAT		489,300	489,300	3,397,100	594.28%
Higher Ed - UEN				2,929,100	
Commerce & Revenue Subcom	17,430,500		17,430,500	18,151,400	4.14%
Total	\$1,973,510,611	\$129,040,800	\$2,102,551,411	\$2,211,217,175	5.17%

Table 6
Revenue Estimates, FY 2005 - FY 2006
In Thousands

	FY 2005	FY 2006	Legislative	FY 2006
	Estimate	Estimate	Changes	Rev. Estimate
General Fund				
Sales and Use Tax	1,601,000	1,687,000	(60,945)	1,626,055
Liquor Profits	38,000	40,000		40,000
Insurance Premiums	68,000	70,000		70,000
Beer, Cigarette & Tobacco	60,000	59,000		59,000
Oil and Gas Severance	42,000	41,000		41,000
Metal Severance	8,500	8,500		8,500
Inheritance	4,000			
Investment Income	11,000	11,000		11,000
Other	46,000	47,000	859	47,859
Property & Energy Tax Credit	(5,600)	(5,600)		(5,600)
Subtotal	\$1,872,900	\$1,957,900	(\$60,086)	\$1,897,814
Uniform School Fund				
Individual Income Tax	1,830,000	1,940,000	(7,050)	1,932,950
Corporate Franchise Tax	190,000	210,000		210,000
Gross Receipts Tax	8,500	8,500		8,500
Escheats	11,000	11,000		11,000
Permanent Fund Interest	8,900			
Subtotal	\$2,048,400	\$2,169,500	(\$7,050)	\$2,162,450
Total	\$3,921,300	\$4,127,400	(\$67,136)	\$4,060,264
Transportation Fund				
Motor Fuel Tax	235,000	239,000		239,000
Special Fuel Tax	90,000	93,500		93,500
Other	68,000	70,000		70,000
Total	\$393,000	\$402,500		\$402,500
Federal Mineral Lease				
Royalties	75,000	74,000		74,000
Bonuses	4,000	4,000		4,000
Total	\$79,000	\$78,000		\$78,000

Table 7
Revenue to Expenditure Comparison, FY 2005 - FY 2006
General Fund and School Funds (In Thousands)

Financing	FY 2005 Revised	FY 2006 Appropriated	Percent Change
Beginning Balance	167,647	117,652	
General Fund	1,872,900	1,897,814	1.33%
Uniform School Fund	1,795,806	1,912,893	6.52%
Income Tax	252,594	249,558	-1.20%
Subtotal	\$3,921,300	\$4,060,264	3.54%
Disaster Relief Loan Repayment		25,000	
Corp Sales Tax Double Weighting		7,000	
Mineral Lease Discretionary	5,013	1,300	
MSP Lapsing Balances	5,000		
Internal Service Fund Balances	4,500		
Enterprise Fund Earnings	1,540		
Aviation Development Zones		982	
National Guard Income Tax Credit		(1,100)	
Other One-time Revenue	948	350	
Total	\$4,105,948	\$4,211,448	2.57%
Programs			
Elected Officials	29,927	30,914	3.30%
Courts	92,790	97,905	5.51%
Corrections	259,437	277,582	6.99%
Public Safety	72,337	50,392	-30.34%
Admin & Tech Services	32,236	41,256	27.98%
Debt Service	80,568	77,044	-4.37%
Capital Facilities	147,590	97,696	-33.81%
Health	287,597	323,979	12.65%
Human Services	209,176	222,582	6.41%
Public Ed - Agencies	68,664	75,194	9.51%
Public Ed - Minimum School Program	1,719,382	1,797,702	4.56%
Public Ed - School Building Program	27,289	32,289	18.32%
Higher Education	595,087	628,168	5.56%
Higher Ed - UCAT	40,461	44,300	9.49%
Higher Ed - Med Ed Council	23	339	1373.04%
Higher Ed - UEN	15,998	18,187	13.68%
Natural Resources Subcom	48,928	49,565	1.30%
Commerce & Revenue Subcom	125,102	126,481	1.10%
Ec Dev & Human Res Subcom	47,108	56,447	19.82%
National Guard	4,499	5,265	17.04%
Environmental Quality	9,572	12,297	28.47%
Transportation	59,683	120,088	101.21%
Legislature	14,842	16,109	8.54%
Total	\$3,988,296	\$4,201,780	5.35%
Ending Balance	\$117,652	\$9,668	

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

Source of Funding	FY 1997 Actual	FY 1998 Actual	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Revised	FY 2006 Appropriated
General Fund	1,362,649,577	1,456,092,199	1,519,875,999	1,582,168,650	1,675,688,000	1,794,458,880	1,795,120,600	1,745,496,800	1,797,004,100	1,910,800,000
General Fund, One-time	122,734,400	1,311,950	14,994,200	5,219,600	30,526,050	(4,949,100)	28,962,750	(241,600)	88,740,100	79,762,800
Uniform School Fund	1,469,402,700	1,468,469,400	1,563,395,600	1,615,286,630	1,705,205,000	1,782,091,660	1,684,266,694	1,734,161,174	1,815,013,211	1,917,934,675
Uniform School Fund, One-time			5,124,400	9,449,000	36,840,000	32,191,400	10,436,000	5,891,000	34,943,800	43,725,000
Income Tax	29,068,500	98,732,500	133,134,200	152,075,600	167,311,800	103,415,500	4,908,000	112,000,000	125,865,500	235,260,900
Income Tax, One-time	11,485,500		10,500,000	1,000,241	82,551,300	3,703,100	1,935,100	(23,200,000)	126,728,900	14,296,600
Transportation Fund	262,058,700	366,155,500	358,210,900	357,399,700	390,189,100	406,266,600	389,538,000	391,891,100	394,017,900	401,191,400
Transportation Fund, One-time	2,277,200	3,177,300	2,118,900							1,457,000
Centennial Highway Fund		26,298,400	54,438,200	62,532,700	63,833,700	106,621,200	103,848,200	117,531,900	145,772,200	126,393,400
Centennial Highway Fund, One-time					3,079,000			1,796,800	(12,162,400)	0
General Fund Restricted	76,257,800	90,461,400	101,879,500	98,392,300	117,209,500	119,497,400	132,317,200	154,215,300	174,488,700	201,644,700
Uniform School Fund Restricted	11,451,800	12,248,400	12,837,300			75,800	78,400	72,000	90,700	10,092,000
Transportation Fund Restricted	19,562,800	20,546,700	21,015,300	24,724,400	30,319,100	28,683,000	27,573,800	29,813,200	29,632,500	36,617,300
Federal Funds	1,272,173,670	1,285,706,777	1,505,636,399	1,543,284,139	1,647,387,849	1,822,267,628	1,941,960,562	2,175,010,878	2,195,720,166	2,260,243,100
Dedicated Credits	378,539,855	1,301,355,962	596,862,508	466,997,890	578,883,135	957,433,182	774,058,339	614,539,099	695,652,331	645,533,100
Land Grant	1,180,571	1,126,402	568,537	490,377	857,800	1,148,200	771,000	804,700	1,058,500	1,058,500
Federal Mineral Lease	33,342,002	41,714,383	30,371,440	33,365,229	39,202,600	34,909,500	43,612,900	64,176,600	54,630,900	69,322,600
Restricted Revenue				57,500	182,100	2,850,000	9,606,100	2,944,000	2,934,100	0
Trust and Agency Funds	287,660,200	394,325,400	364,705,700	338,853,729	429,809,766	446,988,660	377,644,015	406,862,037	433,004,977	572,099,102
Transfers	151,075,767	151,168,063	151,997,056	218,537,519	257,340,460	278,521,804	310,161,147	312,380,022	305,231,759	310,564,600
Repayments/Reimbursements	25,232,900	13,468,800	30,087,800	31,062,600	33,064,300	7,999,200	12,260,800	15,206,500	11,522,100	11,816,900
Other Financing Sources				25,400	1,722,300					0
Pass-through		50,000	32,300		31,100		69,500	994,900	548,500	548,500
Beginning Balance	158,253,866	150,025,766	615,907,808	463,651,769	262,658,872	228,956,056	478,431,169	508,794,041	323,563,582	177,445,900
Closing Balance	(137,582,008)	(616,319,689)	(450,220,876)	(297,939,451)	(250,132,491)	(460,900,376)	(508,666,242)	(409,180,198)	(177,738,638)	(53,978,100)
Lapsing Balance	(24,117,881)	(38,114,011)	(33,087,907)	(15,821,269)	(52,508,347)	(45,866,873)	(88,457,656)	(56,054,554)	(5,445,600)	(1,906,900)
Total	\$5,512,707,919	\$6,228,001,602	\$6,610,385,264	\$6,690,814,253	\$7,251,251,994	\$7,646,362,421	\$7,530,436,379	\$7,905,905,699	\$8,560,817,888	\$8,971,923,077

Table 8b
Ten-year Appropriations History
All Funds by Program

	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Subcommittee	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Revised	Appropriated
Elected Officials	44,281,600	48,802,000	52,710,100	64,329,700	62,201,900	69,494,500	66,348,100	61,091,200	73,847,900	67,726,700
Courts	70,447,000	81,097,000	91,299,500	94,179,850	98,622,400	100,568,900	97,466,100	101,063,300	108,250,400	112,906,800
Corrections	197,984,100	215,712,500	239,478,400	277,891,600	281,646,700	300,512,500	279,019,900	296,331,300	306,280,100	323,085,700
Public Safety	70,080,900	77,518,600	92,195,300	91,142,300	102,811,500	127,600,000	102,109,200	124,637,100	142,333,100	119,929,800
Admin & Tech Services	23,001,740	25,245,200	29,796,900	28,301,600	30,272,900	28,905,400	21,910,900	22,768,400	44,442,000	82,602,100
Debt Service	98,032,100	113,890,100	145,157,200	158,273,800	158,886,100	175,188,600	189,020,800	211,960,600	275,460,900	246,619,400
Capital Facilities	115,923,600	139,599,200	182,246,800	115,192,900	288,762,100	184,210,700	187,127,000	44,584,700	152,141,400	101,455,600
Health	780,578,295	832,455,965	919,445,276	985,996,346	1,083,574,085	1,234,312,321	1,343,097,682	1,521,181,416	1,695,468,200	1,834,655,400
Human Services	348,487,296	366,703,593	397,132,453	425,205,985	433,139,393	456,418,300	453,129,186	467,411,200	490,905,800	506,189,300
Public Ed - Agencies	248,742,500	266,410,600	282,804,300	301,884,600	319,757,900	351,885,600	382,485,000	403,792,100	412,272,800	419,728,800
Public Ed - Minimum School Program	1,588,388,600	1,628,542,000	1,718,452,000	1,766,240,612	1,885,580,366	1,992,207,600	1,919,896,161	2,005,276,683	2,124,281,488	2,254,424,277
Public Ed - School Building Program	26,358,000	26,358,000	30,858,000	29,358,000	28,358,000	28,358,000	28,358,000	29,288,900	27,288,900	32,288,900
Higher Education	622,300,188	642,070,359	664,764,164	698,621,387	741,840,700	816,853,000	825,704,800	866,809,500	921,307,200	962,689,300
Higher Ed - UCAT	31,119,300	28,816,800	35,741,600	35,330,263	33,682,800	47,916,700	43,245,100	45,042,600	46,078,500	49,916,700
Higher Ed - Med Ed Council	0	36,535	40,671	497,586	471,500	470,600	516,100	632,200	701,100	1,048,900
Higher Ed - UEN	0	1,592,400	14,546,300	14,786,524	18,908,600	20,686,900	19,049,400	20,985,500	24,810,500	22,814,900
Natural Resources Subcom	116,512,700	127,334,600	136,521,400	154,250,400	150,578,600	158,000,800	176,375,400	165,264,800	181,197,700	180,119,200
Commerce & Revenue Subcom	318,270,300	354,056,600	364,636,800	357,921,600	365,029,300	374,926,700	412,165,900	430,821,500	463,618,300	488,524,700
Ec Dev & Human Res Subcom	77,843,000	84,507,200	89,272,900	97,333,200	125,050,400	117,211,100	124,438,600	136,313,600	198,823,100	213,463,100
National Guard	14,260,000	12,905,400	19,364,600	16,279,000	18,316,000	24,508,800	25,122,500	26,924,000	26,996,600	24,563,000
Environmental Quality	93,001,500	63,309,600	65,963,500	64,377,000	68,866,100	72,627,000	64,010,800	73,282,200	74,380,700	78,040,800
Transportation	617,286,300	1,080,908,300	1,025,213,000	900,514,500	941,431,200	952,233,900	755,816,100	835,651,700	754,406,000	832,567,300
Legislature	9,808,900	10,129,050	12,744,100	12,905,500	13,463,450	11,264,500	14,023,650	14,791,200	15,525,200	16,562,400
Total	\$5,512,707,919	\$6,228,001,602	\$6,610,385,264	\$6,690,814,253	\$7,251,251,994	\$7,646,362,421	\$7,530,436,379	\$7,905,905,699	\$8,560,817,888	\$8,971,923,077

Table 9
Full Time Equivalent Employees
Appropriated Entities and Internal Service Funds
FY 2004 - FY 2006

Programs	FY 2004	FY 2005	Difference	FY 2006	Difference
	Actual	Revised	'04 - '05	Approp	'05 - '06
Courts	1,190.2	1,231.0	40.8	1,232.0	1.0
Corrections	3,259.3	3,355.7	96.4	3,412.2	56.6
Public Safety	1,074.0	1,162.0	88.0	1,162.0	0.0
Admin & Tech Services	703.9	694.8	(9.0)	929.4	234.5
Health	1,308.9	1,315.8	6.8	1,313.9	(1.9)
Human Services	3,630.6	3,836.3	205.7	3,841.9	5.6
Public Ed - Agencies	1,057.0	1,063.7	6.7	1,063.0	(0.7)
Higher Education	13,164.1	13,167.4	3.3	13,167.6	0.2
Higher Ed - UCAT	541.3	540.0	(1.3)	540.0	0.0
Higher Ed - Med Ed Council	8.1	8.0	(0.1)	8.0	0.0
Higher Ed - UEN	105.0	104.0	(1.0)	104.0	0.0
Natural Resources Subcom	1,512.0	1,583.6	71.6	1,573.1	(10.5)
Commerce & Revenue Subcom	3,743.5	3,743.2	(0.3)	3,759.0	15.8
Ec Dev & Human Res Subcom	307.5	310.8	3.2	310.6	(0.1)
National Guard	139.0	139.0	0.0	139.0	0.0
Environmental Quality	417.2	418.0	0.9	420.0	2.0
Transportation	1,730.0	1,730.0	0.0	1,730.0	0.0
Legislature	0.0	0.0	0.0	7.0	7.0
Total	33,891.6	34,403.2	511.6	34,712.6	309.4

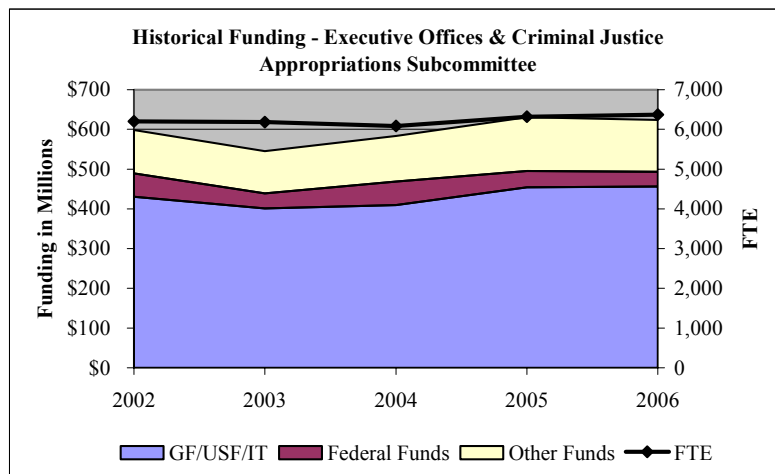
Executive Offices and Criminal Justice

Subcommittee Overview

The Executive Offices and Criminal Justice Appropriations Subcommittee provides legislative oversight for nine state agencies that employ nearly 6,400 FTEs. Of the Subcommittee's \$623.6 million budget, over 73 percent is from the General Fund.

The Subcommittee approves budgets for the five elected officials in the Executive Branch; the State's law enforcement activities, including the Department of Public Safety, 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 law enforcement activities.

The FY 2006 appropriation from all sources of funding is \$623,649,000. The General Fund budget for FY 2006 is \$456,793,100, an increase of \$2,301,900, or 0.5 percent over the FY 2005 revised level. The FY 2006 General Fund increase would be greater if not for the one-time \$25 million appropriation for disaster relief for the Washington County area.



General Subcommittee Issues

The Legislature reviewed the performance measures submitted by the agencies with their budget requests. Many of the measures are input rather than outcome measures. Direction was given to the agencies to work with the Governor's Office of Planning and Budget and the Office of the Legislative Fiscal Analyst to refine the measures in preparation for the FY 2007 budget.

The Subcommittee reviewed the non-lapsing status of all agencies' line items within this budget and determined to extend this authority for FY 2006 as in previous years. For the past several years, the Departments of Public Safety and Corrections have been authorized to combine major line items into a single line item to provide greater budget flexibility in managing operations. This authority was also extended for FY 2006, with the exception of the Corrections Medical Services which was designated as a separate line item.

Internal Service Fund adjustments were made to each of the agency budgets. The total adjustment was a net increase of \$393,600. This included a General Fund increase of \$420,000. The adjustments were due to changes in General Services, Facility Management, Fleet Services, Information Technology Services, and Risk Management.

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 and Emergency Fund line items are also grouped within the Governor's Office.

The Legislature transferred the RS 2477 program and its funding to the newly created Public Lands Policy Coordinating Office through S.B. 239. Other programs historically within the Governor's Office were also transferred. The Governor was given direct oversight of state energy policy through S.B. 199.

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 develops budgetary, 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 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 government concerned with criminal and juvenile justice. It also helps coordinate statewide efforts to reduce crime and victimization in Utah.

Legislative Action

Gubernatorial Transition Costs: The Legislature provided a General Fund supplemental appropriation of \$126,000 to pay for the transition costs of the new Governor.

State and Local Planning: The Legislature appropriated \$150,000 in General Funds to the State and Local Planning Program to assist cities and counties with county resource management planning, quality growth planning and other planning needs.

Transfer of the Commission on Women and Families: The Legislature transferred the Commission on Women and Families and its funding of \$21,000 to the Department of Commerce beginning in FY 2006.

Notary Commission Filing Fees Increases and Offsetting Reduction in General Funds: The Legislature increased Notary Commission Filing Fees beginning July 1, 2005 which will increase revenues by approximately \$120,000. The Legislature reduced ongoing General Funds by the same amount.

Commission on Criminal and Juvenile Justice (CCJJ) Domestic Violence Coordinator Position: The Legislature appropriated ongoing funds of \$92,000 from the Crime Victims Reparations Trust Account to fund a Domestic Violence Coordinator position.

H.B. 109, “Information Technology Governance Amendments” transferred ongoing General Funds of \$570,100 from the Governor’s Chief Information Office to the newly created Department of Technology Services.

S.B. 199, “Office of Energy Oversight” resulted in the Legislature appropriating FY 2005 one-time General Funds of \$10,800, and \$1,283,300 in FY 2006 to provide oversight of energy policy in the state.

S.B. 239, “Public Lands Policy Coordination”

transferred the RS 2477 program to the newly created Public Lands Policy Coordinating Office. For FY 2005, the amount transferred was \$240,700; for FY 2006, the transfer is \$2,479,400.

S.B. 1004, “Drug Offender Reform Act – Pilot Program” provided one-time General Funds of \$75,000 in FY 2006 to the Commission on Criminal and Juvenile Justice for research and evaluation of the pilot program.

Funding Detail

Governor's Office					
Financing	2005		2005	2006	Change from 2005 Revised
	Estimated	Supplemental	Revised	Appropriated	
General Fund	6,601,100		6,601,100	6,321,000	(280,100)
General Fund, One-time	438,800	131,700	570,500	75,000	(495,500)
Federal Funds	14,094,400		14,094,400	12,114,300	(1,980,100)
Dedicated Credits Revenue	373,500		373,500	481,600	108,100
GFR - Constitutional Defense	1,884,200	(235,600)	1,648,600		(1,648,600)
GFR - Criminal Forfeiture Restricted Account				500,000	500,000
Crime Victims Reparation Trust	2,461,300		2,461,300	2,669,300	208,000
Oil Overchg - Exxon				763,500	763,500
Oil Overchg - Stripper Well				431,900	431,900
Transfers - Other Agencies	53,000		53,000	53,000	
Transfers - Within Agency	92,000		92,000		(92,000)
Beginning Nonlapsing	5,785,200		5,785,200	172,000	(5,613,200)
Closing Nonlapsing	(722,000)		(722,000)	(102,000)	620,000
Total	\$31,061,500	(\$103,900)	\$30,957,600	\$23,479,600	(\$7,478,000)
Programs					
Governor's Office	3,208,000	131,700	3,339,700	4,059,200	719,500
Elections	2,131,500		2,131,500	733,700	(1,397,800)
Emergency Fund					
RS-2477 Rights of Way	3,384,200	(235,600)	3,148,600		(3,148,600)
Governor's Office of Planning and Budget	4,723,800		4,723,800	3,254,800	(1,469,000)
GOPB - Chief Information Officer	748,200		748,200		(748,200)
Commission on Criminal and Juvenile Justice	16,865,800		16,865,800	15,431,900	(1,433,900)
Total	\$31,061,500	(\$103,900)	\$30,957,600	\$23,479,600	(\$7,478,000)
Total FTE	108.9	(2.0)	106.9	103.4	(3.5)

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.

Legislative Action

The FY 2006 appropriated General Fund for the Office of the Attorney General is \$20,679,600.

Litigation/Settlement: The Legislature appropriated supplemental funding of \$99,200 for the latest payment to the Law Firm of Morrison and Foerster and the National Center for Youth Law (both located in Sacramento, California) for the ongoing settlement of the David C. et al. versus Michael Leavitt et al. to pay for the plaintiff's attorney's fees.

H.B. 128, "Compensation of Executive Officers" set the annual salary of the Attorney General at 95 percent of the Governor's salary beginning July 1, 2005. This increases the Attorney General's salary from \$85,400 to \$96,520.

H.B. 132, "Internet Crimes Against Children": The Legislature appropriated \$59,900 to prepare and present appropriate programs and informational materials to children, parents, and others concerning internet safety for children.

H.B. 260, "Amendments Related to Pornographic and Harmful Materials": The Legislature appropriated \$30,000 one-time and \$70,000 ongoing General Funds to establish and maintain the Adult Content Registry.

S.B. 15, "Children's Justice Center Amendments": The Legislature appropriated \$233,800 to increase the number of children served by the Children's Justice Centers throughout the state.

S.B. 72, "Child Welfare Amendments": The Legislature appropriated \$19,500 to assist Human Services and the Courts in the implementation of this legislation.

S.B. 93, "Children's Justice Center Addition": The Legislature appropriated \$127,500 to provide a Children's Justice Center in Iron County.

S.B. 239, “Public Lands Policy Coordination”: The Legislature transferred supplemental Restricted funds of \$15,500 for FY 2005 and \$127,300 in ongoing Restricted funds in FY 2006 to the Public Lands Policy Coordinating Office created by S.B. 239.

Children’s Justice Centers Cost of Living Adjustment: The Legislature provided \$24,600 for a two percent private provider COLA at the Children’s Justice Centers.

Shift of Commerce Service Funds to the General Fund: The Legislature shifted \$449,300 of ongoing funding from the Commerce Service Fund to the General Fund beginning in FY 2005. The action simplifies funding sources within the Attorney General’s budget.

Funding Detail

Attorney General					
	2005	2005	2005	2006	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2005 Revised
General Fund	18,383,200		18,383,200	20,649,600	2,266,400
General Fund, One-time	149,300	548,500	697,800	30,000	(667,800)
Federal Funds	1,295,500		1,295,500	1,304,500	9,000
Dedicated Credits Revenue	13,420,500		13,420,500	14,407,300	986,800
GFR - Commerce Service	456,900	(449,300)	7,600		(7,600)
GFR - Constitutional Defense	123,600	(15,500)	108,100		(108,100)
GFR - Domestic Violence	78,600		78,600	78,600	
GFR - Public Safety Support	511,000		511,000	525,100	14,100
GFR - Tobacco Settlement	100,000		100,000	100,000	
Attorney General Litigation Fund	256,100		256,100	262,400	6,300
Transfers - Commission on Criminal and Juve	170,000		170,000	170,000	
Transfers - Other Agencies	57,000		57,000	57,000	
Beginning Nonlapsing	1,835,700		1,835,700	600,000	(1,235,700)
Closing Nonlapsing	(600,000)		(600,000)		600,000
Total	\$36,237,400	\$83,700	\$36,321,100	\$38,184,500	\$1,863,400
Programs					
Attorney General	32,895,400	(15,500)	32,879,900	34,711,300	1,831,400
Contract Attorneys	449,000	99,200	548,200	300,000	(248,200)
Children’s Justice Centers	2,275,500		2,275,500	2,569,500	294,000
Prosecution Council	527,800		527,800	525,100	(2,700)
Domestic Violence	89,700		89,700	78,600	(11,100)
Total	\$36,237,400	\$83,700	\$36,321,100	\$38,184,500	\$1,863,400
Total FTE	398.5	(1.0)	397.5	397.5	0.0

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.

Legislative Action

The State Auditor's appropriated General Fund budget for FY 2006 is \$2,958,300. This is an increase of \$139,200 over the FY 2005 Revised Estimate.

Funding Detail

State Auditor					
	2005	2005	2005	2006	Change from
	Estimated	Supplemental	Revised	Appropriated	2005 Revised
Financing					
General Fund	2,795,800		2,795,800	2,958,300	162,500
General Fund, One-time	23,300		23,300		(23,300)
Dedicated Credits Revenue	771,900		771,900	784,200	12,300
Beginning Nonlapsing	324,700		324,700		(324,700)
Closing Nonlapsing					
Total	<u>\$3,915,700</u>	<u>\$0</u>	<u>\$3,915,700</u>	<u>\$3,742,500</u>	<u>(\$173,200)</u>
Programs					
State Auditor	3,915,700		3,915,700	3,742,500	(173,200)
Total	<u>\$3,915,700</u>	<u>\$0</u>	<u>\$3,915,700</u>	<u>\$3,742,500</u>	<u>(\$173,200)</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.

Legislative Action

The State Treasurer's appropriated General Fund budget for FY 2006 is \$879,700. This is an increase of \$24,700 over the FY 2005 Revised level.

Funding Detail

State Treasurer					
	2005	2005	2005	2006	Change from
	Estimated	Supplemental	Revised	Appropriated	2005 Revised
Financing					
General Fund	849,600		849,600	879,700	30,100
General Fund, One-time	5,400		5,400		(5,400)
Dedicated Credits Revenue	191,700		191,700	192,700	1,000
Unclaimed Property Trust	1,211,800		1,211,800	1,247,700	35,900
Beginning Nonlapsing	395,000		395,000		(395,000)
Total	\$2,653,500	\$0	\$2,653,500	\$2,320,100	(\$333,400)
Programs					
State Treasurer	2,653,500		2,653,500	2,320,100	(333,400)
Total	\$2,653,500	\$0	\$2,653,500	\$2,320,100	(\$333,400)
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.

Legislative Action

The Department of Public Safety's appropriated General Fund budget for FY 2006 is \$50,392,000.

Lease Payments Increases: The Legislature appropriated \$518,600 for FY 2005 lease payments, and \$533,500 for FY 2006 lease payments.

State Fire Marshal Funding: The Legislature provided restricted funding to the State Fire Marshal to address several funding needs. These include: \$66,000 (FY 2005) to retain a federal funds grant match; \$490,000 to provide training in hazardous materials, confined space rescue operations, and other firefighter training; \$35,000 to purchase essential equipment needed for arson investigations, fire extinguisher testing and personal safety/protective equipment; and \$10,000 for Fire Marshal staff training.

Driver License Program Funding: The Legislature appropriated \$1.3 million from restricted funds to the Driver License program to meet the contractual obligations with the uninsured motorist database vendor (\$300,000) and to rewrite and update the Driver License Database to prevent loss of driver records and enhance compatibility with federal and other state programs (\$1,000,000).

Aero Bureau Maintenance and Usage: The Legislature provided a General Fund supplemental appropriation of \$458,000 for FY 2005 to address usage, maintenance and repair costs for the aircraft.

State Bureau of Investigation Fee Increase: The Legislature authorized increasing the fee for fingerprints and photos background checks to \$13 effective July 1, 2005. It is anticipated that this \$3 increase will generate an additional \$34,000 annually. The Bureau will use the additional revenue to defray overtime costs to reduce workload backlog.

H.B. 49, “Bicycle Safety Provisions” added \$20,000 (one-time General Funds) to pay for a public education campaign to promote bicycle safety.

H.B. 240, “Disaster Loan Program”: The Legislature provided a \$25 million supplemental to mitigate the damage caused by the flooding of the Virgin and Santa Clara Rivers in Washington County in January 2005.

S.B. 227, “Public Safety Driving Privilege and Identification Card Amendments”: The Legislature appropriated \$157,600 in restricted funds sources to provide a driving privilege card alternative for individuals who do not meet state residence and U.S. citizenship requirements.

Intent Language

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.

Funding Detail

Department of Public Safety					
	2005	2005	2005	2006	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2005 Revised
General Fund	46,058,900		46,058,900	50,372,000	4,313,100
General Fund, One-time	337,200	25,941,300	26,278,500	20,000	(26,258,500)
Transportation Fund	5,495,500		5,495,500	5,495,500	
Federal Funds	22,029,600		22,029,600	20,064,800	(1,964,800)
Dedicated Credits Revenue	6,070,600		6,070,600	6,115,300	44,700
GFR - DNA Specimen	425,000		425,000	476,000	51,000
GFR - E-911 Emergency Services	3,900,000		3,900,000	3,900,000	
GFR - Fire Academy Support	4,412,800	101,300	4,514,100	5,048,000	533,900
GFR - Nuclear Oversight	1,793,300		1,793,300	1,793,300	
GFR - Public Safety Support	2,867,400		2,867,400	2,923,800	56,400
GFR - Statewide Warrant Ops	433,600		433,600	460,700	27,100
TFR - Motorcycle Education	208,000		208,000	212,100	4,100
TFR - Dept. of Public Safety Rest. Acct.	18,452,800		18,452,800	20,454,400	2,001,600
TFR - Uninsured Motorist I.D.	1,560,100		1,560,100	1,860,100	300,000
Transfers - Commission on Criminal and Juve	873,100		873,100	571,700	(301,400)
Transfers - Other Agencies	804,500		804,500	804,500	
Transfers - Within Agency	421,400		421,400	428,100	6,700
Pass-through	473,300		473,300	473,300	
Beginning Nonlapsing	3,019,300		3,019,300	1,396,300	(1,623,000)
Closing Nonlapsing	(1,396,300)		(1,396,300)	(990,500)	405,800
Lapsing Balance	(1,949,600)		(1,949,600)	(1,949,600)	
Total	\$116,290,500	\$26,042,600	\$142,333,100	\$119,929,800	(\$22,403,300)
Programs					
Public Safety Programs & Operations	73,195,900	1,042,600	74,238,500	76,306,000	2,067,500
Emergency Services and Homeland Security	12,535,700	25,000,000	37,535,700	12,613,700	(24,922,000)
Peace Officers' Standards and Training	6,459,700		6,459,700	5,057,700	(1,402,000)
Liquor Law Enforcement	1,390,600		1,390,600	1,439,000	48,400
Driver License	19,118,400		19,118,400	20,901,100	1,782,700
Highway Safety	3,590,200		3,590,200	3,612,300	22,100
Total	\$116,290,500	\$26,042,600	\$142,333,100	\$119,929,800	(\$22,403,300)
Total FTE	1,162.0	0.0	1,162.0	1,162.0	0.0

Courts

The Utah State Court System consists of the Supreme Court, the Court of Appeals, the court of general jurisdiction (District Courts) and the Juvenile Courts. 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 primarily funded and operated by local governments under standards established by the state.

Legislative Action

The Courts' appropriated budget for FY 2006 is \$112,906,800, including \$97,905,300 from the General Fund.

Judicial Branch Contracts and Leases: The Legislature appropriated \$718,600 General Fund for Court facility lease increases. Most of this funding is for the new West Jordan facility. An additional \$20,000 General Fund was provided to cover the maintenance costs of the Provo parking lot and building grounds.

Jury, Witness and Interpreter Program: The Legislature provided a FY 2005 supplemental of \$145,900 for the Jury, Witness and Interpreter Program, which operated at a deficit in FY 2004.

Security and Technology Restricted Funds: The Legislature appropriated \$1.8 million from the Court Security Account and \$900,000 from the Justice Court Technology, Security, and Training Account to the Courts to fund security in Juvenile Courts and technology in the Justice Courts.

Judicial Compensation: An appropriation of \$812,100 was approved to give judges a six percent compensation increase.

H.B. 4, “Divorce Mediation Program” provided funding in the amount of \$78,800 for District Courts.

H.B. 218, “Second District Juvenile Judge”: funded a juvenile court judge and two court clerk FTE with an appropriation of \$245,100.

S.B. 72, “Child Welfare Amendments” added \$44,300 to the Courts and \$19,500 to the Attorney General.

S.B. 91, “Interstate Juvenile Compact” added \$12,000 for the fees of the compact.

S.B. 146, “Avoiding Apprehension Amendment”: increased the Courts’ budget by \$192,900.

H.B. 1003, Civil Legal Aid for Victims of Domestic Violence” authorizes the State Court Administrator to grant funds to nonprofit legal assistance providers for victims of domestic violence. The Courts’ budget currently has \$100,000 in the base for this purpose.

S.B. 1004, “Drug Offender Reform Act – Pilot Program” adds \$10,000 to the District Courts’ budget for drug treatment, offender supervision, and evaluation of the pilot program.

Intent Language

Legislative intent authorized reimbursement for legal assistance to low income individuals.

Funding Detail

Judicial Council/State Court Administrator					
	2005	2005	2005	2006	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2005 Revised
General Fund	92,027,700		92,027,700	97,895,300	5,867,600
General Fund, One-time	616,700	145,900	762,600	10,000	(752,600)
Federal Funds	170,000		170,000	170,000	
Dedicated Credits Revenue	941,000		941,000	1,031,500	90,500
GFR - Alternative Dispute Resolution	145,000		145,000	150,800	5,800
GFR - Children's Legal Defense	657,500		657,500	673,400	15,900
GFR - Court Reporter Technology	350,000		350,000	250,000	(100,000)
GFR - Court Security Account	4,000,000		4,000,000	4,000,000	
GFR - Court Trust Interest	250,000		250,000	250,000	
GFR - DNA Specimen	136,800		136,800	187,100	50,300
GFR - Guardian Ad Litem Services	314,600		314,600	320,900	6,300
GFR - Justice Court Tech, Sec.& Training	900,000		900,000	900,000	
GFR - Non-Judicial Assessment	594,700		594,700	637,800	43,100
GFR - Online Court Assistance	50,000		50,000	50,000	
GFR - State Court Complex	4,122,200		4,122,200	4,700,000	577,800
GFR - Substance Abuse Prevention	414,600		414,600	433,700	19,100
GFR - Tobacco Settlement	193,700		193,700	193,700	
Transfers - Commission on Criminal and Juve	844,400		844,400	264,600	(579,800)
Transfers - Human Services	154,800		154,800	154,800	
Transfers - Other Agencies	432,200		432,200	458,500	26,300
Beginning Nonlapsing	737,900		737,900	(50,700)	(788,600)
Closing Nonlapsing	50,700		50,700	225,400	174,700
Total	\$108,104,500	\$145,900	\$108,250,400	\$112,906,800	\$4,656,400
Programs					
Supreme Court	2,056,300		2,056,300	2,174,600	118,300
Law Library	502,500		502,500	510,800	8,300
Court of Appeals	2,828,100		2,828,100	2,986,200	158,100
District Courts	34,161,300		34,161,300	35,946,000	1,784,700
Juvenile Courts	28,608,600		28,608,600	30,656,300	2,047,700
Justice Courts	1,019,900		1,019,900	1,022,700	2,800
Courts Security	4,000,000		4,000,000	4,000,000	
Administrative Office	3,498,000		3,498,000	3,450,200	(47,800)
Judicial Education	589,800		589,800	561,400	(28,400)
Data Processing	4,461,500		4,461,500	4,473,100	11,600
Grants Program	1,153,300		1,153,300	514,600	(638,700)
Grand Jury	1,000		1,000	800	(200)
Contracts and Leases	19,628,400		19,628,400	20,880,800	1,252,400
Jury and Witness Fees	1,675,600	145,900	1,821,500	1,675,400	(146,100)
Guardian ad Litem	3,920,200		3,920,200	4,053,900	133,700
Total	\$108,104,500	\$145,900	\$108,250,400	\$112,906,800	\$4,656,400
Total FTE	1,231.0	0.0	1,231.0	1,232.0	1.0

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. Emphasis has been placed on offender reentry programs that assist offenders to be successful upon their return to the community. This has been a collaborative effort between Corrections, Human Services, Workforce Services, Community Development and other private and local government organizations to reduce recidivism.

Legislative Action

The Legislature appropriated a total budget of \$221,104,200 for FY 2006 to the Department of Corrections. Of this amount, \$199,520,700 is from the General Fund. This represents a General Fund increase of \$14,490,900 or 7.8 percent over the FY 2005 revised estimate. The increase is primarily for operations of the reopened Violent Offenders Incarcerated Truth in Sentencing (VOI/TIS) facility and additional jail contracted beds.

No funding was provided for the recommended core rate increase. Funding issues related to the Jail Reimbursement and Jail Contracting Core Rate were placed on the Master Study Resolution (H.J.R. 20).

VOI/TIS Facility Operations and Maintenance: The Legislature appropriated \$1,495,400 for FY 2005 and \$5,686,700 for FY 2006.

Jail Contracting Funding: The Legislature provided a FY 2005 supplemental of \$250,000 and a FY 2006 appropriation of \$4,527,000 fund 200 additional beds.

Jail Reimbursement Growth: Funding of \$524,900 for FY 2006 was appropriated to fund the estimated increase in jail reimbursement days.

Funding Shift: Nonlapsing funds, in the amount of 500,000, were transferred from the Department of Corrections to the Department of Human Services to fund mental health programs.

Facility Leases: An appropriation of \$217,000 was made for lease increases for Adult Probation and Parole offices.

H.B. 234, “Telephone Surcharge for Education and Training Programs at Prison” created a restricted account and appropriated \$100,000 ongoing General Fund to start the fund. This funding was appropriated to Higher Education to supplement prison education programs.

S.B. 146, “Avoiding Apprehension Amendment” added \$55,300 to the Division of Adult Probation and Parole.

S.B. 167, “Penalties for False Drivers Licenses and Identification Cards” increased the appropriation for Adult Probation and Parole and the Division of Institutional Operations of \$34,400.

S.B. 137, “Interstate Compact for Adult Offender Supervision - Application Fee” 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.

S.B. 1004, “Drug Offender Reform Act – Pilot Program” adds \$100,000 and 1.5 FTE Adult Probation and Parole agents and a vehicle for drug treatment, offender supervision, and evaluation of the pilot program.

H.J.R. 101, “Joint Resolution Supporting Expansion of Correctional Facilities” supports Beaver, Millard, and Sanpete Counties in their expansion of correctional facilities to ease the State’s prison population housing shortage.

Funding Detail

Utah Department of Corrections					
	2005	2005	2005	2006	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2005 Revised
General Fund	182,178,900		182,178,900	200,108,400	17,929,500
General Fund, One-time	1,105,500	1,745,400	2,850,900	(587,700)	(3,438,600)
Federal Funds	816,500		816,500	696,300	(120,200)
Dedicated Credits Revenue	17,383,500		17,383,500	18,939,100	1,555,600
GFR - DNA Specimen	515,000		515,000	515,000	
GFR - Interstate Cmpct for Adult Offender Su	29,000		29,000	29,000	
GFR - Tobacco Settlement	81,700		81,700	81,700	
Crime Victims Reparation Trust	750,000		750,000	750,000	
Transfers - Administrative Services				67,800	67,800
Transfers - Commission on Criminal and Juve	708,500		708,500	554,600	(153,900)
Transfers - Other Agencies	142,800		142,800		(142,800)
Beginning Nonlapsing	1,906,900		1,906,900		(1,906,900)
Closing Nonlapsing	(300,000)		(300,000)	(50,000)	250,000
Total	\$205,318,300	\$1,745,400	\$207,063,700	\$221,104,200	\$14,040,500
Programs					
Department Administration	13,351,600		13,351,600	13,668,200	316,600
Adult Probation and Parole	41,872,100		41,872,100	43,546,200	1,674,100
Institutional Operations	91,672,500	1,495,400	93,167,900	99,032,200	5,864,300
Department Medical Services	16,605,900		16,605,900	17,325,100	719,200
Utah Correctional Industries	14,169,400		14,169,400	15,950,000	1,780,600
Jail Contracting	18,565,800	250,000	18,815,800	21,976,600	3,160,800
Jail Reimbursement	9,081,000		9,081,000	9,605,900	524,900
Total	\$205,318,300	\$1,745,400	\$207,063,700	\$221,104,200	\$14,040,500
Total FTE	2,289.6	17.0	2,306.6	2,363.2	56.6

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.

Legislative Action

The Board of Pardons' appropriated budget is \$2,864,400. This represents a General Fund increase of 2.28 percent from the FY 2005 revised estimate.

Funding Detail

Board Of Pardons and Parole					
	2005	2005	2005	2006	Change from
	Estimated	Supplemental	Revised	Appropriated	2005 Revised
Financing					
General Fund	2,632,500		2,632,500	2,709,800	77,300
General Fund, One-time	17,000		17,000		(17,000)
Dedicated Credits Revenue	2,200		2,200	2,200	
GFR - Tobacco Settlement	77,400		77,400	77,400	
Beginning Nonlapsing	156,700		156,700	75,000	(81,700)
Closing Nonlapsing	(75,000)		(75,000)		75,000
Total	\$2,810,800	\$0	\$2,810,800	\$2,864,400	\$53,600
Programs					
Board Of Pardons and Parole	2,810,800		2,810,800	2,864,400	53,600
Total	\$2,810,800	\$0	\$2,810,800	\$2,864,400	\$53,600
Total FTE	32.5	0.0	32.5	32.5	0.0

Division of Juvenile Justice Services

The Division of Juvenile Justice Services 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. This organization is a division of the Department of Human Services.

Legislative Action

An appropriation of \$98,849,600 for FY 2006 was made to the Division of Juvenile Justice Services. Of this amount, \$75,084,200 is from the General Fund. This is an increase of \$3,594,200 from the FY 2005 revised estimate.

Caseload Growth: The Legislature funded caseload growth for the Division with a FY 2005 supplemental appropriation of \$750,000 and an ongoing FY 2006 appropriation of \$2,237,700.

Federal Medical Assistance Percentage (FMAP) Rate

Change: An appropriation of \$146,300 was approved to cover the FMAP rate change to maintain services at their current levels.

Funding Reallocation: A shift of \$10,000 was made from the Youth Parole Authority to Community Placement Programs.

Funding Detail

Department of Human Services - Division of Juvenile Justice Services					
	2005	2005	2005	2006	Change from
	Estimated	Supplemental	Revised	Appropriated	2005 Revised
Financing					
General Fund	70,111,000		70,111,000	75,084,200	4,973,200
General Fund, One-time	629,000	750,000	1,379,000		(1,379,000)
Federal Funds	2,148,100		2,148,100	2,054,100	(94,000)
Dedicated Credits Revenue	2,645,100		2,645,100	2,688,400	43,300
GFR - DNA Specimen	91,000		91,000		(91,000)
GFR - Youth Corrections Victims	1,069,300		1,069,300	1,320,200	250,900
Transfers - Child Nutrition	884,500		884,500	884,500	
Transfers - Commission on Criminal and Juve	1,122,300		1,122,300	905,900	(216,400)
Transfers - Medicaid	14,765,700		14,765,700	15,912,300	1,146,600
Beginning Nonlapsing	1,922,100		1,922,100		(1,922,100)
Total	\$95,388,100	\$750,000	\$96,138,100	\$98,849,600	\$2,711,500
Programs					
Administration	3,840,400		3,840,400	3,947,900	107,500
Early Intervention	11,900,500		11,900,500	12,296,200	395,700
Community Programs	31,332,300	562,500	31,894,800	31,879,200	(15,600)
Correctional Facilities	25,733,900		25,733,900	26,901,400	1,167,500
Rural Programs	22,232,900	187,500	22,420,400	23,526,500	1,106,100
Youth Parole Authority	348,100		348,100	298,400	(49,700)
Total	\$95,388,100	\$750,000	\$96,138,100	\$98,849,600	\$2,711,500
Total FTE	1,011.5	0.0	1,011.5	1,006.0	(5.5)

Funding Detail

Executive Offices & Criminal Justice Appropriations Subcommittee					
	2005	2005	2005	2006	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2005 Revised
General Fund	421,906,200		421,906,200	457,245,800	35,339,600
General Fund, One-time	3,322,200	29,262,800	32,585,000	(452,700)	(33,037,700)
Transportation Fund	5,495,500		5,495,500	5,495,500	
Federal Funds	40,554,100		40,554,100	36,404,000	(4,150,100)
Dedicated Credits Revenue	41,800,000		41,800,000	44,642,300	2,842,300
GFR - Alternative Dispute Resolution	145,000		145,000	150,800	5,800
GFR - Children's Legal Defense	657,500		657,500	673,400	15,900
GFR - Commerce Service	456,900	(449,300)	7,600		(7,600)
GFR - Constitutional Defense	2,007,800	(251,100)	1,756,700		(1,756,700)
GFR - Court Reporter Technology	350,000		350,000	250,000	(100,000)
GFR - Court Security Account	4,000,000		4,000,000	4,000,000	
GFR - Court Trust Interest	250,000		250,000	250,000	
GFR - Criminal Forfeiture Restricted Account				500,000	500,000
GFR - Domestic Violence	78,600		78,600	78,600	
GFR - DNA Specimen	1,167,800		1,167,800	1,178,100	10,300
GFR - E-911 Emergency Services	3,900,000		3,900,000	3,900,000	
GFR - Fire Academy Support	4,412,800	101,300	4,514,100	5,048,000	533,900
GFR - Guardian Ad Litem Services	314,600		314,600	320,900	6,300
GFR - Interstate Cmpet for Adult Offender Su	29,000		29,000	29,000	
GFR - Justice Court Tech, Sec,& Training	900,000		900,000	900,000	
GFR - Non-Judicial Assessment	594,700		594,700	637,800	43,100
GFR - Nuclear Oversight	1,793,300		1,793,300	1,793,300	
GFR - Online Court Assistance	50,000		50,000	50,000	
GFR - Public Safety Support	3,378,400		3,378,400	3,448,900	70,500
GFR - State Court Complex	4,122,200		4,122,200	4,700,000	577,800
GFR - Statewide Warrant Ops	433,600		433,600	460,700	27,100
GFR - Substance Abuse Prevention	414,600		414,600	433,700	19,100
GFR - Tobacco Settlement	452,800		452,800	452,800	
GFR - Youth Corrections Victims	1,069,300		1,069,300	1,320,200	250,900
TFR - Motorcycle Education	208,000		208,000	212,100	4,100
TFR - Dept. of Public Safety Rest. Acct.	18,452,800		18,452,800	20,454,400	2,001,600
TFR - Uninsured Motorist I.D.	1,560,100		1,560,100	1,860,100	300,000
Attorney General Litigation Fund	256,100		256,100	262,400	6,300
Crime Victims Reparation Trust	3,211,300		3,211,300	3,419,300	208,000
Oil Overchg - Exxon				763,500	763,500
Oil Overchg - Stripper Well				431,900	431,900
Unclaimed Property Trust	1,211,800		1,211,800	1,247,700	35,900
Transfers - Administrative Services				67,800	67,800
Transfers - Child Nutrition	884,500		884,500	884,500	
Transfers - Commission on Criminal and Juve	3,718,300		3,718,300	2,466,800	(1,251,500)
Transfers - Human Services	154,800		154,800	154,800	
Transfers - Medicaid	14,765,700		14,765,700	15,912,300	1,146,600
Transfers - Other Agencies	1,489,500		1,489,500	1,373,000	(116,500)
Transfers - Within Agency	513,400		513,400	428,100	(85,300)
Pass-through	473,300		473,300	473,300	
Beginning Nonlapsing	16,083,500		16,083,500	2,192,600	(13,890,900)
Closing Nonlapsing	(3,042,600)		(3,042,600)	(917,100)	2,125,500
Lapsing Balance	(1,949,600)		(1,949,600)	(1,949,600)	
Total	\$602,047,800	\$28,663,700	\$630,711,500	\$623,649,000	(\$7,062,500)
Programs					
Governor's Office	31,061,500	(103,900)	30,957,600	23,479,600	(7,478,000)
State Auditor	3,915,700		3,915,700	3,742,500	(173,200)
State Treasurer	2,653,500		2,653,500	2,320,100	(333,400)
Attorney General	36,237,400	83,700	36,321,100	38,184,500	1,863,400
Corrections	205,318,300	1,745,400	207,063,700	221,104,200	14,040,500
Board of Pardons and Parole	2,810,800		2,810,800	2,864,400	53,600
Juvenile Justice Services	95,388,100	750,000	96,138,100	98,849,600	2,711,500
Courts	108,104,500	145,900	108,250,400	112,906,800	4,656,400
Public Safety	116,290,500	26,042,600	142,333,100	119,929,800	(22,403,300)
Restricted Revenue - EOCJ	267,500		267,500	267,500	
Total	\$602,047,800	\$28,663,700	\$630,711,500	\$623,649,000	(\$7,062,500)
Total FTE	6,306.3	14.0	6,320.3	6,368.8	48.6

Capital Facilities and Administrative Services

Subcommittee Overview

The Capital Facilities and Administrative Services Appropriation Subcommittee oversees budgets for five principal areas of state government:

- Capitol Preservation Board
- Department of Administrative Services
- Department of Technology Services
- Capital Facilities
- Debt Service

During the 2005 General Session, the Legislature passed **H.B.109, “Information Technology Governance Amendments”** which creates a new Department of Technology Services. The bill makes significant changes by phasing out the existing information technology structure over a one-year period, and repealing the Division of Information Technology Services (ITS) on July 1, 2006.

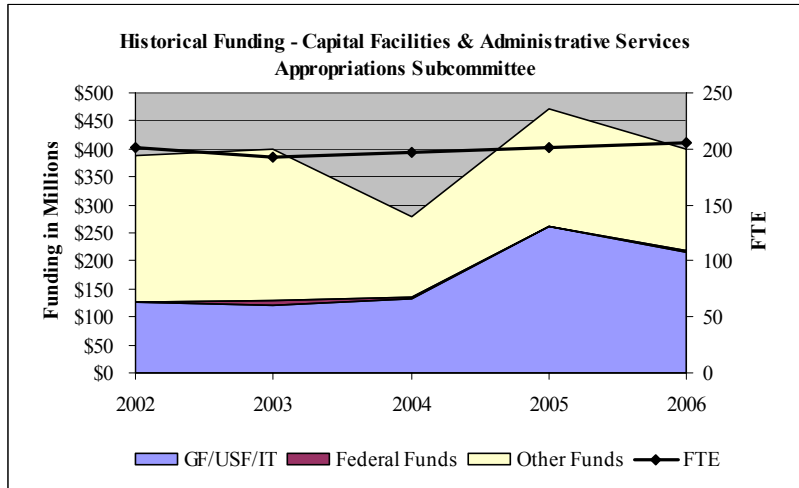
The Legislature also passed **H.B. 319, “Expansion of Department of Administrative Services Oversight to Include Human Resource Management”** which changes the Department of Human Resource Management to a division within the Department of Administrative Services effective July 1, 2006.

When all oversight areas are totaled, the CFAS subcommittee increased the FY 2005 budget by \$121.9 million to a new total of \$472 million. For FY 2006, the subcommittee authorized budget levels totaling \$400.7 million. Of this total, approximately \$28.5 million—or seven percent—provides operating budgets for state agencies. Debt service accounts for 62 percent, the capital budget comprises 25 percent, and a one-time appropriation to the state’s education rainy day fund makes up six percent of the FY 2006 budget.

During the 2005 General Session, the Legislature appropriated a total of \$143.6 million (\$35 million ongoing) for new state-funded capital facilities without general obligation bonding. During the First Special Session, the Legislature

authorized \$4.5 million in general obligation bonding for a new veterans’ nursing home through **H.B. 1007, “Veterans’ Nursing Home Authorization and Funding”**. The Legislature required that matching federal funds be available before bonds may be issued for the nursing home.

Capital improvement appropriations totaled \$56.2 million—an increase of \$12.4 million over FY 2005 and \$2.6 million more than the statutory minimum of 1.1 percent of the replacement value of all state buildings. This represents the highest level ever appropriated to address the state’s maintenance backlog.



Capitol Preservation Board

The Capitol Preservation Board (CPB) manages all functions associated with Capitol Hill facilities and grounds. This includes the current restoration of the Capitol Building, but also day-to-day operations of all buildings on Capitol Hill.

The CPB director contracts with DFCM for janitorial, maintenance and utility service. Of the CPB’s \$2.8 operating budget, more than \$2.5 million pays for the DFCM management contract and other current expenses associated with building maintenance.

For the fourth consecutive year, the CPB will charge a portion of staff salaries to the restoration project in an effort to free up state funds for other needs. Over the course of the project, this practice will add up to one-half percent of unbudgeted costs to the project.

Legislative Action

The Legislature appropriated \$50 million in one-time FY 2005 General Funds to continue work on the Capitol restoration and base isolation project. This leaves \$85 million to be funded in the future to complete the project. The first phase of the Capitol restoration was completed when the east parking structure and the east and west expansion buildings opened. Construction of the second phase—a new heat plant and total restoration of the Capitol—officially began in September 2004.

The Legislature appropriated \$117,000 in one-time General Funds for FY 2005, plus \$117,000 in ongoing General Funds for FY 2006, to allow the board to pay the full DFCM authorized maintenance rate. Further, the Legislature provided \$35,100 in ongoing funds to hire a secretary and \$20,000 in ongoing funds to provide free wireless Internet access for the public on Capitol Hill.

The Legislature also passed **S.J.R. 5, “Resolution Approving Contract for State Capitol Renovation”** which authorizes the Capitol Preservation Board to execute contracts to perform the work required on the entire Capitol construction project, even though the amounts due under those contracts will be greater than the amount that the Legislature has appropriated to date for the project.

S.B.100, “Access to High Speed Internet at State Capitol Complex” allows the CPB to provide wireless Internet access to the public without a fee in Capitol Hill facilities.

Funding Detail

Capitol Preservation Board					
	2005	2005	2005	2006	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2005 Revised
General Fund	2,175,800		2,175,800	2,358,400	182,600
General Fund, One-time	1,500	117,000	118,500		(118,500)
Dedicated Credits Revenue	272,300		272,300	288,900	16,600
Transfers	141,400		141,400	141,400	
Total	\$2,591,000	\$117,000	\$2,708,000	\$2,788,700	\$80,700
Programs					
Capitol Preservation Board	2,591,000	117,000	2,708,000	2,788,700	80,700
Total	\$2,591,000	\$117,000	\$2,708,000	\$2,788,700	\$80,700
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 components. The first is an appropriated component responsible for coordinating the statewide financial system, administration of rules and archival materials, overseeing construction projects and managing statewide purchasing.

The second component is made up of centralized internal service funds that reduce costs by consolidating common functions such as technology management, fleet operations, facility maintenance, purchasing, and risk management.

DAS Appropriated Divisions

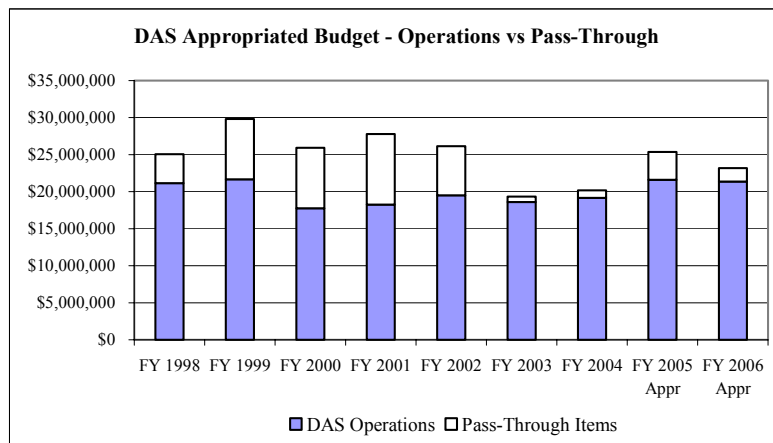
The appropriated component of DAS consists of seven divisions:

- Executive Director's Office
- Administrative Rules
- DFCM Administration
- State Archives
- Finance
- Purchasing
- Child Welfare Parental Defense

Other line items within the DAS appropriated component include the Post Conviction Indigent Defense Fund and the Judicial Conduct Commission.

The appropriated portion of the Department fluctuates widely from year to year due to financial centralization within the Division of Finance. The Finance-Mandated line item allows the Legislature to set aside funds for specific projects such as Quality Growth, Public Safety Radio Conversion, Constitutional Defense, Retirement Adjustments and the Navajo Trust Fund. Finance does not expend the funds, but holds money for other agencies to draw on.

The following chart shows annual changes in the total budget and reflects the portion of pass-through items that create fluctuations in the appropriated budget. In addition to Finance-Mandated items, other pass-through items include fleet capitalization, fuel tank mitigation, and the Judicial Conduct Commission.



Legislative Action

Executive Director's Office: The Executive Director's Office provides department financial management, strategic planning, organizational development, and public relations. The Legislature moved \$125,000 in ongoing General Funds to this line

item to contract for the training of parental defense attorneys. The division employs eight FTEs with a budget of \$1,022,700.

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 Legislature appropriated \$55,000 in one-time funds for hiring a temporary editor/trainer to help agencies prepare and submit legally accurate rules. The Division employs four FTE with a budget for FY 2006 of \$350,500.

Division of Facilities Construction and Management: The Division of Facilities Construction and Management (DFCM) is responsible for construction, remodeling, leasing, 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 Legislature took the following actions in this line item:

- Added \$150,000 to study the feasibility of moving Corrections facilities from Draper to another location
- Added \$1,075,000 to replace project funds being used for Administration since FY 2002
- Moved the Computer-Aided Design program and its two FTEs from the Internal Service Fund to the appropriated side

The appropriated portion of the division has 44 FTEs and an operating budget of \$4,216,600. Approximately \$3.0 million of the operating budget still comes from capital project funds.

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 the cataloging of vital records, storage of historic documents and the management of records created by the court system. The Legislature added

\$119,600 in one-time funds for digitizing records to ease public access. The division employs 28 FTE in five programs with a budget of \$2,258,700.

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, ensures compliance with generally accepted accounting principles, issues warrants to vendors and manages the state payroll. The Legislature added \$50,000 in one-time funding for FY 2005, and \$25,000 in ongoing funding, to finance biannual actuarial estimates of the state's post-employment benefits liability. The division budget of \$12,024,400 funds six programs with a combined FTE count of 80.

In the Finance – Mandated line item, the Legislature enhanced funding for protection of open spaces with an additional \$2,850,000 to the LeRay McAllister Critical Land Conservation Fund.

To implement provisions of **H.B. 213, “Unused Sick Leave at Retirement Amendments”** the Legislature appropriated \$50,000 in ongoing General Funds, plus \$150,000 in one-time General Funds, to the Division of Finance to be passed through to the Utah Retirement Office to establish new tracking programs.

H.B. 1011, “Funding for Convention Facilities” carries a one-time General Fund appropriation of \$4 million to be passed through for the Salt Palace expansion, with certain conditions set forth in the bill.

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 Legislature adopted a FY 2006 budget of \$1,476,900. The division has 22 FTE.

Child Welfare Parental Defense: The Legislature eliminated funding for this program by reallocating its \$239,000 ongoing budget to other areas. However, the core service provided

by the office will continue under contracts to be executed by the Executive Director's Office. The office had two FTE.

Judicial Conduct Commission: The Judicial Conduct Commission is a quasi-independent agency that investigates and resolves complaints against Utah judges. The FY 2006 budget is \$231,700 with two FTE.

Funding Detail

Department of Administrative Services					
	2005	2005	2005	2006	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2005 Revised
General Fund	11,815,200		11,815,200	12,990,200	1,175,000
General Fund, One-time	75,300	7,700,000	7,775,300	108,700	(7,666,600)
Transportation Fund	450,000		450,000	450,000	
Federal Funds	500,000		500,000	4,500	(495,500)
Dedicated Credits Revenue	2,486,300		2,486,300	1,937,600	(548,700)
GFR - E-911 Emergency Services	250,000		250,000		(250,000)
GFR - Econ Incent Restr Act				981,900	981,900
GFR - ISF Overhead	1,272,400		1,272,400	1,272,400	
Risk Management ISF				65,900	65,900
Capital Project Fund	3,956,700		3,956,700	1,638,100	(2,318,600)
Project Reserve Fund				200,000	200,000
Contingency Reserve Fund				1,180,200	1,180,200
Beginning Nonlapsing	6,294,100		6,294,100	3,330,100	(2,964,000)
Closing Nonlapsing	(3,330,100)		(3,330,100)	(989,600)	2,340,500
Lapsing Balance	(87,400)		(87,400)		87,400
Total	\$23,682,500	\$7,700,000	\$31,382,500	\$23,170,000	(\$8,212,500)
Programs					
Executive Director	860,800		860,800	1,022,700	161,900
Automated Geographic Reference C	1,730,400	500,000	2,230,400		(2,230,400)
Administrative Rules	345,600		345,600	350,500	4,900
DFCM Administration	3,950,600	150,000	4,100,600	4,216,600	116,000
State Archives	2,090,300		2,090,300	2,258,700	168,400
Finance Administration	12,048,400	50,000	12,098,400	12,024,400	(74,000)
Finance - Mandated	632,600	7,000,000	7,632,600	1,314,500	(6,318,100)
Post Conviction Indigent Defense	74,000		74,000	74,000	
Judicial Conduct Commission	234,200		234,200	231,700	(2,500)
Finance - Mandated - Retirement				200,000	200,000
Purchasing	1,476,600		1,476,600	1,476,900	300
Child Welfare Parental Defense	239,000		239,000		(239,000)
Total	\$23,682,500	\$7,700,000	\$31,382,500	\$23,170,000	(\$8,212,500)
Total FTE	198.5	0.0	198.5	187.9	(10.6)

DAS Internal Service Funds (ISF)

In addition to the appropriated divisions, the department manages other 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 are expected to generate \$161.4 million and employ 488 FTE.

Office of State 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. The Legislature authorized revenues of \$1,116,100 and five 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. The Legislature authorized revenues of \$14,007,300 for the division's three programs, 60 FTE, and capital outlay of \$3,861,000.

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. The Legislature authorized revenues of \$47,920,600 for the division's thirteen programs, 236 FTE, and no capital outlay. With the passage of **H.B. 109, "Information Technology Governance Amendments"**, this division will fold into the Department of Technology Services on July 1, 2006.

Division of Fleet Operations: The Division of Fleet Operations handles the state central motor pool, the Surplus Property Program and the state fuel network. The Legislature authorized \$44,132,100 in revenues, 43 FTE, and capital outlay of \$14,310,600.

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. The Legislature authorized \$34,182,800 in revenues, 25 FTE, and capital outlay of \$100,000.

DFCM – 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. The Legislature authorized revenues of \$20,060,500, a permanent FTE level of 119, and capital outlays totaling \$73,200.

Funding Detail

ISF - Administrative Services					
	2005	2005	2005	2006	Change from
	Estimated	Supplemental	Revised	Appropriated	2005 Revised
Financing					
Dedicated Credits Revenue	632,200		632,200	549,700	(82,500)
Premiums	25,870,400		25,870,400	25,748,300	(122,100)
Interest Income	552,100		552,100	552,600	500
Dedicated Credits - Intragvt Rev	124,733,600		124,733,600	126,720,500	1,986,900
Sale of Fixed Assets	(600,000)		(600,000)	(600,000)	0
Restricted Revenue	8,079,500		8,079,500	8,434,500	355,000
Other Financing Sources	13,800		13,800	13,800	0
Total	\$159,281,600	\$0	\$159,281,600	\$161,419,400	\$2,137,800
Programs					
ISF - Office of State Debt Collect	1,198,100		1,198,100	1,116,100	(82,000)
ISF - Purchasing & General Serv	14,124,600		14,124,600	14,007,300	(117,300)
ISF - Information Tech Services	48,480,000		48,480,000	47,920,600	(559,400)
ISF - Fleet Operations	41,955,800		41,955,800	44,132,100	2,176,300
ISF - Risk Management	33,949,900		33,949,900	34,182,800	232,900
ISF - Facilities Management	19,573,200		19,573,200	20,060,500	487,300
Total	\$159,281,600	\$0	\$159,281,600	\$161,419,400	\$2,137,800
Profit/(Loss)	(\$345,000)		(\$345,000)	\$3,196,300	\$3,541,300
FTE/Other					
Total FTE	493.4	0.0	493.4	488.0	(5.4)
Authorized Capital Outlay	\$22,949,200	\$0	\$22,949,200	\$18,344,800	(\$4,604,400)
Retained Earnings	\$18,471,000	(\$4,500,000)	\$13,971,000	\$21,667,300	\$7,696,300

Department of Technology Services

H.B. 109, "Information Technology Governance Amendments" phases out the existing information technology governance structure in the executive branch of state government over a one-year period. It creates the Department of Technology Services with its executive director being the state's chief information officer (CIO). The department will have three divisions:

- Enterprise Technology
- Integrated Technology
- Agency Services

Funding to the department will be through direct appropriations as well as through rates charged to other agencies.

H.B. 109 also eliminates the Department of Administrative Services' Division of Information Technology Services at the end of fiscal year 2006.

Legislative Action

The Legislature appropriated \$572,200 in FY 2006 ongoing General Funds for the CIO's base budget, and \$400,000 in one-time funds to assist the CIO in transitioning all of the state's information technology functions to the new department.

Legislators moved the entire \$1,571,200 appropriated budget (\$726,800 state funds) for the Automated Geographic Reference Center from the Department of Administrative Services to the Division of Integrated Technology in the new Department of Technology Services.

Additionally, appropriators provided \$6.8 million in capital outlay authority to the new department's Internal Service Fund. Using this authority, as well as the transition powers afforded the Department by H.B. 109 and the Budgetary Procedures Act, the Chief Information Officer can generate additional resources to affect changes in the state's IT structure.

Funding Detail

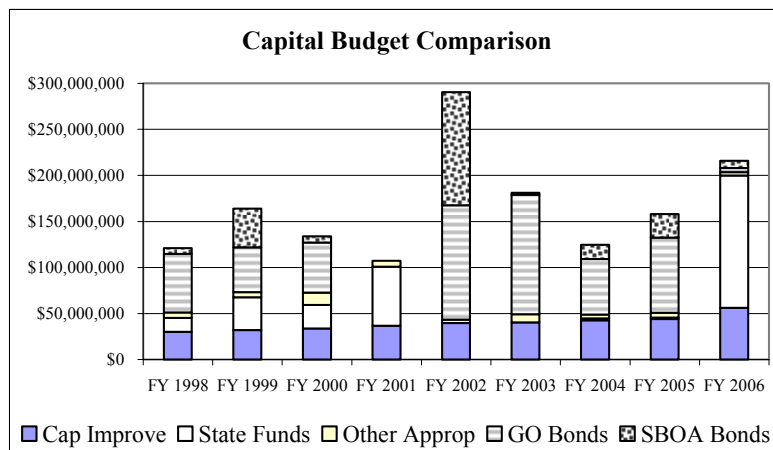
Department of Technology Services					
	2005	2005	2005	2006	Change from
	Estimated	Supplemental	Revised	Appropriated	2005 Revised
Financing					
General Fund				1,299,000	1,299,000
General Fund, One-time				400,000	400,000
Federal Funds				50,000	50,000
Dedicated Credits Revenue				544,400	544,400
GFR - E-911 Emergency Serv				250,000	250,000
Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,543,400</u>	<u>\$2,543,400</u>
Programs					
Chief Information Officer				972,200	972,200
Integrated Technology				1,571,200	1,571,200
Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,543,400</u>	<u>\$2,543,400</u>
Total FTE	0.0	0.0	0.0	14.5	14.5

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 (General Fund, Uniform School Fund, and/or Income Tax) or with general obligation bonds. During the 2005 General Session the Legislature authorized \$56.2 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 \$143.6 million in state tax funds for capital developments.

The following chart shows the historical relationship between funding for capital improvements and funding for capital developments. Funding for capital developments is broken out by source, but excludes agency/institution funds and donations.



Legislative Action

Capital Improvements - Maintaining existing facilities:

The statutory minimum appropriation for capital improvements is 1.1 percent of the replacement value of all state buildings.

However, statute allows a 0.9 percent appropriation during times of budget deficits. The FY 2006 appropriation will be the first

time ever that capital improvements have been funded at the 1.1 percent level. Further, showing their priority to take care of existing facilities, Legislators exceeded the 1.1 percent level by \$2.6 million.

Non-state funded projects: H. B. 287, “Revenue Bonds and Capital Facilities Authorizations” approves State Building Ownership Authority revenue bonds (\$7.9 million), higher education revenue bonds (\$62 million), a lease-purchase (\$3.3 million), and other projects that are funded with agency/institutional funds or donations (\$74.9 million). The bill also authorizes the Courts to exercise their option to purchase the West Valley courthouse using accrued equity, and allows DFCM to negotiate a possible land exchange with the city of St. George for a future court facility. Intent language in **S.B. 3, “Supplemental Appropriations Act II”** allows the College of Eastern Utah to use donated funds to construct a Fine Arts complex, estimated at \$11.2 million. **H.B. 301, “Supplemental Appropriations III”** appropriates \$1.5 million from the Transportation Fund to UDOT for construction of a maintenance shed near Vernal.

Funding Detail

Capital Budget					
	2005	2005	2005	2006	Change from
	Estimated	Supplemental	Revised	Appropriated	2005 Revised
Financing					
General Fund	26,976,900		26,976,900	53,600,800	26,623,900
General Fund, One-time	1,540,000	50,000,000	51,540,000	(2,698,000)	(54,238,000)
Income Tax	17,000,000		17,000,000	40,258,800	23,258,800
Income Tax, One-time		52,073,500	52,073,500	6,534,200	(45,539,300)
Transportation Fund, One-time				1,457,000	1,457,000
Federal Funds	1,500,000		1,500,000	1,383,800	(116,200)
GFR - Special Admin Expense	2,801,000		2,801,000		(2,801,000)
GFR - Wildlife Resources Trust	250,000		250,000		(250,000)
Contingency Reserve Fund				919,000	919,000
Total	\$50,067,900	\$102,073,500	\$152,141,400	\$101,455,600	(\$50,685,800)
Programs					
Capital Development	2,801,000	98,488,000	101,289,000	45,069,000	(56,220,000)
Capital Improvements	43,976,900		43,976,900	56,161,600	12,184,700
Property Acquisition	3,290,000	3,585,500	6,875,500	225,000	(6,650,500)
Total	\$50,067,900	\$102,073,500	\$152,141,400	\$101,455,600	(\$50,685,800)

State Funded Capital Projects

The table below shows projects funded in part or in whole by state funds.

<i>State Funded Projects</i>	<u>State Funds</u>	<u>G.O. Bonds</u>	<u>Other Funds</u>	<u>Anticipated Donations</u>	<u>Total</u>
Capital Improvements	\$56,161,600				\$56,161,600
State Capitol Restoration	\$50,000,000				\$50,000,000
DHS Developmental Ctr	\$2,575,000				\$2,575,000
UDC 288 Bed Prison	\$13,216,200		\$1,383,800		\$14,600,000
DSC Health Science Bldg	\$15,743,000			\$2,582,500	\$18,325,500
UU Marriott Library/ASRS	\$48,023,000			\$22,700,000	\$70,723,000
UU Museum of Fine Arts	\$465,000				\$465,000
SUU Teacher Educ Bldg	\$10,000,000				\$10,000,000
BATC Bourns Bldg Purch	\$3,585,500				\$3,585,500
Veterans Nursing Home		\$4,500,000			\$4,500,000
	\$199,769,300	\$4,500,000	\$1,383,800	\$25,282,500	\$230,935,600

Other Funded Capital Projects

The following table shows projects authorized with funding sources other than state funds. The DNR Fire Management Center and \$225,000 of the Provo Courts Land Purchase were funded from the DFCM Contingency Reserve Fund.

<i>Other Funded Projects</i>	<u>SBOA Bonds</u>	<u>USHE Bonds</u>	<u>Other Funds</u>	<u>Anticipated Donations</u>	<u>Total</u>
Three DABC Stores	\$7,867,000				\$7,867,000
UU Hospital Expansion		\$42,000,000	\$45,500,000		\$87,500,000
WSU Shepherd Bldg Renov		\$20,000,000			\$20,000,000
DNR Fire Management Ctr			\$694,000		\$694,000
Provo Courts Land Purchase			\$300,000		\$300,000
UDOT Vernal Maint Bldg			\$1,457,000		\$1,457,000
UCAT MtInld Lease Purch			\$3,250,000		\$3,250,000
Four National Guard Projects			\$6,528,000		\$6,528,000
DNR Fish Experiment Stn			\$938,000		\$938,000
UU Social Work Bldg Add				\$3,500,000	\$3,500,000
UU Humanities Building				\$11,100,000	\$11,100,000
Snow Stadium Renov				\$5,000,000	\$5,000,000
CUCF/Snow Education Fac				\$2,263,000	\$2,263,000
CEU Fine Arts Complex				\$11,200,000	\$11,200,000
	\$7,867,000	\$62,000,000	\$58,667,000	\$33,063,000	\$161,597,000

Debt Service

Debt service is made up of interest and principal due on the state's bonded indebtedness. The state uses long-term debt to finance large capital expenditures including new construction,

major remodeling, and highway projects. Dedicated revenue streams such as enterprise fund revenue or dedicated lease payments secure some revenue bonds. Debt service on general obligation bonds and revenue bonds are included in this line item.

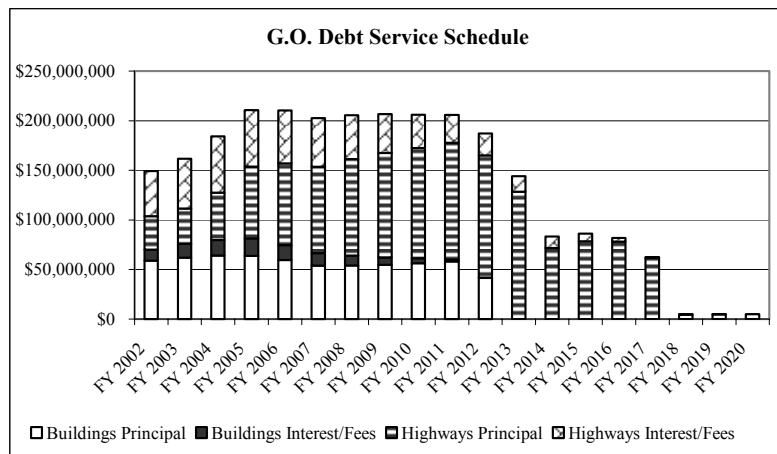
Outstanding Indebtedness: The State Constitution limits general obligation debt to 1.5 percent of the total fair market value of taxable property in the state. The state's constitutional debt limit is approximately \$2.6 billion. Currently the state's outstanding general obligation debt is \$1.6 billion.

Legislative Action

The Legislature appropriated a one-time state-fund increase of \$1.7 million for debt service in FY 2005. For FY 2006, however, debt service payments for capital facilities required \$1.8 million less in ongoing funds. The Legislature increased the FY 2006 appropriation from transportation funds by \$6 million for highway debt. Overall, the Legislature approved \$246.6 million for FY 2006 debt service. Of this amount, \$212.5 million will service the state's general obligation debt and \$34.1 million will service revenue bond debt. Dedicated Credits, used to fund revenue bonds, dropped by half to \$33.9 million as the final payment came due on the University of Utah Olympic Housing project in FY 2005.

With the Legislature's reduction in general obligation bonding, the state will save \$2.7 million on interest payments for facilities between FY 2006 and FY 2007. The Legislature transferred these savings to the capital development budget, where they will become part of the FY 2007 base.

The table on the following page shows the state's current debt service schedule, broken out by buildings and highways, for general obligation bonds.



Sound management practices help to maintain Utah’s AAA rating from all three major bond rating agencies.

Funding Detail

Financing	2005	2005	2005	2006	Change from
	Estimated	Supplemental	Revised	Appropriated	2005 Revised
General Fund	61,721,600		61,721,600	57,181,700	(4,539,900)
General Fund, One-time				2,698,000	2,698,000
Uniform School Fund	17,164,300		17,164,300	17,164,300	
Uniform School Fund, One-time		1,682,400	1,682,400		(1,682,400)
Centennial Highway Fund	125,371,200		125,371,200	126,393,400	1,022,200
Dedicated Credits Revenue	63,631,100		63,631,100	33,891,200	(29,739,900)
TFR - Public Transp. System Tax	2,190,300		2,190,300	7,204,400	5,014,100
Beginning Nonlapsing	12,841,000		12,841,000	9,141,000	(3,700,000)
Closing Nonlapsing	(9,141,000)		(9,141,000)	(7,054,600)	2,086,400
Total	\$273,778,500	\$1,682,400	\$275,460,900	\$246,619,400	(\$28,841,500)
Programs					
Debt Service	273,778,500	1,682,400	275,460,900	246,619,400	(28,841,500)
Total	\$273,778,500	\$1,682,400	\$275,460,900	\$246,619,400	(\$28,841,500)

Restricted Revenue

Rainy Day Funds: The Legislature deposited \$34.4 million into the state’s two rainy day funds (\$10.4 million in General Fund revenue, and \$24 million in Uniform School Fund revenue). This brings the state’s reserves up to \$109 million, which is within 10 percent of pre-recession levels.

H.B. 234, "Telephone Surcharge for Education and Training Programs at Prison" created a new restricted fund called the Prison Telephone Surcharge Account, appropriated \$100,000 from the General Fund into the new account for FY 2006 only, and appropriated \$100,000 from the new account to the Board of Regents for inmate education. Future revenues to the new account will come from surcharges on pay telephones located at state correctional facilities.

Funding Detail

Restricted Revenue					
	2005	2005	2005	2006	Change from
	Estimated	Supplemental	Revised	Appropriated	2005 Revised
Financing					
General Fund, One-time		10,351,500	10,351,500	100,000	(10,251,500)
Uniform School Fund, One-time				24,000,000	24,000,000
Total	\$0	\$10,351,500	\$10,351,500	\$24,100,000	\$13,748,500
Programs					
Rainy Day Fund		10,351,500	10,351,500		(10,351,500)
Education Rainy Day Fund				24,000,000	24,000,000
GFR - Prison Teleph Srchrg Acct				100,000	100,000
Total	\$0	\$10,351,500	\$10,351,500	\$24,100,000	\$13,748,500

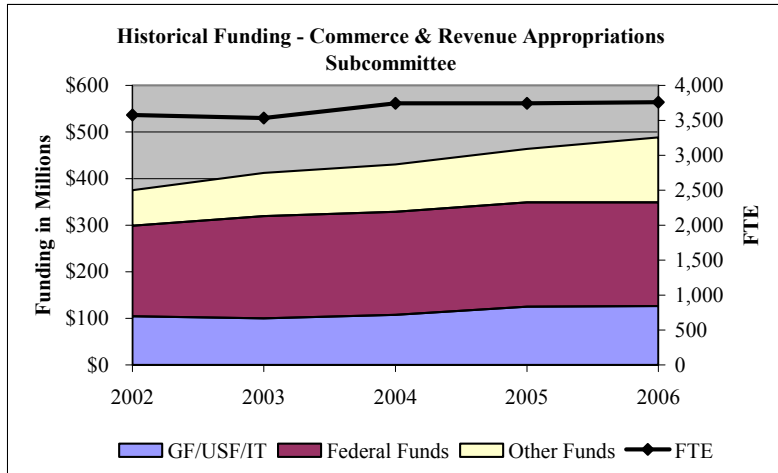
Funding Detail

Capital Facilities & Administrative Services Appropriations Subcommittee					
	2005	2005	2005	2006	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2005 Revised
General Fund	102,689,500		102,689,500	127,430,100	24,740,600
General Fund, One-time	1,616,800	68,168,500	69,785,300	608,700	(69,176,600)
Uniform School Fund	17,164,300		17,164,300	17,164,300	
Uniform School Fund, One-time		1,682,400	1,682,400	24,000,000	22,317,600
Income Tax	17,000,000		17,000,000	40,258,800	23,258,800
Income Tax, One-time		52,073,500	52,073,500	6,534,200	(45,539,300)
Transportation Fund	450,000		450,000	450,000	
Transportation Fund, One-time				1,457,000	1,457,000
Centennial Highway Fund	125,371,200		125,371,200	126,393,400	1,022,200
Federal Funds	2,000,000		2,000,000	1,438,300	(561,700)
Dedicated Credits Revenue	66,389,700		66,389,700	36,662,100	(29,727,600)
GFR - E-911 Emergency Services	250,000		250,000	250,000	
GFR - Economic Incentive Restricted				981,900	981,900
GFR - ISF Overhead	1,272,400		1,272,400	1,272,400	
GFR - Special Administrative Expens	2,801,000		2,801,000		(2,801,000)
GFR - Wildlife Resources Trust	250,000		250,000		(250,000)
TFR - Public Transp. System Tax	2,190,300		2,190,300	7,204,400	5,014,100
Transfers	141,400		141,400	141,400	
Risk Management ISF				65,900	65,900
Capital Project Fund	3,956,700		3,956,700	1,638,100	(2,318,600)
Project Reserve Fund				200,000	200,000
Contingency Reserve Fund				2,099,200	2,099,200
Beginning Nonlapsing	19,135,100		19,135,100	12,471,100	(6,664,000)
Closing Nonlapsing	(12,471,100)		(12,471,100)	(8,044,200)	4,426,900
Lapsing Balance	(87,400)		(87,400)		87,400
Total	\$350,119,900	\$121,924,400	\$472,044,300	\$400,677,100	(\$71,367,200)
Programs					
Capitol Preservation Board	2,591,000	117,000	2,708,000	2,788,700	80,700
Administrative Services	23,682,500	7,700,000	31,382,500	23,170,000	(8,212,500)
Technology Services				2,543,400	2,543,400
Capital Budget	50,067,900	102,073,500	152,141,400	101,455,600	(50,685,800)
Debt Service	273,778,500	1,682,400	275,460,900	246,619,400	(28,841,500)
Restricted Revenue - CFAS		10,351,500	10,351,500	24,100,000	13,748,500
Total	\$350,119,900	\$121,924,400	\$472,044,300	\$400,677,100	(\$71,367,200)
Total FTE	201.5	0.0	201.5	205.4	3.9

Commerce and Revenue

Subcommittee Overview

For FY 2006, the Legislature appropriated \$488,524,700 to eight state agencies: Alcoholic Beverage Control, Commerce, Financial Institutions, Insurance, Labor Commission, Public Service Commission, Tax Commission, and Workforce Services. The General Fund and Uniform School Fund appropriation of \$126,481,100 represents an increase of 1.1 percent when compared to FY 2005.



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, warehousemen, 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 \$20,498,400 from the Liquor Control Fund to the Department of Alcoholic Beverage Control. Included in the appropriation is an additional \$420,000 for 12 new FTEs for new stores in Washington County, South Salt Lake Valley, and Salt Lake City. Also included is \$35,000 for a cost of living adjustment for package agencies.

Intent Language

The Legislature authorized the Department to use existing funds to purchase a new vehicle.

Funding Detail

Department of Alcoholic Beverage Control					
	2005	2005	2005	2006	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2005 Revised
Liquor Control Fund	19,389,200		19,389,200	20,498,400	1,109,200
Total	\$19,389,200	\$0	\$19,389,200	\$20,498,400	\$1,109,200
Programs					
Alcoholic Beverage Control	19,389,200		19,389,200	20,498,400	1,109,200
Total	\$19,389,200	\$0	\$19,389,200	\$20,498,400	\$1,109,200
Total FTE	312.5	0.0	312.5	325.0	12.5

Commerce

The Department of Commerce registers businesses, licenses professionals, supports consumer protection and education, oversees public utilities, and monitors the real estate and securities industries. The department is funded primarily 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 \$22,553,600 to the Commerce Department. This appropriation includes \$45,000 from the General Fund Restricted – Pawnbroker Operations to help with the regulation of pawnbrokers. The Legislature passed the following bills which will affect the Commerce Department.

H.B. 260, “Amendments Related to Pornographic and Harmful Materials”, adds \$50,000 to the department’s budget.

S.B. 64, “Real Estate Transactions and Securities” increases the budget by \$108,000.

S.B. 96, “Commerce Service Fund Amendments” will provide the Legislature with more control over Commerce Service Fund appropriations.

Funding Detail

Department of Commerce					
	2005	2005	2005	2006	Change from
	Estimated	Supplemental	Revised	Appropriated	2005 Revised
Financing					
General Fund				50,000	50,000
General Fund, One-time				100,000	100,000
Federal Funds	217,600		217,600	245,900	28,300
Dedicated Credits Revenue	1,542,000		1,542,000	1,716,500	174,500
Restricted Revenue	2,934,100		2,934,100		(2,934,100)
GFR - Commerce Service	14,757,000		14,757,000	15,443,600	686,600
GFR - CSF - PURF	1,451,600		1,451,600	4,504,400	3,052,800
GFR - Pawnbroker Operations				45,000	45,000
Real Estate Education and Recovery	194,200		194,200	2,000	(192,200)
Transfers					
Pass-through	75,200		75,200	75,200	
Beginning Nonlapsing	1,119,700		1,119,700	426,400	(693,300)
Closing Nonlapsing	(426,400)		(426,400)	(55,400)	371,000
Total	\$21,865,000	\$0	\$21,865,000	\$22,553,600	\$688,600
Programs					
Commerce General Regulation	20,682,300		20,682,300	21,852,600	1,170,300
Real Estate Education	192,200		192,200		(192,200)
Public Utilities Professional & Technical Serv	135,900		135,900	136,000	100
Committee of Consumer Services Professiona	854,600		854,600	565,000	(289,600)
Total	\$21,865,000	\$0	\$21,865,000	\$22,553,600	\$688,600
Total FTE	260.0	0.0	260.0	259.0	(1.0)

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 \$5,093,100 from General Fund Restricted – Financial Institutions to operate the department. The appropriation includes \$133,000 for new laptop computers and associated software, and \$80,200 for a newly-negotiated lease.

Funding Detail

Financial Institutions					
	2005	2005	2005	2006	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2005 Revised
GFR - Financial Institutions	4,674,300		4,674,300	5,093,100	418,800
Beginning Nonlapsing	30,000		30,000		(30,000)
Total	\$4,704,300	\$0	\$4,704,300	\$5,093,100	\$388,800
Programs					
Financial Institutions Administration	4,704,300		4,704,300	5,093,100	388,800
Total	\$4,704,300	\$0	\$4,704,300	\$5,093,100	\$388,800
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.

Legislative Action

The Legislature appropriated \$55,262,500 for the Department of Insurance including \$10,858,500 in ongoing General Funds and \$10,000,000 in one-time General Funds.

The Legislature appropriated an additional \$57,500 to upgrade from COSMOS software to SIRCON and to cover maintenance costs of the software. Other new funding included \$61,000 for a Market Conduct Examiner and \$4,500 to implement **S.B. 40, “Regulation of Title Insurance Industry”**.

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.

During the first Special Session, the Legislature passed **H.B. 1002, “Provider Contract Amendments”**.

Funding Detail

Insurance Department					
	2005	2005	2005	2006	Change from
	Estimated	Supplemental	Revised	Appropriated	2005 Revised
Financing					
General Fund	10,515,500		10,515,500	10,858,500	343,000
General Fund, One-time	10,091,600		10,091,600	10,000,000	(91,600)
Federal Funds	52,600		52,600		(52,600)
Dedicated Credits Revenue	17,369,300		17,369,300	22,639,200	5,269,900
GFR - Bail Bond Surety Admin	22,100		22,100	22,100	
Beginning Nonlapsing	2,452,100		2,452,100	4,664,900	2,212,800
Closing Nonlapsing	(4,664,900)		(4,664,900)	7,079,100	11,744,000
Lapsing Balance	(1,300)		(1,300)	(1,300)	
Total	\$35,837,000	\$0	\$35,837,000	\$55,262,500	\$19,425,500
Programs					
Insurance Department Administration	6,313,600		6,313,600	6,725,900	412,300
Comprehensive Health Insurance Pool	29,438,100		29,438,100	48,440,500	19,002,400
Bail Bond Program	20,800		20,800	20,800	
Title Insurance Program	64,500		64,500	75,300	10,800
Total	\$35,837,000	\$0	\$35,837,000	\$55,262,500	\$19,425,500
Total FTE	82.0	0.0	82.0	82.0	0.0

Labor Commission

The Labor Commission's mission is to improve 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 approved a FY 2006 budget for the Labor Commission in the amount of \$9,861,800. This funding includes \$402,800 for a safety campaign, \$67,000 to fund a Health and Safety Officer for Utah Occupational Safety and Health, and \$23,600 in both FY 2005 and FY 2006 to pay for increased assessments from the Attorney General.

Funding Detail

Labor Commission					
	2005	2005	2005	2006	Change from
	Estimated	Supplemental	Revised	Appropriated	2005 Revised
Financing					
General Fund	4,657,300		4,657,300	4,978,200	320,900
General Fund, One-time	30,200	23,600	53,800		(53,800)
Federal Funds	2,434,500		2,434,500	2,549,200	114,700
GFR - Workplace Safety	805,100		805,100	990,400	185,300
Employers' Reinsurance Fund	245,600		245,600		(245,600)
Uninsured Employers' Fund	794,900		794,900	1,318,200	523,300
Transfers	25,000		25,000	25,800	800
Total	<u>\$8,992,600</u>	<u>\$23,600</u>	<u>\$9,016,200</u>	<u>\$9,861,800</u>	<u>\$845,600</u>
Programs					
Labor Commission	8,992,600	23,600	9,016,200	9,861,800	845,600
Total	<u>\$8,992,600</u>	<u>\$23,600</u>	<u>\$9,016,200</u>	<u>\$9,861,800</u>	<u>\$845,600</u>
Total FTE	120.0	0.0	120.0	120.0	0.0

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), Speech and Hearing Impaired, and Universal Telecommunications Service Support Fund.

Legislative Action

The Legislature appropriated \$11,496,900 to the Public Service Commission.

Funding Detail

Public Service Commission					
	2005	2005	2005	2006	Change from
	Estimated	Supplemental	Revised	Appropriated	2005 Revised
Financing					
Dedicated Credits Revenue	1,477,200		1,477,200	1,508,600	31,400
GFR - CSF - PURF	1,561,700		1,561,700	1,608,600	46,900
Universal Public Telecom Service Fund	8,196,000		8,196,000	8,245,700	49,700
Beginning Nonlapsing	7,889,300		7,889,300	7,683,600	(205,700)
Closing Nonlapsing	(7,683,600)		(7,683,600)	(7,549,600)	134,000
Total	\$11,440,600	\$0	\$11,440,600	\$11,496,900	\$56,300
Programs					
Public Service Commission	1,868,400		1,868,400	1,670,300	(198,100)
Research and Analysis	60,000		60,000	60,000	
Speech and Hearing Impaired	1,573,400		1,573,400	1,586,500	13,100
Universal Telecommunications Support Fund	7,938,800		7,938,800	8,180,100	241,300
Total	\$11,440,600	\$0	\$11,440,600	\$11,496,900	\$56,300
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 860 individuals in 12 offices across the state and collects more than \$5 billion in revenue annually.

Legislative Action

The Legislature appropriated a total of \$70,068,200 to the Tax Commission. That total includes \$22,180,500 in General Fund and \$18,151,400 in Uniform School Fund.

Increases included in the total are: \$608,200 for liquor profit distribution to local governments mandated by UCA 59-15, \$246,000 to implement **H.B. 68, “Motor Vehicle Enforcement Division Amendments”** together with intent language authorizing three vehicles and four FTE, and \$5,400 to implement **H.B. 91, “License Plate for Disabled Veterans”**.

Funding Detail

Utah State Tax Commission					
	2005	2005	2005	2006	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2005 Revised
General Fund	20,735,400		20,735,400	22,180,500	1,445,100
General Fund, One-time	236,400	5,400	241,800		(241,800)
Uniform School Fund	17,287,600		17,287,600	18,151,400	863,800
Uniform School Fund, One-time	142,900		142,900		(142,900)
Transportation Fund	5,857,400		5,857,400	5,857,400	
Federal Funds	432,000		432,000	438,200	6,200
Dedicated Credits Revenue	10,456,800		10,456,800	10,731,800	275,000
GFR - Alc Bev Enf & Treatment	3,133,700		3,133,700	3,741,900	608,200
GFR - Sales and Use Tax Admin Fees	7,265,800		7,265,800	7,491,300	225,500
TFR - Uninsured Motorist I.D.				133,800	133,800
Beginning Nonlapsing	9,213,100		9,213,100	7,822,400	(1,390,700)
Closing Nonlapsing	(7,822,400)		(7,822,400)	(6,480,500)	1,341,900
Total	\$66,938,700	\$5,400	\$66,944,100	\$70,068,200	\$3,124,100
Programs					
Tax Administration	61,631,000	5,400	61,636,400	64,152,300	2,515,900
License Plates Production	2,174,000		2,174,000	2,174,000	
Liquor Profit Distribution	3,133,700		3,133,700	3,741,900	608,200
Total	\$66,938,700	\$5,400	\$66,944,100	\$70,068,200	\$3,124,100
Total FTE	859.5	0.0	859.5	861.0	1.5

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 \$293,690,200. That total includes \$55,400,000 in ongoing General Fund, and \$4,762,500 in one-time General Fund. The funding includes \$945,200 for caseload growth in food stamps, \$2,424,300 for caseload growth in General Assistance, and \$1,393,000 (to be matched with \$3,607,000 in federal funds) to reduce the Temporary Assistance to Needy Families (TANF) subsidy to Child Care by \$5 million.

Also included in the department’s budget is \$353,000 to implement **H.B. 10, “Employment Security Act Amendments”**. This bill is designed to combat state unemployment tax avoidance and should result in an increase of \$10 million in Unemployment Compensation funds.

The Legislature approved moving two offices from other areas of government to the Department of Workforce Services. These include the Governor's Commission on Women and Families and its funding of \$21,000 from the Governor's Office and the Governor's Initiative on Families Today (GIFT) from the Department of Human Services with its \$100,800 budget.

Intent Language

The Legislature approved intent language for the Department to hold \$5 million in reserve for increases in federal mandates in conjunction with TANF. Intent language for FY 2005 authorized funding for the Electronic Resource Eligibility Project (eREP) as nonlapsing.

Funding Detail

Department of Workforce Services					
	2005	2005	2005	2006	Change from
	Estimated	Supplemental	Revised	Appropriated	2005 Revised
Financing					
General Fund	54,267,700		54,267,700	55,400,000	1,132,300
General Fund, One-time	7,108,600		7,108,600	4,762,500	(2,346,100)
Federal Funds	220,381,700		220,381,700	218,972,000	(1,409,700)
Dedicated Credits Revenue	3,113,300		3,113,300	2,610,400	(502,900)
Unemployment Compensation Trust	5,160,000		5,160,000	2,514,600	(2,645,400)
Transfers	7,390,600		7,390,600	6,430,700	(959,900)
Beginning Nonlapsing				3,000,000	3,000,000
Closing Nonlapsing	(3,000,000)		(3,000,000)		3,000,000
Total	<u>\$294,421,900</u>	<u>\$0</u>	<u>\$294,421,900</u>	<u>\$293,690,200</u>	<u>(\$731,700)</u>
Programs					
Workforce Services	294,421,900		294,421,900	293,690,200	(731,700)
Total	<u>\$294,421,900</u>	<u>\$0</u>	<u>\$294,421,900</u>	<u>\$293,690,200</u>	<u>(\$731,700)</u>
Total FTE	2,042.2	0.0	2,042.2	2,045.0	2.8

Funding Detail

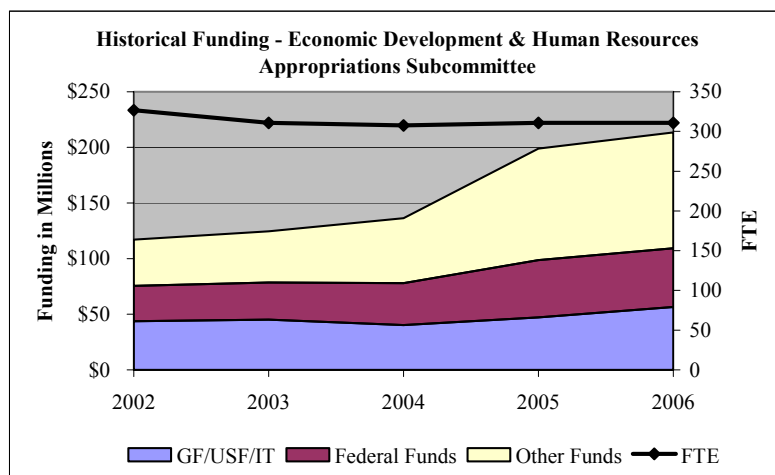
Commerce & Revenue Appropriations Subcommittee					
	2005	2005	2005	2006	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2005 Revised
General Fund	90,175,900		90,175,900	93,467,200	3,291,300
General Fund, One-time	17,466,800	29,000	17,495,800	14,862,500	(2,633,300)
Uniform School Fund	17,287,600		17,287,600	18,151,400	863,800
Uniform School Fund, One-time	142,900		142,900		(142,900)
Transportation Fund	5,857,400		5,857,400	5,857,400	
Federal Funds	223,518,400		223,518,400	222,205,300	(1,313,100)
Dedicated Credits Revenue	33,958,600		33,958,600	39,206,500	5,247,900
Restricted Revenue	2,934,100		2,934,100		(2,934,100)
GFR - Alc Bev Enf & Treatment	3,133,700		3,133,700	3,741,900	608,200
GFR - Bail Bond Surety Admin	22,100		22,100	22,100	
GFR - Commerce Service	14,757,000		14,757,000	15,443,600	686,600
GFR - CSF - PURF	3,013,300		3,013,300	6,113,000	3,099,700
GFR - Financial Institutions	4,674,300		4,674,300	5,093,100	418,800
GFR - Pawnbroker Operations				45,000	45,000
GFR - Sales and Use Tax Admin Fees	7,265,800		7,265,800	7,491,300	225,500
GFR - Workplace Safety	805,100		805,100	990,400	185,300
TFR - Uninsured Motorist I.D.				133,800	133,800
Employers' Reinsurance Fund	245,600		245,600		(245,600)
Liquor Control Fund	19,389,200		19,389,200	20,498,400	1,109,200
Real Estate Education and Recovery	194,200		194,200	2,000	(192,200)
Unemployment Compensation Trust	5,160,000		5,160,000	2,514,600	(2,645,400)
Uninsured Employers' Fund	794,900		794,900	1,318,200	523,300
Universal Public Telecom Service Fund	8,196,000		8,196,000	8,245,700	49,700
Transfers	7,415,600		7,415,600	6,456,500	(959,100)
Pass-through	75,200		75,200	75,200	
Beginning Nonlapsing	20,704,200		20,704,200	23,597,300	2,893,100
Closing Nonlapsing	(23,597,300)		(23,597,300)	(7,006,400)	16,590,900
Lapsing Balance	(1,300)		(1,300)	(1,300)	
Total	\$463,589,300	\$29,000	\$463,618,300	\$488,524,700	\$24,906,400
Programs					
Tax Commission	66,938,700	5,400	66,944,100	70,068,200	3,124,100
Workforce Services	294,421,900		294,421,900	293,690,200	(731,700)
Alcoholic Beverage Control	19,389,200		19,389,200	20,498,400	1,109,200
Labor Commission	8,992,600	23,600	9,016,200	9,861,800	845,600
Commerce	21,865,000		21,865,000	22,553,600	688,600
Financial Institutions	4,704,300		4,704,300	5,093,100	388,800
Insurance	35,837,000		35,837,000	55,262,500	19,425,500
Public Service Commission	11,440,600		11,440,600	11,496,900	56,300
Total	\$463,589,300	\$29,000	\$463,618,300	\$488,524,700	\$24,906,400
Total FTE	3,743.2	0.0	3,743.2	3,759.0	15.8

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 Culture, the Governor's Office of Economic Development, the Department of Human Resource Management, and the Career Service Review Board. The Governor's Office of Economic Development was created during the 2005 General Session through **H.B. 318, "Community and Economic Development Restructuring"**.

The Department of Human Resource Management will become a division under the authority of the Department of Administrative Services beginning in FY 2007, as a result of **H.B. 319, "Expansion of Department of Administrative Services Oversight to Include Human Resource Management"**.



Legislative Action

The Legislature appropriated \$213,463,100 for the functions of Economic Development and Human Resources.

Department of Community and Culture

The Department's divisions and offices are: Administration, Indian Affairs, Utah State Historical Society, State History, Fine Arts, State Library, Housing and 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 approved a transfer of \$227,400 to the Ethnic Office in Housing and Community Development to facilitate the program proposed by the Department.

Indian Affairs

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

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.

Legislative Action

The Legislature transferred \$45,000 on a one-time basis from the Administration budget to aid the Division of State History with moving costs.

Fine Arts

The Division of Fine Arts promotes the arts statewide. Grants are available to more than 200 nonprofit arts organizations. The Community Outreach and Development program 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 Moab Music Festival was allocated \$50,000 in one-time funding.

State Library

The mission of the State Library is to develop, advance, and promote library services and access to information.

Legislative Action

The State Library was provided with a \$200,000 one-time appropriation to increase library development grants for FY 2006.

Housing and 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, Navajo Revitalization Fund and the Uintah Basin Revitalization Fund.

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 Network** 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 Office** provides staff resources to various ethnic groups.

Legislative Action

One-time funding of \$500,000 was provided to both the Olene Walker Housing Loan Fund and the Homeless Trust Fund. There was also a \$130,000 increase to the Emergency Food Network to provide additional resources to food banks statewide.

One-time funding was approved for the Treehouse Museum (\$400,000) and the Children's Museum (\$2,000,000) to help with capital development. The Hill Air Force Base Museum was provided with \$10,000 in one-time funding. The Legislature authorized a transfer of \$227,400 into Community Development from the Administration to enhance the Ethnic Office.

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.

Intent Language

The Legislature approved intent language for the Permanent Community Impact Fund Board (PCIFB) to distribute \$385,000 equally to the seven associations of government for planning, construction and maintenance of public facilities, and to provide public services. The intent also states that no further distributions will be made to the Association from the PCIFB.

Zoos

The state provided pass-through support for the Hogle Zoo and the Willow Park Zoo through this program at the same level as in FY 2005.

Funding Detail

Department of Community and Culture					
	2005	2005	2005	2006	Change from
	Estimated	Supplemental	Revised	Appropriated	2005 Revised
Financing					
General Fund	16,315,200		16,315,200	16,537,900	222,700
General Fund, One-time	2,518,600		2,518,600	2,790,000	271,400
Federal Funds	48,320,200		48,320,200	48,910,100	589,900
Dedicated Credits Revenue	3,318,200	692,800	4,011,000	3,981,500	(29,500)
Federal Mineral Lease	2,100,000		2,100,000	2,500,000	400,000
GFR - Homeless Trust	650,000		650,000	850,000	200,000
Permanent Community Impact Transfers	50,091,900		50,091,900	50,144,100	52,200
Beginning Nonlapsing	1,207,900		1,207,900		(1,207,900)
Total	\$124,522,000	\$692,800	\$125,214,800	\$125,713,600	\$498,800
Programs					
Administration	4,445,700	(45,000)	4,400,700	2,261,800	(2,138,900)
Historical Society	689,900		689,900	272,600	(417,300)
State History	2,435,700	45,000	2,480,700	2,889,100	408,400
Fine Arts	4,212,900		4,212,900	3,546,700	(666,200)
State Library	7,826,000		7,826,000	8,315,900	489,900
Indian Affairs	225,400		225,400	254,300	28,900
Housing and Community Development	51,687,700	692,800	52,380,500	54,974,500	2,594,000
Community Development Capital Budget	51,400,000		51,400,000	51,800,000	400,000
Zoos	1,598,700		1,598,700	1,398,700	(200,000)
Total	\$124,522,000	\$692,800	\$125,214,800	\$125,713,600	\$498,800
Total FTE	208.2	0.0	208.2	208.1	(0.1)

Governor's Office of Economic Development

With H.B. 318, "Community and Economic Development Restructuring" the Legislature consolidated the Division of Business and Travel Development and the Incentive Funds program into the Governor's Office of Economic Development. This office will serve as the central resource for implementation of the Governor's economic development plan.

Legislative Action

The Industrial Assistance Fund was provided an appropriation of \$4,442,800 in FY 2005 to replenish the fund. Ongoing funding of \$330,000 in FY 2006 and one-time funding of \$250,000 in FY 2005 was provided to increase the allocation to the Manufacturer's Extension Partnership. The Utah Sports Commission was appropriated \$750,000 ongoing to help fund administration of the commission.

A FY 2005 supplemental appropriation of \$5,000,000 was provided to purchase equipment needed to encourage defense related jobs in Utah. One-time funding of \$250,000 for rural economic development was provided in **S.B. 57 “Funding for Business Development in Disadvantaged Rural Communities”**. Tourism funding was allocated \$14,000,000 to be spent as identified in **“S.B. 1003, “Funding for Tourism”** and an additional \$1 million was provided for film industry incentives established in **H.B. 17, “Motion Picture Incentive Fund”**.

The Legislature also appropriated \$981,900 to provide the rebate for the Aerospace and Aviation Development Zones commitment. An appropriation of \$25,000 was made to the Utah Summer Games on a one-time basis. The Legislature provided \$500,000 one-time and \$500,000 ongoing to enhance the Centers of Excellence Program.

Funding Detail

Governor's Office of Economic Development					
	2005	2005	2005	2006	Change from
	Estimated	Supplemental	Revised	Appropriated	2005 Revised
Financing					
General Fund	11,846,000		11,846,000	13,669,100	1,823,100
General Fund, One-time	1,237,500	5,250,000	6,487,500	525,000	(5,962,500)
Transportation Fund	118,000		118,000	118,000	
Federal Funds	400,000		400,000	400,100	100
Dedicated Credits Revenue	504,800		504,800	504,800	
GFR - Business Development for Disadvantaged				250,000	250,000
GFR - Industrial Assistance	189,300		189,300	223,500	34,200
GFR - Motion Picture Incentive Fund				1,000,000	1,000,000
GFR - Tourism Marketing Performance				10,000,000	10,000,000
Beginning Nonlapsing	2,688,300		2,688,300		(2,688,300)
Total	\$16,983,900	\$5,250,000	\$22,233,900	\$26,690,500	\$4,456,600
Programs					
Incentive Funds	349,300		349,300	383,500	34,200
Business and Travel Development	16,634,600	5,250,000	21,884,600	26,307,000	4,422,400
Total	\$16,983,900	\$5,250,000	\$22,233,900	\$26,690,500	\$4,456,600
Total FTE	64.1	0.0	64.1	64.1	0.0

Department of Human Resource Management

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

Legislative Action

H.B. 319, "Expansion of Department of Administrative Services Oversight to Include Human Resource Management" changed the Department of Human Resource Management to the Division of Human Resource Management beginning in FY 2007, at which time, the budgetary responsibility for the new division will be with the Department of Administrative Services.

Funding Detail

Department of Human Resources Management					
	2005	2005	2005	2006	Change from
	Estimated	Supplemental	Revised	Appropriated	2005 Revised
Financing					
General Fund	2,943,000		2,943,000	3,066,900	123,900
General Fund, One-time	18,700		18,700		(18,700)
Dedicated Credits Revenue	362,000		362,000	392,000	30,000
Beginning Nonlapsing	274,500		274,500		(274,500)
Total	<u>\$3,598,200</u>	<u>\$0</u>	<u>\$3,598,200</u>	<u>\$3,458,900</u>	<u>(\$139,300)</u>
Programs					
Human Resource Management	3,598,200		3,598,200	3,458,900	(139,300)
Total	<u>\$3,598,200</u>	<u>\$0</u>	<u>\$3,598,200</u>	<u>\$3,458,900</u>	<u>(\$139,300)</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.

Legislative Action

The Legislature provided an \$8,000 supplemental (FY 2005) to deal with caseload growth.

Funding Detail

Career Service Review Board					
	2005	2005	2005	2006	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2005 Revised
General Fund	165,800		165,800	189,800	24,000
General Fund, One-time	1,000	8,000	9,000		(9,000)
Beginning Nonlapsing	15,300		15,300		(15,300)
Total	\$182,100	\$8,000	\$190,100	\$189,800	(\$300)
Programs					
Career Service Review Board	182,100	8,000	190,100	189,800	(300)
Total	\$182,100	\$8,000	\$190,100	\$189,800	(\$300)
Total FTE	2.0	0.0	2.0	2.0	0.0

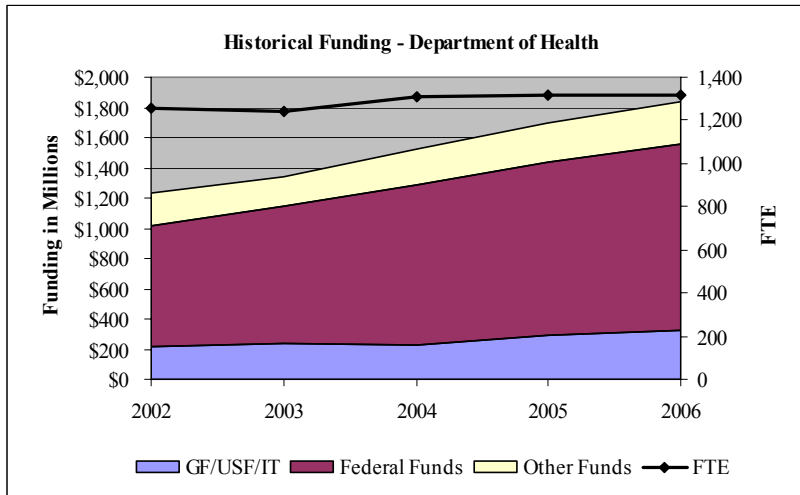
Funding Detail

Economic Development & Human Resources Appropriations Subcommittee					
	2005	2005	2005	2006	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2005 Revised
General Fund	33,231,400		33,231,400	35,900,100	2,668,700
General Fund, One-time	4,175,800	9,700,800	13,876,600	20,546,900	6,670,300
Transportation Fund	118,000		118,000	118,000	
Federal Funds	51,410,200		51,410,200	52,916,200	1,506,000
Dedicated Credits Revenue	4,185,000	692,800	4,877,800	4,878,300	500
Federal Mineral Lease	34,091,900		34,091,900	34,536,000	444,100
GFR - Business Development for Disadvanta				250,000	250,000
GFR - Homeless Trust	650,000		650,000	850,000	200,000
GFR - Industrial Assistance	189,300		189,300	223,500	34,200
GFR - Mineral Bonus	6,100,000		6,100,000	6,100,000	
GFR - Motion Picture Incentive Fund				1,000,000	1,000,000
GFR - Tourism Marketing Performance				10,000,000	10,000,000
Permanent Community Impact	50,091,900		50,091,900	50,144,100	52,200
Transfers					
Beginning Nonlapsing	4,186,000		4,186,000		(4,186,000)
Closing Nonlapsing				(4,000,000)	(4,000,000)
Total	\$188,429,500	\$10,393,600	\$198,823,100	\$213,463,100	\$14,640,000
Programs					
Career Service Review Board	182,100	8,000	190,100	189,800	(300)
Human Resource Management	3,598,200		3,598,200	3,458,900	(139,300)
Community and Culture	124,522,000	692,800	125,214,800	125,713,600	498,800
Economic Development	16,983,900	5,250,000	22,233,900	26,690,500	4,456,600
Restricted Revenue - EDHR	43,143,300	4,442,800	47,586,100	57,410,300	9,824,200
Total	\$188,429,500	\$10,393,600	\$198,823,100	\$213,463,100	\$14,640,000
Total FTE	310.8	0.0	310.8	310.6	(0.1)

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 2006 spending level for the Department of Health of \$1,834,655,400, with \$323,978,900 from the General Fund. The total appropriation represents an increase of 8.2 percent over the FY 2005 revised appropriation level and a 12.7 percent increase over the FY 2005 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 a 2.5 percent cost-of-living adjustment (COLA), health and dental insurance increases, and funding for market comparability adjustments. These increases total \$4.4 million (\$1,595,000 General Fund). State Internal Service Fund rate

changes will decrease the Department's FY 2006 budget by \$8,100 (\$5,600 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.

Legislative Action

The Legislature approved funding for FY 2006 in the amount of \$25,065,800 (\$5,888,700 General Fund). The Bioterrorism Grants program is the largest budget in the Executive Director's Office and is funded with federal funds at \$12.8 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.

Legislative Action

The approved FY 2006 budget for the Health Systems Improvement line item is \$13,535,100, with \$4,705,200 coming from the General Fund. Federal funds and dedicated credits revenue account for nearly \$8.6 million.

The Legislature approved increasing the funding for primary care grants by \$397,000. These grants are awarded to health care providers whose services are mainly utilized by low-income individuals and families.

Intent Language

In conjunction with this program, the Legislature again approved intent language directing that the Primary Care Grant 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.

Legislative Action

Lawmakers approved \$802,700 for the Workforce Financial Assistance Program as the FY 2006 budget. The General Fund appropriation was \$421,400; 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, three programs associated with community health services, and the division administration.

Legislative Action

For FY 2006, the approved appropriation was \$15,784,600, of which \$4,603,300 will be from the General Fund. Federal funds and dedicated credits revenue account for almost \$10.2 million of this budget.

Lawmakers approved one-time funding in the amount of \$180,000 for the purchase of drugs for those with HIV/AIDS to replace federal funding which has been scaled back.

Intent Language

The Legislature approved intent language which authorizes the division to retain any unexpended funds at the end of FY 2005 to be used in FY 2006 for laboratory equipment, computers, or building improvements.

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.

Legislative Action

The Legislature's budget for this division for FY 2006 is \$102,804,200, with a General Fund level of \$8,761,600. Other significant funding sources include Federal Funds, dedicated credits, and restricted funds from cigarette taxes and the Tobacco Settlement Account.

The 2005 Legislature approved increasing last year's funding for the Center for Multicultural Health by \$50,000, along with intent language directing its usage. The Center promotes and coordinates the research, data production and dissemination, education and health promotion relevant to multicultural and minority health issues.

Intent Language

Intent language for this division includes nonlapsing authorization for anti-tobacco programs and flu vaccine funding.

Health Care Financing

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

Legislative Action

For FY 2006, the Legislature approved a budget level of \$63,425,600, with \$10,307,500 coming from the General Fund. Federal funds provide nearly \$36 million of the Division's budget.

The Legislature passed **H.B. 33, "Assistance for People with Bleeding Disorders"**, which creates a pilot program to assist people with bleeding disorders. An appropriation of \$250,000 will help the Department of Health to establish a bleeding disorders assistance grant program.

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.

Legislative Action

The Medicaid budget is the largest piece of the Department's budget. The approved FY 2006 level is \$1.56 billion, with \$287,235,500 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 2004 - FY 2006			
<u>Category</u>	<u>FY 2004</u> <u>Actual</u>	<u>FY 2005</u> <u>Estimated</u>	<u>FY 2006</u> <u>Appropriated</u>
Nursing Facilities	\$80,424,140	\$105,086,000	\$106,030,600
Skilled Nursing Facilities	29,399,901	39,788,100	40,186,000
Nursing Facilities - ICF/MR	23,703,852	24,415,000	24,659,200
Inpatient Hospital	191,573,560	208,043,700	218,834,000
Outpatient Hospital	59,467,970	66,483,700	69,931,900
Dental Services	16,046,160	21,394,900	19,585,400
Pharmacy	176,859,239	208,689,000	232,642,200
Physician Services	62,854,691	67,881,300	73,608,100
HMOs	160,738,768	171,986,200	183,486,100
Mental Health	117,002,011	127,883,200	132,597,600
Services through DHS	175,057,171	190,319,000	195,674,300
Home Health	14,626,439	15,649,800	16,226,700
Medical Supplies	9,613,642	10,286,300	10,665,500
Medical Transportation	6,303,550	6,986,300	7,243,800
Other	150,757,400	159,203,300	226,861,400
Total	<u>\$1,274,428,494</u>	<u>\$1,424,095,800</u>	<u>\$1,558,232,800</u>

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

General Medicaid Increases: Increases that the Legislature approved include funding to cover (1) projected caseload growth and utilization at \$48.4 million (\$10.85 million General Fund); (2) inflationary increases in the amount of \$39.6 million (\$10.58 million General Fund); and (3) the change in the

Federal Medical Assistance Percentage (FMAP) in the amount of \$9.3 million. The Federal government provides the largest share of the program's funding through the FMAP. For FY 2006, the FMAP is projected to decrease by 0.93 percentage points. This means that the Federal government will pay less of the total costs, requiring the State to provide the funding to maintain the program at current levels.

In 2002, as a cost-cutting measure, the Legislature eliminated the **Medicaid vision benefit and adult dental services**. The 2005 Legislature approved one-time funding to restore both of these services in FY 2006. The approved funding level for vision services is \$3.9 million (\$1,126,600 General Fund) and \$13,265,500 (\$3,832,400 General Fund) for adult dental services. Intent language accompanied the appropriation directing its usage.

Lawmakers passed **H.B. 62, "Amendments to Intermediate Care Facilities for Mentally Retarded"**, which expands the definition of nursing care facilities to include ICFs/MR as providers who are subject to the Nursing Care Facilities Assessment. The providers will pay \$1,454,300 during FY 2006, which will be matched with federal funds in the amount of \$3,579,600 and returned to the nursing care facility providers in the form of higher reimbursement rates.

The Legislature approved a FY 2005 supplemental item to cover the unanticipated inflationary increase for Medicare Buy-in for individuals who are eligible for coverage under both Medicare and Medicaid. The FY 2005 funded level is \$1,788,300 (\$500,000 General Fund).

Intent Language

Legislative intent language directs the Department to study the removal of the resources test in determining Medicaid eligibility and report on its findings.

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.

Legislative Action

The total budget that the Legislature approved for the CHIP for FY 2006 was \$52.9 million. Of this amount, the state's portion is just over \$10.3 million, funded from the Tobacco Settlement Account. The matching Federal funds are estimated at \$42 million.

The FY 2006 budget reflects an increase of \$16.3 million which is a result of the passage of **H.B. 144, "Children's Health Insurance Coverage Amendments"**. This bill increased the appropriated level of funding from the Tobacco Settlement Restricted Account by \$3.3 million, which can be matched with \$13 million in federal funds. This additional funding will effectively remove any enrollment cap in the CHIP.

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.

Legislative Action

The 2005 Legislature approved a level of \$2,055,700 for this block grant, which includes \$28,800 for the approved two percent cost of living adjustment.

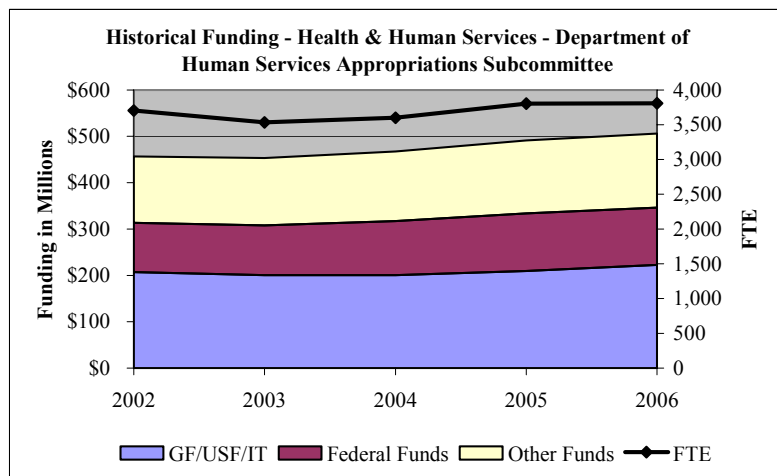
Funding Detail

Department of Health					
	2005	2005	2005	2006	Change from
	Estimated	Supplemental	Revised	Appropriated	2005 Revised
Financing					
General Fund	285,751,300		285,751,300	319,339,900	33,588,600
General Fund, One-time	1,345,200	500,000	1,845,200	4,639,000	2,793,800
Federal Funds	1,151,253,566	1,288,300	1,152,541,866	1,233,783,300	81,241,434
Dedicated Credits Revenue	108,568,931		108,568,931	122,705,300	14,136,369
GFR - Cigarette Tax Rest	3,131,500		3,131,500	3,131,500	
GFR - Kurt Oscarson Trans	100,000		100,000	100,000	
GFR - Nursing Care Facilities Account	10,100,000		10,100,000	11,554,300	1,454,300
GFR - State Lab Drug Testing Account	293,600		293,600	293,600	
GFR - Tobacco Settlement	13,155,200		13,155,200	16,531,800	3,376,600
Organ Donation Contribution Fund	76,000		76,000	76,100	100
Transfers	118,340,359		118,340,359	121,750,200	3,409,841
Beginning Nonlapsing	3,747,782		3,747,782	2,183,500	(1,564,282)
Closing Nonlapsing	(2,183,538)		(2,183,538)	(1,433,100)	750,438
Total	\$1,693,679,900	\$1,788,300	\$1,695,468,200	\$1,834,655,400	\$139,187,200
Programs					
Executive Director's Operations	24,904,300		24,904,300	25,065,800	161,500
Health Systems Improvement	13,424,500		13,424,500	13,535,100	110,600
Workforce Financial Assistance	868,700		868,700	802,700	(66,000)
Epidemiology & Lab Services	15,480,100		15,480,100	15,784,600	304,500
Community & Family Health	102,290,200		102,290,200	102,804,200	514,000
Health Care Financing	62,913,300		62,913,300	63,425,600	512,300
Medical Assistance	1,435,096,700	1,788,300	1,436,885,000	1,558,232,800	121,347,800
Children's Health Ins Prog	36,660,900		36,660,900	52,948,900	16,288,000
Local Health Departments	2,041,200		2,041,200	2,055,700	14,500
Total	\$1,693,679,900	\$1,788,300	\$1,695,468,200	\$1,834,655,400	\$139,187,200
Total FTE	1,315.8	0.0	1,315.8	1,313.9	(1.9)

Department of Human Services

Subcommittee Overview

The Department of Human Services is established and 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 2006 is \$506,189,300, including \$222,582,000 from the General Fund. This represents an increase of approximately \$15.3 million or 3.1 percent when compared to the revised FY 2005 budget. The General Fund increased by \$13.4 million (6.4 percent).

The Department's revised FY 2005 budget totals \$490,905,800 (\$209,176,100 General Fund). This reflects supplemental appropriations for FY 2005 totaling \$2,995,000 (\$2,495,600 General Funds) as approved by the Legislature.

General Departmental Issues

FY 2006 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 to reopen the 4th wing of the State Hospital's forensic facility, funds for local mental health centers, 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 meals and for other in-home services for the aged.

FY 2005 Budget Adjustments: During the 2005 General Session, the Legislature appropriated one-time funds to supplement the FY 2005 budgets for the State Hospital forensic wing, DCFS adoption supports, and local substance abuse services.

Personnel Services Adjustments: The statewide funding increases for salary and benefit adjustment of state employees increased the Department of Human Services' budget by \$9.1 million (\$3.9 million General Fund). This includes nearly \$1.8 million (\$634,500 General Fund) for market comparability adjustments for certain employees. A two percent cost of living adjustment was 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 \$2.9 million (\$1.5 million General Fund).

Medicaid Match Rate Change: The Federal Medical Assistance Percentage (FMAP) rate will fall from 72.04 percent to 71.11 percent in FY 2006. The Legislature appropriated \$1,892,100 from the General Fund to the Divisions of Substance Abuse/Mental Health, Services for People with Disabilities, Child and Family Services and Aging Services to maintain current service levels in these programs.

TANF Transfers to SSBG: As in previous sessions, the FY 2006 appropriation 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 questionable whether this source of funds will be available in future years.

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 Office of Licensing, Governor's Council for People with Disabilities and the Foster Care Citizens Review Boards.

Legislative Action

For FY 2006, the Legislature appropriated a total budget of \$21,037,600 (\$8,277,600 General Funds). **S.B. 107, "Licensure and Regulation of Programs and Facilities"** provided an increase of \$44,000 (General Fund) to the Office of Licensing. The Office also received an appropriation of \$150,000 from the General Fund to implement provisions of **H.B. 22, "Intercountry Adoption Accreditation"** with an approved accrediting fee per agency of \$15,000.

During the first Special Session, the Legislature passed S.B. 1004, "Drug Offenders Reform Act - Pilot Program" which creates a pilot program for screening, assessing and treating up to 250 probationers. The pilot program will run for three years, beginning July, 2005 with a total cost limited to \$1,417,400. The legislation included an appropriation of \$315,000 to the Department of Human Services.

Intent Language

The Legislature approved intent language making previously appropriated "eREP" funds, non-lapsing for FY 2006.

It also passed language allowing the Foster Care Citizens Review Board to non-lapse FY 2005 funds to be used for one-time development, maintenance, and upgrading of computer software and equipment and for recruitment, training and retention of volunteers.

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 similarly 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 2006, the 2005 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 \$350,900 is for Drug Board programs in Weber and Davis Counties. This is the same level of appropriation as in 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 contract with private providers.

Legislative Action

For FY 2006, the Legislature appropriated a total budget of \$112,761,500 (\$73,643,200 General Fund). This is an increase of approximately 2.3 percent in total funds and six percent in General Funds over the FY 2005 revised appropriation.

Mental health programs for FY 2006 total \$80.2 million (\$62.6 million General Fund) including \$30.8 million (\$25.5 million General Funds) for local mental health centers and community services. It also includes \$46.6 million (\$33.9 million General Fund) for the State Hospital. The Legislature increased the General Fund appropriation for the State Hospital by \$2,147,100 to reopen the fourth wing of the forensic facility which was closed several years ago as a cost saving measure. It also provided \$305,100 to enhance the management and professional staff of the forensic facility to comply with clinical and OSHA standards.

The Legislature appropriated \$2.0 million (one-time General Funds) for use by local mental health centers for services to non-Medicaid eligible clients. These clients had been receiving services funded by Medicaid capitated rate receipts that exceeded actual costs experienced by Medicaid clients. Recent Medicaid policy changes disallowed this use of funds after 2004.

Other funding items include: \$50,000 in on-going General Funds to replace a one-time appropriation for pre-school autism programs; funds for PASRR evaluations required of all persons entering nursing homes (\$349,900); and funds for increased court ordered competency evaluations (\$67,600). The FMAP rate change impact to this Division is \$120,100. Local mental health authorities also received \$314,900 in State funds for a two percent cost of living adjustment for employees of local mental health service providers.

Substance abuse funding for FY 2006 appropriated by the Legislature total \$30.1 million (\$9.8 million General Fund). This includes an FY 2006 appropriation of \$163,500 for a two percent cost of living adjustment for local service providers' staff, including providers of pre-school autism programs.

For FY 2005, the Legislature appropriated \$365,700 to prevent a reduction in the federal substance abuse and prevention block grant due to the State being "in failure" of maintaining its state program support.

Intent Language

The Legislature authorized the Division to not lapse up to \$65,000 at the end of FY 2005 to be used for the purchase of computer equipment and software, capital equipment and improvements, and equipment or supplies. It also directed the Division and local mental health centers to use funds appropriated to replace the loss of Medicaid funds used for non-Medicaid indigent clients be used solely for that purpose. Other language directed the Division to identify critical issues related to providing mental health services to people with a hearing disability.

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 funding through the Department of Health.

Waiting List: There are currently nearly 1,900 people with immediate needs waiting for various community-based services, including about 180 people waiting for residential services. It would take approximately \$8.4 million dollars (General Fund) to fund the current waiting list under current service policies. In addition, there are 123 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. A trial on the remaining claims is scheduled to begin in January 2006.

Legislative Action

For FY 2006, the Legislature appropriated a total budget of \$162,840,400 (\$46,401,000 General Fund), including \$34.4 million (\$9.4 million General Fund) for the State Developmental Center. The FY 2006 appropriation is an increase of \$6.4 million in total funding and \$3.1 million in General Funds over the revised FY 2005 appropriated budget.

The Legislature increased funding for the waiting list by nearly \$3.0 million (\$1.0 million General Fund) which will serve approximately 235 additional people. It also approved \$1,354,500 for the change in the FMAP rate, and \$1.7 million for a two percent cost of living increase for employees of private providers contracting with DSPD.

The Legislature funded the construction of five new town homes on the campus of the Developmental Center which will replace older residential facilities. It also provided a base budget increase of \$83,300 in State funds which will fund the operation and maintenance of these buildings when completed.

Intent Language

The Legislature authorized DSPD to use non-lapsing carry-forward funds in FY 2005 and FY 2006 to serve people with disabilities coming into service due to emergency situations, court-orders, and people from child welfare and juvenile justice services that are aging out of state custody. 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, intent language limits the use of those funds for that purpose and directs that DSPD report to the Legislature on the distribution of those funds. It also directs that DSPD must limit the use of funds appropriated for the home and community based services waiting list to direct services and related support.

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 2006 the Legislature appropriated \$46,776,900 (\$11,756,300 General Fund). This represents an increase of \$1.9 million over the revised FY 2005 appropriations. The FY 2006 appropriation includes \$553,100 to replace a reduction expected in federal incentive grant funds.

Intent Language

The Legislature approved intent language making previously appropriated “eREP” funds non-lapsing for FY 2006.

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 December, 2004, the judge repeated earlier demands that DCFS and the plaintiffs review the problem areas of the agreement and agree on items that are not needed in the plan or cannot be accomplished. Another status conference is set for June, 2005.

Legislative Action

For FY 2006, the total appropriated budget for DCFS is \$139,060,300 (\$69,718,300 General Fund). The total of all funds appropriated is \$3.4 million above the revised FY 2005 appropriation. General Funds increased by \$3.9 million.

FY 2006 budget increases include \$4.6 million (\$3.0 million General Fund) for case growth in out of home care, adoption assistance and for additional case workers. The Legislature also appropriated \$408,700 for the change in the FMAP rate, and \$670,500 for a two percent cost of living increase for staff of private service providers. It also provided a one-time

FY 2006 appropriation of \$269,500 for the cost of the court-appointed monitor.

For FY 2005, the Legislature appropriated \$801,200 in State funds to augment the current year's adoption assistance budget.

Intent Language

The Legislature included intent language for FY 2006 authorizing DCFS to not lapse funds appropriated for the adoption assistance and out of home care programs. These funds are to be used solely for those programs. It also included language authorizing the Division to use up to \$350,000 of funds appropriated for adoption assistance to hire up to six staff personnel in the adoption assistance program. These individuals will provide adoptive parents with information, services, and counseling in an effort to prevent adoptive placements from failing, and to ensure efficient and appropriate services and accountability of funds.

In appropriating funds for increased compensation for employees of DCFS' private contract providers, the Legislature limited the use of those funds for that purpose and directed that DCFS report to the Legislature on the distribution of those funds. The Division was also authorized to not lapse up to \$50,000 at the end of FY 2005, to be used for the purchase of computer equipment and software.

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. The Division contracts for services for the elderly and administers State and federal aging programs. 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 2006, the Legislature appropriated a total budget of \$22,065,400 (\$12,785,600 General Fund). Compared to the revised FY 2005 revised budget, the total FY 2006 appropriation increased by \$327,400 and the General Fund by \$440,000.

The Legislature replaced \$200,000 of one-time General funds appropriated last year for meals with on-going base funding. It also provided a one-time General Fund appropriation of \$300,000 to make up a projected shortfall in funding for the Medicaid waiver (home services) program. It also provided \$8,800 for the impact of the FMAP rate change on the Division, and \$103,900 for the two percent cost of living increase for local providers' staff.

Intent Language

The Legislature authorized the Division of Aging and Adult Services to not lapse up to \$100,000 at the end of FY 2005 to be used for senior center renovations and to assist with vehicle maintenance and replacements within local area agencies on aging.

Internal Service Funds

The Department of Human Services operates two internal service funds (ISF) 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 2006 Appropriations Act authorizes collections of \$4,198,900, with operating expenses estimated at \$4,257,969, creating an expected operating loss next year of \$59,069. Accumulated retained earnings are expected to be \$34,602 by the end of FY 2006. The Legislature also approved a staffing level of 34.5 FTEs, reflecting an increase of 2.5 FTEs over the current authorized level. The Department is expanding its programming services to DSPD which is creating a new data information system.

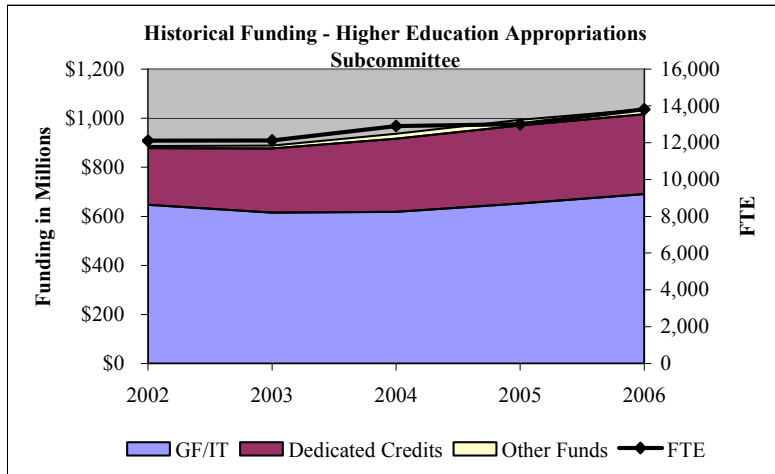
Funding Detail

Health & Human Services - Department of Human Services Appropriations Subcommittee					
	2005	2005	2005	2006	Change from
	Estimated	Supplemental	Revised	Appropriated	2005 Revised
Financing					
General Fund	204,877,800		204,877,800	219,780,800	14,903,000
General Fund, One-time	1,802,700	2,495,600	4,298,300	2,801,200	(1,497,100)
Federal Funds	123,727,500	710,200	124,437,700	123,311,400	(1,126,300)
Dedicated Credits Revenue	8,384,700		8,384,700	8,705,300	320,600
GFR - Children's Trust	400,000		400,000	400,000	
GFR - Domestic Violence	700,000		700,000	712,200	12,200
GFR - Intoxicated Driver Rehab	1,200,000		1,200,000	1,500,000	300,000
GFR - Tobacco Settlement	1,647,200		1,647,200	1,647,200	
GFR - Trust for People with Disabilities				100,000	100,000
Transfers - H - Medical Assistance	138,781,500	(210,800)	138,570,700	142,494,000	3,923,300
Transfers - Other Agencies	3,172,800		3,172,800	3,322,000	149,200
Beginning Nonlapsing	6,705,300		6,705,300	3,488,700	(3,216,600)
Closing Nonlapsing	(3,488,700)		(3,488,700)	(2,073,500)	1,415,200
Total	\$487,910,800	\$2,995,000	\$490,905,800	\$506,189,300	\$15,283,500
Programs					
Human Services	487,910,800	2,995,000	490,905,800	506,189,300	15,283,500
Total	\$487,910,800	\$2,995,000	\$490,905,800	\$506,189,300	\$15,283,500
Total FTE	3,755.8	49.0	3,804.8	3,807.4	2.6

Higher Education

Subcommittee Overview

The Legislature appropriated a FY 2006 budget of \$1,036,469,800 for the Utah System of Higher Education, the Medical Education Council, and the Utah Education Network. This represents an increase of \$43,572,500 or 4.4 percent over the FY 2005 revised budget of \$992,897,300. State funding from the General Fund and Income Tax is \$690,993,600 or 66.7 percent of the total funding. General Fund Restricted Accounts total \$8,384,500 with the remaining balance of \$337,091,700 consisting of federal revenue, dedicated credits, transfers, 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).

Legislative Action

The Legislature increased funding for the Utah System of Higher Education by \$45,220,300 or 4.7 percent increase over the FY 2005 revised budget of \$967,385,700. The funding for Higher Education comes from several sources. The total funding of \$1,012,606,000 for FY 2006 consists of General Funds, Income Tax Revenue, dedicated credits (tuition and fees), federal funds, Mineral Lease Account, transfers, Land Grant Management, and three Restricted Funds. State funds (General Funds and Income Tax Revenue) account for \$672,468,100 or 66.4 percent of the budget appropriated for Higher Education.

The new funding for the Utah System of Higher Education for FY 2006 includes:

- **Internal Service Fund Adjustments:** The change to the base for Internal Service Fund adjustments is a reduction of \$750,700 for Risk Management, Fleet Management and mail rates with \$487,000.
- **Compensation:** For FY 2006, the Legislature appropriated \$17.5 million for a 2.5 percent salary increase. To cover increased costs in health and dental insurance, the Legislature appropriated \$9.6 million.
- **Retention of Faculty and Staff:** The Legislature appropriated \$2,560,000 for the retention of faculty and staff for the institutions of higher education including UCAT.
- **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 2006 is \$1,676,200, an increase of \$880,200 from the FY 2005 appropriation of \$796,000.

-
- **Engineering and Computer Science Initiative:** The Legislature appropriated an additional \$2 million (\$500,000 one-time) for this initiative.
 - **Financial Aid:** The Utah System of Higher Education received \$795,000 for student financial aid for FY 2006. This funding provides \$265,000 of one-time funding for the state match for federal financial aid programs and \$530,000 for the New Century Scholarship. In addition, a supplemental appropriation of \$253,600 was provided for the New Century Scholarship for FY 2005.
 - **Nursing Initiative:** An appropriation of \$2 million (\$500,000 one-time) was appropriated for the Nursing Initiative.
 - **Jobs Now Initiative:** The Legislature appropriated \$1 million for the Jobs Now Initiative for short-term intensive training programs to prepare the Utah workforce for “Jobs Now”. UCAT is to receive 2/3 or \$666,700 of the appropriation and other higher education institutions receive the balance of \$333,300. This funding is a result of **H.B. 313, Economic Development Initiative for Higher Education**”.
 - **Operation and Maintenance of New Facilities:** The USHE received an appropriation of \$5,000,700 for the operation and maintenance of 21 new facilities including the Bridgerland Applied Technology Campus. In addition, the USHE received a supplemental appropriation of \$900,000 for buildings that were completed in FY 2004 and 2005.
 - **Fuel and Power:** The Legislature appropriated \$5 million to all of the higher education institutions except UCAT to cover fuel and power expenditures. The Legislature also provided a supplemental appropriation of \$5 million for FY 2005.
 - **Utah State University Agriculture Experiment Station:** The one-time appropriation for USU’s Agriculture

Experiment Station was converted to ongoing funding of \$180,000 for the support of the Climate Center.

- Tuition:** The State Board of Regents approved a 3.5 percent first tier tuition rate increase for academic year 2005-2006. In addition, the Regents are proposing a second tier range from 1.6 to 11 percent. The tuition increases for academic year 2005-2006 will generate revenue of approximately \$25.2 million (\$10.6 million from the first tier and \$14.6 million from the second tier). The following table shows the tuition percent increases:

USHE Tuition Increases for 2005-06 Academic Year			
	1st Tier	2nd Tier	Total
University of Utah (Undergraduate)	3.5%	4.4%	7.9%
University of Utah (Graduate)	3.5%	11.0%	14.5%
Utah State University	3.5%	6.3%	9.8%
Weber State University	3.5%	6.3%	9.8%
Southern Utah University	3.5%	6.0%	9.5%
Snow College	3.5%	6.0%	9.5%
Dixie State College (Lower Division)	3.5%	1.6%	5.1%
Dixie State College (Upper Division)	3.5%	4.2%	7.7%
College of Eastern Utah	3.5%	3.5%	7.0%
Utah Valley State College	3.5%	5.3%	8.8%
Salt Lake Community College	3.5%	4.0%	7.5%
USHE Average Undergraduate	3.5%	4.8%	8.3%

- Funding Equalization:** The Legislature appropriated \$4.8 million to bring the funding mix of State funds and dedicated credits at Weber State University, Utah Valley State College and Salt Lake Community College closer to a 65/35 percent ratio. The Legislature has emphasized a commitment on the part of these institutions to replace tuition increases with this funding.
- CEU Energy Match:** The College of Eastern Utah received a one-time appropriation of \$225,000 as a State match for a federal grant from the Department of Energy for economic development of the energy industry in the Price area.
- Relocation of Agriculture Buildings at USU:** The Legislature appropriated one-time funding of \$5 million

for the relocation of agriculture facilities at Utah State University.

- **UCAT Leases:** The Utah College of Applied Technology was provided funding of \$758,300 for six leases at three campuses. Two of the campuses received a supplemental appropriation of \$489,300 for FY 2005.
- **UCAT Enrollment Growth:** An appropriation of \$1.5 million was made to the Utah College of Applied Technology for enrollment growth of 781,032 membership hours. This represents 40 percent of the funding of the total enrollment growth.
- **UCAT Student Information System:** The Utah College of Applied Technology received a one-time appropriation of \$108,000 for a student information system.
- **UCAT Administrative Funding:** Dixie Applied Technology Campus received an appropriation of \$200,000 for administrative support.
- **New Space:** The Legislature approved the following construction or purchase of facilities for higher education during the 2005 General Session:
 - U of U Marriott Library
 - Bridgerland Applied Technology Campus Bourns Building purchase.
 - Dixie State College Health Science Center
 - Southern Utah University Teacher Education Building

Intent Language

Through the adoption of intent language, the Legislature approved the use of donations and institutional funds to plan, design and construct a Fine Arts Complex under the direction of Division of Facilities Construction and Management at the College of Eastern Utah. CEU may not request state funds for this project, however, they can request operation and maintenance funding to

the extent the complex meets the approved academic and training purposes under the State Board of Regents policy R710.

In addition, the Legislature appropriated one-time funding of \$465,000 for the purchase of storage units for the Museum of Fine Art paintings and artwork.

The following bills affecting Higher Education were passed during the 2005 General Session:

- **H. B. 234, “Telephone Surcharges for Education and Training Programs at Prison”** appropriated one-time funds of \$100,000 from the Prison Telephone Surcharge General Fund Restricted Account for prison education and training programs.
- **S.B. 192, “High Technology Economic Development Appropriation”** appropriated \$4 million of ongoing General Funds for the Science, Technology and Research Initiative (\$2.4 million to U of U and \$1.6 million to USU). There was also a supplemental appropriation for FY 2005 of \$3,350,000 from General Funds to the University of Utah for the purchase of equipment and supplies for high technology research and development.

Funding Detail

Utah System of Higher Education					
Financing	2005	2005	2005	2006	Change from
	Estimated	Supplemental	Revised	Appropriated	2005 Revised
General Fund	510,746,100		510,746,100	472,622,700	(38,123,400)
General Fund, One-time	5,931,600	(64,650,000)	(58,718,400)	10,000	58,728,400
Income Tax	108,865,500		108,865,500	194,373,000	85,507,500
Income Tax, One-time		74,655,400	74,655,400	5,462,400	(69,193,000)
Federal Funds	4,203,900		4,203,900	4,205,400	1,500
Dedicated Credits Revenue	317,428,000		317,428,000	324,751,900	7,323,900
Dedicated Credits - Land Grant	1,058,500		1,058,500	1,058,500	
Federal Mineral Lease	799,600		799,600	1,703,100	903,500
GFR - Cigarette Tax Rest	4,284,500		4,284,500	4,284,500	
GFR - Prison Telephone Surcharge Account				100,000	100,000
GFR - Tobacco Settlement	4,000,000		4,000,000	4,000,000	
Transfers - Commission on Criminal & Juvenile Justice	62,600		62,600	34,500	(28,100)
Total	\$957,380,300	\$10,005,400	\$967,385,700	\$1,012,606,000	\$45,220,300
Programs					
University of Utah	328,427,600	5,868,100	334,295,700	342,583,100	8,287,400
Utah State University	187,763,300	1,826,300	189,589,600	202,671,800	13,082,200
Weber State University	94,137,200	322,600	94,459,800	98,203,800	3,744,000
Southern Utah University	40,453,600	141,300	40,594,900	41,737,400	1,142,500
Snow College	21,916,200	40,800	21,957,000	22,663,500	706,500
Dixie State College	24,260,300	155,200	24,415,500	25,366,700	951,200
College of Eastern Utah	15,580,600	97,700	15,678,300	16,604,600	926,300
Utah Valley State College	89,882,300	597,100	90,479,400	96,945,000	6,465,600
Salt Lake Community College	88,773,400	213,400	88,986,800	92,302,600	3,315,800
Utah College of Applied Technology	45,589,200	489,300	46,078,500	49,916,700	3,838,200
State Board of Regents	20,596,600	253,600	20,850,200	23,610,800	2,760,600
Total	\$957,380,300	\$10,005,400	\$967,385,700	\$1,012,606,000	\$45,220,300
Total FTE	13,707.4	0.0	13,707.4	13,707.6	0.2

Utah Medical Education Program

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

Legislative Action

The Legislature increased funding for the Utah Medical Education Program by \$347,800 or 49.6 percent increase over the FY 2005 revised budget of \$701,100. The appropriated budget for UMEC for FY 2006 is \$338,000 in General Funds and \$710,100 in dedicated credits for a total of \$1,048,900.

The new funding for the Utah Medical Education Program for FY 2006 is as follows:

- **Compensation:** For FY 2006, the Legislature appropriated \$13,000 to fund a 2.5 percent salary increase. An additional \$5,900 was appropriated to cover increased costs in health and dental insurance.
- **S.B. 119 “Rural Residency Medical Training Programs”** appropriates \$300,000 in ongoing General Funds for residency training programs in rural Utah.

Funding Detail

Utah Medical Education Program					
	2005	2005	2005	2006	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2005 Revised
General Fund	19,900		19,900	338,800	318,900
General Fund, One-time	3,100		3,100		(3,100)
Dedicated Credits Revenue	665,300		665,300	710,100	44,800
Beginning Nonlapsing	12,800		12,800		(12,800)
Total	\$701,100	\$0	\$701,100	\$1,048,900	\$347,800
Programs					
Medical Education Program	701,100		701,100	1,048,900	347,800
Total	\$701,100	\$0	\$701,100	\$1,048,900	\$347,800
Total FTE	8.0	0.0	8.0	8.0	0.0

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

The Legislature increased state fund appropriations to the Utah Education Network by \$2,188,700, or 13.7 percent when compared to the agency's FY 2005 state fund budget of \$15,998,000. UEN's total budget for FY 2006 is \$22,814,900, of which 18,186,700 is from state tax funds.

Changes to the Utah Education Network budget for FY 2006 include the following:

- **Retention of Key Staff:** The Legislature appropriated \$89,100 for pay raises intended to help UEN retain its highly qualified technical staff. Such raises would be in addition to cost of living allowances discussed below.
- **Replacement of FY 2005 One-time Funding with Ongoing:** Legislators converted \$540,000 to ongoing funds for FY 2006 and beyond. The funds, originally appropriated in FY 2005, are intended for enterprise technical support (\$140,000) and network capacity and reliability (\$400,000).
- **Network Capacity and Reliability:** Appropriators provided additional one-time state funds of \$1.5 million for greater network capacity and improved reliability. They adopted intent language stipulating that the funding be "...used for multi-year contracts with telecommunications service providers."
- **Internet Based Video Conferencing:** The Legislature appropriated one-time funding of \$800,000 to continue UEN's conversion of its EdNet system to internet based video conferencing.
- **Compensation:** For FY 2006, lawmakers allocated an additional \$140,500 to cover a 2.5 percent cost of living increase for UEN employees. They also provided \$66,600 for increased health and dental insurance costs at UEN.

- **Internal Service Fund Adjustments:** Appropriators reallocated \$3,100 (\$2,200 in state tax funds) from UEN's base budget to other agencies as the result of Internal Service Fund rate adjustments primarily related to Facilities and Fleet Management.

Funding Detail

Utah Education Network					
	2005	2005	2005	2006	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2005 Revised
General Fund	15,052,700		15,052,700	15,257,600	204,900
General Fund, One-time	945,300		945,300		(945,300)
Income Tax				629,100	629,100
Income Tax, One-time				2,300,000	2,300,000
Federal Funds	4,325,000		4,325,000	4,324,000	(1,000)
Dedicated Credits Revenue	248,700		248,700	248,700	
Transfers	55,500		55,500	55,500	
Beginning Nonlapsing	4,183,300		4,183,300		(4,183,300)
Total	\$24,810,500	\$0	\$24,810,500	\$22,814,900	(\$1,995,600)
Programs					
Utah Education Network	24,810,500		24,810,500	22,814,900	(1,995,600)
Total	\$24,810,500	\$0	\$24,810,500	\$22,814,900	(\$1,995,600)
Total FTE	104.0	0.0	104.0	104.0	0.0

Funding Detail

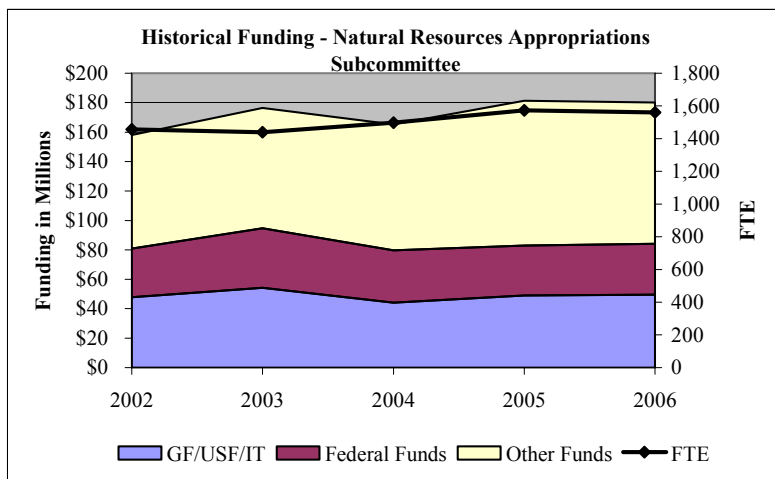
Higher Education Subcommittee					
	2005	2005	2005	2006	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2005 Revised
General Fund	525,818,700		525,818,700	488,219,100	(37,599,600)
General Fund, One-time	6,880,000	(64,650,000)	(57,770,000)	10,000	57,780,000
Income Tax	108,865,500		108,865,500	195,002,100	86,136,600
Income Tax, One-time		74,655,400	74,655,400	7,762,400	(66,893,000)
Federal Funds	8,528,900		8,528,900	8,529,400	500
Dedicated Credits Revenue	318,342,000		318,342,000	325,710,700	7,368,700
Dedicated Credits - Land Grant	1,058,500		1,058,500	1,058,500	
Federal Mineral Lease	799,600		799,600	1,703,100	903,500
GFR - Cigarette Tax Rest	4,284,500		4,284,500	4,284,500	
GFR - Prison Telephone Surcharge Account				100,000	100,000
GFR - Tobacco Settlement	4,000,000		4,000,000	4,000,000	
Transfers - Commission on Criminal & Juvenile Justice	62,600		62,600	34,500	(28,100)
Transfers	55,500		55,500	55,500	
Beginning Nonlapsing	4,196,100		4,196,100		(4,196,100)
Total	\$982,891,900	\$10,005,400	\$992,897,300	\$1,036,469,800	\$43,572,500
Programs					
University of Utah	328,427,600	5,868,100	334,295,700	342,583,100	8,287,400
Utah State University	187,763,300	1,826,300	189,589,600	202,671,800	13,082,200
Weber State University	94,137,200	322,600	94,459,800	98,203,800	3,744,000
Southern Utah University	40,453,600	141,300	40,594,900	41,737,400	1,142,500
Snow College	21,916,200	40,800	21,957,000	22,663,500	706,500
Dixie State College	24,260,300	155,200	24,415,500	25,366,700	951,200
College of Eastern Utah	15,580,600	97,700	15,678,300	16,604,600	926,300
Utah Valley State College	89,882,300	597,100	90,479,400	96,945,000	6,465,600
Salt Lake Community College	88,773,400	213,400	88,986,800	92,302,600	3,315,800
Utah College of Applied Technology	45,589,200	489,300	46,078,500	49,916,700	3,838,200
State Board of Regents	20,596,600	253,600	20,850,200	23,610,800	2,760,600
Utah Medical Education Program	701,100		701,100	1,048,900	347,800
Utah Education Network	24,810,500		24,810,500	22,814,900	(1,995,600)
Total	\$982,891,900	\$10,005,400	\$992,897,300	\$1,036,469,800	\$43,572,500
Total FTE	13,819.4	0.0	13,819.4	13,819.6	0.2

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 Corporation, the School and Institutional Trust Lands Administration, and the newly created Public Lands Policy Coordinating Office.

For FY 2006, the Legislature appropriated \$180,119,200 to the agencies listed above, of which, \$49,564,700 was from the General Fund.



Legislative Action

Structural Changes: The passage of **S.B. 199 “Office of Energy – Oversight”** eliminated the Utah Office of Energy, moved the Clean Fuel Vehicle program and fund from the Department of Natural Resources to the Department of Environmental Quality, and transferred authority for certain

federally-related programs and the Renewable Tax Credit to the Utah Geological Survey.

S.B. 237, “Public Land Policy Coordination” created the Public Lands Policy Coordinating Office and the Public Lands Policy Coordinating Council, and allowed the Legislature to appropriate monies from the Constitutional Defense Restricted Account to the office and the council.

Ongoing Reallocations: The Subcommittee funded some programs needs through reallocating ongoing General Funds, as shown in the following table.

Program	FY 2006 General Fund
<u>Agriculture</u>	
Diagnostic Lab	\$237,000
Ag in the Classroom	80,000
Brand Inspection	73,000
Diagnostic lab O&M	68,000
Market News	20,000
Contract veterinarian	2,400
<u>Natural Resources</u>	
Parks - museum artifacts insurance	30,000
DWR - Law Enforcement	(210,700)
Parks - Operation	(299,700)
	<u>\$0</u>

One-Time Reallocations: The subcommittee also reallocated one-time funds in various programs in order to meet its priorities as shown in the table on the following page.

Program	FY 2006 General Fund	FY 2006 Funds
<u>Agriculture:</u>		
Brand Inspection	28,000	
Grazing Litigation	50,000	
High School Rodeo	15,000	
Horse Racing Commission, Admin	10,000	
Registration Program	150,000	
Soil Conservation Districts	100,000	
<u>Natural Resources:</u>		
Abandoned Mine Program	(75,000)	75,000
Bear Lake Regional Commission	50,000	
Cougar and Bear	100,000	
DWR - Reimbursement for discount licenses	65,000	
FFSL - fire dispatch centers	225,000	
FFSL - Operation	(2,000,000)	2,000,000
Parks - facility operations	729,500	
Parks - museum artifacts insurance	30,000	
Parks - Soldier Hollow golf funding	120,000	
Parks - UFH Natural History operations	80,000	
UGS - groundwater analysis	116,500	
Water Rights - river system analysis	206,000	
	<u>\$0</u>	<u>\$2,075,000</u>

Department of Natural Resources

The Department of Natural Resources (DNR) is comprised of Administration and the following seven divisions:

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

The total appropriation for DNR for FY 2006 was \$141,654,300, a 1.7 percent decrease from the revised FY 2005 level. The FY 2006 General Fund appropriation of \$ 36,710,700 is a 0.6 percent decrease in comparison with the revised FY 2005

General Fund. This is a result of the elimination of the Office of Energy and transferring some of its funds to outside agencies.

DNR Administration

DNR Administration includes the Executive Director Office, Office of Energy, Private Property Ombudsman, Law Enforcement Oversight, Species Protection, the Internal Service Funds, Building Maintenance, and the Bear Lake Regional Commission.

Legislative Action

The FY 2006 appropriation for DNR Administration is \$3,070,800 from the General Fund.

DNR Motor Pool, Internal Service Fund: The Legislature approved an ongoing appropriation of \$92,500 to contract for a time-limited safety coordinator position. After four years, DNR will implement a cost savings post audit to determine if the savings warrant continuation of the position.

Watershed Development: The Legislature approved a FY 2005 supplemental appropriation of \$2,000,000 for watershed development, to be used as a match for obtaining federal funds.

Bear Lake Regional Commission: The Legislature reallocated \$50,000 in one-time General Funds in addition to the ongoing base budget of \$28,700.

Intent Language

The DNR Administration is required to report to the Natural Resources Interim Committee and the Natural Resources Appropriations Subcommittee and provide detailed information on how funds are expended for the Colorado River, June Sucker, and Virgin River.

Forestry, Fire, and State Lands

The Division of Forestry, Fire, and State Lands (FFSL) 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.

Legislative Action

The FY 2006 appropriation is \$16,308,500, with \$1,515,400 from the General Fund.

Wildland Fire Suppression: To cover fire suppression cost that exceeded the amount available in the Fire Suppression Program, the Legislature provided FY 2005 supplemental funding in the amount of \$1,300,000.

Utah Lake Court Order: The Legislature appropriated one-time FY 2005 funding of \$447,000 from the restricted funds for the court-ordered Special Master in the Utah Lake dispute.

Sovereign Land Ecosystem Management Projects #1: The Legislature appropriated \$325,000 from the restricted fund for staff support and materials for Utah Lake litigation (\$50,000); studies of Salt Lake water quality (\$100,000); weed control (\$50,000); and securing open space for the Great Salt Lake, Utah Lake, and Jordan River (\$125,000).

Sovereign Land Ecosystem Management Projects #2: The Legislature appropriated \$195,000 (one-time) from the restricted fund to replace the Saltair sewer system (\$100,000), to remove debris out of the Great Salt Lake under a good neighbor policy (\$20,000), and to prepare a comprehensive plan for Bear Lake (\$75,000).

Sovereign Land Ecosystem Management Projects #3: The Legislature appropriated \$904,000 (one-time) from the

restricted fund to review ownership records for state-federal land ownership dispute (\$50,000), assist the Bear River Migratory Bird Refuge (\$100,000), Locomotive Springs Waterfowl Management Area hydrology (\$200,000), determination of the Great Salt Lake salt balance (\$300,000), North arm of the Great Salt Lake bathymetry (\$104,000), and Utah State University GLS watershed work (\$150,000).

Forestry and Fire Management Enhancements: The Legislature appropriated \$380,000 to respond to private landowners for technical assistance regarding forest management (\$120,000), to establish demonstration forests to showcase application of proper forest mgt principles (\$200,000), and for secretarial support in area offices (\$60,000).

Water Line Location: The Legislature appropriated \$50,000 of one-time funding for professional services and technology and legal services in dealing with the Lone Peak Nursery.

Loan Peak Nursery Tractor: The Legislature appropriated \$70,000 for a new tractor for the Loan Peak nursery.

Fire Communications Equipment: The Legislature provided a supplemental appropriation of \$300,000 to buy radios to be able to communicate with federal agencies.

Rozel Point Oil Wells: In order to take advantage of the low level of the Great Salt Lake, the Legislature appropriated supplemental funding of \$50,000 from the restricted funds for remedial action by Oil, Gas and Mining for six wells.

Interagency Fire Dispatch Centers: Due to federal budgetary constraints, FFSL is asked to provide a share of fire dispatch centers' operational costs. These centers are responsible for the dispatch of all non-city fire dispatch through the state. The Legislature appropriated \$250,000 for this purpose.

One-Time Reallocation of General Funds: The Legislature appropriated an additional \$2,000,000 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.

Intent Language

The Legislature approved intent language allowing for the purchase of three new specialized vehicles for firefighting for the Division of Forestry, Fire, and State Lands.

Oil, Gas and Mining

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 2006 appropriation to the Division of Oil, Gas and Mining is \$8,208,800, of which \$1,297,700 is from the General Fund.

Workload Expansion: Due to an increase in oil and gas drilling exploration and production, the Legislature appropriated \$446,000 to help the division apply rules, monitor compliance, and keep records.

One-Time Reallocation of General Funds: The Legislature appropriated an additional \$75,000 from the Abandoned Mine Reclamation Fund, freeing up the same amount of General Funds for a one-time reallocation to other line items.

Wildlife Resources

The Legislature has declared that all wildlife in the state, not held by private ownership, is managed by the state. The state Division of Wildlife Resources (DWR) is the wildlife authority for the state under the policymaking authority of the Wildlife Board. With an operation and capital budget, the Division manages all fish and wildlife species, regulates hunting, fishing and trapping, and conducts no-consumptive activities.

Legislative Action

The Division of Wildlife Resources was appropriated a total of \$53,555,100, with General Fund in the amount of \$3,771,400.

Range Creek: The Legislature appropriated \$104,000 plus one-time funding of \$57,000 for the operations and maintenance of the recently acquired Range Creek.

Line Item Transfer: To comply with UCA 4-23-9, the Legislature approved the transfer of General Funds to the Department of Agriculture Predator Control line item from Wildlife Operations (\$2,900) and the Reimbursement line (\$6,800).

Cougar and Bear: In order to assist in covering farmers' losses to cougar and bear, the Legislature appropriated \$100,000 (one-time) to the Predator Control line item.

License Reimbursement: For FY 2006, the Legislature appropriated \$65,000 to compensate for the division's losses by the mandated issuance of free/reduced price licenses.

Mantua Hatchery: The Legislature appropriated \$750,000 (one-time) from the Fish Hatchery Maintenance Account for the rebuilding of the Mantua Hatchery.

Ongoing Reallocations: The Legislature reallocated \$210,700 ongoing General Funds from the Law Enforcement program of the Operations line item of the Division of Wildlife Resources to fund other line items.

Parks and Recreation

The responsibility for the management and development of the state's parks 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 the statewide boating safety and statewide off-highway vehicle programs.

Legislative Action

The total FY 2006 appropriation for the Division of Parks and Recreation is \$31,448,100, of which \$11,940,500 is from General Fund.

New Facilities Operations: As the division has improved facilities in state parks, increases in operational costs have been incurred. To cover these costs, the Legislature appropriated \$729,500.

Utah Field House of Natural History Operations: The Legislature appropriated \$80,000 for the operation and maintenance of the newly built Field House of Natural History.

Museum Artifact Insurance: The division has approximately \$75 million worth of artifacts in state park museums, which are not covered by insurance. The Legislature appropriated \$30,000 as a FY 2005 supplemental in addition to an ongoing appropriation of \$30,000 to purchase insurance coverage.

OHV Ranger: To help the division meet the needs of the Off Highway Vehicle community for law enforcement presence,

the Legislature appropriated \$70,000 annually, beginning in FY 2005.

Boating Law Enforcement: To help the division hire seasonal deputy rangers, the Legislature appropriated \$68,900, beginning in FY 2005 from the GFR – Boating Account.

Soldier Hollow Golf Course: The newly-built Soldier Hollow golf course is still operating at a deficit. The Legislature appropriated \$120,000 to subsidize the course.

OHV Maintenance Projects: To provide trail maps, signs, and safety education for winter and summer riding, the Legislature appropriated \$36,900 in FY 2005 and \$273,900 for FY 2006 from the GFR – OHV Account.

Reallocation of Ongoing General Funds: The Subcommittee reallocated \$299,700 General Funds from the Law Enforcement program of the Operations line item to fund other Subcommittee priorities. Later, an ongoing General Fund appropriation of \$299,700 was approved to restore the base budget of the Law Enforcement program.

OHV Shoshone Trail: The Legislature approved the Division's return of \$260,000 back to the OHV Restricted Account for FY 2005.

Capital: The Legislature appropriated \$2,000,000 (one-time) for the Division's capital needs.

Trail Grants: The Legislature appropriated \$10,000 (one-time) for the Trail Grants program.

Utah Geological Survey

The Utah Geological Survey (UGS) 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 2006 appropriation for the UGS is \$7,113,000, with \$2,501,900 from the General Fund.

Groundwater Analysis: The Legislature appropriated \$116,500 from the General Fund to be shared equally with the Division of Water Rights for groundwater analysis.

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

The total FY 2006 appropriation for Water Resources is \$10,183,400, of which \$4,184,700 is from the General Fund.

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

The total FY 2006 appropriation for Water Rights is \$6,888,800, of which \$6,556,600 is from the General Fund.

Automating Water Delivery: The Legislature appropriated \$100,000 for FY 2005 and \$106,000 for FY 2006 to help the Division improve water management throughout the state. The funding will be used to hire one FTE and purchase equipment to automate the regulation of water deliveries.

H.B. 157, “Water Enforcement Procedures and Penalties” authorizes the State Engineer to issue cease and desist orders, to establish an enforcement process, and to authorize enforcement suits. The Legislature appropriated \$92,000 to fund these efforts.

H.B. 38, “Water Law – Criminal Penalties Amendments” provides for graduated criminal penalties for violations of the regulations and distribution of water with an appropriation of \$40,000.

Funding Detail

Department of Natural Resources					
	2005	2005	2005	2006	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2005 Revised
General Fund	33,847,000		33,847,000	35,576,200	1,729,200
General Fund, One-time	3,100	3,091,800	3,094,900	1,134,500	(1,960,400)
Federal Funds	31,749,900		31,749,900	32,274,100	524,200
Dedicated Credits Revenue	8,494,200		8,494,200	7,850,500	(643,700)
Federal Mineral Lease	1,498,500		1,498,500	1,609,200	110,700
GFR - Boating	3,647,600	68,900	3,716,500	3,787,200	70,700
GFR - Off-highway Vehicle	2,545,500	(153,100)	2,392,400	2,931,200	538,800
GFR - Oil & Gas Conservation Account	1,760,900		1,760,900	2,314,800	553,900
GFR - Sovereign Land Mgt	2,773,700	1,077,000	3,850,700	5,826,300	1,975,600
GFR - Species Protection	1,105,000		1,105,000	550,000	(555,000)
GFR - State Fish Hatch Maint	1,205,000		1,205,000	1,955,000	750,000
GFR - State Park Fees	9,447,900		9,447,900	9,822,300	374,400
GFR - Wildlife Habitat	2,398,900		2,398,900	2,415,900	17,000
GFR - Wildlife Resources	24,128,400		24,128,400	24,790,900	662,500
OGM Abandoned Mine Reclamation				75,000	75,000
Oil Overchg - Exxon	1,261,000		1,261,000		(1,261,000)
Oil Overchg - Stripper Well	411,300		411,300		(411,300)
Water Resources C&D	5,757,400		5,757,400	5,808,700	51,300
Water Res Construction	150,000		150,000	150,000	
Transfers	984,500		984,500	984,500	
Beginning Nonlapsing	12,190,200		12,190,200	1,916,300	(10,273,900)
Closing Nonlapsing	(1,909,000)		(1,909,000)	(162,300)	1,746,700
Lapsing Balance	(3,407,300)		(3,407,300)	44,000	3,451,300
Total	\$140,043,700	\$4,084,600	\$144,128,300	\$141,654,300	(\$2,474,000)
Programs					
Administration	6,119,900	1,931,800	8,051,700	3,070,800	(4,980,900)
Species Protection	3,207,000		3,207,000	3,006,200	(200,800)
Building Operations	1,660,600		1,660,600	1,660,600	
Range Creek	152,000		152,000	211,000	59,000
Forestry, Fire and State Lands	14,933,300	2,097,000	17,030,300	16,308,500	(721,800)
Oil, Gas and Mining	7,483,800		7,483,800	8,208,800	725,000
Wildlife Resources	37,020,700		37,020,700	40,429,300	3,408,600
Predator Control	59,600		59,600	169,300	109,700
GFR - Wildlife Resources	74,800		74,800	133,000	58,200
Contributed Research	353,400		353,400	356,400	3,000
Cooperative Env Studies	5,031,000		5,031,000	5,162,100	131,100
Wildlife Resources Capital	6,842,500		6,842,500	7,305,000	462,500
Parks & Recreation	25,472,900	205,800	25,678,700	27,093,900	1,415,200
Parks & Recreation Capital	9,249,800	(260,000)	8,989,800	4,354,200	(4,635,600)
Utah Geological Survey	5,888,200	10,000	5,898,200	7,113,000	1,214,800
Water Resources	4,685,800		4,685,800	4,801,100	115,300
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	6,426,100	100,000	6,526,100	6,888,800	362,700
Total	\$140,043,700	\$4,084,600	\$144,128,300	\$141,654,300	(\$2,589,300)
Total FTE	1,300.0	2.0	1,302.0	1,280.0	(22.0)

Department of Agriculture and Food

The Department of Agriculture and Food (DAF) is responsible for the administration of Utah's agricultural laws, which mandate a wide variety of activities including inspection, regulation, information, rulemaking, loan issuance, marketing and development, pest and disease control, improving the economic position of agriculture, and consumer protection. Though not a part of DAF, the Utah State Fair Corporation has been included as a line item in the Department's budget since FY 2003.

Legislative Action

For FY 2006, the Legislature appropriated \$22,155,100 to the Department of Agriculture and Food, of which \$12,156,300 is from the General Fund.

IT Equipment and Room Upgrades: The Legislature approved the use of \$269,100 from restricted funds for the purchase of a new air conditioning unit, updated security equipment, and other IT needs.

Line Item Transfers: The Legislature approved the transfer of \$5,200 from the Resource Conservation line item to the General Administration line item, in order to cover the ongoing IT costs of the Resource Conservation program.

Regulatory Services: Because of an unanticipated shortfall in registration fees, the Legislature appropriated a FY 2005 supplemental of \$150,000.

Federal Grants: The number of federal grants received by DAF has increased from 17 in 1999 to 34 in 2004. The Legislature appropriated \$90,700 for two new accounting staff to track and report these grants' expenses.

Marketing News: The Legislature appropriated \$120,000 for the enhancement of the Marketing program, including a marketing news reporter.

Brand Inspection: The Department is required to renew all livestock brands and produce a brand book every five years. To accomplish this during FY 2006, the Legislature appropriated \$67,000 of one-time funding from the Livestock Brand and Antitheft Restricted Fund.

The Legislature also appropriated \$28,000 (one-time) and \$73,100 (ongoing) to the Brand Inspection program.

Contract Veterinarians: The Department contracts with private veterinarians to provide final carcass dispositions. Since the current contract rates have not been adjusted since the 1980s, the Legislature approved an increase of \$4,800 (\$2,400 General Fund and \$2,400 Federal Funds) to update these rates.

Soil Conservation Technical Support: The federal funding for conservation projects in Utah has increased without corresponding increases for technical assistance to help implement projects on private land. The Legislature appropriated \$100,000 for technical assistance and local leadership in the state's conservation partnership.

Agriculture in the Classroom: The Legislature appropriated \$80,000 to Utah State University's Agriculture in the Classroom program.

ARDL Emergency Loans: To assist with the recent floods in the St. George area, the Legislature appropriated \$1,000,000 (one-time) to the Agriculture Resource Development Loan Program.

Weed Control: The Legislature appropriated \$10,000 to the Agricultural Inspection program for Dyer's Woad Weed Control.

Diagnostic Lab: The Legislature appropriated \$305,000 for the Diagnostic Lab for ongoing accreditation operations and maintenance.

High School Rodeo: The Legislature appropriated \$15,000 to the High School Rodeo competitors.

Horse Racing Commission Administration: The Legislature appropriated \$10,000 to the Horse Racing Commission.

Grazing Litigation: The Legislature appropriated \$50,000 (one-time) to assist with ongoing litigation on grazing issues in Kane and Garfield counties.

Mosquito Abatement: The Legislature appropriated \$329,300 for mosquito abatement.

Compensation for Reduced Fees: To compensate for a portion of the anticipated loss in fee revenue for the Weights and Measures program and the Food program, the Legislature appropriated \$40,000.

Funding Detail

Department of Agriculture and Food					
	2005	2005	2005	2006	Change from
	Estimated	Supplemental	Revised	Appropriated	2005 Revised
Financing					
General Fund	10,451,400		10,451,400	11,943,300	1,491,900
General Fund, One-time	331,700	1,150,000	1,481,700	213,000	(1,268,700)
Federal Funds	2,183,500		2,183,500	2,345,700	162,200
Dedicated Credits Revenue	4,645,400		4,645,400	4,633,800	(11,600)
GFR - Horse Racing	50,000		50,000	50,000	
GFR - Livestock Brand	833,200		833,200	931,000	97,800
GFR - Wildlife Damage Prev	878,900		878,900	582,900	(296,000)
Agri Resource Development	629,400		629,400	629,400	
Agriculture DP ISF		268,300	268,300		(268,300)
Utah Rural Rehab Loan	18,000		18,000	18,000	
Transfers	751,400		751,400	777,800	26,400
Transfers - Natural Resources	59,600		59,600		(59,600)
Beginning Nonlapsing	2,574,500		2,574,500	580,400	(1,994,100)
Closing Nonlapsing	(580,400)		(580,400)	(550,200)	30,200
Total	\$22,826,600	\$1,418,300	\$24,244,900	\$22,155,100	(\$2,089,800)
Programs					
Administration	16,049,700	418,300	16,468,000	15,263,400	(1,204,600)
Building Operations	270,000		270,000	270,000	
Utah State Fair Corporation	3,723,100		3,723,100	3,685,600	(37,500)
Predatory Animal Control	1,190,700		1,190,700	1,236,400	45,700
Resource Conservation	1,279,000		1,279,000	1,385,600	106,600
Loans	314,100	1,000,000	1,314,100	314,100	(1,000,000)
Total	\$22,826,600	\$1,418,300	\$24,244,900	\$22,155,100	(\$2,089,800)
Total FTE	210.6	0.0	210.6	215.1	4.5

School and Institutional 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.

Legislative Action

For FY 2006, the Legislature appropriated \$13,048,400 for SITLA from the Land Grant Management Fund.

Exchange Program: The Legislature appropriated \$200,000 for the land exchange program with the federal government.

Investigator: The Legislature appropriated \$85,000 (one-time) for a contract with the Attorney General's office for an attorney who can provide support to local law enforcement officials, county attorneys general, and assist in the prosecution of crimes committed against trust land assets.

Attorney Fees: The Legislature appropriated \$25,000 to retain outside counsel for special projects and complex transactions.

Office Technician: The Legislature appropriated \$30,000 for an additional office technician.

Increased Rent for Moab Office: The Legislature appropriated \$5,000 for the rent for the Moab office.

Capital Improvement: The Legislature appropriated \$1 million for capital improvements on raw land beginning in FY 2005.

Funding Detail

School and Institutional Trust Lands Administration					
	2005	2005	2005	2006	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2005 Revised
Land Grant Mgt Fund	11,520,900	1,000,000	12,520,900	13,048,400	527,500
Total	\$11,520,900	\$1,000,000	\$12,520,900	\$13,048,400	\$527,500
Programs					
School & Inst Trust Lands	11,520,900	1,000,000	12,520,900	13,048,400	527,500
Total	\$11,520,900	\$1,000,000	\$12,520,900	\$13,048,400	\$527,500
Total FTE	61.0	0.0	61.0	62.0	1.0

Public Lands Policy Coordinating Office

Through S.B. 237 “Public Land Policy Coordination”, the Legislature created the Public Lands Policy Coordinating Office and the Public Lands Policy Coordinating Council. The Legislature may appropriate monies from the Constitutional Defense Restricted Account to the office and to the council.

Legislative Action

The Legislature appropriated \$303,600 for FY 2005 and \$3,261,400 for FY 2006 to the newly created Public Lands Policy Coordinating Office.

Funding Detail

Public Lands Policy Coordinating Office					
	2005	2005	2005	2006	Change from
	Estimated	Supplemental	Revised	Appropriated	2005 Revised
Financing					
General Fund				677,700	677,700
General Fund, One-time		52,500	52,500	20,000	(32,500)
GFR - Constitutional Defense		251,100	251,100	2,013,700	1,762,600
Beginning Nonlapsing				550,000	550,000
Total	<u>\$0</u>	<u>\$303,600</u>	<u>\$303,600</u>	<u>\$3,261,400</u>	<u>\$2,957,800</u>
Programs					
Office of Public Lands		303,600	303,600	3,261,400	2,957,800
Total	<u>\$0</u>	<u>\$303,600</u>	<u>\$303,600</u>	<u>\$3,261,400</u>	<u>\$2,957,800</u>
Total FTE	0.0	0.0	0.0	4.0	4.0

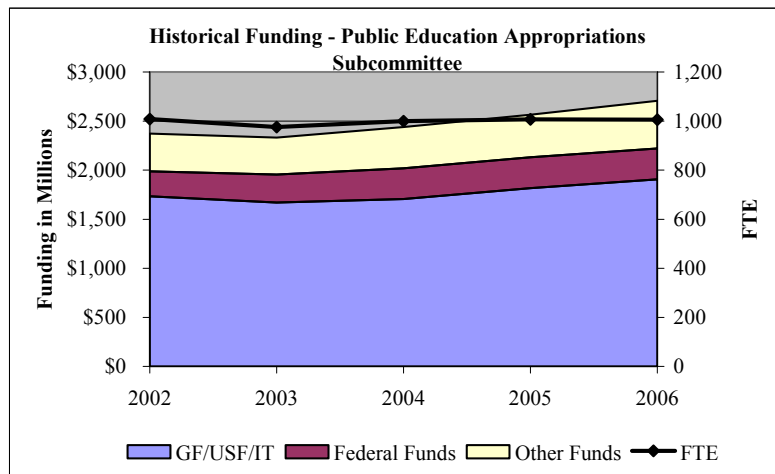
Funding Detail

Natural Resources Appropriations Subcommittee					
	2005	2005	2005	2006	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2005 Revised
General Fund	44,298,400		44,298,400	48,197,200	3,898,800
General Fund, One-time	334,800	4,294,300	4,629,100	1,367,500	(3,261,600)
Federal Funds	33,933,400		33,933,400	34,619,800	686,400
Dedicated Credits Revenue	13,139,600		13,139,600	12,484,300	(655,300)
Federal Mineral Lease	1,498,500		1,498,500	1,609,200	110,700
GFR - Boating	3,647,600	68,900	3,716,500	3,787,200	70,700
GFR - Constitutional Defense		251,100	251,100	2,013,700	1,762,600
GFR - Horse Racing	50,000		50,000	50,000	
GFR - Livestock Brand	833,200		833,200	931,000	97,800
GFR - Off-highway Vehicle	2,545,500	(153,100)	2,392,400	2,931,200	538,800
GFR - Oil & Gas Conservation Account	1,760,900		1,760,900	2,314,800	553,900
GFR - Sovereign Land Mgt	2,773,700	1,077,000	3,850,700	5,826,300	1,975,600
GFR - Species Protection	1,105,000		1,105,000	550,000	(555,000)
GFR - State Fish Hatch Maint	1,205,000		1,205,000	1,955,000	750,000
GFR - State Park Fees	9,447,900		9,447,900	9,822,300	374,400
GFR - Wildlife Damage Prev	878,900		878,900	582,900	(296,000)
GFR - Wildlife Habitat	2,398,900		2,398,900	2,415,900	17,000
GFR - Wildlife Resources	24,128,400		24,128,400	24,790,900	662,500
Agri Resource Development	629,400		629,400	629,400	
Agriculture DP ISF		268,300	268,300		(268,300)
Land Grant Mgt Fund	11,520,900	1,000,000	12,520,900	13,048,400	527,500
OGM Abandoned Mine Reclamation				75,000	75,000
Oil Overchg - Exxon	1,261,000		1,261,000		(1,261,000)
Oil Overchg - Stripper Well	411,300		411,300		(411,300)
Utah Rural Rehab Loan	18,000		18,000	18,000	
Water Resources C&D	5,757,400		5,757,400	5,808,700	51,300
Water Res Construction	150,000		150,000	150,000	
Transfers	1,735,900		1,735,900	1,762,300	26,400
Transfers - Natural Resources	59,600		59,600		(59,600)
Beginning Nonlapsing	14,764,700		14,764,700	3,046,700	(11,718,000)
Closing Nonlapsing	(2,489,400)		(2,489,400)	(712,500)	1,776,900
Lapsing Balance	(3,407,300)		(3,407,300)	44,000	3,451,300
Total	\$174,391,200	\$6,806,500	\$181,197,700	\$180,119,200	(\$1,078,500)
Programs					
Natural Resources	140,043,700	4,084,600	144,128,300	141,654,300	(2,474,000)
Public Lands Office		303,600	303,600	3,261,400	2,957,800
Agriculture	22,826,600	1,418,300	24,244,900	22,155,100	(2,089,800)
School & Institutional Trust Lands	11,520,900	1,000,000	12,520,900	13,048,400	527,500
Total	\$174,391,200	\$6,806,500	\$181,197,700	\$180,119,200	(\$1,078,500)
Total FTE	1,571.6	2.0	1,573.6	1,561.1	(12.5)

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 \$2.7 billion to support Public Education in Utah for FY 2006, a 5.5 percent increase over the FY 2005 revised budget. In total, the public education budget represents 45.7 percent of the total appropriations made from the State's General and Uniform School Funds in FY 2006. The subcommittee oversees the budgets for the Minimum School Program and School Building Program, which provide funds directly to the school districts. In addition, the subcommittee oversees the budgets for the state agencies that administer and support the public education system. These agencies include: the Utah State Office of Education, Utah State Office of Rehabilitation, Utah Schools for the Deaf and Blind, Child Nutrition Programs, Fine Arts and Sciences Outreach Programs, and Education Contracts.



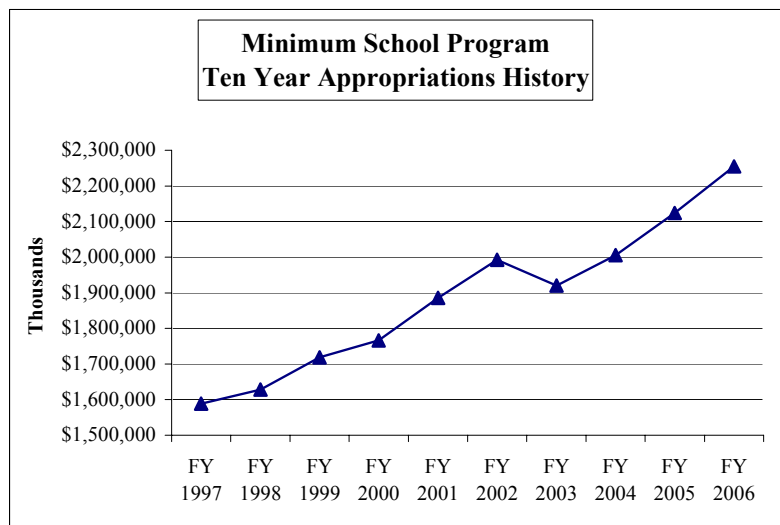
The State Board of Education is constitutionally charged with the general control and supervision of the public school system. The Board, along with its appointed Superintendent, oversees the administration of the education system and services

provided through the state's 40 school districts and 39 charter schools.

Currently, the state's school districts and charter schools enroll 495,682 students. Projections indicate that in FY 2006 (Fall 2005 school year) an additional 9,786 students may enroll in the public schools. This growth brings the statewide enrollment total to over 500,000 students.

Minimum School Program Overview

The Minimum School Program is the single largest portion of the Public Education budget. It provides support to public schools in each of 40 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 a budget of \$2,254,424,277 for FY 2006 to the Minimum School Program. This appropriation is a 6.13 percent increase over the FY 2005 revised appropriation.



Legislative Action

Weighted Pupil Unit (WPU) Equivalent Increase: The Legislature increased the value of the WPU by \$98 for a total of \$2,280 for FY 2006. This increase totaled \$75.7 million and raised the value of the WPU by 4.5 percent over last year.

The Legislature provided new funding for student enrollment growth; employee benefit increases, teacher supplies and materials, public education job enhancement program, adult education, National Geographic Endowment matching funds, Charter school local replacement funding, adult education, and the Electronic High School for FY 2006.

Major items funded by the Legislature include:

1. **Weighted Pupil Unit** – The Legislature increased the value of the weighted pupil unit from \$2,182 to \$2,280 which is an increase of \$98.00 and a percentage increase of 4.5. The program dollar increase was \$72,346,243 as a result of the WPU increase.

The Legislature also passed legislative intent, related to financial accounting, adding to the duties of the state superintendent of public instruction (see 53A-1-301 (3), which includes a statement by school districts and charter schools, of the amount and percentage increase or decrease in expenditures from the previous year attributed to wage increases, medical and dental premium cost adjustments, and adjustments in the number of teachers and other staff.

2. **UPASS Technology - On Line Testing** - The Legislature approved a FY 2006 one-time appropriation of \$2,500,000 to award grants to school districts and charter schools to continue implementation of online delivery of summative tests required under Utah Performance Assessment System for Students (U-PASS).
3. **Student Growth Costs** - Funding for the expected 9,786 student growth was funded at \$28,518,400 and represents

a 1.97 percent increase for a total fall enrollment estimate for FY 2006 of 505,475.

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.

4. **Charter Schools Replacement Funding** - The Legislature provided \$7,957,500 for additional charter school funding. It 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. Additional funding of \$8,009,500 for student growth, less an amount of \$52,000 for the Jean Massieu school transferred to the Utah Schools for the Deaf and the Blind, along with the current base funding of \$4,602,450 provided a total of \$12,559,950.

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.

1.	Kindergarten	55%
2.	Grades 1-6	90%
3.	Grades 7-8	99%
4.	Grades 9-12	120%

Local replacement funding is determined by statutory provisions found in Utah Code 53A – 1a – 513. The 2005 Legislature amended the statute to specify a deadline for new charter schools to meet application approval in order to be eligible for local replacement funding in the first year of operation.

5. **Teacher Supplies and Materials** – The Legislature appropriated one time funding in the amount of \$6,079,000 for teacher supplies and materials for FY 2006. The Legislature approved the distribution of funds on the

basis of the number of classroom teachers in each school as compared to the total number of classroom teachers. Teachers on salary schedule steps one through three teaching in grades kindergarten through six or preschool handicapped will receive \$350; a teacher on salary schedule steps one through three teaching in grades seven through twelve will receive \$300; a teacher on salary schedule step four or higher teaching in grades kindergarten through six or preschool handicapped will receive \$275; and a teacher on salary schedule step four or higher teaching in grades seven through twelve will receive \$225. The money should be for school supplies, materials, or field trips under rules adopted by the State Board of Education.

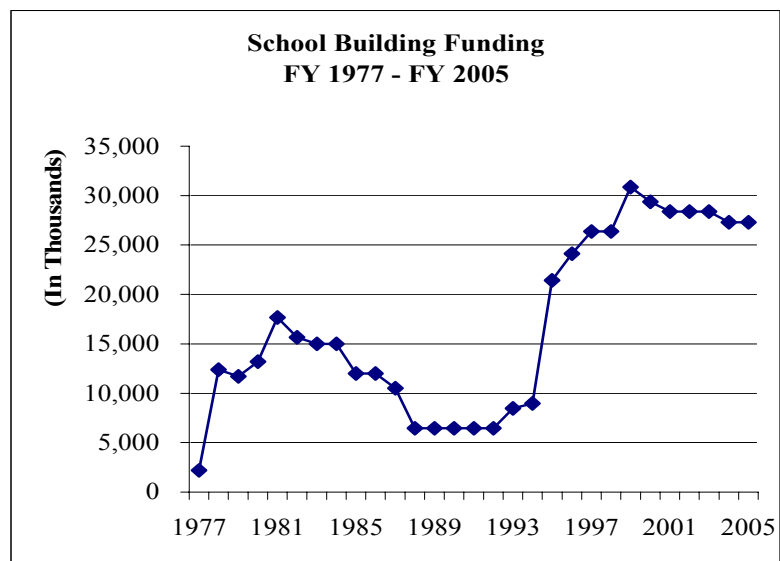
6. **Electronic High School** - The Legislature provided additional funding in the amount of \$200,000 as a supplemental appropriation for the Electronic High School in FY 2005. For FY 2006, an additional \$300,000 was appropriated which provides for a total \$1,000,000 program.
7. **Adult Education** – The Legislature appropriated \$1,600,000 for FY 2006 for Adult Education to restore programming that was reduced by the 2002 Legislature.
8. **Program Transfers** - The Legislature transferred the funding and program for the Jean Massieu charter school to the Utah Schools for the Deaf and the Blind in the amount of \$407,500; and also transferred the program and funding for the Reading Clinic in the amount of \$375,000 to the University of Utah within the Higher Education budget.
9. **Board and Voted Leeway** – The Legislature funded the statutory increase to the Board and Voted Leeway Program estimated at \$6,463,941.
10. **H. B. 188, “Public Education Job Enhancement Program** – The Legislature provided an appropriation of \$2,000,000 in one-time funding and \$2,500,000 ongoing funding for the Public Education Job Enhancement

Program (PEJEP). Additional provisions were included with the passage of the bill that included incentive funding for teachers of special education along with teachers of math and science.

11. **Youth In Custody** – The Legislature appropriated \$442,000 in supplemental funding for FY 2005 Youth In Custody growth costs, and an additional \$912,200 for new growth in FY 2006.

School Building Program

The funding level for the School Building Program was increased by the Legislature for FY 2006 by \$5,000,000 to \$32,288,900. Of this amount the enrollment growth program was appropriated the base of \$2,930,900 and additional one time funding of \$5,000,000 for a total of \$7,930,900 for FY 2006. The remaining \$24,358,000 was appropriated to the Capital Outlay Foundation Program. The history of the School Building Program is shown in the following chart.



Minimum School Program Summary

The table on the following two pages shows the appropriations for FY 2005 as revised by the Legislature, and the funding for FY 2006 along with a comparison between the two years. The budget reductions and funding increases are detailed.

MINIMUM SCHOOL PROGRAM

5/18/05 8:58 AM		FY 2005 Budget		FY 2006 Legislature		FY 2006	
Financing		Funding @		Funding @		Difference	% Diff 05
I. Local Revenue		WPU'S	\$2,182	WPU'S	\$2,280	From Rev. 05	to 2006
4	A. Basic Tax Levy	0.001768	\$217,590,703	0.001702	\$225,872,138	\$8,281,435	3.8%
5	B. Voted Leeway		146,631,201		162,172,538	15,541,337	10.6%
6	C. Board Leeway		40,677,673		43,757,326	3,079,653	7.6%
7	D. Board Leeway/Other--Reading				15,000,000		
8	Local Contribution (A - D) Subtotal		404,899,577		446,802,002	26,902,425	10.3%
9	II. State Revenue						
10	A. Uniform School Fund		1,686,939,511		1,787,123,275	100,183,764	5.9%
11	B. Uniform School Fund - One Time		32,442,400		10,579,000	(21,863,400)	-67.4%
12	C. School Land Trust				9,920,000		
13	State Revenue Subtotal		1,719,381,911		1,807,622,275	78,320,364	5.1%
14	REVENUE (I & II) TOTAL		2,124,281,488		2,254,424,277	105,222,789	6.1%
15	I. Basic Program						
16	A. Regular Basic School Programs						
17	1. Kindergarten	22,481	49,053,542	22,365	50,992,200	1,938,658	4.0%
18	2. Grades 1-12	438,303	956,377,146	445,146	1,014,932,880	58,555,734	6.1%
19	3. Necessarily Existent Small Schools	7,667	16,729,394	7,798	17,779,440	1,050,046	6.3%
20	4. Professional Staff	42,814	93,420,148	43,541	99,273,480	5,853,332	6.3%
21	5. Administrative Costs	1,662	3,626,484	1,662	3,789,360	162,876	4.5%
22	Regular Basic School Programs (1-5) Subtotal	512,927	1,119,206,714	520,512	1,186,767,360	67,560,646	6.0%
23	B. Restricted Basic School Programs						
24	1. Special Education-Regular Program						
25	a. Special Education add-on	53,891	117,590,162	54,858	125,076,240	7,486,078	6.4%
26	b. Self-Contained Regular	12,579	27,447,378	12,719	28,999,320	1,551,942	5.7%
27	2. Special Education - Pre-School	6,664	14,540,848	7,241	16,509,480	1,968,632	13.5%
28	3. Extended Year Program for Severely Disabled	351	765,882	357	813,960	48,078	6.3%
29	4. Special Education-State Programs	1,378	3,006,796	1,402	3,196,560	189,764	6.3%
30	Special Education (1-4) Subtotal	74,863	163,351,066	76,577	174,595,560	11,244,494	6.9%
31	5. Applied Technology Education - District	23,698	51,709,036	24,098	54,943,440	3,234,404	6.3%
32	6. Applied Tech. Education-District Set Aside	1,010	2,203,820	1,030	2,348,400	144,580	6.6%
33	Applied Technology Ed. (5 - 6) Subtotal	24,708	53,912,856	25,128	57,291,840	3,378,984	6.3%
34	7. Class Size Reduction	30,203	65,902,946	30,773	70,162,440	4,259,494	6.5%
35	TOTAL BASIC SCHOOL PROGRAM	642,701	1,402,373,582	652,990	1,488,817,200	86,443,618	6.2%
36	C. Related to Basic Programs						
37	1. Interventions for Student Success Block Grant		15,308,708		15,842,347	533,639	3.5%
38	2. Quality Teaching Block Grant		57,426,623		59,428,023	2,001,400	3.5%
39	3. Local Discretionary Block Grant Program		21,824,448		21,820,748	(3,700)	0.0%
40	4. Social Security & Retirement		261,482,231		272,224,533	10,742,302	4.1%
41	5. Pupil Transportation		57,061,128		59,058,267	1,997,139	3.5%
42	6. Guarantee Transportation Levy		500,000		500,000		
43	7. Math/Science - Beginning Teacher Recruitment				2,500,000	2,500,000	
44	Related to Basic Programs Subtotal		413,603,138		431,373,918	17,770,780	4.3%

MINIMUM SCHOOL PROGRAM

5/18/05 8:58 AM		FY 2005 Revised	FY 2006 Legislatu	FY 2006	
Financing		Funding @	Funding @	Difference	% Diff 05
		\$2,182	\$2,280	From Rev. 05	to 2006
45	D. Special Populations				
46	1. Highly Impacted Schools	5,123,207	5,123,207		
47	2. At Risk Programs	24,778,484	26,557,600	1,779,116	7.2%
48	3. Adult Education	5,826,865	7,630,805	1,803,940	31.0%
49	4. Accelerated Learning Programs	8,695,104	8,999,293	304,189	3.5%
50	Special Populations Subtotal	44,423,660	48,310,905	3,887,245	8.8%
51	E. Other				
52	1. Reading Program	12,500,000	12,500,000		
53	2. Electronic High School	700,000	1,000,000	300,000	42.9%
54	3. School Land Trust Program	8,820,000	9,920,000	1,100,000	12.5%
55	4. Charter School Local Replacement Funding	4,602,450	12,559,950	7,957,500	172.9%
56	5. U of U Reading Clinic	375,000		(375,000)	-100.0%
57	Other Subtotal	26,997,450	35,979,950	8,982,500	33.3%
58	Related, Special, & Other (C,D,& E) TOTAL	485,024,248	515,664,773	30,640,525	6.3%
59	II. Board and Voted Leeway Programs:				
60	A. Voted Leeway Program	159,084,242	175,975,385	16,891,143	10.6%
61	B. Board Leeway Program	45,357,016	48,387,919	3,030,903	6.7%
62	C. Board Leeway/Other - Reading Program		15,000,000		
63	Voted and Board Leeway Programs TOTAL	204,441,258	239,363,304	34,922,046	17.1%
64	Minimum School Program - I - II Subtotal	2,091,839,088	2,243,845,277	152,006,189	7.3%
65	III. One Time Appropriations TOTAL	32,442,400	10,579,000	(21,863,400)	-67.4%
66	MINIMUM SCHOOL PROGRAM (I - III) TOTAL	\$2,124,281,488	\$2,254,424,277	\$130,142,789	6.1%
67	School Building Program	\$27,288,900	\$32,288,900	\$5,000,000	18.3%
68	One Time Appropriations Summary				
69	1. Electronic High School	\$200,000		(\$200,000)	
70	2. Adult Education	1,600,000		(1,600,000)	
71	3. UPASS Technology - On line Testing	5,000,000	\$2,500,000	(2,500,000)	
72	4. Teacher Supplies & Materials	5,500,000	6,079,000	579,000	10.5%
73	5. 1% Compensation Bonus	17,200,400		(17,200,400)	
74	6. Reading Program	2,500,000		(2,500,000)	
75	7. PEJEP Math/Science Teacher Incentives		2,000,000		
76	8. At Risk Programs - Youth-In-Custody	442,000			
77	III. One Time Appropriations TOTAL	32,442,400	\$10,579,000	(\$21,863,400)	-67.4%

Public Education Agencies

The public education agencies supplement the basic educational program provided to students through the Minimum School Program. Under the direction of the State Board of Education and State Superintendent, these agencies provide educational services and support to the state's school districts, charter schools, disabled population, students in state custody, and the public. Education 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, State Charter School Board, Fine Arts and Sciences, and Education Contracts. Combined, these agencies provide the support framework for the state's public education system.

Legislative Action

Appropriations to the public education agencies total \$419,728,800 for FY 2006. This amount includes \$72,352,800 from the Uniform School Fund and \$2,840,800 from the General Fund. Legislators increased the total FY 2006 budget for the education agencies by \$7,456,000 from the FY 2005 revised appropriation. The FY 2006 budget represents a 1.8 percent increase. The Legislature increased the state fund appropriation to the education agencies by 9.5 percent.

Funding Detail

State Board of Education					
	2005	2005	2005	2006	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2005 Revised
General Fund	254,900		254,900	254,900	
General Fund, One-time	1,400,000		1,400,000	2,585,900	1,185,900
Uniform School Fund	66,332,900		66,332,900	68,206,800	1,873,900
Uniform School Fund, One-time	688,600	(12,500)	676,100	4,146,000	3,469,900
Federal Funds	314,692,700		314,692,700	315,620,700	928,000
Dedicated Credits Revenue	23,947,400		23,947,400	23,933,300	(14,100)
Federal Mineral Lease	971,900		971,900	994,300	22,400
GFR - Substance Abuse Prevention	490,000		490,000	494,100	4,100
USFR - Interest and Dividends Account				80,000	80,000
USFR - Professional Practices	90,700		90,700	92,000	1,300
Transfers	3,114,000		3,114,000	3,264,000	150,000
Beginning Nonlapsing	9,396,500		9,396,500	9,094,300	(302,200)
Closing Nonlapsing	(9,094,300)		(9,094,300)	(9,037,500)	56,800
Total	\$412,285,300	(\$12,500)	\$412,272,800	\$419,728,800	\$7,456,000
Programs					
State Office of Education	215,328,000		215,328,000	211,695,600	(3,632,400)
State Charter School Board				8,475,600	8,475,600
State Office of Rehabilitation	53,123,600		53,123,600	54,612,500	1,488,900
School for the Deaf and Blind	23,142,800		23,142,800	24,153,300	1,010,500
USDB - Institutional Council	436,800		436,800	451,000	14,200
Child Nutrition	113,087,800		113,087,800	113,177,000	89,200
Fine Arts and Sciences	3,311,500	(12,500)	3,299,000	3,309,000	10,000
Educational Contracts	3,854,800		3,854,800	3,854,800	
Total	\$412,285,300	(\$12,500)	\$412,272,800	\$419,728,800	\$7,456,000
Total FTE	1,006.7	0.0	1,006.7	1,006.0	(0.7)

Utah State Office of Education

The largest of the public education agencies, the USOE functions as support staff to the State Board of Education and the State Superintendent. The USOE provides information and direction relating to public education policy, procedures, as well as, the development and implementation of education programs, core curricula standards, and student assessment procedures. USOE staff provides statewide service, support, and direction to local school districts and charter schools on education issues.

The USOE budget provides operating revenue for the State Board of Education and the three USOE operating divisions, namely, Student Achievement and School Success, Data and Business Services, and Law, Legislation and Educational Services. The State Board of Education operates two internal service funds to provide for administrative expenses, printing, and mail services.

Legislative Action

The Legislature appropriated \$211,695,600 to USOE for FY 2006, including \$24,188,300 from state funds. The total USOE appropriation represents a decrease of \$3,632,400 from FY 2005 revised levels, but an increase of \$1,400,000 in General Funds. These budget changes result in a total reduction of 1.7 percent from the FY 2005 revised levels. Of the total USOE appropriation, roughly 14 percent provides for the operation of the State Office itself. The remaining 86 percent, or \$183,086,900, is passed through to local school districts.

The reduction of USOE's FY 2006 appropriation is the result of some minor restructuring by the Legislature and an estimated decrease in federal revenue. Legislative action resulted in the creation of a new line item for the State Charter School Board (see page 170). The ongoing revenue appropriated for the State Charter School Board was transferred to the new line item as well as two FTE positions within the USOE to provide support for the charter school board.

Charter School Governance: The Legislature created a new line item for the State Charter School Board. Approximately \$8.4 million in Uniform School Fund and Federal Fund revenue and 2 FTE were transferred from the USOE to the new Charter School line item. Included in this transfer was an additional \$181,000 in Uniform School Fund revenue from the USOE budget to provide for 2 additional FTE that will provide staff support to the State Charter School Board. This action may result in a reduction of USOE staff.

H.B. 249, "Carson Smith Special Needs Scholarships" authorized \$2,470,900 in one-time General Funds to provide private school scholarships to special needs students. The Legislature also authorized \$100,000 in one-time General Funds to the State Office of Education to cover program administration.

Educator Licensing: Currently, the Educator Licensing is supported with \$416,000 in Uniform School Fund and the current fee revenue. Educator licensing is the only professional licensing fee charged by the state that has its operations partially subsidized by the state. The Legislature approved a fee plan that

will provide sufficient revenue to cover the costs associated with educator licensing in FY 2007. Adoption of the fee plan resulted in increased licensing fees as well as new fees charged to educators. The Legislature removed the ongoing Uniform School Fund appropriation supporting educator licensing in FY 2006, and replaced it with \$416,000 in one-time USF revenue. This will enable the USOE to provide educator licensing services from actual collected revenue beginning in FY 2007.

National Geographic Endowment: Legislators approved \$300,000 in one-time Uniform School Funds to create an endowment fund that will support professional development activities for Utah's geography teachers. The National Geographic Education Foundation will provide matching funds.

Civic Education: The Legislature approved \$15,000 in one-time Uniform School Funds with intent language directing the State Board of Education to use the funds for implementation of a Congressional Conference on Civic Education action plan.

Intent Language

The Legislature also passed intent language directing the State Board of Education to use the \$1.4 million in General Funds appropriated during the 2004 General Session to provide for any FY 2005 costs associated with H.B. 249.

Funding Detail

State Office of Education					
	2005	2005	2005	2006	Change from
	Estimated	Supplemental	Revised	Appropriated	2005 Revised
Financing					
General Fund, One-time	1,400,000		1,400,000	2,585,900	1,185,900
Uniform School Fund	21,349,400		21,349,400	20,886,400	(463,000)
Uniform School Fund, One-time	68,900		68,900	716,000	647,100
Federal Funds	185,391,700		185,391,700	180,349,700	(5,042,000)
Dedicated Credits Revenue	5,565,400		5,565,400	5,497,200	(68,200)
Federal Mineral Lease	971,900		971,900	994,300	22,400
GFR - Substance Abuse Prevention	490,000		490,000	494,100	4,100
USFR - Interest and Dividends Account				80,000	80,000
USFR - Professional Practices	90,700		90,700	92,000	1,300
Beginning Nonlapsing	8,330,700		8,330,700	8,330,700	
Closing Nonlapsing	(8,330,700)		(8,330,700)	(8,330,700)	
Total	\$215,328,000	\$0	\$215,328,000	\$211,695,600	(\$3,632,400)
Programs					
Board of Education	8,953,600		8,953,600	4,683,200	(4,270,400)
Student Achievement	146,061,900		146,061,900	146,523,000	461,100
Data and Business Services	4,621,000		4,621,000	4,672,100	51,100
Law, Legislation and Education Services	55,691,500		55,691,500	55,817,300	125,800
Total	\$215,328,000	\$0	\$215,328,000	\$211,695,600	(\$3,632,400)
Total FTE	204.0	0.0	204.0	204.0	0.0

State Charter School Board

During the 2004 General Session, the Legislature created the State Charter School Board. The board authorizes, supports, and promotes the establishment of charter schools and advises the State Board of Education on charter school issues.

Legislative Action

The Legislature appropriated \$8,475,600 to the State Charter School Board, including \$3,274,300 from the Uniform School Fund.

The Legislature created the State Charter School Board line item. This action resulted in a transfer of revenue from the State Office of Education line item to the new Charter School Board line item. The 2 FTE employees assigned to the charter school board were also transferred to the new line time. Included in the transfer from USOE was \$181,000 in ongoing Uniform School Fund revenue to provide for 2 additional FTE to support increased operation needs of the State Charter School Board.

Administrative Funding: Legislators appropriated \$100,000 in ongoing Uniform School Fund revenue to support school level administration in the charter schools.

Start-up Funds: A total of \$2.8 million in one-time Uniform School Funds were provided by the Legislature to support start-up costs at newly approved charter schools.

Intent Language

The Legislature directed the State Board of Education to use the funds reallocated from the USOE to provide staff support to the State Charter School Board by providing technical assistance to charter school applicants, federal grant writing, performance outcome assessment, and financial performance oversight.

Additional intent language directs that administrative funding be distributed to the charter schools on an equalized per student basis determined by actual fall enrollment counts. The intent language also requires that charter schools qualify to receive funds through the Minimum School Program – Administrative Cost Formula program in order to benefit from this appropriation.

The Legislature also approved intent language directing the State Board of Education to use start-up funds to equalize revenue received through the federal charter school start-up grant. Schools that begin operation in fall 2005 should receive up to \$860 per student enrolled when state and federal funds provided for start-up costs are combined.

Funding Detail

State Charter School Board					
	2005	2005	2005	2006	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2005 Revised
Uniform School Fund				474,300	474,300
Uniform School Fund, One-time				2,800,000	2,800,000
Federal Funds				5,201,300	5,201,300
Total	\$0	\$0	\$0	\$8,475,600	\$8,475,600
Programs					
State Charter School Board				8,475,600	8,475,600
Total	\$0	\$0	\$0	\$8,475,600	\$8,475,600

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 individuals. 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

The Legislature appropriated \$54,612,500 to USOR, including \$19,905,800 from the Uniform School Fund and \$254,900 from the General Fund. This appropriation represents an increase of \$1,488,900 from FY 2005 revised, including an increase in state funds of \$780,300. These changes result in a total increase of 2.8 percent from the FY 2005 revised levels.

Assistive Technology: Legislators provided \$300,000 in one-time Uniform School Funds to provide for assistive technology. The program provides assistive technology devices for individuals that meet financial needs test requirements and cannot obtain funding from another source.

Vocational Rehabilitation: The Legislature appropriated \$150,000 from the Uniform School Fund to provide for additional vocational counselors who assist individuals as they transition from the entitlement service offered in the public schools to needs based services offered to adults.

Independent Living: Legislators authorized \$100,000 from the Uniform School Fund for Utah's six Independent Living Centers. The Legislature provided this additional funding to assist with growth in the number of individuals seeking assistance through the Independent Living Centers.

Services for the Deaf and Hard of Hearing – Southern Utah Outreach: Legislators authorized \$50,000, and passed intent language to increase the staff and services working with deaf and hard of hearing individuals in southern Utah. An increasing population, especially in the St. George area, warrants full-time staff trained in providing services for deaf and hard of hearing individuals.

Funding Detail

State Office of Rehabilitation					
	2005	2005	2005	2006	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2005 Revised
General Fund	254,900		254,900	254,900	
Uniform School Fund	18,996,900		18,996,900	19,605,800	608,900
Uniform School Fund, One-time	128,600		128,600	300,000	171,400
Federal Funds	33,161,500		33,161,500	33,857,200	695,700
Dedicated Credits Revenue	581,700		581,700	582,500	800
Transfers				12,100	12,100
Total	\$53,123,600	\$0	\$53,123,600	\$54,612,500	\$1,488,900
Programs					
Executive Director	1,499,000		1,499,000	1,554,400	55,400
Blind and Visually Impaired	4,843,600		4,843,600	4,944,200	100,600
Rehabilitation Services	37,700,800		37,700,800	38,714,100	1,013,300
Disability Determination	7,274,900		7,274,900	7,520,900	246,000
Deaf and Hard of Hearing	1,805,300		1,805,300	1,878,900	73,600
Total	\$53,123,600	\$0	\$53,123,600	\$54,612,500	\$1,488,900
Total FTE	403.2	0.0	403.2	403.0	(0.2)

Utah Schools for the Deaf and Blind

The Utah Schools for the Deaf and Blind (USDB) provides educational services to hearing and/or visually impaired children from birth to age twenty-one. The two main divisions of USDB are 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 \$24,153,300 to USDB, including \$20,256,400 from the Uniform School Fund for FY 2006. This appropriation represents a total increase of \$1,010,500 from FY 2005 revised, including a state fund increase of \$1,089,800. These budget changes result in a total increase of 4.4 percent from the FY 2005 revised levels.

Teacher Salary Adjustments: The Legislature provided \$183,700 to USDB's FY 2006 budget for teacher salary adjustments. Under Utah Code 53A-25-111, USDB instructors are to be given a compensation adjustment equal to the average of that given to school district instructors in the previous year. This amount provides for the increase outlined in statute of \$65,300 as well as \$118,400 to provide step and lane increases for USDB teachers.

Jean Massieu Charter School: The Legislature transferred \$407,500 from the Minimum School Program to USDB to establish the program offered by the Jean Massieu School (JMS) and support the students served by the charter school. The JMS charter school board has voted to merge with USDB and this funding transfer represents FY 2006 Minimum School Program funding projected for operations of the charter school.

Funding Detail

School for the Deaf and Blind					
	2005	2005	2005	2006	Change from
	Estimated	Supplemental	Revised	Appropriated	2005 Revised
Financing					
Uniform School Fund	18,996,400		18,996,400	20,256,400	1,260,000
Uniform School Fund, One-time	170,200		170,200		(170,200)
Dedicated Credits Revenue	633,700		633,700	645,000	11,300
Transfers	3,114,000		3,114,000	3,251,900	137,900
Beginning Nonlapsing	628,500		628,500	400,000	(228,500)
Closing Nonlapsing	(400,000)		(400,000)	(400,000)	
Total	<u>\$23,142,800</u>	<u>\$0</u>	<u>\$23,142,800</u>	<u>\$24,153,300</u>	<u>\$1,010,500</u>
Programs					
Instruction	12,469,400		12,469,400	13,492,600	1,023,200
Support Services	10,673,400		10,673,400	10,660,700	(12,700)
Total	<u>\$23,142,800</u>	<u>\$0</u>	<u>\$23,142,800</u>	<u>\$24,153,300</u>	<u>\$1,010,500</u>
Total FTE	367.0	0.0	367.0	367.0	0.0

USDB – Institutional Council

As an advisory panel to the State Board of Education, the USDB 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 \$451,000 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 expected revenue.

Funding Detail

USDB - Institutional Council					
	2005	2005	2005	2006	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2005 Revised
Dedicated Credits Revenue	363,100		363,100	394,200	31,100
Beginning Nonlapsing	437,300		437,300	363,600	(73,700)
Closing Nonlapsing	(363,600)		(363,600)	(306,800)	56,800
Total	\$436,800	\$0	\$436,800	\$451,000	\$14,200
Programs					
Institutional Council	436,800		436,800	451,000	14,200
Total	\$436,800	\$0	\$436,800	\$451,000	\$14,200
Total FTE	6.5	0.0	6.5	6.0	(0.5)

Child Nutrition Programs

The Child Nutrition Programs offer high quality, nutritionally well-balanced meals to students and develops 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 2006, the Legislature appropriated \$113,177,000 to the Child Nutrition Programs, including \$150,100 from the Uniform School Fund and \$16,814,400 in Dedicated Credits generated by a tax on liquor. This appropriation represents a total increase of \$89,200 from FY 2005 revised, including a state fund increase of \$6,200.

Funding Detail

Child Nutrition					
	2005	2005	2005	2006	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2005 Revised
Uniform School Fund	143,900		143,900	150,100	6,200
Uniform School Fund, One-time	900		900		(900)
Federal Funds	96,139,500		96,139,500	96,212,500	73,000
Dedicated Credits Revenue	16,803,500		16,803,500	16,814,400	10,900
Total	\$113,087,800	\$0	\$113,087,800	\$113,177,000	\$89,200
Programs					
Child Nutrition	113,087,800		113,087,800	113,177,000	89,200
Total	\$113,087,800	\$0	\$113,087,800	\$113,177,000	\$89,200
Total FTE	26.0	0.0	26.0	26.0	0.0

Fine Arts and Sciences Outreach Programs

The Fine Arts and Science Outreach Programs enable Utah's professional art and science organizations to provide their expertise and resources in the teaching of the state's fine art and science curricula. The program ensures that each of the 40 school districts have the opportunity to receive services in a balanced and comprehensive manner over a three year time frame.

Schools receive services through three programs, namely; the Professional Outreach Program in the Schools (POPS), the Request for Proposal (RFP) program, and a Fine Arts and Science

subsidy program. Participating professional organizations support and enhance the state core curriculum by providing educational services, such as demonstrations, performances, presentations, and activities in the public schools.

Legislative Action

For FY 2006, the Legislature appropriated \$3,309,000 from the Uniform School Fund to the Fine Arts and Sciences. This appropriation represents an increase of \$10,000 from FY 2005 revised.

Intent Language

The Legislature passed intent language directing that the POPS program not be expanded to include additional professional organizations in FY 2006 and that participating organizations receive the same level of funding in FY 2006 that they received in FY 2005 as long they continue to provide the same level of service and meet the program requirements established by the State Board of Education. Further, intent language directs the State Board of Education to report to the Education Interim Committee and the Executive Appropriations Committee on the board's long term goals for the programs in the Fine Arts and Sciences line item.

Funding Detail

Fine Arts and Sciences					
	2005	2005	2005	2006	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2005 Revised
Uniform School Fund	2,991,500		2,991,500	2,979,000	(12,500)
Uniform School Fund, One-time	320,000	(12,500)	307,500	330,000	22,500
Total	\$3,311,500	(\$12,500)	\$3,299,000	\$3,309,000	\$10,000
Programs					
Request for Proposal Program	140,000		140,000	140,000	
Arts and Science Subsidy	50,000		50,000	50,000	
Professional Outreach Programs in the School	3,121,500	(12,500)	3,109,000	3,119,000	10,000
Total	\$3,311,500	(\$12,500)	\$3,299,000	\$3,309,000	\$10,000

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 for the State Hospital, and Jordan, South Sanpete, and Iron for correctional facilities.

Legislative Action

For FY 2006, the Legislature appropriated \$3,854,800 from the Uniform School Fund to Education Contracts. This is the same level of funding as in FY 2005.

Funding Detail

Educational Contracts					
	2005	2005	2005	2006	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2005 Revised
Uniform School Fund	3,854,800		3,854,800	3,854,800	
Total	\$3,854,800	\$0	\$3,854,800	\$3,854,800	\$0
Programs					
Youth Center	1,153,200		1,153,200	1,153,200	
Corrections Institutions	2,701,600		2,701,600	2,701,600	
Total	\$3,854,800	\$0	\$3,854,800	\$3,854,800	\$0

Utah State Office of Education – Internal Service Funds

The State Office of Education operates two internal service funds (ISF). 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 2006 operating budget of \$4,913,400 for State Office of Education internal service funds. The Legislature also authorized \$165,000 in capital outlay.

Funding Detail

ISF - USOE Internal Service Fund					
	2005	2005	2005	2006	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2005 Revised
Dedicated Credits - Intragvt Rev	4,942,600		4,942,600	4,913,400	(29,200)
Total	\$4,942,600	\$0	\$4,942,600	\$4,913,400	(\$29,200)
Programs					
ISF - State Board ISF	4,942,600		4,942,600	4,913,400	(29,200)
Total	\$4,942,600	\$0	\$4,942,600	\$4,913,400	(\$29,200)
Total FTE	8.0	0.0	8.0	8.0	0.0

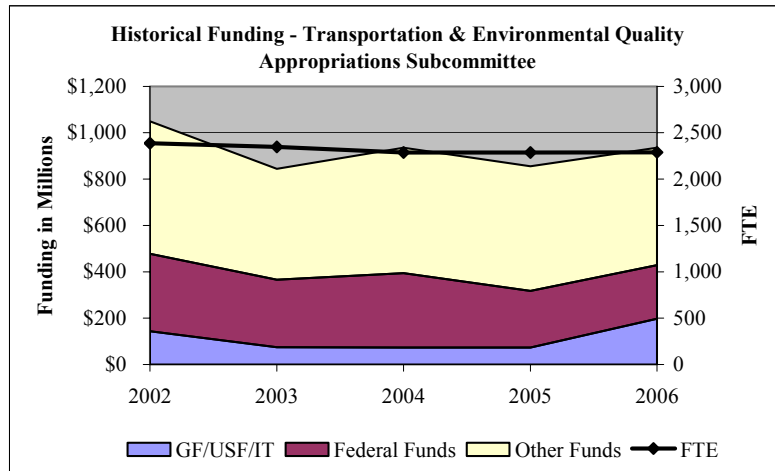
Funding Detail

Public Education Appropriations Subcommittee					
	2005	2005	2005	2006	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2005 Revised
General Fund	254,900		254,900	254,900	
General Fund, One-time	1,400,000		1,400,000	2,585,900	1,185,900
Uniform School Fund	1,780,561,311		1,780,561,311	1,882,618,975	102,057,664
Uniform School Fund, One-time	32,489,000	629,500	33,118,500	19,725,000	(13,393,500)
Federal Funds	314,692,700		314,692,700	315,620,700	928,000
Dedicated Credits Revenue	23,947,400		23,947,400	23,933,300	(14,100)
Federal Mineral Lease	971,900		971,900	994,300	22,400
GFR - Substance Abuse Prevention	490,000		490,000	494,100	4,100
USFR - Interest and Dividends Account				10,000,000	10,000,000
USFR - Professional Practices	90,700		90,700	92,000	1,300
Local Property Tax	404,899,577		404,899,577	446,802,002	41,902,425
Transfers	3,114,000		3,114,000	3,264,000	150,000
Beginning Nonlapsing	9,396,500		9,396,500	9,094,300	(302,200)
Closing Nonlapsing	(9,094,300)		(9,094,300)	(9,037,500)	56,800
Total	\$2,563,213,688	\$629,500	\$2,563,843,188	\$2,706,441,977	\$142,598,789
Programs					
State Board of Education	412,285,300	(12,500)	412,272,800	419,728,800	7,456,000
Minimum School Program	2,123,639,488	642,000	2,124,281,488	2,254,424,277	130,142,789
School Building Program	27,288,900		27,288,900	32,288,900	5,000,000
Total	\$2,563,213,688	\$629,500	\$2,563,843,188	\$2,706,441,977	\$142,598,789
Total FTE	1,006.7	0.0	1,006.7	1,006.0	(0.7)

Transportation, Environmental Quality, and National Guard

Subcommittee Overview

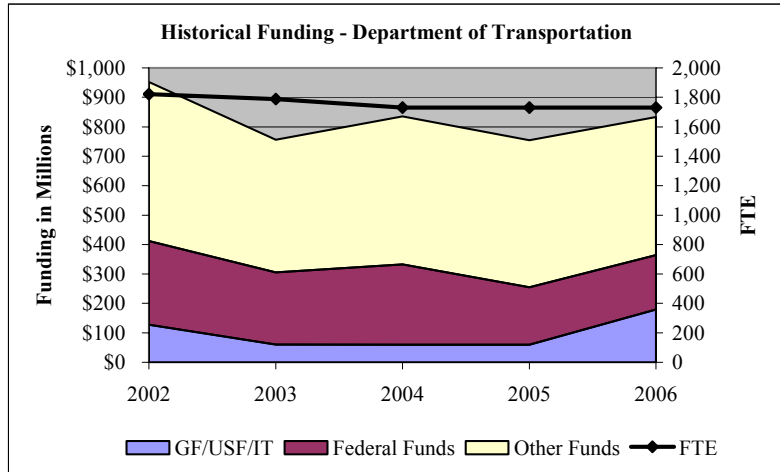
The Legislature provided funding of \$935,171,100 to the Department of Transportation, Department of Environmental Quality, and the Utah National Guard for FY 2006. Major sources of funding for these agencies include: General Fund, Transportation Fund and Federal Funds. The following chart shows funding 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 General Fund appropriations. Revenue estimates adopted by the Legislature for FY 2006 for the Transportation Fund total \$402,500,000 plus an additional \$184,390,800 in federal funds.

The Legislature approved FY 2006 expenditures for the Department of Transportation in the amount of \$832,567,300. This includes \$259,023,500 to fund the FY 2006 portion of the Centennial Highway Program and \$6,739,500 in compensation adjustments. State Internal Service Fund rate changes increased the Department’s operating budget by \$275,300 from the Transportation Fund.



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.

Legislative Action

The Legislature approved a FY 2006 budget of \$25,218,400 for Support Services which is an increase of \$981,800 from the FY 2005 appropriation.

Engineering Services

The Engineering Services Division includes the following programs: Safety Operations, Traffic Safety, Program Development, Preconstruction Administration, Structures, Research, Materials Lab, Research, Engineering Services, Right of Way, Civil Rights, and Contract Management.

Legislative Action

The FY 2006 budget approved for the Engineering Services Division is \$31,210,600 which is an increase of \$540,000 for this line item. The increase is for improvements and expansion of services at the Traffic Operations Center. The FY 2005 appropriation includes FTE assignment changes primarily from transferring personnel from the Construction line item to the Engineering Services line item.

Adjustment Improvements, Efficiencies, Cost Reductions and FTE Assignments: The Department recommended efficiency cost reductions for the FY 2005 budget of approximately \$5 million and a decrease of 98.5 FTE. These FTE reductions came throughout the Department Program Line Items with major adjustments when the maintenance and field crew personnel were combined to become the operational crews' personnel.

The Transportation, Environmental Quality, and National Guard Appropriations Subcommittee sent a letter to the Department of Transportation encouraging continued effort to increase efficiencies and effectiveness. The subcommittee will follow up with their request by requiring a report on the Department's progress sometime during the interim.

Construction

The Construction line item includes the Rehabilitation/Preservation, Federal Construction-New, and State Construction-New.

Legislative Action

The Legislature approved a total FY 2006 budget for the Construction line item of \$200,488,400. The appropriation included funding from the following two sources:

Sales Tax for Infrastructure: The appropriation includes \$1,124,600 from sales tax revenue according to 59-12-103 which directs the first three percent annually generated by a 1/16 of one percent sales tax increase to be used for corridor preservation. (Another three percent is used for State Park Access Highways Improvement for park access throughout the state.) Additional funding of \$400,000 for corridor preservation has been provided since July 1, 1998.

H.B. 1008, “Transportation Investment Act” from the First Special Session, creates the Transportation Investment Fund (TIF) and the Centennial Highway Fund Restricted Account. The bill transfers \$59,594,700 from Sales Tax revenue to the Centennial Highway Fund Restricted Account. After general obligation bonds for the Centennial Highway Program are paid off, those Sales Tax revenues will be deposited into the new TIF. The bill further transfers \$30,000,000 of one time General Funds appropriated to the Centennial Highway Program during the 2005 General Session of the Legislature to the TIF and then to the Construction Management - State Construction New - line item.

Intent Language

The Legislature approved intent language directing how funding should be spent for construction and authorized the Department to adjust the field crews to accommodate the Federal Construction Program.

Centennial Highway Fund

A commitment was made by the Legislature during the 1996 General Session 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 to 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 2006 commitment to the Centennial Highway Fund is \$259,023,500. The following are some of the key funding sources:

General Fund: The Legislature appropriated \$90,000,000 from the General Fund to the Department of Transportation for highway construction 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.

Dedicated Credits: An appropriation of \$1,153,000 in Dedicated Credits was appropriated to the Centennial Highway Fund. These funds are expected to be collected from Local/Private sources.

Fuel Tax Revenues: For FY 2006, revenues from taxes on fuel are estimated to generate \$69,594,000

Vehicle Registration Fees: Centennial Highway Fund Restricted Account revenues are expected to increase by \$21,013,000 in FY 2006 from vehicle registration fees.

Designated Sales Tax: The Centennial Highway Fund will receive \$66,004,700 from designated sales taxes, together with the dedication of \$59,594,700 from enactment of HB 1008 during the first Special Session of 2006. In addition there is expected to be \$118,054,000 from beginning balances in the Centennial Highway Fund.

Federal Funds: An estimated \$34 million will be available for Centennial Highway Projects from federal funds. Revenue Transfers of \$6,000,000 from the Department of Transportation and Closing Balances of (\$18,317,000) will also be available to the Centennial Highway Program for FY 2006.

No General Obligation bonds will be issued in FY 2006 for use on projects within the Centennial Highway Program. Debt service on previous bond issues is estimated to be \$128,479,200 for FY 2006.

Region Management

The Legislature approved a total FY 2006 budget for Region Management of \$23,607,300 which is an increase of \$740,500 from the FY 2005 estimated level.

Equipment Management

The Legislature approved a FY 2006 expenditure of \$17,929,000 for Equipment Management.

This appropriation includes \$7,369,200 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 FY 2006 budget for Maintenance Management of \$102,916,900. The appropriation includes an additional \$1,500,000 from the Transportation Fund to increase maintenance of state highways.

Intent Language

The Legislature approved intent language directing how funding should be spent for construction and authorized the Department to adjust the field crews to accommodate the Federal Construction Program.

Sidewalk Construction

The Legislature approved a FY 2006 budget of the Sidewalk Construction Program 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 devices.

Mineral Lease/Payment in Lieu

The Legislature approved FY 2006 expenditures for the Mineral Lease/Payment in Lieu programs of \$17,929,000.

Intent Language

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

B & C Road Fund

The Legislature approved \$114,133,800 for distribution to local governments through the B & C Road Account for FY 2006. This is an estimate only since the actual disbursement will depend on the total free revenues collected in the Transportation Fund in FY 2006. The appropriation includes \$17,618,400 from sales tax revenue which, according to 59-12-103, 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 2006 budget for the Aeronautics Division of \$30,480,000 which is a decrease of \$48,200 from the estimated FY 2005 level. This decrease is primarily due to a reduction in Federal Funding for airport construction.

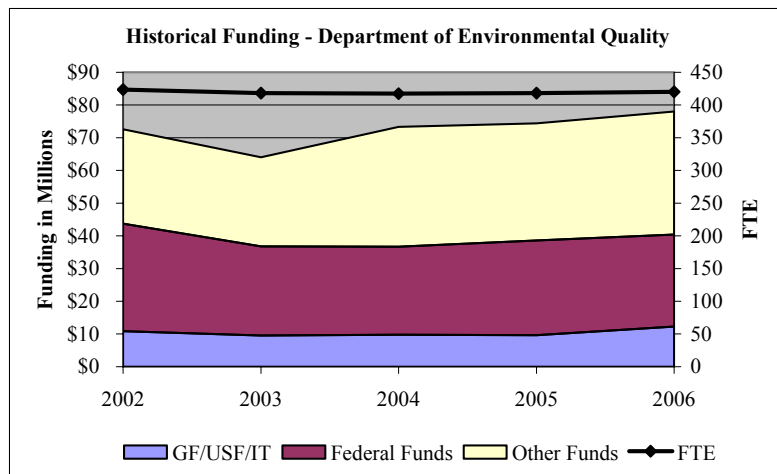
Funding Detail

Department of Transportation					
	2005	2005	2005	2006	Change from
	Estimated	Supplemental	Revised	Appropriated	2005 Revised
Financing					
General Fund	59,682,800		59,682,800	90,088,100	30,405,300
Transportation Fund	382,097,000		382,097,000	389,270,500	7,173,500
Transportation Investment Fund				30,000,000	30,000,000
Centennial Highway Fund	20,401,000		20,401,000		(20,401,000)
Centennial Highway Fund Restricted Account				80,607,700	80,607,700
Centennial Highway Fund, One-time		(12,162,400)	(12,162,400)		12,162,400
Federal Funds	194,622,100		194,622,100	184,242,400	(10,379,700)
Dedicated Credits Revenue	18,699,100		18,699,100	18,715,300	16,200
Dedicated Credits - Transportation Bonds	48,000,000		48,000,000		(48,000,000)
Federal Mineral Lease	17,269,000		17,269,000	30,480,000	13,211,000
TFR - Aeronautics Fund	7,221,300		7,221,300	6,752,500	(468,800)
Debt Service	(127,050,000)		(127,050,000)	(128,479,200)	(1,429,200)
Designated Sales Tax	24,790,000		24,790,000	25,153,000	363,000
Transfers - Within Agency	6,500,000		6,500,000	6,000,000	(500,000)
Centennial Highway Program		12,162,400	12,162,400		(12,162,400)
Beginning Nonlapsing	220,227,700		220,227,700	118,054,000	(102,173,700)
Closing Nonlapsing	(118,054,000)		(118,054,000)	(18,317,000)	99,737,000
Total	<u>\$754,406,000</u>	<u>\$0</u>	<u>\$754,406,000</u>	<u>\$832,567,300</u>	<u>\$78,161,300</u>
Programs					
Support Services	24,737,100	48,100	24,785,200	25,218,400	433,200
Engineering Services	29,434,900	97,300	29,532,200	31,210,600	1,678,400
Maintenance Management	99,028,800	406,300	99,435,100	102,916,900	3,481,800
Construction Management	182,553,200	12,162,400	194,715,600	200,488,400	5,772,800
Region Management	22,941,800	(513,100)	22,428,700	23,607,300	1,178,600
Equipment Management	17,648,000	(38,600)	17,609,400	17,929,000	319,600
Aeronautics	27,528,200		27,528,200	27,059,400	(468,800)
B and C Roads	114,988,200		114,988,200	114,133,800	(854,400)
Safe Sidewalk Construction	1,931,700		1,931,700	500,000	(1,431,700)
Mineral Lease	17,380,000		17,380,000	30,480,000	13,100,000
Centennial Highway Program	216,234,100	(12,162,400)	204,071,700	259,023,500	54,951,800
Total	<u>\$754,406,000</u>	<u>\$0</u>	<u>\$754,406,000</u>	<u>\$832,567,300</u>	<u>\$78,161,300</u>
Total FTE	1,730.0	0.0	1,730.0	1,730.0	0.0

Department of Environmental Quality

The responsibility of the Department of Environmental Quality 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 2006 expenditures for the Department of Environmental Quality of \$78,040,800.

Budgetary issues that will be felt Department wide include funding for a 2.5 percent cost of living adjustment, health and dental insurance increases, and funding for market comparability adjustment of \$1,200,400 in FY 2006. These increases total \$2,246,800, of which \$486,600 is from the General Fund. State Internal Service Fund rate changes increased the Department budget by \$42,800 (\$21,500 General Fund).



Executive Director's Office

The Executive Director's Office provides administrative direction to the entire department. This office has the

responsibility of implementing state and federal environmental laws and regulations, coordinating department programs with local health departments, and providing fiscal oversight for the department.

Legislative Action

The Legislature approved a total FY 2006 budget for the Executive Director's Office of \$7,332,000. This appropriation includes salary and benefit adjustments of \$185,000.

High Level Nuclear Waste Storage: A one-time appropriation of \$2,000,000 in FY 2006 from the General Fund was approved to fund continued State opposition to the storage of high level nuclear waste in Utah.

The Legislature also increased the FY 2006 appropriation by \$81,600 to hire an internal auditor for the Department.

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 2006 budget for Air Quality of \$9,498,200.

Intent Language

The Legislature approved intent language allowing any unexpended funds to be used to reduce emission fees.

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 \$7,041,600 to the Response and Remediation Program for FY 2006. The appropriation reauthorized one-time funding of \$87,200 from the Petroleum Storage Tank Expendable Trust Fund for FY 2006 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 \$2,920,400 as an expenditure level for FY 2006 for the Radiation Control Program.

The Legislature increased the FY 2006 appropriation by \$142,300 to the Radiation Control Program for increased inspection and electronic data base tracking of low level nuclear waste storage within the state.

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 \$9,324,600 was approved by the

Legislature for the Water Quality Program for FY 2006. In addition \$17,655,300 was approved for the water quality loan program for FY 2006.

Intent Language

The Legislature approved intent language allowing any unexpended Groundwater Permit Administration fees to be used to reduce permit fees the following year.

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 2006 of \$3,927,600. In addition, an appropriation of \$12,929,100 was approved for the Drinking Water Loan Program for FY 2006.

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 2006 budget for Solid and Hazardous Waste of \$7,012,000.

House Bill 230, "Recycling of Waste Tires" increases the fee paid to recyclers of waste tires. Funding for this increase will come from fees paid on each new tire sold in the state.

Funding Detail

Department of Environmental Quality					
	2005	2005	2005	2006	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2005 Revised
General Fund	9,487,900		9,487,900	10,296,600	808,700
General Fund, One-time	83,600		83,600	2,000,000	1,916,400
Federal Funds	29,024,900		29,024,900	28,086,400	(938,500)
Dedicated Credits Revenue	7,284,700		7,284,700	7,441,400	156,700
GFR - Environmental Quality	5,151,500		5,151,500	6,072,800	921,300
GFR - Underground Wastewater System	76,000		76,000	76,000	
GFR - Used Oil Administration	702,100		702,100	716,300	14,200
GFR - Voluntary Cleanup	614,200		614,200	611,800	(2,400)
GFR - WDS - Drinking Water	54,800		54,800	53,900	(900)
GFR - WDS - Water Quality	805,400		805,400	849,100	43,700
ET - Petroleum Storage Tank	1,151,900		1,151,900	1,216,200	64,300
ET - Waste Tire Recycling	105,300		105,300	111,600	6,300
Clean Fuel Vehicle Loan				400,000	400,000
Designated Sales Tax	7,175,000		7,175,000	7,175,000	
Petroleum Storage Tank Account	50,600		50,600	50,000	(600)
Petroleum Storage Tank Loan	145,200		145,200	143,500	(1,700)
Transfers - Within Agency	227,700		227,700	175,200	(52,500)
Repayments	11,522,100		11,522,100	11,816,900	294,800
Beginning Nonlapsing	1,477,700		1,477,700	759,900	(717,800)
Closing Nonlapsing	(759,900)		(759,900)	(11,800)	748,100
Total	\$74,380,700	\$0	\$74,380,700	\$78,040,800	\$3,660,100
Programs					
Environmental Quality	44,091,500		44,091,500	47,056,400	2,964,900
Water Security Dev Acct - Water Pollution	17,415,900		17,415,900	17,655,300	239,400
Water Security Dev Acct - Drinking Water	12,873,300		12,873,300	12,929,100	55,800
Hazardous Substance Mitigation Fund				400,000	400,000
Total	\$74,380,700	\$0	\$74,380,700	\$78,040,800	\$3,660,100
Total FTE	418.0	0.0	418.0	420.0	2.0

National Guard

The primary purposes of the Utah National Guard are to provide military forces to assist with national military actions to quell civil disturbances, and to provide 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 2006 expenditures for the Utah National Guard of \$24,563,000.

Budgetary issues that will be felt Department wide include funding for a 2.5 percent cost of living adjustment, health and dental insurance increases, and funding for market comparability adjustments of \$392,400 in FY 2006. These increases total \$794,400, of which \$651,500 is from the General Fund.

State Internal Service Fund rate changes decreased the Department budget by \$5,000.

The appropriation included the following new items:

Armory Maintenance: An increased appropriation of \$117,500 to fund additional maintenance of statewide armory facilities was approved for FY 2006.

House Bill 1007 “Veterans’ Nursing Home Authorization and Funding” passed during the First Special Session and authorizes a bond of \$4,500,000 to fund a new veterans’ nursing home in Ogden if federal matching funds are available before December 31, 2006. The bonding authority is repealed if federal funds are not received on or before that date.

Funding Detail

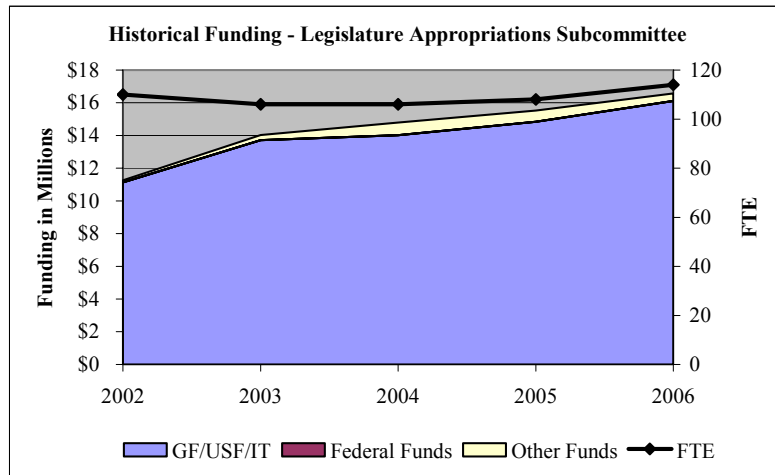
Utah National Guard					
	2005	2005	2005	2006	Change from
	Estimated	Supplemental	Revised	Appropriated	2005 Revised
Financing					
General Fund	4,472,600		4,472,600	4,765,000	292,400
General Fund, One-time	25,900		25,900	500,000	474,100
Federal Funds	20,455,900		20,455,900	19,085,900	(1,370,000)
Dedicated Credits Revenue	1,939,300		1,939,300	127,700	(1,811,600)
Transfers	50,300		50,300	84,400	34,100
Transfers - Intergovernmental	34,100		34,100		(34,100)
Beginning Nonlapsing	18,500		18,500		(18,500)
Total	\$26,996,600	\$0	\$26,996,600	\$24,563,000	(\$2,433,600)
Programs					
Utah National Guard	26,996,600		26,996,600	24,563,000	(2,433,600)
Total	\$26,996,600	\$0	\$26,996,600	\$24,563,000	(\$2,433,600)
Total FTE	139.0	0.0	139.0	139.0	0.0

Funding Detail

Transportation & Environmental Quality Appropriations Subcommittee					
	2005	2005	2005	2006	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2005 Revised
General Fund	73,643,300		73,643,300	105,149,700	31,506,400
General Fund, One-time	109,500		109,500	2,500,000	2,390,500
Transportation Fund	382,097,000		382,097,000	389,270,500	7,173,500
Transportation Investment Fund				30,000,000	30,000,000
Centennial Highway Fund	20,401,000		20,401,000		(20,401,000)
Centennial Highway Fund Restricted Account				80,607,700	80,607,700
Centennial Highway Fund, One-time		(12,162,400)	(12,162,400)		12,162,400
Federal Funds	244,102,900		244,102,900	231,414,700	(12,688,200)
Dedicated Credits Revenue	27,923,100		27,923,100	26,284,400	(1,638,700)
Dedicated Credits - Transportation Bonds	48,000,000		48,000,000		(48,000,000)
Federal Mineral Lease	17,269,000		17,269,000	30,480,000	13,211,000
GFR - Environmental Quality	5,151,500		5,151,500	6,072,800	921,300
GFR - Underground Wastewater System	76,000		76,000	76,000	
GFR - Used Oil Administration	702,100		702,100	716,300	14,200
GFR - Voluntary Cleanup	614,200		614,200	611,800	(2,400)
GFR - WDS - Drinking Water	54,800		54,800	53,900	(900)
GFR - WDS - Water Quality	805,400		805,400	849,100	43,700
TFR - Aeronautics Fund	7,221,300		7,221,300	6,752,500	(468,800)
ET - Petroleum Storage Tank	1,151,900		1,151,900	1,216,200	64,300
ET - Waste Tire Recycling	105,300		105,300	111,600	6,300
Clean Fuel Vehicle Loan				400,000	400,000
Debt Service	(127,050,000)		(127,050,000)	(128,479,200)	(1,429,200)
Designated Sales Tax	31,965,000		31,965,000	32,328,000	363,000
Petroleum Storage Tank Account	50,600		50,600	50,000	(600)
Petroleum Storage Tank Loan	145,200		145,200	143,500	(1,700)
Transfers	50,300		50,300	84,400	34,100
Transfers - Intergovernmental	34,100		34,100		(34,100)
Transfers - Within Agency	6,727,700		6,727,700	6,175,200	(552,500)
Centennial Highway Program		12,162,400	12,162,400		(12,162,400)
Repayments	11,522,100		11,522,100	11,816,900	294,800
Beginning Nonlapsing	221,723,900		221,723,900	118,813,900	(102,910,000)
Closing Nonlapsing	(118,813,900)		(118,813,900)	(18,328,800)	100,485,100
Total	\$855,783,300	\$0	\$855,783,300	\$935,171,100	\$79,387,800
Programs					
National Guard	26,996,600		26,996,600	24,563,000	(2,433,600)
Environmental Quality	74,380,700		74,380,700	78,040,800	3,660,100
Transportation	754,406,000		754,406,000	832,567,300	78,161,300
Total	\$855,783,300	\$0	\$855,783,300	\$935,171,100	\$79,387,800
Total FTE	2,287.0	0.0	2,287.0	2,289.0	2.0

Legislature

Subcommittee Overview



Legislative Action

The revised FY 2005 ongoing General Fund appropriation for the Legislature and staff agencies is \$14,356,700.

The Legislature approved a total FY 2006 spending level for the Legislature and its staff agencies of \$16,562,400, with \$16,109,000 from the General Fund. The total appropriation represents a General Fund increase of 7.1 percent over the FY 2005 revised appropriation. This funding includes resources for the annual General Session, Interim Committees of the Legislature, and staff offices.

In addition, funding was approved for the following items:

- ▶ A 2.5 percent cost-of-living adjustment, health and dental insurance increases, and funding of market comparability adjustments in FY 2006. These increases total \$559,200 from the General Fund.
- ▶ State Internal Service Fund rate changes increased Legislative budgets by \$7,600.

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- ▶ The Office of Legislative Research and General Counsel's budget was increased by \$244,100 to fund current expense increases and additional FTE support.
 - ▶ The Office of the Legislative Auditor General was appropriated an additional \$342,100 to increase its staff by two full-time auditors and replace \$168,000 of one time funding.
 - ▶ The Office of the Legislative Fiscal Analyst's budget was increased by \$174,000 to hire two additional analysts.
 - ▶ Increased assessments from the National Conference of State Legislatures (NCSL) and Council of State Governments for dues for 2006 resulted in increases of \$1,500 for the Senate and \$5,300 for the House of Representatives.
 - ▶ The Legislature approved increased funding of \$33,000 for the House of Representatives to fund increased expenditures for retired legislators' health insurance.
 - ▶ A one-time appropriation of \$200,000 was approved for the House of Representatives for increased current expense and adjustments to the new legislative facilities.
 - ▶ For legislative participation in Public Lands Policy Coordination Committee, funding in the amount of \$6,800 was approved.
 - ▶ The Legislature approved six task forces and commissions for interim work. To cover the expected costs of \$422,800, the Legislature approved FY 2005 supplemental appropriations. The task forces and commissions include:
 1. Highway Jurisdictional Transfer Task Force
 2. Land Value Property Tax Study
 3. Privately Owned Health Care Task Force
 4. Tax Reform Task Force
 5. Tourism Picture Task Force
 6. Government Records Access and Management (GRAMA) Task Force

Funding Detail

Legislature					
	2005 Estimated	2005 Supplemental	2005 Revised	2006 Appropriated	Change from 2005 Revised
Financing					
General Fund	14,356,700		14,356,700	15,815,200	1,458,500
General Fund, One-time	62,500	422,800	485,300	293,800	(191,500)
Dedicated Credits Revenue	320,500		320,500	320,600	100
Beginning Nonlapsing	2,920,500		2,920,500	2,557,800	(362,700)
Closing Nonlapsing	(2,557,800)		(2,557,800)	(2,425,000)	132,800
Total	\$15,102,400	\$422,800	\$15,525,200	\$16,562,400	\$1,037,200
Programs					
Senate	1,687,950	16,200	1,704,150	1,733,050	28,900
House of Representatives	3,084,350	26,600	3,110,950	3,370,550	259,600
Legislative Auditor General	2,133,000		2,133,000	2,564,800	431,800
Legislative Fiscal Analyst	2,149,100		2,149,100	2,288,700	139,600
Legislative Printing	811,100		811,100	822,600	11,500
Legislative Research and General Counsel	5,131,900	380,000	5,511,900	5,677,700	165,800
Tax Review Commission	50,000		50,000	50,000	
Constitutional Revision Commission	55,000		55,000	55,000	
Total	\$15,102,400	\$422,800	\$15,525,200	\$16,562,400	\$1,037,200
Total FTE	108.0	0.0	108.0	114.0	6.0

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. An additional Federal Debt term is **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.

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.

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.