

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.”

**2006-2007
APPROPRIATIONS
REPORT**

Utah Legislature

2006 General Session
Third Special Session (May 2006)

**Office of the Legislative Fiscal Analyst
John E. Massey
Legislative Fiscal Analyst**

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

June 2006

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Executive Summary

Appropriations Overview

Lawmakers entered the 2006 General Session facing difficult decisions presented by more than \$1 billion in projected tax revenue growth for fiscal years 2006 and 2007. From the start, Legislators focused on tax cuts, education, social services and infrastructure. The first additions to the base budget were for growth in public education, Medicaid rolls, and building maintenance needs. Total funding for Health and Human Services increased by \$60.1 million (2.6 percent) over the FY 2006 base. FY 2007 funding for Public Education increased by \$268.3 million (9.8 percent) while funding for Higher Education increased by \$32.2 million (three percent).

Cash funding for buildings, including renovation of the State Capitol, USTAR, and Utah Valley State College's library, increased by \$53 million (37 percent). Another \$110 million in general obligation bonding was authorized for USTAR buildings. Paying cash for most capital projects helped the Legislature incur general obligation debt for the USTAR initiative only.

General Fund appropriations for transportation were increased by \$291 million in FY 2007. Of the \$291 million, \$90 million is ongoing and \$201 is one-time funding.

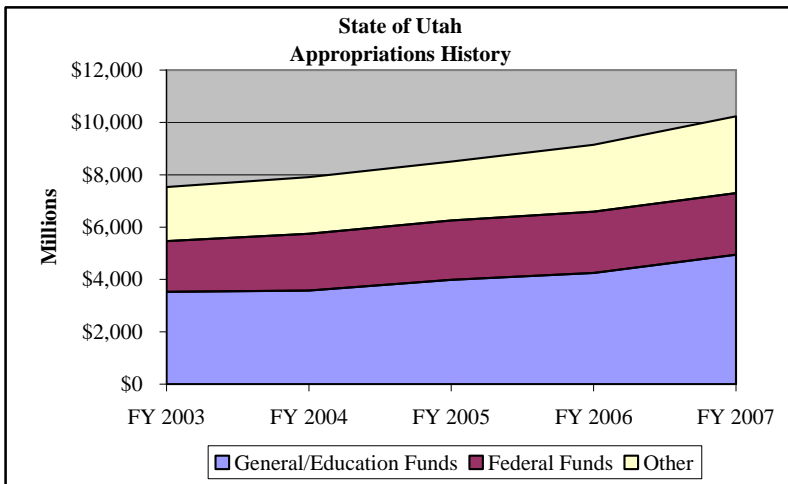
Finally legislators deposited \$25 million into the state's rainy day fund. This brings the state's reserves to a level higher than in 2001 when monies from the Rainy Day Fund were used to mitigate the impact of revenue shortfalls.

Structural Balance

Utah's budget for FY 2007 has a \$71 million structural surplus. From a bond rating agency's point of view, that is a positive thing.

Rating agencies like Standard and Poor's, Moody's, and Fitch rank a state's creditworthiness based in part on the state's abilities to meet its future obligations. Since structural surpluses mean that ongoing revenues are greater than ongoing obligations, rating agencies view them positively. Utah has AAA ratings from each of the three rating agencies, and the FY 2007 structural surplus will help to protect those ratings.

FY 2007 represents the first year since the 2001 General Session that Utah has had a structural budget surplus. In recession years, the state used one-time revenue - such as federal grants, nonlapsing balances, rainy day funds, and bond proceeds - to partially fill the gap left by declining ongoing revenue. This was reflected in structural deficits. The end of these structural imbalances is one indication of a healthy economy.



Revenue

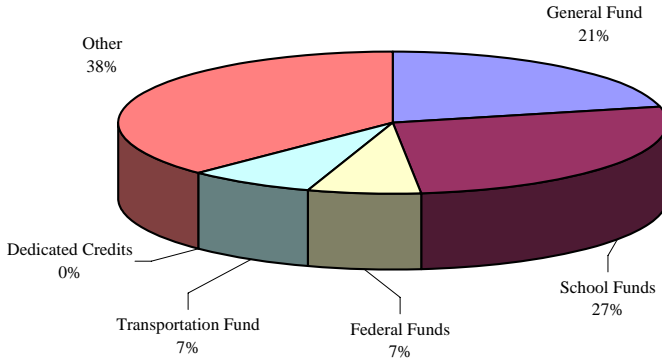
The Legislature appropriates funds from a number of revenue sources. These include: the General Fund (GF) which is supported primarily by sales taxes, and the Uniform School Fund (USF) which consists largely of income tax. Other major sources are federal funds, the gas-tax based Transportation Fund, dedicated credits (fee for service revenue), property taxes, bond proceeds, and other sources. Appropriators adopted \$4,704,800,000 as available General Fund and Uniform School Fund revenue for FY 2007. This represents a 5.2 percent increase from their revised FY 2006 revenue target of \$4,473,500,000, and 46 percent of total FY 2007 revenue. Changes in revenue from legislation approved during the 2006 General Session adjusted the FY 2006 revenue available to \$4,708,837,000 and the FY 2007 amount to \$5,015,537,000.

Appropriations

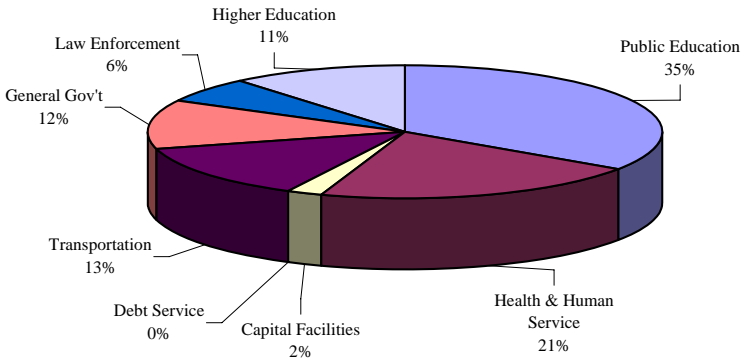
The Legislature approved a total of \$10.24 billion in spending from all sources for FY 2007, an increase of almost 12 percent over the FY 2006 revised appropriations. Of the total amount, Legislators appropriated \$4.9 billion from State Funds (the General Fund and school funds), an increase of 16.3 percent over FY 2006 revised. This included expenditure of some FY 2006 revenue carried forward to FY 2007. It is important to note that the revised FY 2006 level was 7.55 percent over the FY 2005 total appropriation and 6.5 percent over the FY 2005 state funds appropriation.

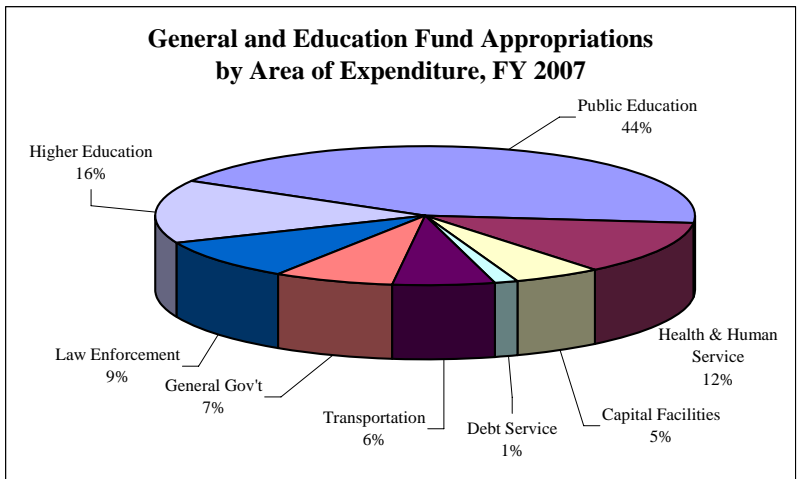
The following charts show funding sources and areas of expenditures by funding source.

Total Appropriations by Revenue Source, FY 2007



Total Appropriations by Area of Expenditure, FY 2007





Employee Compensation

For FY 2007, the Legislature provided the following compensation package for State and Higher Education employees:

- *Cost of Living Adjustments* - Legislators authorized funding for a 3.5 percent ongoing cost of living adjustment (COLA) for state and Higher Education Employees. Included in this allowance is an adjustment in health insurance benefits equivalent to a 0.5 percent cost of living allowance. Judges, were provided a 3 percent cost of living adjustment with 0.5 percent of that adjustment coming from changes in health insurance benefits.
- *Health Benefits* - the Legislature provided funds necessary to pay an 10.7 percent increase in the cost of health benefits.
- *Market Comparability* - the Legislature provided market comparability adjustments for certain classifications within the Department of Corrections and the Utah Highway Patrol.

In addition, retirement rates and post employment termination pools totaling nearly \$39.6 million were included in the compensation package.

State funding for the compensation of teachers and other public education employees was part of a 6 percent increase in the weighted pupil unit (WPU). These funds will be allocated to school districts who in turn will negotiate with employees for their final compensation packages.

Economic Indicators and Revenue Issues

Utah's economy continues to improve. The following factors had significant influences on revenue estimates made in the 2006 General Session

- Net migration is up with 2005 net migration coming in at approximately 41,000. Strong positive net migration is expected to continue through the coming years.
- Total construction valuation for 2005 grew at almost 29 percent over 2004 numbers and large construction projects anticipated to begin within the next 3 years bode well for the Utah construction industry.
- Strong employment growth is expected to lead to increased sales and income tax revenues.
- Individual income tax revenues, sales tax revenues, and corporate franchise tax revenues all continue to significantly outpace historical growth rates.

Tax Changes / Bills Affecting State Revenue and Expenditures

H.B. 109, "Sales and Use Tax - Food and Food Ingredients," allows for a 2 percent reduction in sales tax on food. The estimated fiscal impact is a revenue loss of \$35 million in FY 2007 and \$70 million in FY 2008.

H.B. 55, “Property Tax - Circuit Breaker Qualifying Limits,” provides for a shift in brackets and increases in credits allowed under circuit breaker. The estimated fiscal impact is \$580,000 in lost revenue beginning in FY 2008.

S.B. 29, “Sales and Use Tax Exemption - Telecommunications,” provides a sales tax exemption for the Telecommunications Industry. The estimated fiscal impact is \$7.2 million.

S.B. 31, “Sales and Use Tax - Manufacturing and Industry Exemptions Amendments,” Expands the Manufacturing Exemption. The estimated fiscal impact is \$5.995 million.

S.B. 34, “Gross Receipts Tax Amendments, Repeal and Public Utility Tariffs,” provides a reduction in the Gross Receipts Tax paid by certain industries. The estimated fiscal impact is a Uniform School Fund revenue loss of \$2.6 million in FY 2007 and \$5.5 million in FY 2008.

S.B. 179, “Amendments to Sales and Use Tax Exemptions for Certain Vehicles, Boats, Boat Trailers, and Outboard Motors,” provides a sales tax exemption for certain purchase within the state for out of state use. The estimated fiscal impact is \$50,000.

H.B. 47, “Sales Tax Diversion for Water Projects and Water Financing,” requires that certain state sales and use tax revenues be transferred to the Water Resources Conservation and Development Fund and used by the Division of Water Resources for preconstruction costs for certain water projects. The bill also transfers funds to the Division of Water Rights for hiring staff. The estimated fiscal impact is a reduction in General Fund revenues of \$8.6 million in FY 2007 \$8.9 million in FY 2008 and corresponding increases in restricted revenue.

Governor’s Vetoes

Governor Huntsman altered the Legislature's FY 2007 budget actions by vetoing four appropriations line items. These included the following items:

Item 15 of H.B. 3, “Appropriation Adjustments” – a one-time FY 2006 General Fund appropriation of \$150,000 to the Office of Legislative Research and General Counsel.

Items 133 and 134 of H.B. 3, “Appropriation Adjustments” and 163 of S.B. 4, “New Fiscal Year Supplemental Appropriations Act”. These items provided \$90,000,000 in ongoing funding and \$201,000,000 in one-time funding to the Department of Transportation. These items were vetoed for technical reasons, and were corrected in the Third Special Session.

Special Session of the 56th Legislature

Third Special Session

The Legislature was called into special session May 24, 2006 to consider several matters. The items passed during the Special Session with fiscal impact included the following:

- Transportation funding of \$291 million from the General Fund and \$208.2 million from other sources (H.B. 3001);
- Drivers License Programs (H.B. 363 and S.B. 88 passed during the 2006 General Session) were funded at the level of \$597,300. (H.B. 3002);
- Authorization was provided to the Department of Natural Resources to submit an application for a federal grant in the amount of \$15.4 million. (H.J.R. 301);
- Funds were transferred within the Department of Community and Culture, but netted out with no fiscal impact. (S.B. 3001);
- Authorization for the Division of Finance to disburse funds for development zone partial rebates. (S.B. 3007);
- Authorization for the Capitol Preservation Board to expend up to \$15 million from existing appropriations for a parking structure near the Capitol. (S.C.R. 302).

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

Tobacco Funding

FY 2007 marks the eighth year of the State receiving funds from the Master Settlement Agreement with tobacco manufacturers. In those eight years, the state will have received over \$225 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 \$109.8 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 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 to 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)

This allocation may be adversely affected by current litigation with the tobacco manufacturers. The FY 2006 distribution is approximately \$3 million less than originally estimated.

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.

Funding Detail

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

Table 1 compares the FY 2007 Appropriated levels to the FY 2006 Revised levels with funding from all sources. The FY 2006 Estimated column includes original appropriations made during the 2005 General Session, as well as any changes in federal funds, dedicated credits, and other sources of funds estimated by agencies. The FY 2006 Revised column and the FY 2007 Appropriated columns reflect the effect of regular appropriations, supplemental appropriations, and other legislative actions taken during the 2006 General Session.

Table 2 compares General Fund, Uniform School Fund, and Income Tax appropriations for FY 2007 to the estimated FY 2006 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 10 shows the annual changes in the Rainy Day funds.

	FY 2006 Estimated	FY 2006 Supplemental	FY 2006 Revised	Percent Change	FY 2007 Appropriated	Percent Change
Financing						
General Fund	1,910,800,000		1,910,800,000		1,781,897,300	7.29%
General Fund, One-time	79,762,800	41,777,240	121,540,040	2.10%	398,634,200	
Uniform School Fund	1,917,934,675		1,917,934,675		2,115,252,445	24.62%
Uniform School Fund, One-time	43,725,000		43,725,000	0.24%	44,375,000	
Income Tax	235,260,900		235,260,900		548,663,800	
Income Tax, One-time	14,296,600	5,200,000	19,496,600		53,882,000	
Transportation Fund	401,157,800		401,157,800		350,269,200	-12.69%
Transportation Fund, One-time	1,457,000	600,000	2,057,000	41.18%	74,200,000	3507.19%
Centennial Highway Fund	126,393,400		126,393,400		128,607,800	1.75%
General Fund Restricted	185,170,000	981,000	186,151,000	0.53%	208,690,600	12.11%
Uniform School Fund Restricted	10,092,000	4,080,000	14,172,000	40.43%	15,176,100	7.09%
Transportation Fund Restricted	36,617,300		36,617,300		38,781,500	5.91%
Federal Funds	2,323,979,600	18,843,300	2,342,822,900	0.81%	2,354,240,500	0.49%
Dedicated Credits	667,832,700	2,506,500	670,339,200	0.38%	693,383,100	3.44%
Land Grant	1,058,500		1,058,500		1,058,500	0.00%
Federal Mineral Lease	39,846,400	345,300	40,191,700	0.87%	84,756,500	110.88%
Trust and Agency Funds	552,601,702	4,815,000	557,416,702	0.87%	914,827,380	64.12%
Transfers	319,957,800	(5,550,100)	314,407,700	-1.73%	322,837,300	2.68%
Repayments/Reimbursements	13,596,400		13,596,400		31,263,900	129.94%
Pass-through	773,300		773,300		473,300	-38.79%
Beginning Balance	274,929,990	6,073,055	281,003,045	2.21%	130,364,690	-53.61%
Closing Balance	(88,825,990)	(5,327,455)	(94,153,445)	6.00%	(53,558,640)	-43.12%
Lapsing Balance	(2,300,700)	(30,000)	(2,330,700)	1.30%	(1,893,200)	-18.77%
Total	\$9,066,117,177	\$74,313,840	\$9,140,431,017	0.82%	\$10,236,183,275	11.99%
Programs						
Legislature	16,427,900	486,840	16,914,740	2.96%	18,101,550	7.02%
Elected Officials	72,832,700	1,873,700	74,706,400	2.57%	74,811,100	0.14%
Courts	114,242,300	127,600	114,369,900	0.11%	120,366,500	5.24%
Corrections	325,715,500		325,715,500		345,114,500	5.96%
Public Safety	185,186,200	2,161,000	187,347,200	1.17%	171,844,400	-8.27%
Admin & Tech Services	59,684,100	3,506,400	63,190,500	5.87%	47,828,200	-24.31%
Human Resource Mgt	3,743,900		3,743,900		3,899,300	4.15%
Debt Service	248,941,500		248,941,500		236,594,800	-4.96%
Capital Facilities	101,455,600	3,090,000	104,545,600	3.05%	260,783,300	149.44%
Health	1,803,803,200	37,421,400	1,841,224,600	2.07%	1,876,963,900	1.94%
Human Services	511,859,500	1,140,200	512,999,700	0.22%	537,326,300	4.74%
Public Ed - Agencies	453,122,100	745,600	453,867,700	0.16%	472,479,900	4.10%
Public Ed - Minimum School Program	2,254,424,277	4,080,000	2,258,504,277	0.18%	2,503,224,225	10.84%
Public Ed - School Building Program	32,288,900		32,288,900		37,288,900	15.49%
Higher Education	983,504,900	5,200,000	988,704,900	0.53%	1,014,901,300	2.65%
Higher Ed - UEN	27,683,100		27,683,100		29,507,000	6.59%
Higher Ed - Med Ed Council	1,030,000		1,030,000		1,014,100	-1.54%
Higher Ed - UCAT	50,391,600		50,391,600		54,553,100	8.26%
Natural Resources Subcom	195,262,200	9,651,300	204,913,500	4.94%	204,865,400	-0.02%
Commerce & Revenue Subcom	477,696,300		477,696,300		533,853,800	11.76%
Ec Dev & Human Res Subcom	148,412,900	3,986,300	152,399,200	2.69%	240,218,200	57.62%
National Guard	24,640,000	243,500	24,883,500	0.99%	26,236,700	5.44%
Environmental Quality	85,631,600	0	85,631,600		78,866,600	-7.90%
Transportation	888,136,900	600,000	888,736,900	0.07%	1,345,540,200	51.40%
Total	\$9,066,117,177	\$74,313,840	\$9,140,431,017	0.82%	\$10,236,183,275	11.99%

Table 2
Ongoing and One-time Appropriations, FY 2006 - FY 2007
General Fund and Education Fund

	FY 2006			FY 2007		
	Ongoing	One-time	Total	Ongoing	One-time	Total
Financing						
General Fund	1,910,800,000	121,540,040	2,032,340,040	1,781,897,300	398,634,200	2,180,531,500
Uniform School Fund	1,917,934,675	43,725,000	1,961,659,675	2,115,252,445	44,375,000	2,159,627,445
Income Tax	235,260,900	19,496,600	254,757,500	548,663,800	53,882,000	602,545,800
Total	\$4,063,995,575	\$184,761,640	\$4,248,757,215	\$4,445,813,545	\$496,891,200	\$4,942,704,745
Programs						
Legislature	15,815,200	780,640	16,595,840	17,429,600	265,200	17,694,800
Elected Officials	30,808,600	1,956,100	32,764,700	34,252,200	2,494,000	36,746,200
Courts	97,895,300	137,600	98,032,900	104,379,700	177,200	104,556,900
Corrections	278,169,900	245,400	278,415,300	301,808,500	1,932,100	303,740,600
Public Safety	50,372,000	2,181,000	52,553,000	59,204,600	(166,200)	59,038,400
Admin & Tech Services	16,837,400	24,615,100	41,452,500	19,014,400	8,945,300	27,959,700
Human Resource Mgt	3,066,900		3,066,900	3,196,500	(9,200)	3,187,300
Debt Service	74,346,000	2,698,000	77,044,000	68,844,000		68,844,000
Capital Facilities	93,859,600	4,426,200	98,285,800	92,921,300	166,662,000	259,583,300
Health	319,339,900	19,152,000	338,491,900	337,937,700	20,040,600	357,978,300
Human Services	219,780,800	14,138,500	233,919,300	256,076,800	2,818,300	258,895,100
Public Ed - Agencies	68,461,700	6,731,900	75,193,600	72,786,500	20,623,800	93,410,300
Public Ed - Minimum School Prog	1,787,123,275	10,579,000	1,797,702,275	1,996,119,545	21,300,000	2,017,419,545
Public Ed - School Building Prog	27,288,900	5,000,000	32,288,900	27,288,900	10,000,000	37,288,900
Higher Education	622,803,300	10,564,400	633,367,700	650,300,600	2,942,000	653,242,600
Higher Ed - UEN	15,886,700	2,300,000	18,186,700	17,493,900	2,500,000	19,993,900
Higher Ed - Med Ed Council	338,800		338,800	364,100		364,100
Higher Ed - UCAT	44,192,400	108,000	44,300,400	48,589,700	(393,200)	48,196,500
Natural Resources Subcom	48,197,200	7,450,500	55,647,700	53,801,300	5,570,700	59,372,000
Commerce & Revenue Subcom	111,618,600	14,862,500	126,481,100	123,299,300	20,372,300	143,671,600
Ec Dev & Human Res Subcom	32,643,400	24,091,300	56,734,700	54,326,300	6,741,800	61,068,100
National Guard	4,765,000	743,500	5,508,500	5,277,500	1,041,000	6,318,500
Environmental Quality	10,296,600	2,000,000	12,296,600	11,012,500	393,500	11,406,000
Transportation	90,088,100	30,000,000	120,088,100	90,088,100	202,640,000	292,728,100
Total	\$4,063,995,575	\$184,761,640	\$4,248,757,215	\$4,445,813,545	\$496,891,200	\$4,942,704,745

Table 3
Appropriations Comparison, FY 2006 - FY 2007
General Fund and Education Fund

	FY 2006 Estimated	FY 2006 Supplemental	FY 2006 Revised	FY 2007 Appropriated	Percent Change
Financing					
General Fund	1,910,800,000		1,910,800,000	1,781,897,300	} 7.29%
General Fund, One-time	79,762,800	41,777,240	121,540,040	398,634,200	
Uniform School Fund	1,917,934,675		1,917,934,675	2,115,252,445	} 24.62%
Uniform School Fund, One-time	43,725,000		43,725,000	44,375,000	
Income Tax	235,260,900		235,260,900	548,663,800	
Income Tax, One-time	14,296,600	5,200,000	19,496,600	53,882,000	
Total	\$4,201,779,975	\$46,977,240	\$4,248,757,215	\$4,942,704,745	16.33%
Programs					
Legislature	16,109,000	486,840	16,595,840	17,694,800	6.62%
Elected Officials	30,913,600	1,851,100	32,764,700	36,746,200	12.15%
Courts	97,905,300	127,600	98,032,900	104,556,900	6.65%
Corrections	277,582,200	833,100	278,415,300	303,740,600	9.10%
Public Safety	50,392,000	2,161,000	52,553,000	59,038,400	12.34%
Admin & Tech Services	41,446,100	6,400	41,452,500	27,959,700	-32.55%
Human Resource Mgt	3,066,900		3,066,900	3,187,300	3.93%
Debt Service	77,044,000		77,044,000	68,844,000	-10.64%
Capital Facilities	97,695,800	590,000	98,285,800	259,583,300	164.11%
Health	323,978,900	14,513,000	338,491,900	357,978,300	5.76%
Human Services	222,582,000	11,337,300	233,919,300	258,895,100	10.68%
Public Ed - Agencies	75,193,600		75,193,600	93,410,300	24.23%
Public Ed - Minimum School Program	1,797,702,275		1,797,702,275	2,017,419,545	12.22%
Public Ed - School Building Program	32,288,900		32,288,900	37,288,900	15.49%
Higher Education	628,167,700	5,200,000	633,367,700	653,242,600	3.14%
Higher Ed - UEN	18,186,700		18,186,700	19,993,900	9.94%
Higher Ed - Med Ed Council	338,800		338,800	364,100	7.47%
Higher Ed - UCAT	44,300,400		44,300,400	48,196,500	8.79%
Natural Resources Subcom	49,564,700	6,083,000	55,647,700	59,372,000	6.69%
Commerce & Revenue Subcom	126,481,100		126,481,100	143,671,600	13.59%
Ec Dev & Human Res Subcom	53,190,300	3,544,400	56,734,700	61,068,100	7.64%
National Guard	5,265,000	243,500	5,508,500	6,318,500	14.70%
Environmental Quality	12,296,600		12,296,600	11,406,000	-7.24%
Transportation	120,088,100		120,088,100	292,728,100	143.76%
Total	\$4,201,779,975	\$46,977,240	\$4,248,757,215	\$4,942,704,745	16.33%

Table 4
Appropriations Comparison, FY 2006 - FY 2007
General Fund Only

Financing	FY 2006 Estimated	FY 2006 Supplemental	FY 2006 Revised	FY 2007 Appropriated	Percent Change
General Fund	1,910,800,000		1,910,800,000	1,781,897,300	} 7.29%
General Fund, One-time	79,762,800	41,777,240	121,540,040	398,634,200	
Total	\$1,990,562,800	\$41,777,240	\$2,032,340,040	\$2,180,531,500	7.29%
Programs					
Legislature	16,109,000	486,840	16,595,840	17,694,800	6.62%
Elected Officials	30,913,600	1,851,100	32,764,700	36,746,200	12.15%
Courts	97,905,300	127,600	98,032,900	104,556,900	6.65%
Corrections	277,582,200	833,100	278,415,300	303,740,600	9.10%
Public Safety	50,392,000	2,161,000	52,553,000	59,038,400	12.34%
Admin & Tech Services	17,446,100	6,400	17,452,500	27,959,700	60.20%
Human Resource Mgt	3,066,900		3,066,900	3,187,300	3.93%
Debt Service	59,879,700		59,879,700	51,679,700	-13.69%
Capital Facilities	50,902,800	590,000	51,492,800	163,731,600	217.97%
Health	323,978,900	14,513,000	338,491,900	357,978,300	5.76%
Human Services	222,582,000	11,337,300	233,919,300	258,895,100	10.68%
Public Ed - Agencies	2,840,800		2,840,800	7,754,900	172.98%
Higher Education	431,729,400		431,729,400	190,731,300	-55.82%
Higher Ed - UEN	15,257,600		15,257,600	261,100	-98.29%
Higher Ed - Med Ed Council	338,800		338,800	364,100	7.47%
Higher Ed - UCAT	40,903,300		40,903,300	40,910,800	0.02%
Natural Resources Subcom	49,564,700	6,083,000	55,647,700	59,372,000	6.69%
Commerce & Revenue Subcom	108,329,700		108,329,700	124,408,000	14.84%
Ec Dev & Human Res Subcom	53,190,300	3,544,400	56,734,700	61,068,100	7.64%
National Guard	5,265,000	243,500	5,508,500	6,318,500	14.70%
Environmental Quality	12,296,600		12,296,600	11,406,000	-7.24%
Transportation	120,088,100		120,088,100	292,728,100	143.76%
Total	\$1,990,562,800	\$41,777,240	\$2,032,340,040	\$2,180,531,500	7.29%

Table 5
Appropriations Comparison, FY 2006 - FY 2007
Education Fund Only

Financing	FY 2006 Estimated	FY 2006 Supplemental	FY 2006 Revised	FY 2007 Appropriated	Percent Change
Uniform School Fund	1,917,934,675		1,917,934,675	2,115,252,445	} 24.62%
Uniform School Fund, One-time	43,725,000		43,725,000	44,375,000	
Income Tax	235,260,900		235,260,900	548,663,800	
Income Tax, One-time	14,296,600	5,200,000	19,496,600	53,882,000	
Total	<u>\$2,211,217,175</u>	<u>\$5,200,000</u>	<u>\$2,216,417,175</u>	<u>\$2,762,173,245</u>	<u>24.62%</u>
Programs					
Admin & Tech Services	24,000,000		24,000,000		-100.00%
Debt Service	17,164,300		17,164,300	17,164,300	0.00%
Capital Facilities	46,793,000		46,793,000	95,851,700	104.84%
Public Ed - Agencies	72,352,800		72,352,800	85,655,400	18.39%
Public Ed - Minimum School Program	1,797,702,275		1,797,702,275	2,017,419,545	12.22%
Public Ed - School Building Program	32,288,900		32,288,900	37,288,900	15.49%
Higher Education	196,438,300	5,200,000	201,638,300	462,511,300	129.38%
Higher Ed - UEN	2,929,100		2,929,100	19,732,800	573.68%
Higher Ed - UCAT	3,397,100		3,397,100	7,285,700	114.47%
Commerce & Revenue Subcom	18,151,400		18,151,400	19,263,600	6.13%
Total	<u>\$2,211,217,175</u>	<u>\$5,200,000</u>	<u>\$2,216,417,175</u>	<u>\$2,762,173,245</u>	<u>24.62%</u>

Table 6
Revenue Estimates, FY 2006 - FY 2007
In Thousands

General Fund	FY 2006 Estimate	FY 2007 Estimate	Legislative Changes	FY 2007 Rev. Estimate
Sales and Use Tax	1,763,000	1,854,300	(182,672)	1,671,628
Liquor Profits	39,500	40,500		40,500
Insurance Premiums	73,000	78,000		78,000
Beer, Cigarette & Tobacco	57,500	55,000		55,000
Oil and Gas Severance	65,000	65,000		65,000
Metal Severance	13,000	14,000		14,000
Inheritance	4,000			
Investment Income	25,000	25,000		25,000
Other	48,500	49,500		49,500
Property & Energy Tax Credit	(6,000)	(6,000)		(6,000)
Subtotal	\$2,082,500	\$2,175,300	(\$182,672)	\$1,992,628
Education Fund				
Individual Income Tax	2,119,000	2,270,000		2,270,000
Corporate Franchise Tax	260,000	240,000		240,000
Gross Receipts Tax	9,000	9,000	(5,500)	3,500
Escheats	10,000	10,500		10,500
Corp Sales Double-weighting	(7,000)			
Subtotal	\$2,391,000	\$2,529,500	(\$5,500)	\$2,524,000
Total	\$4,473,500	\$4,704,800	(\$188,172)	\$4,516,628
Permanent School Fund				
	\$9,200	\$9,500		\$9,500
Transportation Fund				
Motor Fuel Tax	241,300	248,000		248,000
Special Fuel Tax	98,900	101,500		101,500
Other	74,000	75,000		75,000
Total	\$414,200	\$424,500		\$424,500
Federal Mineral Lease				
Royalties	98,000	98,000		98,000
Bonuses	8,500	8,000		8,000
Total	\$106,500	\$106,000		\$106,000

Table 7
Revenue to Expenditure Comparison, FY 2006 - FY 2007
General and Education Funds (In Thousands)

Financing	FY 2006 Revised	FY 2007 Appropriated	Percent Change
Beginning Balance	223,325	460,079	
General Fund	2,082,500	1,992,628	
Uniform School Fund	2,136,243	1,921,454	
Income Tax	254,758	602,546	
Subtotal	\$4,473,500	\$4,516,628	
One-time Sources			
Corp Sales Tax Double Weight	7,000		
Mineral Lease Discretionary	1,300		
Aviation Development Zones	982		
National Guard Income Tax Credit	(1,100)		
Tobacco Settlement Interest	350		
Industrial Assistance Set-aside	3,479		
Sales and Use Tax on Food		35,000	
Gross Receipt Tax Amendments		2,900	
Other		930	
Total	\$4,708,837	\$5,015,537	6.51%
Programs			
Legislature	16,596	17,695	6.62%
Elected Officials	32,765	36,746	12.15%
Courts	98,033	104,557	6.65%
Corrections	278,415	303,741	9.10%
Public Safety	52,553	59,038	12.34%
Admin & Tech Services	41,453	27,960	-32.55%
Human Resource Mgt	3,067	3,187	3.93%
Debt Service	77,044	68,844	-10.64%
Capital Facilities	98,286	259,583	164.11%
Health	338,492	357,978	5.76%
Human Services	233,919	258,895	10.68%
Public Ed - Agencies	75,194	93,410	24.23%
Public Ed - Minimum School Prog	1,797,702	2,017,420	12.22%
Public Ed - School Building Prog	32,289	37,289	15.49%
Higher Education	633,368	653,243	3.14%
Higher Ed - UEN	18,187	19,994	9.94%
Higher Ed - Med Ed Council	339	364	7.47%
Higher Ed - UCAT	44,300	48,197	8.79%
Natural Resources Subcom	55,648	59,372	6.69%
Commerce & Revenue Subcom	126,481	143,672	13.59%
Ec Dev & Human Res Subcom	56,735	61,068	7.64%
National Guard	5,509	6,319	14.70%
Environmental Quality	12,297	11,406	-7.24%
Transportation	120,088	292,728	143.76%
Total	\$4,248,757	\$4,942,705	16.33%
Ending Balance	\$460,079	\$72,832	

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

Source of Funding	FY 1998		FY 1999		FY 2000		FY 2001		FY 2002		FY 2003		FY 2004		FY 2005		FY 2006		FY 2007		
	Actual	Appropriated	Actual	Appropriated	Actual	Appropriated	Actual	Appropriated	Actual	Appropriated	Actual	Appropriated	Actual	Appropriated	Actual	Appropriated	Revised	Appropriated	Appropriated	Appropriated	
General Fund	1,456,092,199	1,519,875,999	1,582,168,650	1,675,688,000	1,797,774,980	1,795,120,600	1,745,496,800	1,768,306,150	1,708,306,150	1,708,306,150	1,708,306,150	1,745,496,800	1,745,496,800	1,745,496,800	1,745,496,800	1,745,496,800	1,745,496,800	1,910,800,000	1,910,800,000	1,781,897,300	1,781,897,300
General Fund, One-time	1,311,950	14,994,200	5,219,600	30,526,050	(4,874,000)	28,962,750	(241,600)	117,058,700	117,058,700	117,058,700	117,058,700	117,058,700	117,058,700	117,058,700	117,058,700	117,058,700	121,540,040	121,540,040	398,634,200	398,634,200	
Uniform School Fund	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	1,815,156,111	1,815,156,111	1,815,156,111	1,815,156,111	1,734,161,174	1,734,161,174	1,734,161,174	1,734,161,174	1,734,161,174	1,917,934,675	1,917,934,675	2,115,252,445	2,115,252,445	
Uniform School Fund, One-time	98,732,500	133,134,200	152,075,600	167,311,800	103,415,500	4,908,000	112,000,000	112,000,000	112,000,000	112,000,000	112,000,000	112,000,000	112,000,000	112,000,000	112,000,000	112,000,000	235,260,900	235,260,900	44,375,000	44,375,000	
Income Tax		10,500,000	1,000,241	82,551,300	3,703,100	1,935,100	(23,200,000)	52,073,500	52,073,500	52,073,500	19,496,600	19,496,600	19,496,600	19,496,600	19,496,600	19,496,600	401,157,800	401,157,800	53,882,000	53,882,000	
Income Tax, One-time	366,155,500	358,210,900	357,399,700	390,189,100	406,266,600	389,538,000	391,891,100	437,416,000	437,416,000	437,416,000	277,100	277,100	277,100	277,100	277,100	277,100	2,057,000	2,057,000	350,269,200	350,269,200	
Transportation Fund	3,177,300	2,118,900																			
Transportation Fund, One-time	26,298,400	54,438,200	62,532,700	63,833,700	106,621,200	103,848,200	117,531,900	145,772,200	145,772,200	145,772,200	186,151,000	186,151,000	186,151,000	186,151,000	186,151,000	186,151,000	14,172,000	14,172,000	15,176,100	15,176,100	
Centennial Highway Fund																					
Centennial Highway Fund, One-time	90,461,400	101,879,500	98,392,300	117,209,500	119,497,400	132,317,200	154,215,300	171,101,700	171,101,700	171,101,700	72,000	72,000	72,000	72,000	72,000	72,000	36,617,300	36,617,300	38,781,500	38,781,500	
General Fund Restricted																					
Uniform School Fund Restricted	12,248,400	12,837,300		3,079,000		75,800	78,400														
Transportation Fund Restricted	20,546,700	21,015,300	24,724,400	30,319,100	28,683,000	27,573,800	29,813,200	30,720,100	30,720,100	30,720,100	29,813,200	29,813,200	29,813,200	29,813,200	29,813,200	29,813,200	36,617,300	36,617,300	38,781,500	38,781,500	
CB/EENT Education and Enforcement Fund																					
Federal Funds	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	2,264,391,445	2,264,391,445	2,264,391,445	2,175,010,878	2,175,010,878	2,175,010,878	2,175,010,878	2,175,010,878	2,175,010,878	2,342,822,900	2,342,822,900	2,354,240,500	2,354,240,500	
Dedicated Credits	1,301,355,962	596,862,508	466,997,890	578,883,135	957,433,182	774,058,339	614,539,099	614,539,099	614,539,099	614,539,099	774,058,339	774,058,339	774,058,339	774,058,339	774,058,339	774,058,339	670,339,200	670,339,200	693,383,100	693,383,100	
Land Grant	1,126,402	568,537	490,377	857,800	1,148,200	771,000	804,700	804,700	804,700	804,700	771,000	771,000	771,000	771,000	771,000	771,000	1,040,435	1,040,435	1,058,500	1,058,500	
Federal Mineral Lease	41,714,383	30,371,440	33,365,229	39,202,600	34,909,500	43,612,900	64,176,600	64,176,600	64,176,600	64,176,600	43,612,900	43,612,900	43,612,900	43,612,900	43,612,900	43,612,900	40,191,700	40,191,700	84,756,500	84,756,500	
Restricted Revenue	394,325,400	364,705,700	338,853,729	429,809,766	446,988,660	377,644,015	406,862,037	380,298,477	380,298,477	380,298,477	406,862,037	406,862,037	406,862,037	406,862,037	406,862,037	406,862,037	557,416,702	557,416,702	914,827,380	914,827,380	
Trust and Agency Funds	151,168,063	151,997,056	218,537,519	257,340,460	278,521,804	310,161,147	312,380,022	314,413,473	314,413,473	314,413,473	312,380,022	312,380,022	312,380,022	312,380,022	312,380,022	312,380,022	314,407,700	314,407,700	322,837,300	322,837,300	
Transfers	13,468,800	30,087,800	31,062,600	33,064,300	7,999,200	12,260,800	15,206,500	15,206,500	15,206,500	15,206,500	12,260,800	12,260,800	12,260,800	12,260,800	12,260,800	12,260,800	13,596,400	13,596,400	31,263,900	31,263,900	
Repayments/Reimbursements			25,400	1,722,300																	
Other Financing Sources																					
Pass-through	50,000	32,300		31,100		69,500	994,900	994,900	994,900	994,900	69,500	69,500	69,500	69,500	69,500	69,500	773,300	773,300	473,300	473,300	
Beginning Balance	150,025,766	615,907,808	463,651,769	262,658,872	229,021,456	478,431,169	508,794,041	508,794,041	508,794,041	508,794,041	478,431,169	478,431,169	478,431,169	478,431,169	478,431,169	478,431,169	281,003,045	281,003,045	130,364,690	130,364,690	
Closing Balance	(616,319,689)	(450,220,876)	(297,939,451)	(250,197,891)	(460,900,376)	(508,666,242)	(408,796,598)	(408,796,598)	(408,796,598)	(408,796,598)	(508,666,242)	(508,666,242)	(508,666,242)	(508,666,242)	(508,666,242)	(508,666,242)	(94,153,445)	(94,153,445)	(53,558,640)	(53,558,640)	
Lapsing Balance	(38,114,011)	(33,087,907)	(15,821,269)	(52,442,947)	(45,866,673)	(88,457,656)	(56,071,454)	(56,071,454)	(56,071,454)	(56,071,454)	(88,457,656)	(88,457,656)	(88,457,656)	(88,457,656)	(88,457,656)	(88,457,656)	(20,796,900)	(20,796,900)	(1,893,320)	(1,893,320)	
Total	\$6,228,001,602	\$6,610,385,264	\$6,690,814,253	\$7,251,251,994	\$7,649,319,221	\$7,530,436,379	\$7,906,272,399	\$8,498,456,388	\$9,140,431,017	\$10,236,183,275	\$10,236,183,275	\$9,140,431,017	\$9,140,431,017	\$9,140,431,017	\$9,140,431,017	\$9,140,431,017	\$10,236,183,275	\$10,236,183,275	\$10,236,183,275	\$10,236,183,275	

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

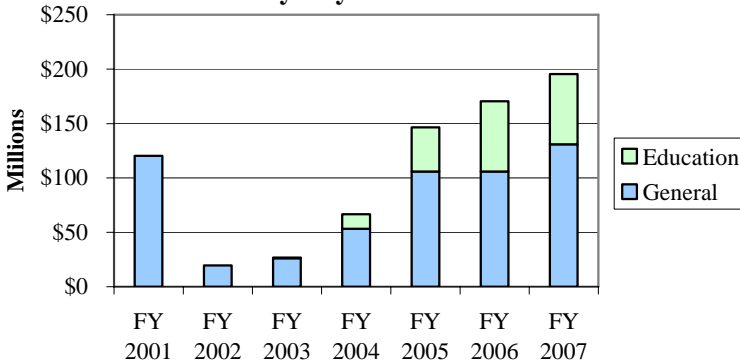
Program	FY 1998		FY 1999		FY 2000		FY 2001		FY 2002		FY 2003		FY 2004		FY 2005		FY 2006		FY 2007		
	Actual	Appropriated	Actual	Appropriated	Actual	Appropriated	Actual	Appropriated	Actual	Appropriated	Actual	Appropriated	Actual	Appropriated	Actual	Appropriated	Revised	Appropriated	Actual	Appropriated	
Legislature	10,129,050	12,744,100	12,905,500	13,463,450	14,221,100	14,023,650	14,791,200	15,000,000	16,914,740	15,000,000	15,000,000	14,791,200	15,000,000	16,914,740	15,000,000	15,000,000	16,914,740	15,000,000	15,000,000	18,101,550	18,101,550
Elected Officials	48,802,000	52,710,100	64,329,700	62,201,900	69,494,500	65,883,200	60,538,300	68,015,400	74,811,100	69,494,500	65,883,200	60,538,300	68,015,400	74,811,100	69,494,500	65,883,200	74,811,100	69,494,500	65,883,200	74,811,100	74,811,100
Courts	81,097,000	91,299,500	94,179,850	98,622,400	100,568,900	97,466,100	101,063,300	106,275,800	114,369,900	100,568,900	97,466,100	101,063,300	106,275,800	114,369,900	100,568,900	97,466,100	101,063,300	106,275,800	100,568,900	106,275,800	120,366,500
Corrections	215,712,500	239,478,400	277,891,600	281,646,700	300,512,500	279,019,900	296,331,300	306,155,200	325,715,500	300,512,500	279,019,900	296,331,300	306,155,200	325,715,500	300,512,500	279,019,900	296,331,300	306,155,200	300,512,500	345,114,500	345,114,500
Public Safety	77,518,600	92,195,300	91,142,300	102,811,500	127,600,100	102,109,200	124,637,100	137,930,600	187,347,200	127,600,100	102,109,200	124,637,100	137,930,600	187,347,200	127,600,100	102,109,200	124,637,100	137,930,600	127,600,100	171,844,400	171,844,400
Admin & Tech Services	25,392,000	29,949,300	28,447,000	30,424,300	29,045,400	22,577,700	23,488,800	38,020,000	63,190,500	29,045,400	22,577,700	23,488,800	38,020,000	63,190,500	29,045,400	22,577,700	23,488,800	38,020,000	29,045,400	47,828,200	47,828,200
Human Resource Mgt	3,157,600	3,177,600	3,283,000	3,233,100	3,316,100	3,067,000	3,185,800	3,172,600	3,899,300	3,233,100	3,067,000	3,185,800	3,172,600	3,899,300	3,233,100	3,067,000	3,185,800	3,172,600	3,233,100	3,899,300	3,899,300
Debt Service	113,890,100	145,157,200	158,273,800	158,886,100	175,188,600	189,020,800	211,960,600	273,677,600	248,941,500	175,188,600	189,020,800	211,960,600	273,677,600	248,941,500	175,188,600	189,020,800	211,960,600	273,677,600	175,188,600	236,594,800	236,594,800
Capital Facilities	139,599,200	182,246,800	115,192,900	288,762,100	184,210,700	187,127,000	44,584,700	151,665,700	104,545,600	184,210,700	187,127,000	44,584,700	151,665,700	104,545,600	184,210,700	187,127,000	44,584,700	151,665,700	184,210,700	260,783,300	260,783,300
Health	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	1,656,093,500	1,841,224,600	1,234,312,321	1,343,097,682	1,521,181,416	1,656,093,500	1,841,224,600	1,234,312,321	1,343,097,682	1,521,181,416	1,656,093,500	1,234,312,321	1,876,963,900	1,876,963,900
Human Services	366,703,593	397,132,453	425,205,985	433,139,393	456,418,300	453,129,186	467,411,200	488,939,800	512,999,700	433,139,393	456,418,300	453,129,186	467,411,200	488,939,800	433,139,393	456,418,300	453,129,186	467,411,200	433,139,393	537,326,500	537,326,500
Public Ed - Agencies	266,410,600	282,804,300	301,884,600	319,757,900	351,885,600	382,485,000	403,792,100	442,072,400	453,867,700	319,757,900	351,885,600	382,485,000	403,792,100	442,072,400	319,757,900	351,885,600	382,485,000	403,792,100	319,757,900	472,479,900	472,479,900
Public Ed - Minimum School Program	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	2,258,504,277	1,885,580,366	1,992,207,600	1,919,896,161	2,005,276,683	2,124,281,488	1,885,580,366	1,992,207,600	1,919,896,161	2,005,276,683	1,885,580,366	2,503,224,225	2,503,224,225
Public Ed - School Building Program	26,538,000	30,858,000	29,358,000	28,358,000	28,358,000	28,358,000	29,288,900	27,288,900	32,288,900	28,358,000	28,358,000	29,288,900	27,288,900	32,288,900	28,358,000	28,358,000	29,288,900	27,288,900	28,358,000	37,288,900	37,288,900
Higher Education	642,070,359	664,764,164	698,621,387	741,840,700	816,853,000	825,704,800	866,809,500	919,547,006	988,704,900	816,853,000	825,704,800	866,809,500	919,547,006	988,704,900	816,853,000	825,704,800	866,809,500	919,547,006	816,853,000	1,014,901,300	1,014,901,300
Higher Ed - UEN	1,592,400	14,546,300	14,786,524	18,908,600	20,686,900	19,049,400	21,352,200	23,116,100	27,683,100	18,908,600	19,049,400	21,352,200	23,116,100	27,683,100	18,908,600	19,049,400	21,352,200	23,116,100	18,908,600	29,507,000	29,507,000
Higher Ed - Med Ed Council	36,535	40,671	497,586	471,500	470,600	516,100	632,200	697,600	1,030,000	40,671	497,586	471,500	470,600	632,200	40,671	497,586	471,500	470,600	40,671	1,014,100	1,014,100
Higher Ed - UCAT	28,816,800	35,741,600	35,330,263	33,682,800	47,916,700	43,245,100	45,042,600	48,060,194	50,391,600	33,682,800	47,916,700	43,245,100	45,042,600	48,060,194	33,682,800	47,916,700	43,245,100	45,042,600	33,682,800	54,553,100	54,553,100
Natural Resources Subcom	127,334,600	136,521,400	154,250,400	150,578,600	158,001,000	176,375,400	165,264,800	166,619,200	204,913,500	158,001,000	176,375,400	165,264,800	166,619,200	204,913,500	158,001,000	176,375,400	165,264,800	166,619,200	158,001,000	204,865,600	204,865,600
Commerce & Revenue Subcom	354,056,600	364,636,800	357,921,600	365,029,300	374,926,700	412,165,900	430,821,500	445,551,600	477,696,300	365,029,300	374,926,700	412,165,900	430,821,500	445,551,600	365,029,300	374,926,700	412,165,900	430,821,500	365,029,300	533,853,800	533,853,800
Ec Dev & Human Res Subcom	81,202,800	85,942,900	93,904,800	121,665,900	113,755,000	121,169,700	132,940,300	111,189,700	152,399,200	93,904,800	121,665,900	113,755,000	121,169,700	132,940,300	93,904,800	121,665,900	113,755,000	121,169,700	93,904,800	240,218,700	240,218,700
National Guard	12,905,400	19,364,600	16,279,000	18,316,000	24,508,800	25,122,500	26,924,000	24,792,500	24,883,200	18,316,000	24,508,800	25,122,500	26,924,000	24,792,500	18,316,000	24,508,800	25,122,500	26,924,000	18,316,000	26,236,700	26,236,700
Environmental Quality	63,309,600	65,963,500	64,377,000	68,866,100	72,627,000	64,010,800	73,282,200	85,651,700	88,876,900	68,866,100	72,627,000	64,010,800	73,282,200	85,651,700	68,866,100	72,627,000	64,010,800	73,282,200	68,866,100	78,866,600	78,866,600
Transportation	1,080,908,300	1,025,213,000	900,514,500	941,431,200	952,233,900	755,816,100	835,651,700	850,511,600	858,736,900	941,431,200	952,233,900	755,816,100	835,651,700	850,511,600	941,431,200	952,233,900	755,816,100	835,651,700	941,431,200	1,345,540,600	1,345,540,600
Total	\$6,228,001,602	\$6,610,385,264	\$6,690,814,253	\$7,251,251,994	\$7,649,319,221	\$7,530,436,379	\$7,946,272,399	\$8,498,456,388	\$9,140,431,017	\$7,649,319,221	\$7,530,436,379	\$7,946,272,399	\$8,498,456,388	\$9,140,431,017	\$7,649,319,221	\$7,530,436,379	\$7,946,272,399	\$8,498,456,388	\$9,140,431,017	\$10,236,183,275	\$10,236,183,275

Table 9
Full Time Equivalent Employees
Appropriated Entities and Internal Service Funds
FY 2005 - FY 2007

Programs	FY 2005	FY 2006	Difference	FY 2007	Difference
	Actual	Revised	'05 - '06	Approp	'06 - '07
Elected Officials	574.3	573.1	(1.1)	595.7	22.6
Courts	1,231.0	1,231.0	0.0	1,235.4	4.4
Corrections	3,321.6	3,441.9	120.2	3,499.2	57.3
Public Safety	1,128.0	1,182.0	54.0	1,195.0	13.0
Admin & Tech Services	711.0	1,640.2	929.3	1,390.0	(250.2)
Human Resource Mgt	36.5	36.5	0.0	202.1	165.6
Health	1,315.8	1,339.4	23.6	1,337.6	(1.8)
Human Services	3,654.5	3,718.1	63.6	3,735.2	17.0
Public Ed - Agencies	1,061.0	1,154.7	93.7	1,153.9	(0.8)
Higher Education	13,101.0	12,616.5	(484.5)	12,616.5	0.0
Higher Ed - UEN	108.0	107.0	(1.0)	107.0	0.0
Higher Ed - Med Ed Council	8.0	8.0	0.0	8.0	0.0
Higher Ed - UCAT	619.0	593.1	(26.0)	593.1	0.0
Natural Resources/Agriculture	1,552.1	1,612.9	60.8	1,603.5	(9.4)
Commerce & Revenue	3,754.0	3,772.5	18.4	3,765.0	(7.4)
Community and Culture	268.0	267.0	(1.0)	275.5	8.5
National Guard	139.0	139.0	0.0	139.0	0.0
Environmental Quality	418.0	421.0	3.0	421.0	0.0
Transportation	1,820.0	1,820.0	0.0	1,820.0	0.0
Total	34,820.7	35,673.8	853.1	35,692.6	18.9

Note: The decrease in FTEs in Admin. And Technology Services reflects the elimination of the ITS Internal Service Fund. The increase in Human Resource Management reflects the consolidation of HR personnel from state agencies to the Department of Human Resource Management.

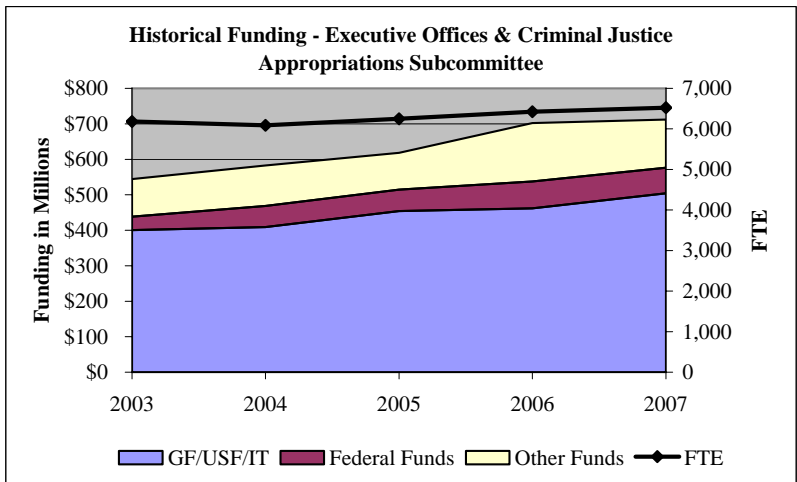
Table 10
Rainy Day Fund Status



Executive Offices and Criminal Justice

Subcommittee Overview

The Executive Offices and Criminal Justice Appropriations Subcommittee oversees and approves budgets for nine state agencies—the Governor’s Office, State Auditor, State Treasurer, Attorney General, Department of Public Safety, Corrections, Board of Pardons and Parole, Division of Juvenile Justice Services, and the Courts. The agencies currently employ over 6,500 Full-time equivalent (FTE) employees. The FY 2007 appropriation from all sources of funding is \$712,136,500. The Subcommittee budget increased by \$9,997,500 or 1.4 percent from FY 2006 revised estimate. Over 70 percent of the Subcommittee’s \$712.1 million budget comes from the General Fund. Over 96 percent of the budget is devoted to law enforcement activities.



General Subcommittee Issues

The 2006 Executive Offices and Criminal Justice Appropriations Subcommittee focused on maintaining the public’s safety. In order to accommodate increased growth in the prison population, the Legislature funded a new 288-bed prison facility and funded additional salary increases for Correctional and Highway Patrol Officers.

The Subcommittee reviewed the non-lapsing status of all agency line items within the budget and extended non-lapsing authority for FY 2007. The Departments of Public Safety, Corrections, and the Courts have been authorized to combine major line items to provide greater budget flexibility in managing operations.

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 Emergency Fund line item is also grouped with the Governor's Office programs and activities.

The Governor's Office of Planning and Budget (GOPB) is organized to provide advisory information to the Governor and other executive branch agencies. GOPB 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

The FY 2007 appropriated General Fund for the Office of the Governor is \$8,781,100.

S.B. 60, “Western States Presidential Primary” provided one-time General Funds of \$850,000 in FY 2007 to the Governor for Utah’s participation in the next Western States’ Presidential Primary Election.

H.B. 170, “Prosecution and Prevention of Child Pornography Offenses Amendments” appropriates \$1,000,000 of one-time General Funds in FY 2007 to the Commission on Criminal and Juvenile Justice for approved education program grants to help prevent the sexual exploitation of children.

H.B. 339, “Commission on Civic and Character Education” provided ongoing General Funds of \$50,000 to create the Commission on Civic and Character Education under the direction of the Lieutenant Governor to foster and encourage values of civic responsibility and integrity.

Governor’s Emergency Fund: The Legislature provided a General Fund supplemental appropriation of \$100,000 to replenish the Governor’s Emergency Fund that had been used during the 2005 winter flooding in Washington County.

Annexation Officer: The Legislature appropriated \$71,000 for a state officer to review annexations requests throughout the state.

Minimum Wage Study: The Legislature provided \$100,000 in one-time General Funds to the Governor’s Office of Planning and Budget to conduct a study of the Minimum Wage and report its findings to the Legislature.

Crime Victims Fund Technician: The Legislature appropriated \$50,100 of ongoing restricted funds to provide a claims technician position to deal with caseload growth.

Transfer of Economist: The Legislature transferred funding of one economist from the Governor’s Office of Economic

Development to the Governor's Office of Planning and Budget. One-time funds for FY 2006 in the amount of \$25,000 and ongoing funds of \$50,000 beginning FY 2007 were transferred.

County Planning: The Legislature provided a supplemental appropriation of \$200,000 to the State and Local Planning Program of the Governor's Office of Planning and Budget to provide for planning at the County level.

Notary Commission Fees Increases: The Legislature increased authentications fees for immediate turnaround processing requests. The Authentication Fee will increase to \$50 if presented before 3:00 p.m. and the fee for requests completed by the end of the next business day will be \$25.

Funding Detail

Office of the Governor					
Sources of Finance	2006 Estimated	2006 Supplemental	2006 Revised	2007 Appropriated	Change from 2006 Revised
General Fund	6,321,000		6,321,000	6,836,200	515,200
General Fund, One-time	75,000	325,000	400,000	1,944,900	1,544,900
Federal Funds	11,815,800		11,815,800	8,545,800	(3,270,000)
Dedicated Credits Revenue	642,200		642,200	557,500	(84,700)
GFR - Constitutional Defense	1,195,400		1,195,400		(1,195,400)
GFR - Criminal Forfeiture Restricted Account	500,000		500,000	300,000	(200,000)
Crime Victims Reparation Trust	2,669,300		2,669,300	2,877,000	207,700
Oil Overchg - Exxon				763,500	763,500
Oil Overchg - Stripper Well				431,900	431,900
Transfers - Within Agency	105,000		105,000	53,000	(52,000)
Beginning Nonlapsing	2,121,800		2,121,800	554,000	(1,567,800)
Closing Nonlapsing	(554,000)		(554,000)	(225,000)	329,000
Lapsing Balance	(40,000)		(40,000)		40,000
Total	\$24,851,500	\$325,000	\$25,176,500	\$22,638,800	(\$2,537,700)
Line Items					
Governor's Office	4,320,700		4,320,700	6,395,200	2,074,500
Elections	1,640,600		1,640,600		(1,640,600)
Emergency Fund		100,000	100,000		(100,000)
Governor's Office of Planning and Budget	3,936,700	225,000	4,161,700	3,524,400	(637,300)
Commission on Criminal and Juvenile Justice	14,953,500		14,953,500	12,719,200	(2,234,300)
Total	\$24,851,500	\$325,000	\$25,176,500	\$22,638,800	(\$2,537,700)
Budgeted FTE	103.4	0.0	103.4	103.4	0.1

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 2007 appropriated General Fund for the Office of the Attorney General is \$23,775,700.

Litigation/Settlements: The Legislature appropriated supplemental funding of \$1,526,100 for the following: \$135,800 for the latest payment to the plaintiff's attorneys in the ongoing settlement of the David C. et al. versus Michael Leavitt et al. child welfare system litigation; \$169,600 for outside counsel costs for the Workers Compensation Fund issues analysis; \$955,000 to pay for the Highland High Debate Team accident compensation; \$7,700 for the outside counsel costs for the defense of the Spyware Control Act; and \$258,000 for the outside counsel costs for the defense of H.B. 213 (2005 General Session) sick leave legislation.

H.B. 170, "Prosecution and Prevention of Child Pornography Offenses Amendments" appropriated \$850,000 ongoing and \$400,000 one-time General Funds to help prevent the sexual exploitation of children.

S.B. 69, "Protection of Information in Consumer Credit Databases" appropriated \$89,400 ongoing and \$23,000 one-time General Funds beginning FY 2007 for investigatory activities and equipment leading to enforcement action by the Attorney General.

Identity Fraud Investigator: The Legislature provided \$73,100 in ongoing General Funds beginning FY 2007 for one additional identity fraud investigator.

Citizens Communication Project: The Legislature appropriated \$150,000 in one-time General Funds for FY 2007 to fund a statewide public communications effort by the Attorney General's Office to educate citizens concerning its operations and activities.

Children's Justice Centers Funding: The Legislature provided one-time General Funds of \$25,000 each to the West Jordan Children's Justice Center and the Utah County Children's Justice Center for FY 2007.

Children's Justice Centers Private Provider Cost of Living Adjustment: The Legislature provided \$32,500 for a 3.5 percent private provider COLA at the Children's Justice Centers.

Funding Detail

Office of the Attorney General					
Sources of Finance	2006 Estimated	2006 Supplemental	2006 Revised	2007 Appropriated	Change from 2006 Revised
General Fund	20,649,600		20,649,600	23,212,100	2,562,500
General Fund, One-time	30,000	1,526,100	1,556,100	563,600	(992,500)
Federal Funds	1,961,500	22,600	1,984,100	2,111,100	127,000
Dedicated Credits Revenue	16,530,600		16,530,600	18,183,000	1,652,400
GFR - Domestic Violence	78,600		78,600	78,300	(300)
GFR - Public Safety Support	525,100		525,100	546,000	20,900
GFR - Tobacco Settlement	100,000		100,000	98,300	(1,700)
Attorney General Litigation Fund	262,400		262,400	279,900	17,500
Transfers - Commission on Criminal and Juve	196,900		196,900	196,900	
Transfers - Other Agencies	291,100		291,100	291,100	
Beginning Nonlapsing	548,700		548,700		(548,700)
Total	\$41,174,500	\$1,548,700	\$42,723,200	\$45,560,300	\$2,837,100
Line Items					
Attorney General	37,285,600	22,600	37,308,200	41,885,900	4,577,700
Contract Attorneys	438,000	1,526,100	1,964,100	300,000	(1,664,100)
Children's Justice Centers	2,774,100		2,774,100	2,750,100	(24,000)
Prosecution Council	597,200		597,200	546,000	(51,200)
Domestic Violence	79,600		79,600	78,300	(1,300)
Total	\$41,174,500	\$1,548,700	\$42,723,200	\$45,560,300	\$2,837,100
Budgeted FTE	397.5	0.0	397.5	420.0	22.5

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 2007 is \$3,252,600. This is an increase of \$294,300 over the FY 2006 revised estimate.

Funding Detail

State Auditor					
Sources of Finance	2006	2006	2006	2007	Change from
	Estimated	Supplemental	Revised	Appropriated	2006 Revised
General Fund	2,958,300		2,958,300	3,265,000	306,700
General Fund, One-time				(12,400)	(12,400)
Dedicated Credits Revenue	881,200		881,200	920,500	39,300
Beginning Nonlapsing	296,200		296,200		(296,200)
Total	<u>\$4,135,700</u>	<u>\$0</u>	<u>\$4,135,700</u>	<u>\$4,173,100</u>	<u>\$37,400</u>
Line Items					
State Auditor	4,135,700		4,135,700	4,173,100	37,400
Total	<u>\$4,135,700</u>	<u>\$0</u>	<u>\$4,135,700</u>	<u>\$4,173,100</u>	<u>\$37,400</u>
Budgeted 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 2007 is \$936,800. This is an increase of \$57,100 over the FY 2006 Revised level.

Funding Detail

State Treasurer					
Sources of Finance	2006 Estimated	2006 Supplemental	2006 Revised	2007 Appropriated	Change from 2006 Revised
General Fund	879,700		879,700	938,900	59,200
General Fund, One-time				(2,100)	(2,100)
Dedicated Credits Revenue	192,700		192,700	192,600	(100)
Unclaimed Property Trust	1,247,700		1,247,700	1,309,500	61,800
Beginning Nonlapsing	350,900		350,900		(350,900)
Total	\$2,671,000	\$0	\$2,671,000	\$2,438,900	(\$232,100)
Line Items					
State Treasurer	2,671,000		2,671,000	2,438,900	(232,100)
Total	\$2,671,000	\$0	\$2,671,000	\$2,438,900	(\$232,100)
Budgeted 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 2007 is \$59,038,400.

Lease Payments Increases: The Legislature appropriated \$66,200 for FY 2006 and \$168,100 for FY 2007 forward for lease payments increases.

Overtime Funding: The Legislature provided \$1,300,000 for FY 2006 and \$800,000 for FY 2007 forward for overtime expenditures of the Department.

Additional Crime Lab Funding: The Legislature appropriated \$150,000 ongoing funds beginning FY 2007 for the Crime Lab to maintain certifications and other accreditation standards.

UHP Laptop Replacements: The Legislature appropriated \$400,000 supplemental funds to replace aging laptops in the Utah Highway Patrol.

Aero Bureau Aircraft Engine Repair and Service: The Legislature provided \$394,800 supplemental funds to cover engine repair, other maintenance expenses and fuel costs of the Aero Bureau.

S.B. 58, “Alcoholic Beverage Amendments—Eliminating Alcohol Sales to Youth” appropriated \$543,000 additional ongoing funds beginning FY 2007 in the effort to eliminate sales and consumption of alcoholic beverages by youth.

H.B. 212, “DNA Database Amendments” appropriates an additional \$263,000 ongoing restricted funds beginning FY 2007 to the Crime Lab to process DNA samples taken from offenders.

H.B. 266, “Fire Alarm System Certification Requirements” provides \$3,500 in Dedicated Credits beginning FY 2007 to the Fire Marshal to implement provisions of the bill.

H.B. 158, “Sex Offender Amendments” provides \$93,700 in ongoing restricted funds beginning FY 2007 to the Drivers License Division to require convicted sex offenders to renew their driver’s license annually.

H.B. 169, “Driver License Records Access Amendments” provides \$136,900 in restricted funds for FY 2007 and \$73,800 each fiscal year thereafter to implement provisions of the bill.

Highway Patrol Salary Compression: The Legislature appropriated \$1,100,000 ongoing funds beginning FY 2007 to resolve salary compression within the Utah Highway Patrol.

H.B. 3002, “Appropriation to Fund New Drivers License Programs” (passed during the May 2006 Third Special Session) provides ongoing restricted funding of \$597,300 to implement **H.B. 363, “Driver License – Learner Permit Provisions”** and **S.B. 88, “Disclosure of Driver License Records”** both of which passed during the 2006 General Session.

State Fire Marshal Funding: The Legislature provided restricted funding to the State Fire Marshal to address several funding needs. These include: \$19,000 ongoing funds (FY 2007) to fund a part-time Deputy State Fire Marshal to inspect the rapidly growing number of schools and modified schools along the Wasatch Front; \$11,500 ongoing funds (FY 2007) to fund a part-time Deputy State Fire Marshal to inspect schools and modified schools in the rural parts of the state; and \$25,400 ongoing funds (FY 2007) to fund an additional secretary to handle the increased workload of the State Fire Marshal’s Office.

Funding Detail

Department of Public Safety					
Sources of Finance	2006 Estimated	2006 Supplemental	2006 Revised	2007 Appropriated	Change from 2006 Revised
General Fund	50,372,000		50,372,000	59,204,600	8,832,600
General Fund, One-time	20,000	2,161,000	2,181,000	(166,200)	(2,347,200)
Transportation Fund	5,495,500		5,495,500	5,495,500	
Federal Funds	58,770,800		58,770,800	58,578,800	(192,000)
Dedicated Credits Revenue	6,342,900		6,342,900	6,414,600	71,700
GFR - DNA Specimen	476,000		476,000	688,200	212,200
GFR - E-911 Emergency Services	3,900,000		3,900,000	3,900,000	
GFR - Fire Academy Support	5,048,000		5,048,000	4,732,900	(315,100)
GFR - Nuclear Oversight	1,793,300		1,793,300	1,793,300	
GFR - Public Safety Support	2,923,700		2,923,700	3,137,200	213,500
GFR - Statewide Warrant Ops	460,800		460,800	489,100	28,300
TFR - Motorcycle Education	214,000		214,000	217,600	3,600
TFR - Dept. of Public Safety Rest. Actt.	20,452,500		20,452,500	22,555,500	2,103,000
TFR - Uninsured Motorist LD.	1,860,100		1,860,100	1,860,100	
Transfers - Commission on Criminal and Juv	1,384,600		1,384,600	1,521,800	137,200
Transfers - Other Agencies	55,600		55,600	791,600	736,000
Transfers - Within Agency	428,100		428,100	490,800	62,700
Pass-through	773,300		773,300	473,300	(300,000)
Beginning Nonlapsing	29,061,600		29,061,600	2,714,100	(26,347,500)
Closing Nonlapsing	(2,714,100)		(2,714,100)	(1,182,300)	1,531,800
Lapsing Balance	(1,932,500)		(1,932,500)	(1,866,100)	66,400
Total	\$185,186,200	\$2,161,000	\$187,347,200	\$171,844,400	(\$15,502,800)
Line Items					
Public Safety Programs & Operations	80,055,600	2,161,000	82,216,600	84,830,100	2,613,500
Emergency Services and Homeland Security	74,309,700		74,309,700	53,311,500	(20,998,200)
Peace Officers' Standards and Training	3,829,700		3,829,700	4,152,700	323,000
Liquor Law Enforcement	1,475,100		1,475,100	1,549,500	74,400
Driver License	21,375,900		21,375,900	23,096,300	1,720,400
Highway Safety	4,140,200		4,140,200	4,904,300	764,100
Total	\$185,186,200	\$2,161,000	\$187,347,200	\$171,844,400	(\$15,502,800)
Budgeted FTE	1,182.0	0.0	1,182.0	1,195.0	13.0

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 2007 is \$120,366,500 including \$104,556,900 from the General Fund.

Judicial Branch Contracts and Leases: The Legislature appropriated \$441,300 General Fund for Court facility lease increases. An additional \$90,000 in one-time General Fund will provide equipment and furnishings for the Tooele Courthouse.

Drug Courts: The Legislature appropriated \$500,000 to Human Services for the Drug Courts/Boards. As per *Utah Code Annotated* 78-3-32, the Courts received \$65,000 or 13 percent of the Department of Human Services' Drug Court appropriation.

Jury, Witness and Interpreter Program: The Legislature provided a FY 2006 supplemental of \$127,600 for the Jury, Witness and Interpreter Program, which operated at a deficit in FY 2005.

Security and Technology Restricted Funds: The Legislature appropriated an additional \$170,000 from the Court Security Account to fund four new bailiffs. The Legislature also appropriated an additional \$350,000 from the Justice Court Technology, Security, and Training Account to fund one-time expenses for DORA (\$20,000), courtroom equipment (\$90,000), and computers (\$240,000).

Judicial Compensation: An appropriation of \$369,500 was approved to give judges a three percent COLA.

H.B. 170, “Prosecution and Prevention of Child Pornography Offenses Amendments” provided funding in the amount of \$37,500 for the District Courts.

H.B. 212, “DNA Database Amendments” provided funding in the amount of \$32,800 to the Juvenile Courts.

H.B. 322, “Costs of Divorce” added \$35,600 to the District Courts. The divorce filing fee was increased from \$95 to \$155 by the Legislature. Increased revenue will return to the General Fund.

S.B. 13, “Commercial Driver License Amendments” provides \$4,000 to the Courts for computer reprogramming costs.

S.B. 159, “District Court Judge” funded a district court judge and two court clerk FTEs in the 4th judicial district with an appropriation of \$257,500.

Intent Language

Legislative intent authorized the Judicial Council to create a court commissioner in the 3rd District Court. Additional intent granted the Courts non-lapsing budget authority.

Funding Detail

Judicial Council/State Court Administrator					
Sources of Finance	2006 Estimated	2006 Supplemental	2006 Revised	2007 Appropriated	Change from 2006 Revised
General Fund	97,895,300		97,895,300	104,379,700	6,484,400
General Fund, One-time	10,000	127,600	137,600	177,200	39,600
Federal Funds	174,500		174,500	319,500	145,000
Dedicated Credits Revenue	1,075,400		1,075,400	1,181,800	106,400
GFR - Alternative Dispute Resolution	150,800		150,800	162,000	11,200
GFR - Children's Legal Defense	673,400		673,400	646,900	(26,500)
GFR - Court Reporter Technology	250,000		250,000	250,000	
GFR - Court Security Account	4,000,000		4,000,000	4,170,000	170,000
GFR - Court Trust Interest	250,000		250,000	250,000	
GFR - DNA Specimen	187,100		187,100	233,400	46,300
GFR - Guardian Ad Litem Services	320,900		320,900	348,700	27,800
GFR - Justice Court Tech, Sec.& Training	900,000		900,000	900,000	
GFR - Non-Judicial Assessment	637,800		637,800	684,400	46,600
GFR - Online Court Assistance	50,000		50,000	75,000	25,000
GFR - State Court Complex	4,700,000		4,700,000	4,700,000	
GFR - Substance Abuse Prevention	433,700		433,700	441,600	7,900
GFR - Tobacco Settlement	193,700		193,700	193,700	
Transfers - Commission on Criminal and Juv	530,900		530,900	461,600	(69,300)
Transfers - Human Services	150,000		150,000	150,000	
Transfers - Other Agencies	461,000		461,000	491,400	30,400
Beginning Nonlapsing	1,090,590		1,090,590	(107,210)	(1,197,800)
Closing Nonlapsing	107,210		107,210	256,810	149,600
Total	\$114,242,300	\$127,600	\$114,369,900	\$120,366,500	\$5,996,600
Line Items					
Administration	87,403,900		87,403,900	92,892,900	5,489,000
Grand Jury	800		800	800	
Contracts and Leases	21,079,100		21,079,100	21,467,600	388,500
Jury and Witness Fees	1,680,000	127,600	1,807,600	1,680,000	(127,600)
Guardian ad Litem	4,078,500		4,078,500	4,325,200	246,700
Total	\$114,242,300	\$127,600	\$114,369,900	\$120,366,500	\$5,996,600
Budgeted FTE	1,231.0	0.0	1,231.0	1,235.4	4.4

Department of Corrections

The Department of Corrections is the adult correctional authority for the State of Utah and has a primary responsibility of community protection. To accomplish this goal, the Department develops and provides programs that seek to identify and control convicted offenders' inappropriate behavior and help convicted individuals learn to function as law-abiding citizens. Special emphasis has been placed on offender reentry programs as inmates return to the community. These offender reentry programs combine the resources and efforts of Corrections, Human Services, Workforce Services, Community Development, and private and local government organizations to reduce recidivism.

Legislative Action

The Legislature appropriated \$240,389,300 to the Department of Corrections for FY 2007. Of this amount, \$218,687,700 is from the General Fund. This represents a General Fund increase of \$18,579,300 or 7.8 percent over the FY 2006 revised estimate. Some of the General Fund increase can be attributed to a correctional officer salary increase and the opening of a 288-bed pod at the Central Utah Correctional Facility in Gunnison. The primary driver of General Fund increases in the Department of Corrections results from the COLA.

Central Utah Correctional Facility Operations and Maintenance: The Legislature appropriated \$4,106,000 in General Fund to staff and operate a new 288-bed pod at the Gunnison prison which will open in October 2006. An additional \$172,900 in one-time fund will be used to purchase new equipment required to safely operate the pod. The \$4,106,000 request for the new pod provides funding for only nine months of operations. The Department of Corrections will request an additional \$950,000 to fully fund the FY 2008 estimated operational costs.

Correctional Officer Salary Increase: The Legislature appropriated \$3,600,000 for an additional 5.5 percent salary increase for Correctional Officers of captain rank and below. As a result, Correctional Officer starting wages will increase from \$12.14 to \$13.26 per hour.

Jail Reimbursement Funding: The Legislature provided an additional \$710,000 for Jail Reimbursement to accommodate estimated bed day growth between FY 2006 and FY 2007. The core rate for Jail Contracting and Jail Reimbursement remains at \$42.32 per bed day.

DORA Pilot Funding: The Legislature provided \$251,000 for the final two years of the DORA pilot project. Two Adult Probation and Parole Officers will be funded with the appropriation.

Funding Shift: The Legislature shifted \$994,500 from the Programs and Operations line item to the Medical Services line item.

H.B. 410, “Sex Offender Registration Fee” created a \$75 fee for registered sex offenders that are not directly under Department of Corrections’ supervision.

H.J.R. 12, “Joint Resolution Supporting Garfield County Expansion of Correctional Facilities” supports Garfield County in their expansion of correctional facilities to ease the State’s prison population housing shortage.

Intent Language

The Legislature granted the Division of Institutional Operations authority to add up to three vehicles to address administrative rules governing the number of passengers permitted in 12-passenger vans. The new vehicles will be purchased using non-lapsing funds.

The Legislature also authorized the Utah Correctional Industries' Internal Service Fund to add up to three vehicles if new business opportunities present themselves. Any vehicles will be paid for out of UCI profits. Other intent language authorized the Department of Corrections budget to have non-lapsing authority.

Funding Detail

Utah Department of Corrections					
Sources of Finance	2006 Estimated	2006 Supplemental	2006 Revised	2007 Appropriated	Change from 2006 Revised
General Fund	200,108,400		200,108,400	218,687,700	18,579,300
General Fund, One-time	(587,700)		(587,700)	440,300	1,028,000
Federal Funds	635,000		635,000	390,000	(245,000)
Dedicated Credits Revenue	18,939,100		18,939,100	19,387,300	448,200
GFR - DNA Specimen	515,000		515,000	515,000	
GFR - Interstate Cmpct for Adult Offender St	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 - Commission on Criminal and Juv	278,500		278,500	13,500	(265,000)
Transfers - Human Services				144,800	144,800
Transfers - Other Agencies	144,800		144,800		(144,800)
Beginning Nonlapsing	2,055,400		2,055,400		(2,055,400)
Closing Nonlapsing	(50,000)		(50,000)	(50,000)	
Total	\$222,899,200	\$0	\$222,899,200	\$240,389,300	\$17,490,100
Line Items					
Corrections Programs & Operations	157,641,800		157,641,800	172,690,700	15,048,900
Department Medical Services	17,625,100		17,625,100	19,034,100	1,409,000
Utah Correctional Industries	15,950,000		15,950,000	16,372,000	422,000
Jail Contracting	22,076,400		22,076,400	21,976,600	(99,800)
Jail Reimbursement	9,605,900		9,605,900	10,315,900	710,000
Total	\$222,899,200	\$0	\$222,899,200	\$240,389,300	\$17,490,100
Budgeted FTE	2,383.3	0.0	2,383.3	2,440.1	56.8

Board of Pardons

The Board of Pardons supervises the release of all inmates in State of Utah correctional facilities. The Board reviews an inmate's performance during incarceration, and determines when, and under what conditions, the inmate will be released after serving the minimum sentence requirements. In addition, the Board reviews violations of release conditions to decide whether an inmate should be sent back to prison. 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 \$3,217,900. This represents an 11 percent budget increase from the FY 2006 revised estimate.

Hearing Officers and Support Staff Increase: The Legislature appropriated \$198,100 in ongoing General Fund for two new hearing officers and one support staff.

Intent Language

The Board of Pardons' budget was granted non-lapsing authority.

Funding Detail

Board of Pardons and Parole					
Sources of Finance	2006 Estimated	2006 Supplemental	2006 Revised	2007 Appropriated	Change from 2006 Revised
General Fund	2,709,800		2,709,800	3,148,200	438,400
General Fund, One-time				(9,900)	(9,900)
Dedicated Credits Revenue	2,200		2,200	2,200	
GFR - Tobacco Settlement	77,400		77,400	77,400	
Beginning Nonlapsing	107,800		107,800		(107,800)
Total	\$2,897,200	\$0	\$2,897,200	\$3,217,900	\$320,700
Line Items					
Board Of Pardons and Parole	2,897,200		2,897,200	3,217,900	320,700
Total	\$2,897,200	\$0	\$2,897,200	\$3,217,900	\$320,700
Budgeted FTE	33.5	0.0	33.5	36.5	3.0

Division of Juvenile Justice Services

The Division of Juvenile Justice Services is responsible for delinquent youth offenders referred by the state's Juvenile Courts. In addition, the Division operates receiving centers and detention facilities that deal with pre-adjudicated youth. The Division is part of the Department of Human Services.

Legislative Action

The Legislature appropriated \$101,239,800 to the Division of Juvenile Justice Services for FY 2007. Of this amount, \$79,705,100 is from on-going General Fund. The DJJS budget increased \$1,588,200 from FY 2006 revised figures. This net increase is due to compensation and internal service fund increases of \$3,824,300 and \$43,700, respectively, and a COLA for local service providers totaling an additional \$463,000.

Due to reductions in Federal Targeted Case Management funds, the Legislature appropriated \$833,100 in supplemental funding and \$1,666,200 in one-time General Fund to maintain Division of Juvenile Justice Services at their current case

management funding levels. (The one-time funding is offset by \$164,500 in reductions in other programs within the division). Additional funding will be required to maintain current services levels in the future.

The Legislature appropriated \$66,000 for an additional case manager for Southern Utah.

Federal Medical Assistance Percentage Rate Change:

An appropriation of \$141,800 was approved to maintain services at their current levels.

Funding from the Victim Restitution Account (VRA):

The Legislature did not appropriate or replace restricted general funds in the VRA account. In effect, this reduces the DJJS' Victim Restitution Account base budget by \$1,320,200.

Line-item Consolidation: The Legislature approved making the Youth Parole Authority a program in the Programs and Operations line item. This move will allow for more flexibility in overall DJJS operations.

Federal funds for ongoing JJS programs have been eliminated and were not replaced by State sources. Total impact to JJS is an ongoing reduction totaling \$285,800. Federal transfers from the Juvenile Accountability Block Grant have also been eliminated resulting in an additional reduction of \$1,030,200 for DJJS programs.

Intent Language

The Legislature approved the funding for DJJS Programs and Operations to be non-lapsing.

Funding Detail

Department of Human Services - Division of Juvenile Justice Services					
Sources of Finance	2006 Estimated	2006 Supplemental	2006 Revised	2007 Appropriated	Change from 2006 Revised
General Fund	75,084,200		75,084,200	79,705,100	4,620,900
General Fund, One-time		833,100	833,100	1,501,700	668,600
Federal Funds	2,215,600		2,215,600	2,000,900	(214,700)
Dedicated Credits Revenue	2,693,500		2,693,500	2,693,500	
GFR - Youth Corrections Victims	1,320,200		1,320,200		(1,320,200)
Transfers - Child Nutrition	855,000		855,000	855,000	
Transfers - Commission on Criminal and Juv	1,431,000		1,431,000	400,800	(1,030,200)
Transfers - Medicaid	15,879,500	(833,100)	15,046,400	14,082,800	(963,600)
Beginning Nonlapsing	172,600		172,600		(172,600)
Total	\$99,651,600	\$0	\$99,651,600	\$101,239,800	\$1,588,200
Line Items					
Programs and Operations	99,269,700		99,269,700	101,239,800	1,970,100
Youth Parole Authority	381,900		381,900		(381,900)
Total	\$99,651,600	\$0	\$99,651,600	\$101,239,800	\$1,588,200
Budgeted FTE	1,020.6	0.0	1,020.6	1,022.6	2.0

Funding Detail

Executive Offices & Criminal Justice Appropriations Subcommittee					
Sources of Finance	2006 Estimated	2006 Supplemental	2006 Revised	2007 Appropriated	Change from 2006 Revised
General Fund	457,245,800		457,245,800	499,645,000	42,399,200
General Fund, One-time	(452,700)	4,972,800	4,520,100	4,437,100	(83,000)
Transportation Fund	5,495,500		5,495,500	5,495,500	
Federal Funds	75,573,200	22,600	75,595,800	71,946,100	(3,649,700)
Dedicated Credits Revenue	47,299,800		47,299,800	49,533,000	2,233,200
GFR - Alternative Dispute Resolution	150,800		150,800	162,000	11,200
GFR - Children's Legal Defense	673,400		673,400	646,900	(26,500)
GFR - Constitutional Defense	1,195,400		1,195,400		(1,195,400)
GFR - Court Reporter Technology	250,000		250,000	250,000	
GFR - Court Security Account	4,000,000		4,000,000	4,170,000	170,000
GFR - Court Trust Interest	250,000		250,000	250,000	
GFR - Criminal Forfeiture Restricted Account	500,000		500,000	300,000	(200,000)
GFR - Domestic Violence	78,600		78,600	78,300	(300)
GFR - DNA Specimen	1,178,100		1,178,100	1,436,600	258,500
GFR - E-911 Emergency Services	3,900,000		3,900,000	3,900,000	
GFR - Fire Academy Support	5,048,000		5,048,000	4,732,900	(315,100)
GFR - Guardian Ad Litem Services	320,900		320,900	348,700	27,800
GFR - Interstate Crmpt for Adult Offender St	29,000		29,000	29,000	
GFR - Justice Court Tech, Sec. & Training	900,000		900,000	900,000	
GFR - Non-Judicial Assessment	637,800		637,800	684,400	46,600
GFR - Nuclear Oversight	1,793,300		1,793,300	1,793,300	
GFR - Online Court Assistance	50,000		50,000	75,000	25,000
GFR - Public Safety Support	3,448,800		3,448,800	3,683,200	234,400
GFR - State Court Complex	4,700,000		4,700,000	4,700,000	
GFR - Statewide Warrant Ops	460,800		460,800	489,100	28,300
GFR - Substance Abuse Prevention	433,700		433,700	441,600	7,900
GFR - Tobacco Settlement	452,800		452,800	451,100	(1,700)
GFR - Youth Corrections Victims	1,320,200		1,320,200		(1,320,200)
TFR - Motorcycle Education	214,000		214,000	217,600	3,600
TFR - Dept. of Public Safety Rest. Actt.	20,452,500		20,452,500	22,555,500	2,103,000
TFR - Uninsured Motorist L.D.	1,860,100		1,860,100	1,860,100	
Attorney General Litigation Fund	262,400		262,400	279,900	17,500
Crime Victims Reparation Trust	3,419,300		3,419,300	3,627,000	207,700
Oil Overchg - Exxon				763,500	763,500
Oil Overchg - Stripper Well				431,900	431,900
Unclaimed Property Trust	1,247,700		1,247,700	1,309,500	61,800
Transfers - Child Nutrition	855,000		855,000	855,000	
Transfers - Commission on Criminal and Juvt	3,821,900		3,821,900	2,594,600	(1,227,300)
Transfers - Human Services	150,000		150,000	294,800	144,800
Transfers - Medicaid	15,879,500	(833,100)	15,046,400	14,082,800	(963,600)
Transfers - Other Agencies	952,500		952,500	1,574,100	621,600
Transfers - Within Agency	533,100		533,100	543,800	10,700
Pass-through	773,300		773,300	473,300	(300,000)
Beginning Nonlapsing	35,805,590		35,805,590	3,160,890	(32,644,700)
Closing Nonlapsing	(3,210,890)		(3,210,890)	(1,200,490)	2,010,400
Lapsing Balance	(1,972,500)		(1,972,500)	(1,866,100)	106,400
Total	\$697,976,700	\$4,162,300	\$702,139,000	\$712,136,500	\$9,997,500
Agencies					
Governor's Office	24,851,500	325,000	25,176,500	22,638,800	(2,537,700)
State Auditor	4,135,700		4,135,700	4,173,100	37,400
State Treasurer	2,671,000		2,671,000	2,438,900	(232,100)
Attorney General	41,174,500	1,548,700	42,723,200	45,560,300	2,837,100
Corrections	222,899,200		222,899,200	240,389,300	17,490,100
Board of Pardons and Parole	2,897,200		2,897,200	3,217,900	320,700
Juvenile Justice Services	99,651,600		99,651,600	101,239,800	1,588,200
Courts	114,242,300	127,600	114,369,900	120,366,500	5,996,600
Public Safety	185,186,200	2,161,000	187,347,200	171,844,400	(15,502,800)
Restricted Revenue - EOCJ	267,500		267,500	267,500	
Total	\$697,976,700	\$4,162,300	\$702,139,000	\$712,136,500	\$9,997,500
Budgeted FTE	6,423.5	0.0	6,423.5	6,525.2	101.8

Capital Facilities and Administrative Services

Subcommittee Overview

The Capital Facilities and Administrative Services Appropriation Subcommittee (CFAS) oversees budgets for seven principal areas of state government:

- Capitol Preservation Board
- Career Service Review Board
- Department of Administrative Services
- Department of Technology Services
- Department of Human Resource Management
- Capital Facilities
- Debt Service

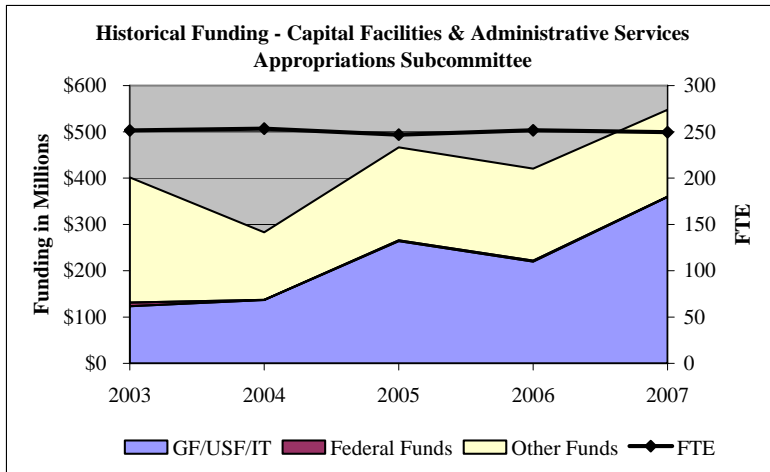
During the 2006 General Session, the Legislature passed **H.B. 269, “Human Resource Management Amendments”** which changes the Division of Human Resource Management (within the Department of Administrative Services) to a stand-alone department. The bill also permits the Department of Human Resource Management to operate as an internal service fund agency.

The Legislature also passed **S.B. 75, “USTAR Initiative”** which allows construction of research buildings at the University of Utah and Utah State University. The bill authorizes the use of \$50 million from the General Fund and \$110 million in general obligation bonding to match \$40 million raised by the universities for construction costs of these buildings.

When all oversight areas are totaled, the FY 2006 budget for the CFAS subcommittee increased by \$16.1 million to a total of \$420.4 million. For FY 2007, the Legislature authorized subcommittee budget levels totaling \$547.6 million. Of this total, approximately \$34 million—or six percent—provides operating budgets for state agencies. The capital budget comprises 48 percent of the total FY 2007 budget, debt service accounts for 43 percent, and three percent is designated to upgrade computer systems.

The Legislature appropriated a total of \$196.7 million (\$30 million ongoing) from state funds for new state-funded capital facilities. The Legislature authorized another \$110 million from general obligation bonding for USTAR facilities. A list of approved capital projects is provided later in this chapter.

Capital improvement appropriations for FY 2007 totaled \$62.9 million—an increase of \$6.8 million over the FY 2006 starting appropriation. The Legislature also transferred \$2.5 million from retained earnings in the Division of Risk Management to the Capital Improvements line item with intent language requiring these funds be used to mitigate life/safety hazards on state buildings. This represents the highest funding 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 the Department of Administrative Services for janitorial, maintenance, utilities, and

risk management. Of the CPB's \$2.9 operating budget, more than \$2.5 million pays for DAS contracted services.

For the fifth consecutive year, the CPB will charge a portion of staff salaries to the restoration project. However, the amount charged to the project in FY 2007 will be less than the previous four years because the Legislature appropriated \$100,000 in ongoing state funds, leaving \$41,400 to be charged to the project.

Legislative Action

The Legislature appropriated \$50 million in one-time FY 2007 General Funds to continue work on the Capitol restoration and base isolation project. A balance of \$50 million (\$35 million for the Capitol restoration and \$15 million for a parking structure authorizes in the 2006 Third Special Session) remains to be funded to complete the project. The completion of the project is scheduled for January 2008. An additional one-time FY 2006 supplemental appropriation of \$590,000 was approved to install new wireless communication technology throughout the building.

The Legislature approved \$100,000 in ongoing General Funds to the CPB to reduce the level of administrative costs transferred to the restoration project. An additional \$75,000 (one-time) was appropriated to help cover publishing and other preparatory costs for the reopening of the Capitol. The Legislature also appropriated \$13,000 in one-time funds for a new copier.

The Legislature approved **S.B. 260, "Capitol Preservation Board Revisions"** which modifies the membership of the board and allows the executive director to develop an operations, maintenance, and janitorial program for Capitol Hill.

In the 2006 Third Special Session, **S.C.R. 302, "Resolution Approving Parking Structure for Capitol Complex"** passed to allow the use of up to \$15 million from the current \$50 million appropriation for the Capitol renovation project this year. There will be no fiscal impact from this resolution during 2006. However, the 2007 Legislature will need to increase the appropriation for the Capitol construction by \$15

million to finish the renovation. Both the Capitol and parking structure are slated to be ready for the January 2008 re-opening.

Funding Detail

Capitol Preservation Board					
Sources of Finance	2006	2006	2006	2007	Change from
	Estimated	Supplemental	Revised	Appropriated	2006 Revised
General Fund	2,358,400		2,358,400	2,484,600	126,200
General Fund, One-time				87,300	87,300
Dedicated Credits Revenue	264,200		264,200	271,100	6,900
Transfers	141,400		141,400	41,400	(100,000)
Beginning Nonlapsing	50,900		50,900		(50,900)
Total	\$2,814,900	\$0	\$2,814,900	\$2,884,400	\$69,500
Line Items					
Capitol Preservation Board	2,814,900		2,814,900	2,884,400	69,500
Total	\$2,814,900	\$0	\$2,814,900	\$2,884,400	\$69,500
Budgeted FTE	4.0	0.0	4.0	4.0	0.0

Career Service Review Board

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

Legislative Action

The Legislature provided a \$15,000 General Fund increase for the Board for increased costs associated with grievances and appeals hearings.

Funding Detail

Career Service Review Board					
Sources of Finance	2006	2006	2006	2007	Change from
	Estimated	Supplemental	Revised	Appropriated	2006 Revised
General Fund	189,800		189,800	218,300	28,500
General Fund, One-time				(500)	(500)
Beginning Nonlapsing	900		900		(900)
Total	\$190,700	\$0	\$190,700	\$217,800	\$27,100
Line Items					
Career Service Review Board	190,700		190,700	217,800	27,100
Total	\$190,700	\$0	\$190,700	\$217,800	\$27,100
Budgeted FTE	2.0	0.0	2.0	2.0	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 six divisions:

- Executive Director's Office
- Administrative Rules
- DFCM Administration
- State Archives
- Finance
- Purchasing

Other line items within the DAS appropriated component include the Post Conviction Indigent Defense Fund, Judicial Conduct Commission, and the Finance – Mandated line item. The Finance – Mandated line item allows the Legislature to set aside funds for specific projects such as the LeRay McAllister Critical Land Conservation Fund, retirement adjustments, and the Navajo Trust Fund. The Division of Finance does not manage the programs but controls the funds as intended by the Legislature.

Legislative Action

Executive Director's Office: The Executive Director's Office (EDO) provides the Department's financial management, strategic planning, organizational development, and public

relations. The Legislature reduced ongoing General Funds by \$163,600 and Dedicated Credits by \$74,400 to cease paying for human resources services that benefit the department's internal service fund agencies. From now on, these costs will be billed directly to DAS' internal service funds by the new DHRM internal service fund. The EDO employs eight FTEs with a budget for FY 2007 of \$819,500.

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 \$12,000 in ongoing funds for eRules software maintenance, \$8,300 in ongoing funds for administrative salaries, and \$6,400 in one-time funds for eRules programming changes as a result of **H.B. 316, "Administrative Rules Procedures Amendments."** The division employs four FTE with a budget for FY 2007 of \$337,900.

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 restored \$1,092,000 in ongoing General Funds to replace project funds being used for Administration since FY 2002. This is in addition to \$1,075,000 restored in the previous (2005) General Session. No further restorations are anticipated. The division has 46 FTE and an operating budget for FY 2007 of \$4,698,500. Approximately \$1.8 million of the line item budget comes from capital improvement 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 \$25,000 in ongoing funds for a five-year lease extension and

remodel at the State Records Center. The division employs 28 FTE in five programs with an FY 2007 budget of \$2,348,500.

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 did not adjust the division's budget other than for personnel compensation changes. The division's FY 2007 budget of \$11,742,700 funds six programs with a combined FTE count of 80.

In the **Finance – Mandated** line item, the Legislature enhanced the ongoing base budget of \$482,600 for protection of open space through the LeRay McAllister Critical Land Conservation Fund with an additional one-time appropriation of \$1,000,000.

During the 2006 Third Special Session, the Legislature passed **S.B. 3007, "Economic Development Incentive Fund Appropriation Modification"** which contained two sections. Section 1 gave nonlapsing status to an FY 2006 appropriation of \$981,900 from the General Fund Restricted – Economic Incentive Restricted Account. However, S.B. 3007 did not pass by two-thirds of votes in both houses of the Legislature; therefore the effective date of the bill will occur after the start of FY 2007. As a result, FY 2006 appropriated but unexpended funds will lapse back to the restricted account at the close of FY 2006. Section 2 appropriated \$1,528,000 in FY 2007 from the restricted fund to the Finance – Mandated line item for disbursement as partial rebates of tax revenue growth resulting from commercial activities in a development zone. General Funds had already been appropriated to the restricted account during the 2006 General Session.

Judicial Conduct Commission: The Judicial Conduct Commission is a quasi-independent agency that investigates and resolves complaints against Utah judges. The Legislature did not adjust the commission's budget beyond compensation changes. The FY 2007 budget is \$247,600 with two FTE.

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. Local governments have optional access to the division's contracts. The Legislature increased the division's ongoing budget by \$1,400 for costs of a new board created by **S.B. 59, "Purchasing from People with Disabilities."** The division's total FY 2007 budget is \$1,596,800 with 22 FTE.

Funding Detail

Department of Administrative Services					
Sources of Finance	2006 Estimated	2006 Supplemental	2006 Revised	2007 Appropriated	Change from 2006 Revised
General Fund	12,990,200		12,990,200	14,885,100	1,894,900
General Fund, One-time	108,700	6,400	115,100	964,000	848,900
Transportation Fund	450,000		450,000	450,000	
Federal Funds	4,500		4,500	66,700	62,200
Dedicated Credits Revenue	2,108,200		2,108,200	2,220,700	112,500
GFR - Economic Incentive Restricted Account	981,900		981,900	1,528,000	546,100
GFR - ISF Overhead	1,272,400		1,272,400	1,272,400	
Risk Management ISF	65,900		65,900		(65,900)
Capital Project Fund	1,575,300		1,575,300	1,764,100	188,800
Project Reserve Fund	200,000		200,000	200,000	
Contingency Reserve Fund	1,180,200		1,180,200	82,300	(1,097,900)
Beginning Nonlapsing	10,019,000		10,019,000	1,700,200	(8,318,800)
Closing Nonlapsing	(1,700,200)		(1,700,200)	(207,400)	1,492,800
Total	\$29,256,100	\$6,400	\$29,262,500	\$24,926,100	(\$4,336,400)
Line Items					
Executive Director	1,006,400		1,006,400	819,500	(186,900)
Administrative Rules	403,000	6,400	409,400	337,900	(71,500)
DPCM Administration	4,340,700		4,340,700	4,698,500	357,800
State Archives	2,303,400		2,303,400	2,348,500	45,100
Finance Administration	13,696,900		13,696,900	11,742,700	(1,954,200)
Finance - Mandated	5,314,500		5,314,500	3,010,600	(2,303,900)
Finance - Mandated	200,000		200,000	50,000	(150,000)
Post Conviction Indigent Defense	74,000		74,000	74,000	
Judicial Conduct Commission	231,700		231,700	247,600	15,900
Purchasing	1,557,800		1,557,800	1,596,800	39,000
Total	\$29,256,100	\$6,400	\$29,262,500	\$24,926,100	(\$4,336,400)
Budgeted FTE	191.1	0.0	191.1	189.0	(2.1)

DAS Internal Service Funds (ISF)

In addition to the appropriated divisions, DAS 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, the department's ISFs are expected to generate \$122.7 million and employ 244 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. The Legislature authorized FY 2007 revenues of \$1,407,000 and five FTE. However, the Legislature also passed **S.B. 214, "Office of State Debt Collection Amendments"** which changes the State Debt Collection Fund from an internal service fund to a restricted special revenue fund.

Division of Purchasing and General Services (ISF): The ISF portion of this division includes a stockless, vendor direct central store, print 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. The division recently privatized the print services function but continues to manage the contract as well as copiers leased to agencies. The Legislature authorized revenues of \$12,818,600 for the division's programs, 49 FTE, and capital outlay of \$2,408,400.

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 motor pool rate increases to cover increased fuel costs. The Legislature authorized \$53,446,000 in revenues, 43 FTE, and capital outlay of \$13,507,300 for the division.

Division of Risk Management: As the state's risk manager, the division provides liability, property and auto physical damage coverage to state agencies, school districts, charter schools, and higher education. The liability insurance and auto physical damage programs are 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. **S.B. 113, "Governmental Immunity Limits"** raised the aggregate limit for damages against governmental entities from \$1.1 million to \$2 million for a single occurrence. The Legislature authorized \$34,561,100 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 to subscribing agencies. 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 \$20,511,600, a permanent FTE level of 122, and capital outlays totaling \$51,500.

Funding Detail

ISF - Administrative Services					
Sources of Finance	2006 Estimated	2006 Supplemental	2006 Revised	2007 Appropriated	Change from 2006 Revised
Dedicated Credits	764,600		764,600	761,600	(3,000)
Premiums	26,644,100		26,644,100	25,261,100	(1,383,000)
Licenses/Fees	9,700		9,700	9,700	
Interest Income	2,373,700		2,373,700	2,387,700	14,000
Ded Cred - Intragovt Rev	134,615,900		134,615,900	86,816,200	(47,799,700)
Restricted Revenue	7,450,000	(2,500,000)	4,950,000	7,540,000	2,590,000
Sale of Fixed Assets	(80,000)		(80,000)	(40,000)	40,000
Other Financing Sources	8,000		8,000	8,000	
Total	\$171,786,000	(\$2,500,000)	\$169,286,000	\$122,744,300	(\$46,541,700)
Line Items					
ISF - Office of State Debt Collect	1,400,000		1,400,000	1,407,000	7,000
ISF - Purchasing and General Serv	12,728,700		12,728,700	12,818,600	89,900
ISF - Information Tech Services	49,944,900		49,944,900		(49,944,900)
ISF - Fleet Operations	51,993,200		51,993,200	53,446,000	1,452,800
ISF - Risk Management	35,850,100	(2,500,000)	33,350,100	34,561,100	1,211,000
ISF - Facilities Management	19,869,100		19,869,100	20,511,600	642,500
Total	\$171,786,000	(\$2,500,000)	\$169,286,000	\$122,744,300	(\$46,541,700)
FTE/Other					
Total FTE	487.1	0.0	487.1	244.0	(243.1)
Authorized Capital Outlay	17,877,500	0	17,877,500	16,067,200	(1,810,300)
Retained Earnings	21,072,800	0	21,072,800	12,925,300	(8,147,500)

Department of Technology Services

The Department of Technology Services (DTS) manages information technology (IT) programs and resources statewide. It acts as the Executive Branch's lead agency on IT, working with all other state agencies to ensure efficient and effective investment in and operation of IT. DTS was created in the 2005 General Session by **“Information Technology Governance Amendments” (H.B. 109)** which moved the Office of the Chief Information Officer and the Automated Geographic Reference Center into DTS and provided tools to consolidate all other state government information technology functions into DTS. The department has both appropriated and internal service fund line items.

DTS Appropriated Divisions

The appropriated component of DAS consists of three line items:

- Chief Information Officer
- Integrated Technology
- Technology Acquisition

Legislative Action

The Legislature funded the following computer system upgrades in the Technology Acquisition Program:

- **Tax System Modernization:** \$7 million from the General Fund and \$5 million from Dedicated Credits paid by the Tax Commission.
- **UDOT Maintenance Management System:** \$3 million from Dedicated Credits paid by the Department of Transportation.
- **DNR Oil and Gas Electronic Permitting System:** \$100,000 from Dedicated Credits paid by the Department of Natural Resources.
- **UCC Online Filing System:** \$100,000 from Dedicated Credits paid by the Department of Commerce
- **Electronic Resource Eligibility Project (eREP):** \$3 million from Dedicated Credits to be paid by the Departments of Health, Human Services, and Workforce Services.

Funding Detail

Department of Technology Services					
Sources of Finance	2006	2006	2006	2007	Change from 2006 Revised
	Estimated	Supplemental	Revised	Appropriated	
General Fund	1,299,000		1,299,000	1,426,400	127,400
General Fund, One-time	400,000		400,000	7,894,500	7,494,500
Federal Funds	746,600		746,600	350,000	(396,600)
Dedicated Credits Revenue	527,200	2,000,000	2,527,200	9,730,700	7,203,500
GFR - E-911 Emergency Services	250,000		250,000	250,000	
Beginning Nonlapsing	724,000		724,000	624,400	(99,600)
Closing Nonlapsing	(624,400)		(624,400)	(476,100)	148,300
Total	\$3,322,400	\$2,000,000	\$5,322,400	\$19,799,900	\$14,477,500
Line Items					
Chief Information Officer	939,100		939,100	826,900	(112,200)
Integrated Technology	2,383,300		2,383,300	2,773,000	389,700
Technology Acquisition Projects		2,000,000	2,000,000	16,200,000	14,200,000
Total	\$3,322,400	\$2,000,000	\$5,322,400	\$19,799,900	\$14,477,500
Budgeted FTE	18.0	0.0	18.0	18.0	0.0

DTS Internal Service Funds (ISF)

DTS internal service funds provide services to other executive branch agencies and charge a rate to those agencies. Programs consist of Agency Services – products and services that are specific to any given state agency – and Enterprise Services – those products and services that are used by all agencies in state government.

Funding Detail

Department of Technology Services					
Sources of Finance	2006	2006	2006	2007	Change from 2006 Revised
	Estimated	Supplemental	Revised	Appropriated	
Dedicated Credits - Intragvt Rev		30,179,400	30,179,400	106,684,400	76,505,000
Total	\$0	\$30,179,400	\$30,179,400	\$106,684,400	\$76,505,000
Line Items					
ISF - DTS Operations				106,684,400	106,684,400
ISF - Agency Services		22,530,800	22,530,800		(22,530,800)
ISF - Enterprise Technology		7,648,600	7,648,600		(7,648,600)
Total	\$0	\$30,179,400	\$30,179,400	\$106,684,400	\$76,505,000
Budgeted FTE	236.0	702.0	938.0	933.0	(5.0)

Department of Human Resource Management

The Department of Human Resource Management (DHRM) operates the state's personnel system. Passage of **H.B. 269, "Human Resource Management Amendments"** changes the Division of Human Resource Management (within the Department of Administrative Services) to a stand-alone department. The bill also allows the Department of Human Resource Management to operate as an internal service fund agency.

Legislative Action

DHRM Appropriated Budget: The Legislature transferred \$30,000 in Dedicated Credits from the Management Training and Development program to the Administration program in order to fund a market comparability study.

Funding Detail

Department of Human Resource Management					
Sources of Finance	2006	2006	2006	2007	Change from
	Estimated	Supplemental	Revised	Appropriated	2006 Revised
General Fund	3,066,900		3,066,900	3,196,500	129,600
General Fund, One-time				(9,200)	(9,200)
Dedicated Credits Revenue	392,000	30,000	422,000	542,000	120,000
Beginning Nonlapsing	455,000		455,000	170,000	(285,000)
Closing Nonlapsing	(170,000)		(170,000)		170,000
Lapsing Balance		(30,000)	(30,000)		30,000
Total	\$3,743,900	\$0	\$3,743,900	\$3,899,300	\$155,400
Line Items					
Human Resource Management	3,743,900		3,743,900	3,899,300	155,400
Total	\$3,743,900	\$0	\$3,743,900	\$3,899,300	\$155,400
Budgeted FTE	36.5	0.0	36.5	36.5	0.0

DHRM Internal Service Fund

The Legislature approved rates, budgets, and FTE for the new ISF. The ISF consists of two programs: Field Services and Payroll Field Services. Payroll Field Services will be optional for agencies who wish to use it. Intent language requires that all FTE positions transferred to the new DHRM ISF come from existing positions elsewhere in state government.

Funding Detail

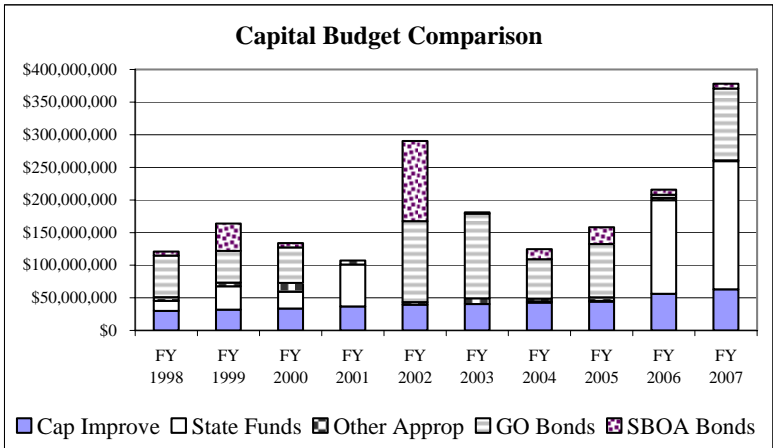
ISF - Human Resource Management					
Sources of Finance	2006 Estimated	2006 Supplemental	2006 Revised	2007 Appropriated	Change from 2006 Revised
Ded Cred - Intragovt Rev				11,279,800	11,279,800
Total	\$0	\$0	\$0	\$11,279,800	\$11,279,800
Line Items					
ISF - Human Resource Management				11,279,800	11,279,800
Total	\$0	\$0	\$0	\$11,279,800	\$11,279,800
FTE/Other					
Total FTE			0.0	165.6	165.6

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 2006 General Session the Legislature authorized \$62.9 million in state tax funds for capital improvements (projects that do not add new space and cost less than \$1.5 million), \$196.7 million in state tax funds for capital developments, and \$110 million in general obligation bonding 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 2007 appropriation of \$62.9 million represents the second consecutive year that capital improvements have been funded at the 1.1 percent level.

Non-state funded projects: S.B. 236, “Revenue Bond and Capital Facilities Authorizations and General Obligation Bond Authorization Amendments” approves State Building Ownership Authority revenue bonds (\$7.4 million), higher education revenue bonds (\$91.3 million) and other projects funded with agency/institutional funds or donations (\$102.1 million). The bill also amends a prior general obligation bond authorization, lowering Utah State University’s required receipt of donations from \$10 million to \$5 million before bonds may be issued for an addition to the engineering building. **H.B. 3, “Appropriation Adjustments”** appropriates \$1.2 million from the Transportation Fund to UDOT for renovation of a maintenance shed in Clearfield.

Meadow Transportation Shed: S.C.R. 301, “Approval of Transportation Maintenance Shed Construction” authorizes construction of a new UDOT maintenance shed in Meadow, Utah.

Funding Detail

Capital Budget					
Sources of Finance	2006	2006	2006	2007	Change from
	Estimated	Supplemental	Revised	Appropriated	2006 Revised
General Fund	53,600,800		53,600,800	45,902,800	(7,698,000)
General Fund, One-time	(2,698,000)	590,000	(2,108,000)	117,828,800	119,936,800
Income Tax	40,258,800		40,258,800	47,018,500	6,759,700
Income Tax, One-time	6,534,200		6,534,200	48,833,200	42,299,000
Transportation Fund, One-time	1,457,000		1,457,000	1,200,000	(257,000)
Federal Funds	1,383,800		1,383,800		(1,383,800)
Risk Management ISF		2,500,000	2,500,000		(2,500,000)
Contingency Reserve Fund	919,000		919,000		(919,000)
Total	\$101,455,600	\$3,090,000	\$104,545,600	\$260,783,300	\$156,237,700
Line Items					
Capital Development	45,069,000	590,000	45,659,000	189,892,000	144,233,000
Capital Improvements	56,161,600	2,500,000	58,661,600	62,921,300	4,259,700
Property Acquisition	225,000		225,000	7,970,000	7,745,000
Total	\$101,455,600	\$3,090,000	\$104,545,600	\$260,783,300	\$156,237,700

State Funded Capital Projects

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

<i>State Funded Projects</i>	State Funds	G.O. Bonds	Other Funds	Anticipated Donations	Total
Capital Improvements	\$62,921,300				\$62,921,300
State Capitol Restoration	\$50,000,000				\$50,000,000
UDC Gunnison Expansion	\$20,000,000				\$20,000,000
UVSC Digital Learning Ctr	\$46,750,000			\$1,250,000	\$48,000,000
UBATC/USU Vernal Bldg	\$9,942,000			\$4,500,000	\$14,442,000
WSU Classroom/Chiller Des	\$2,000,000				\$2,000,000
DNR Midway Fish Hatchery	\$5,000,000		\$3,200,000		\$8,200,000
USU Relocate Ag Campus	\$5,000,000				\$5,000,000
Courts St. George Land Exch	\$3,620,000				\$3,620,000
MATC N Utah Land Purch	\$3,250,000			\$1,250,000	\$4,500,000
CEU Energy Training Ctr	\$1,100,000				\$1,100,000
USTAR Research Bldgs	\$50,000,000	\$110,000,000		\$40,000,000	\$200,000,000
	\$259,583,300	\$110,000,000	\$3,200,000	\$47,000,000	\$419,783,300

Other Funded Capital Projects

The following table shows projects authorized with funding sources other than state funds. The University of Utah hospital expansion was approved for revenue bonds in the amount of \$42 million during the 2005 General Session. However, the Legislature amended the authorization to \$90 million during the 2006 General Session.

<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	\$7,371,000				\$7,371,000
UU Hospital Expansion		\$90,000,000	\$30,000,000		\$120,000,000
DSC Abby Apts Purchase		\$1,275,000			\$1,275,000
UU Pharmacy Bldg Expansion				\$67,823,000	\$67,823,000
UU Business Bldg Remodel				\$30,787,000	\$30,787,000
Snow Trad Skills Bldg				\$3,500,000	\$3,500,000
UNG Camp Williams JLTC #4			\$1,177,000		\$1,177,000
UDOT Clearfield Maint Shed			\$1,200,000		\$1,200,000
	\$7,371,000	\$91,275,000	\$32,377,000	\$102,110,000	\$233,133,000

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. Based on the formula, the state's constitutional debt limit is approximately \$2.8 billion. The currently outstanding general obligation debt is \$1.6 billion.

Legislative Action

The Legislature appropriated an additional \$1,583,400 from the Centennial Highway Fund to cover increased debt service on highway bonds. As a result of reduced debt service on buildings, the Legislature reallocated \$5.5 million from the Debt Service line item to the Capital Developments line item.

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

Funding Detail

State Board of Bonding Commissioners - Debt Service					
Sources of Finance	2006	2006	2006	2007	Change from
	Estimated	Supplemental	Revised	Appropriated	2006 Revised
General Fund	57,181,700		57,181,700	51,679,700	(5,502,000)
General Fund, One-time	2,698,000		2,698,000		(2,698,000)
Uniform School Fund	17,164,300		17,164,300		(17,164,300)
Income Tax				17,164,300	17,164,300
Centennial Highway Fund	126,393,400		126,393,400	127,976,800	1,583,400
Dedicated Credits Revenue	33,004,500		33,004,500	34,368,900	1,364,400
TFR - Public Transp. System Tax	7,204,400		7,204,400	7,204,400	
Beginning Nonlapsing	12,635,900		12,635,900	7,340,700	(5,295,200)
Closing Nonlapsing	(7,340,700)		(7,340,700)	(9,140,000)	(1,799,300)
Total	\$248,941,500	\$0	\$248,941,500	\$236,594,800	(\$12,346,700)
Line Items					
Debt Service	248,941,500		248,941,500	236,594,800	(12,346,700)
Total	\$248,941,500	\$0	\$248,941,500	\$236,594,800	(\$12,346,700)

Restricted Revenue

Project Reserve Fund: The Legislature appropriated \$1.5 million from the Contingency Reserve Fund to the Project Reserve Fund in FY 2006 to help cover inflation in construction costs.

Funding Detail

Restricted Revenue					
Sources of Finance	2006	2006	2006	2007	Change from
	Estimated	Supplemental	Revised	Appropriated	2006 Revised
General Fund, One-time	100,000		100,000		(100,000)
Uniform School Fund, One-time	24,000,000		24,000,000		(24,000,000)
Contingency Reserve Fund		1,500,000	1,500,000		(1,500,000)
Total	\$24,100,000	\$1,500,000	\$25,600,000	\$0	(\$25,600,000)
Line Items					
Capital Project Fund - Project Reserve		1,500,000	1,500,000		(1,500,000)
Education Rainy Day Fund	24,000,000		24,000,000		(24,000,000)
GFR - Prison Telephone Surcharge Account	100,000		100,000		(100,000)
Total	\$24,100,000	\$1,500,000	\$25,600,000	\$0	(\$25,600,000)

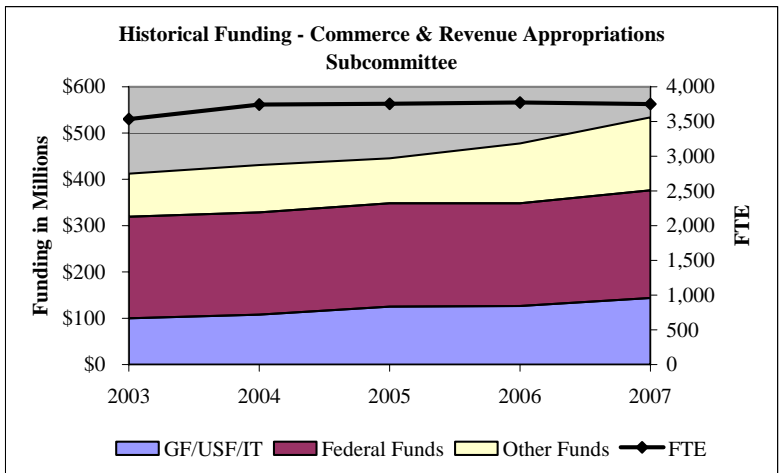
Funding Detail

Capital Facilities & Administrative Services Appropriations Subcommittee					
Sources of Finance	2006 Estimated	2006 Supplemental	2006 Revised	2007 Appropriated	Change from 2006 Revised
General Fund	130,686,800		130,686,800	119,793,400	(10,893,400)
General Fund, One-time	608,700	596,400	1,205,100	126,764,900	125,559,800
Uniform School Fund	17,164,300		17,164,300		(17,164,300)
Uniform School Fund, One-time	24,000,000		24,000,000		(24,000,000)
Income Tax	40,258,800		40,258,800	64,182,800	23,924,000
Income Tax, One-time	6,534,200		6,534,200	48,833,200	42,299,000
Transportation Fund	450,000		450,000	450,000	
Transportation Fund, One-time	1,457,000		1,457,000	1,200,000	(257,000)
Centennial Highway Fund	126,393,400		126,393,400	127,976,800	1,583,400
Federal Funds	2,134,900		2,134,900	416,700	(1,718,200)
Dedicated Credits Revenue	36,296,100	2,030,000	38,326,100	47,133,400	8,807,300
GFR - E-911 Emergency Services	250,000		250,000	250,000	
GFR - Economic Incentive Restricted Accour	981,900		981,900	1,528,000	546,100
GFR - ISF Overhead	1,272,400		1,272,400	1,272,400	
TFR - Public Transp. System Tax	7,204,400		7,204,400	7,204,400	
Transfers	141,400		141,400	41,400	(100,000)
Risk Management ISF	65,900	2,500,000	2,565,900		(2,565,900)
Capital Project Fund	1,575,300		1,575,300	1,764,100	188,800
Project Reserve Fund	200,000		200,000	200,000	
Contingency Reserve Fund	2,099,200	1,500,000	3,599,200	82,300	(3,516,900)
Beginning Nonlapsing	23,885,700		23,885,700	9,833,300	(14,050,400)
Closing Nonlapsing	(9,835,300)		(9,835,300)	(9,823,500)	11,800
Lapsing Balance		(30,000)	(30,000)		30,000
Total	\$413,825,100	\$6,596,400	\$420,421,500	\$549,105,600	\$128,684,100
Agencies					
Capitol Preservation Board	2,814,900		2,814,900	2,884,400	69,500
Administrative Services	29,256,100	6,400	29,262,500	24,926,100	(4,336,400)
Human Resource Management	3,743,900		3,743,900	3,899,300	155,400
Career Service Review Board	190,700		190,700	217,800	27,100
Capital Budget	101,455,600	3,090,000	104,545,600	260,783,300	156,237,700
Debt Service	248,941,500		248,941,500	236,594,800	(12,346,700)
Technology Services	3,322,400	2,000,000	5,322,400	19,799,900	14,477,500
Restricted Revenue - CFAS	24,100,000	1,500,000	25,600,000		(25,600,000)
Total	\$413,825,100	\$6,596,400	\$420,421,500	\$549,105,600	\$128,684,100
Budgeted FTE	251.6	0.0	251.6	249.5	(2.1)

Commerce and Revenue

Subcommittee Overview

For FY 2007, the Legislature appropriated \$533,853,800 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 \$143,671,600 represents an increase of 13.6 percent when compared to FY 2006. Off-budget items include Unemployment Insurance Payments at \$128,000,000, a 19.5 percent decline from last year, and Food Stamp Payments of \$142,000,000, an increase of 1.2 percent from last year.



Alcoholic Beverage Control

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

Utah is one of 18 liquor control states and one of two totally state-run systems. The Department operates 37 state stores and about 88 package agencies which are the exclusive retailers of liquor, wine and heavy beer in the state.

Legislative Action

The Legislature appropriated a total of \$24,600,000 from the Liquor Control Fund to the Department of Alcoholic Beverage Control. The following items are included in the appropriation:

- \$226,100 for 7 FTE to accommodate growth
- \$812,400 for the bond payment on new stores
- \$48,500 for package agencies contractual increases
- \$34,300 for a COLA increase for package agencies
- \$48,500 for a new package agency
- \$65,000 for automated warehouse warranty and maintenance agreements

The Legislature passed **S.B. 58, “Alcoholic Beverage Amendments – Eliminating Alcohol Sales to Youth”** and appropriated \$1,631,300 one-time from the General Fund to implement a media campaign designed to reduce underage drinking.

Funding Detail

Department of Alcoholic Beverage Control					
Sources of Finance	2006 Estimated	2006 Supplemental	2006 Revised	2007 Appropriated	Change from 2006 Revised
General Fund, One-time				1,631,300	1,631,300
Liquor Control Fund	20,498,400		20,498,400	22,968,700	2,470,300
Total	\$20,498,400	\$0	\$20,498,400	\$24,600,000	\$4,101,600
Line Items					
Alcoholic Beverage Control	20,498,400		20,498,400	24,600,000	4,101,600
Total	\$20,498,400	\$0	\$20,498,400	\$24,600,000	\$4,101,600
Budgeted FTE	339.5	0.0	339.5	347.0	7.5

Commerce

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

Legislative Action

The Legislature appropriated \$24,565,200 to the Commerce Department. Included in the appropriation from the General Fund Restricted – Commerce Service fund are:

- \$104,000 for a Construction Expert
- \$66,400 for a Proprietary Schools Investigator
- \$100,000 to rebuild the Uniform Commercial Code Online Filing System software
- \$63,100 for a Real Estate Investigator
- \$455,400 to fund **S.B. 268, “Property Rights Ombudsman”**
- \$12,200 to fund **H.B. 74, “Athletic Trainer Licensing Act”**
- \$20,000 to fund **H.B. 65, “Consumer Protection Agency”**

Funding Detail

Department of Commerce					
Sources of Finance	2006 Estimated	2006 Supplemental	2006 Revised	2007 Appropriated	Change from 2006 Revised
General Fund	50,000		50,000	50,000	
General Fund, One-time	100,000		100,000	20,000	(80,000)
Federal Funds	245,900		245,900	245,900	
Dedicated Credits Revenue	1,726,500		1,726,500	1,727,600	1,100
GFR - Commerce Service	15,597,000		15,597,000	17,316,700	1,719,700
GFR - CSF - PURF	4,398,100		4,398,100	4,624,300	226,200
Transfers					
Beginning Nonlapsing	1,555,700		1,555,700	799,800	(755,900)
Closing Nonlapsing	(799,800)		(799,800)	(192,000)	607,800
Lapsing Balance	(24,200)		(24,200)	(27,100)	(2,900)
Total	\$22,849,200	\$0	\$22,849,200	\$24,565,200	\$1,716,000
Line Items					
Commerce General Regulation	22,046,900		22,046,900	23,781,800	1,734,900
Public Utilities Professional & Technical Ser	125,000		125,000	125,000	
Committee of Consumer Services Profession	677,300		677,300	658,400	(18,900)
Total	\$22,849,200	\$0	\$22,849,200	\$24,565,200	\$1,716,000
Budgeted FTE	264.0	0.0	264.0	272.0	8.0

Financial Institutions

The Department of Financial Institutions regulates state chartered deposit-taking institutions including banks, credit unions, savings and loans, and industrial loan corporations and non-institutional lenders (travelers checks, money order issuers,

independent escrow companies, check cashers/payday lenders, and residential first mortgage loan services). Funding for the Department is from the General Fund Restricted – Financial Institutions. The 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 \$5,788,900 from the General Fund Restricted – Financial Institutions to operate the department. Included in the appropriation is \$524,000 for an additional 5 FTE to handle growth.

H.B.430, “Department of Financial Institutions Pay Plan” passed, but it passed too late for the funding of the fiscal note to be included in the appropriations.

Funding Detail

Financial Institutions					
Sources of Finance	2006 Estimated	2006 Supplemental	2006 Revised	2007 Appropriated	Change from 2006 Revised
GFR - Financial Institutions	5,093,100		5,093,100	5,788,900	695,800
Total	\$5,093,100	\$0	\$5,093,100	\$5,788,900	\$695,800
Line Items					
Financial Institutions Administration	5,093,100		5,093,100	5,788,900	695,800
Total	\$5,093,100	\$0	\$5,093,100	\$5,788,900	\$695,800
Budgeted FTE	50.0	0.0	50.0	55.0	5.0

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 \$48,192,600 for the Insurance Department. Included in the total is:

- \$345,700 in General Fund for three financial examiners and two market conduct examiners
- \$16,000 in General Fund for the enterprise content management system
- \$3,796,100 in additional ongoing General Fund and \$1,000,000 in one time General Fund for the Health Insurance Pool of Utah (HIPUtah)

Funding Detail

Insurance Department					
Sources of Finance	2006	2006	2006	2007	Change from
	Estimated	Supplemental	Revised	Appropriated	2006 Revised
General Fund	10,858,500		10,858,500	15,324,400	4,465,900
General Fund, One-time	10,000,000		10,000,000	987,200	(9,012,800)
Federal Funds	1,395,400		1,395,400		(1,395,400)
Dedicated Credits Revenue	22,714,200		22,714,200	23,613,900	899,700
GFR - Bail Bond Surety Admin	22,100		22,100	22,100	
Beginning Nonlapsing	10,317,200		10,317,200	16,206,700	5,889,500
Closing Nonlapsing	(17,602,100)		(17,602,100)	(7,961,700)	9,640,400
Lapsing Balance	(1,300)		(1,300)		1,300
Total	\$37,704,000	\$0	\$37,704,000	\$48,192,600	\$10,488,600
Line Items					
Insurance Department Administration	7,160,300		7,160,300	8,389,000	1,228,700
Comprehensive Health Insurance Pool	30,459,200		30,459,200	39,709,500	9,250,300
Bail Bond Program	20,800		20,800	22,100	1,300
Title Insurance Program	63,700		63,700	72,000	8,300
Total	\$37,704,000	\$0	\$37,704,000	\$48,192,600	\$10,488,600
Budgeted FTE	84.0	0.0	84.0	89.0	5.0

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 appropriated a total of \$11,154,200 to the Labor Commission for FY 2007. Included in the total are the

following, funded from the General Fund Restricted – Workplace Safety Account:

- \$100,000 for a Workplace Safety consultation officer
- \$100,000 for Workplace Safety grants
- \$109,000 for a Workplace Safety media campaign
- \$250,000 to fund **H.B. 9, “Workers' Compensation Studies Including Coverage of Firefighters and Drug Officers”**. This bill also appropriates the same amount in FY 08.

Funding approved from the General Fund includes:

- \$256,000 to displace appropriations from the Uninsured Employers Fund
- \$145,000 to pay for federal fund shortfalls to Utah Occupational Safety and Health
- \$175,000 to pay for a judge to be located in St. George

Funding Detail

Labor Commission					
Sources of Finance	2006 Estimated	2006 Supplemental	2006 Revised	2007 Appropriated	Change from 2006 Revised
General Fund	4,978,200		4,978,200	5,931,300	953,100
General Fund, One-time				(14,600)	(14,600)
Federal Funds	2,448,100		2,448,100	2,476,600	28,500
GFR - Workplace Safety	990,400		990,400	1,571,300	580,900
Uninsured Employers' Fund	1,318,200		1,318,200	1,164,600	(153,600)
Transfers	25,000		25,000	25,000	
Total	\$9,759,900	\$0	\$9,759,900	\$11,154,200	\$1,394,300
Line Items					
Labor Commission	9,759,900		9,759,900	11,154,200	1,394,300
Total	\$9,759,900	\$0	\$9,759,900	\$11,154,200	\$1,394,300
Budgeted FTE	119.0	0.0	119.0	121.0	2.0

Public Service Commission

The Public Service Commission regulates public utilities with the goal of efficient, reliable, reasonably priced service for customers and maintenance of financially healthy utilities. They also oversee several other programs: Research and Analysis (the court mandated Wexpro Agreement) funded from dedicated credits, Speech and Hearing Impaired funded from dedicated credits with large non-lapsing balances, and Universal

Telecommunications Service Support Fund funded from dedicated credits with large non-lapsing balances.

Legislative Action

The Legislature appropriated \$12,816,200 to the four line items that make up the Public Service Commission.

Funding Detail

Public Service Commission					
	2006	2006	2006	2007	Change from
Sources of Finance	Estimated	Supplemental	Revised	Appropriated	2006 Revised
Dedicated Credits Revenue	1,518,500		1,518,500	1,857,700	339,200
GFR - CSF - PURF	1,561,900		1,561,900	1,709,000	147,100
Universal Public Telecom Service Fund	8,245,700		8,245,700	8,100,900	(144,800)
Beginning Nonlapsing	9,173,800		9,173,800	8,218,800	(955,000)
Closing Nonlapsing	(8,218,800)		(8,218,800)	(7,070,200)	1,148,600
Total	\$12,281,100	\$0	\$12,281,100	\$12,816,200	\$535,100
Line Items					
Public Service Commission	2,100,600		2,100,600	2,220,800	120,200
Research and Analysis	60,000		60,000	60,000	
Speech and Hearing Impaired	1,766,900		1,766,900	2,266,900	500,000
Universal Telecommunications Support Fund	8,353,600		8,353,600	8,268,500	(85,100)
Total	\$12,281,100	\$0	\$12,281,100	\$12,816,200	\$535,100
Budgeted 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 866 individuals, operates 13 offices across the state, and collects in excess of \$5.5 billion in net deposits annually.

Legislative Action

The Legislature appropriated a total of \$79,955,000 to the Tax Commission. In addition, the Legislature approved \$10,000,000 (\$7,000,000 from General Fund One-time and \$3,000,000 from Dedicated Credits) which was appropriated to the Department of Technology Services to replace the Tax Commission’s core data processing systems, a project that will cost an estimated \$30,000,000 and take three years to complete. Increased funding includes:

- \$608,100 from the General Fund Restricted – Alcoholic Beverage Enforcement and Treatment fund for Utah Code mandated increases for Liquor Profit Distribution to local governments
- \$150,000 from the General Fund for office rent increases in Richfield and St. George
- \$6,000,000 from the General Fund to implement “**H.B. 109, Sales and Use Tax – Food and Food Ingredients**”. These funds will be distributed to eligible sales tax vendors that modify their cashiering systems to accommodate this legislation.

Funding Detail

Utah State Tax Commission					
Sources of Finance	2006 Estimated	2006 Supplemental	2006 Revised	2007 Appropriated	Change from 2006 Revised
General Fund	22,180,500		22,180,500	23,949,200	1,768,700
General Fund, One-time				5,936,700	5,936,700
Uniform School Fund	18,151,400		18,151,400	19,312,400	1,161,000
Uniform School Fund, One-time				(48,800)	(48,800)
Transportation Fund	5,857,400		5,857,400	5,857,400	
Federal Funds	464,000		464,000	434,000	(30,000)
Dedicated Credits Revenue	10,208,600		10,208,600	10,493,800	285,200
GFR - Alc Bev Enf & Treatment	3,741,900		3,741,900	4,350,000	608,100
GFR - Sales and Use Tax Admin Fees	7,491,300		7,491,300	7,958,500	467,200
TFR - Uninsured Motorist I.D.	133,800		133,800	133,800	
Beginning Nonlapsing	11,909,000		11,909,000	10,331,000	(1,578,000)
Closing Nonlapsing	(10,331,000)		(10,331,000)	(8,753,000)	1,578,000
Total	\$69,806,900	\$0	\$69,806,900	\$79,955,000	\$10,148,100
Line Items					
Tax Administration	63,644,200		63,644,200	73,184,200	9,540,000
License Plates Production	2,420,800		2,420,800	2,420,800	
Liquor Profit Distribution	3,741,900		3,741,900	4,350,000	608,100
Total	\$69,806,900	\$0	\$69,806,900	\$79,955,000	\$10,148,100
Budgeted FTE	866.0	0.0	866.0	866.0	0.0

Workforce Services

The Department of Workforce Services administers the state’s job placement, job training, and welfare functions. It has 37 one-stop employment centers throughout the state.

Legislative Action

The Legislature appropriated a total of \$326,781,700 to the Department of Workforce Services. Increases included in the total are:

- \$5,000,000 in one-time and \$500,000 in ongoing General Fund for General Assistance
- \$945,000 in ongoing General Fund for Food Stamps
- \$2,702,400 in one-time General Fund for Child Care that will draw down \$6,997,600 in federal matching funds
- \$4,085,000 in one-time General Fund to complete the Medicaid module of e-REP that will draw down \$6,135,900 in federal funds (in a transfer from Health)
- \$100,000 in one-time General Fund to implement **H.J.R. 23, “Resolution Supporting Working Families Economic Development Initiative”**
- \$4,213,000 of federal Reed Act distribution funds for the Comprehensive Unemployment Benefits System (CUBS)

Funding Detail

Department of Workforce Services					
Sources of Finance	2006	2006	2006	2007	Change from 2006 Revised
	Estimated	Supplemental	Revised	Appropriated	
General Fund	55,400,000		55,400,000	58,732,000	3,332,000
General Fund, One-time	4,762,500		4,762,500	11,860,500	7,098,000
Federal Funds	217,180,200		217,180,200	229,622,800	12,442,600
Dedicated Credits Revenue	2,734,200		2,734,200	2,893,000	158,800
Trust and Agency Funds	2,514,600		2,514,600		(2,514,600)
Unemployment Compensation Trust				7,506,200	7,506,200
Transfers	11,132,900		11,132,900	16,968,100	5,835,200
Transfers - Medicaid				164,400	164,400
Beginning Nonlapsing	6,914,000		6,914,000	934,700	(5,979,300)
Closing Nonlapsing	(934,700)		(934,700)	(1,900,000)	(965,300)
Total	\$299,703,700	\$0	\$299,703,700	\$326,781,700	\$27,078,000
Line Items					
Workforce Services	299,703,700		299,703,700	326,781,700	27,078,000
Total	\$299,703,700	\$0	\$299,703,700	\$326,781,700	\$27,078,000
Budgeted FTE	2,033.0	0.0	2,033.0	1,998.0	(35.0)

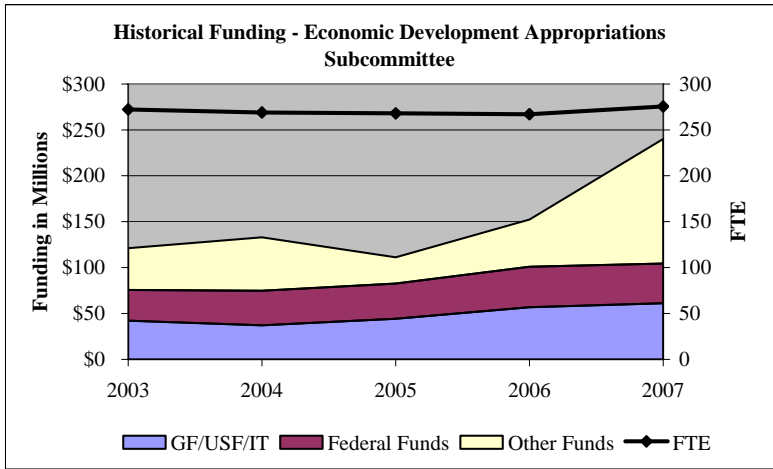
Funding Detail

Commerce & Revenue Appropriations Subcommittee					
Sources of Finance	2006	2006	2006	2007	Change from
	Estimated	Supplemental	Revised	Appropriated	2006 Revised
General Fund	93,467,200		93,467,200	103,986,900	10,519,700
General Fund, One-time	14,862,500		14,862,500	20,421,100	5,558,600
Uniform School Fund	18,151,400		18,151,400	19,312,400	1,161,000
Uniform School Fund, One-time				(48,800)	(48,800)
Transportation Fund	5,857,400		5,857,400	5,857,400	
Federal Funds	221,733,600		221,733,600	232,779,300	11,045,700
Dedicated Credits Revenue	38,902,000		38,902,000	40,586,000	1,684,000
GFR - Alc Bev Enf & Treatment	3,741,900		3,741,900	4,350,000	608,100
GFR - Bail Bond Surety Admin	22,100		22,100	22,100	
GFR - Commerce Service	15,597,000		15,597,000	17,316,700	1,719,700
GFR - CSF - PURF	5,960,000		5,960,000	6,333,300	373,300
GFR - Financial Institutions	5,093,100		5,093,100	5,788,900	695,800
GFR - Sales and Use Tax Admin Fees	7,491,300		7,491,300	7,958,500	467,200
GFR - Workplace Safety	990,400		990,400	1,571,300	580,900
TFR - Uninsured Motorist I.D.	133,800		133,800	133,800	
Trust and Agency Funds	2,514,600		2,514,600		(2,514,600)
Liquor Control Fund	20,498,400		20,498,400	22,968,700	2,470,300
Unemployment Compensation Trust				7,506,200	7,506,200
Uninsured Employers' Fund	1,318,200		1,318,200	1,164,600	(153,600)
Universal Public Telecom Service Fund	8,245,700		8,245,700	8,100,900	(144,800)
Transfers	11,157,900		11,157,900	16,993,100	5,835,200
Transfers - Medicaid				164,400	164,400
Beginning Nonlapsing	39,869,700		39,869,700	36,491,000	(3,378,700)
Closing Nonlapsing	(37,886,400)		(37,886,400)	(25,876,900)	12,009,500
Lapsing Balance	(25,500)		(25,500)	(27,100)	(1,600)
Total	\$477,696,300	\$0	\$477,696,300	\$533,853,800	\$56,157,500
Agencies					
Tax Commission	69,806,900		69,806,900	79,955,000	10,148,100
Workforce Services	299,703,700		299,703,700	326,781,700	27,078,000
Alcoholic Beverage Control	20,498,400		20,498,400	24,600,000	4,101,600
Labor Commission	9,759,900		9,759,900	11,154,200	1,394,300
Commerce	22,849,200		22,849,200	24,565,200	1,716,000
Financial Institutions	5,093,100		5,093,100	5,788,900	695,800
Insurance	37,704,000		37,704,000	48,192,600	10,488,600
Public Service Commission	12,281,100		12,281,100	12,816,200	535,100
Total	\$477,696,300	\$0	\$477,696,300	\$533,853,800	\$56,157,500
Budgeted FTE	3,772.5	0.0	3,772.5	3,750.0	(22.4)

Economic Development

Subcommittee Overview

The Economic Development Subcommittee oversees the budgets for the Department of Community and Culture and the Governor’s Office of Economic Development. It also oversees funding for the USTAR Initiative.



Legislative Action

The Legislature appropriated \$240,218,200 for the functions of Economic Development.

Department of Community and Culture

The Department’s divisions and offices are: Administration, Indian Affairs, Utah State Historical Society, State History, Arts and Museums, 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 \$65,200 from the Office of Ethnic Affairs to the Department Administration for an internal auditor position. There was also a reallocation of \$656,000 carry forward funding to other areas of the budget. A supplemental appropriation for a lease increase of \$90,000 and an ongoing appropriation of \$180,000 was provided.

Division of Indian Affairs

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

Legislative Action

The Legislature reallocated \$28,300 to other budget priorities within the committee budgets. The funding is mainly General Fund and provides for three FTE.

State History and 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 Divisions fund raising arm and is shown as a separate line item. The source of funding is General Fund, dedicated credits, and federal funds. The total FTE count is 32.

Legislative Action

The legislature provided ongoing of \$50,000 for History Grants. One-time funding was provided for the following items: \$75,000 Save America's Treasures, \$50,000 History Grants, \$20,000 Italians in Utah project, and \$50,000 Native American Remains Repatriation.

Division of Arts and Museums

The Division of Arts and Museums promotes the arts and museum development statewide. Grants are available to more than

200 nonprofit arts organizations. The Community Outreach and Development Program provides technical assistance to organizations and runs several outreach programs. **S.B. 23, “Office of Museum Services”** consolidated the Division of Fine Arts with the Office of Museum Services to form the Division of Arts and Museums. The programs will remain separate line items under the new division. Funding comes from the General Fund and federal funds. The appropriation provides grants to arts organizations personal service costs associated with the 24 FTE.

Legislative Action

The Moab Music Festival was allocated \$50,000 in one-time funding. Museums were provided \$345,500 one-time to fund museum grants statewide. The Treehouse Museum received \$400,000 one-time funding and the Children’s Museum received \$400,000 one-time funding. Fine Arts was provided \$95,500 one-time for the grant program and \$100,000 one-time for art restoration.

State Library

The mission of the State Library is to develop, advance and promote library services and access to information. Funding is provided through the General Fund, dedicated credits, and federal funds. The FTE count is 72.

Legislative Action

The State Library was provided with a \$200,000 one-time appropriation to provide library development grants. Ongoing funding of \$48,300 was provided to enhance the PIONEER database program.

Housing and Community Development

Community Development is comprised of a number of programs which help local governments develop infrastructure. Funding is mainly from the Federal government with additional amounts from the General Fund, dedicated credits, and restricted revenues. The appropriation provides for 50 FTE.

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

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. They also provide support to the Private Activity Bond Board.

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.

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.

The Commission on Volunteers improves communities through service and volunteering.

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 Association of Governments and nonprofit agencies.

The Ethnic Office provides staff resources to various ethnic groups.

Legislative Action

One-time funding was provided for the following \$500,000 to the Pamela Atkinson Homeless Trust Fund,

\$1,000,000 to the Olene Walker Housing Loan Fund, \$100,000 to the Emergency Food Network, \$500,000 to the HEAT program, \$250,000 to the Eccles Ice Center, \$500,000 to the Davis County Conference Center.

Ongoing funding of \$50,000 was provided for Individual Development Account grants. The Emergency Food Network received \$30,000 in new ongoing funds.

Community Development Capital

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

Zoos

The state provides pass-through support for the Hogle Zoo and the Willow Park Zoo through this program.

Legislative Action

The Legislature provided \$100,000 in ongoing funds to increase the pass-through for the zoos.

Funding Detail

Department of Community and Culture					
Sources of Finance	2006	2006	2006	2007	Change from
	Estimated	Supplemental	Revised	Appropriated	2006 Revised
General Fund	16,537,900		16,537,900	17,425,100	887,200
General Fund, One-time	2,790,000	(174,900)	2,615,100	2,456,100	(159,000)
Federal Funds	40,128,300		40,128,300	39,453,600	(674,700)
Dedicated Credits Revenue	4,005,700	441,900	4,447,600	4,604,500	156,900
Federal Mineral Lease	2,500,000		2,500,000	4,500,000	2,000,000
GFR - Homeless Trust	850,000		850,000	850,000	
Permanent Community Impact	31,844,100		31,844,100	42,878,800	11,034,700
Transfers	72,900		72,900	148,000	75,100
Repayments				19,447,000	19,447,000
Beginning Nonlapsing	2,200,400		2,200,400	656,000	(1,544,400)
Closing Nonlapsing	(656,000)		(656,000)		656,000
Total	\$100,273,300	\$267,000	\$100,540,300	\$132,419,100	\$31,878,800
Line Items					
Administration	2,622,800	(151,600)	2,471,200	2,213,800	(257,400)
Historical Society	458,800		458,800	302,500	(156,300)
State History	2,904,800		2,904,800	3,279,000	374,200
Arts and Museums	4,501,800		4,501,800	3,870,500	(631,300)
State Library	8,277,500		8,277,500	8,717,100	439,600
Indian Affairs	254,300	7,100	261,400	243,200	(18,200)
Housing and Community Development	46,354,600	411,500	46,766,100	46,397,300	(368,800)
Community Development Capital Budget	33,500,000		33,500,000	65,897,000	32,397,000
Zoos	1,398,700		1,398,700	1,498,700	100,000
Total	\$100,273,300	\$267,000	\$100,540,300	\$132,419,100	\$31,878,800
Budgeted FTE	203.0	0.0	203.0	203.0	0.0

Governor's Office of Economic Development

The Governor's Office of Economic Development facilitates the growth of quality jobs, promotes Utah businesses, and develops economic prosperity for Utah. Funding is mainly from the General Fund, with additional funding from federal funds, dedicated credits, transportation funds, and restricted funds. There are 73 FTE covered by the appropriated funds.

Legislative Action

The Industrial Assistance Fund was provided an appropriation of \$3,479,400 in FY 2006 to replenish the fund. One-time appropriations were provided in FY 2007 for the following: \$1,528,000 for Economic Development Zone Tax Rebates, \$200,000 Sports Commission grants, \$25,000 Utah Summer Games, \$500,000 Motion Picture Incentive Fund, \$250,000 for business development opportunities, \$5,000 Utah Golf Association, \$250,000 Hillfield/UBIDs program, and \$45,000 business resource centers equipment purchases.

Ongoing funding of \$500,000 each was provided for the Centers of Excellence program and the Motion Picture Incentive Fund. Funding of \$100,000 was provided for SB 187 Science and Technology Education Program. The Snow College Custom Fit Nursing Initiative received \$150,000 ongoing funds. Funding of \$500,000 was identified for but not yet appropriated to Business Resource Centers.

Funding Detail

Governor's Office of Economic Development					
Sources of Finance	2006 Estimated	2006 Supplemental	2006 Revised	2007 Appropriated	Change from 2006 Revised
General Fund	13,669,100		13,669,100	14,714,800	1,045,700
General Fund, One-time	525,000	239,900	764,900	757,700	(7,200)
Transportation Fund	118,000		118,000	118,000	
Federal Funds	400,100		400,100	300,000	(100,100)
Dedicated Credits Revenue	504,800		504,800	414,700	(90,100)
GFR - Industrial Assistance	223,500		223,500	223,500	
GFR - Motion Picture Incentive Fund				1,000,000	1,000,000
GFR - Tourism Marketing Performance				11,000,000	11,000,000
Beginning Nonlapsing	9,424,800		9,424,800		(9,424,800)
Total	\$24,865,300	\$239,900	\$25,105,200	\$28,528,700	\$3,423,500
Line Items					
Administration				2,411,100	2,411,100
Office of Tourism				16,481,700	16,481,700
Business Development		239,900	239,900	9,485,900	9,246,000
Incentive Funds	383,500		383,500	150,000	(233,500)
Business and Travel Development	24,481,800		24,481,800		(24,481,800)
Total	\$24,865,300	\$239,900	\$25,105,200	\$28,528,700	\$3,423,500
Budgeted FTE	64.0	0.0	64.0	72.5	8.5

Utah Science, Technology, and Research

During the 2005 General Session, the Legislature allocated funding to the University of Utah and Utah State University to recruit and hire research teams, purchase research equipment, and develop and implement a high technology research and development initiative. This initiative was named the Utah Science, Technology, and Research (USTAR) Economic Development Initiative. During the 2006 General Session, S.B. 75, "USTAR Initiative," greatly broadened the scope and funding. The legislation establishes the USTAR Governing Authority, to which funds are appropriated for the construction of research buildings at Utah State University and the University of Utah, the creation of a technology outreach program at up to five locations throughout Utah, and the recruiting and funding of research teams.

Legislative Action

S. B. 75 authorizes the issuance and sale of \$111,100,000 in general obligation bonds and appropriates \$50,000,000 one-time from the General Fund to the USTAR Governing Authority for the construction of a Bio Innovations Research Institute at USU (\$40,400,000 in bonds and \$20,000,000 one-time) and a Neuroscience and Biomedical Technology Research Building at the U of U (\$70,700,000 in bonds and \$30,000,000 one-time). Expenditure of these funds is contingent upon USU and U of U obtaining commitments of at least \$10,000,000 and \$30,000,000 in non-state funds, respectively. The bill also transfers \$4,000,000 from USU's and U of U's ongoing General Fund appropriations of University of Utah and Utah State University and provides a new ongoing general fund appropriation of \$15,250,000, for a total of \$19,250,000 ongoing, to the USTAR Governing Authority.

Intent Language

Intent language in S.B. 75 specifies ongoing appropriations as nonlapsing and directs the USTAR Governing Authority to use up to \$250,000 for administrative costs, use up to \$4,000,000 for the technology outreach program, and allocate up to \$11,000,000 to Utah State University and the University of Utah to fund research teams and for commercialization of technologies developed by these teams.

Funding Detail

Utah Science Technology and Research Governing Authority					
Sources of Finance	2006 Estimated	2006 Supplemental	2006 Revised	2007 Appropriated	Change from 2006 Revised
General Fund				19,250,000	19,250,000
Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$19,250,000</u>	<u>\$19,250,000</u>
Line Items					
USTAR				19,250,000	19,250,000
Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$19,250,000</u>	<u>\$19,250,000</u>
					0.0

Funding Detail

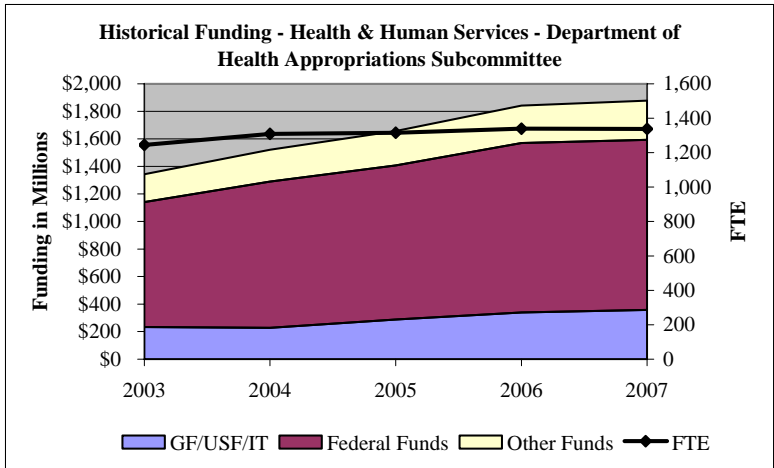
Economic Development Appropriations Subcommittee					
Sources of Finance	2006	2006	2006	2007	Change from 2006 Revised
	Estimated	Supplemental	Revised	Appropriated	
General Fund	32,643,400		32,643,400	54,326,300	21,682,900
General Fund, One-time	20,546,900	3,544,400	24,091,300	6,741,800	(17,349,500)
Transportation Fund	118,000		118,000	118,000	
Federal Funds	44,134,400		44,134,400	43,359,600	(774,800)
Dedicated Credits Revenue	4,510,500	441,900	4,952,400	5,019,200	66,800
Federal Mineral Lease	2,500,000		2,500,000	40,350,000	37,850,000
GFR - Homeless Trust	850,000		850,000	850,000	
GFR - Industrial Assistance	223,500		223,500	223,500	
GFR - Mineral Bonus				6,100,000	6,100,000
GFR - Motion Picture Incentive Fund				1,000,000	1,000,000
GFR - Tourism Marketing Performance				11,000,000	11,000,000
Permanent Community Impact	31,844,100		31,844,100	42,878,800	11,034,700
Transfers	72,900		72,900	148,000	75,100
Repayments				19,447,000	19,447,000
Beginning Nonlapsing	11,625,200		11,625,200	8,656,000	(2,969,200)
Closing Nonlapsing	(656,000)		(656,000)		656,000
Total	\$148,412,900	\$3,986,300	\$152,399,200	\$240,218,200	\$87,819,000
Agencies					
Community and Culture	100,273,300	267,000	100,540,300	132,419,100	31,878,800
Economic Development	24,865,300	239,900	25,105,200	28,528,700	3,423,500
USTAR				19,250,000	19,250,000
Restricted Revenue - EDHR	23,274,300	3,479,400	26,753,700	60,020,400	33,266,700
Total	\$148,412,900	\$3,986,300	\$152,399,200	\$240,218,200	\$87,819,000
Budgeted FTE	267.0	0.0	267.0	275.5	8.5

HEALTH AND HUMAN SERVICES

Department of Health

Department Overview

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



Legislative Action

The Legislature approved a total FY 2007 spending level for the Department of Health of \$1,876,963,900, with \$357,978,300 from the General Fund. The total appropriation represents an increase of 1.94 percent over the FY 2006 revised total appropriation and a 5.76 percent increase over the FY 2006 revised General Fund appropriation. (The FY 2006 revised General Fund appropriation includes \$14,513,000 in supplemental appropriations.) The significant increases within the Department are due mostly to funding in the Medicaid program.

While the Department’s net FTE count was reduced by one due to federal cutbacks, two new positions were funded with State funds. The total FTE count for FY 2007 is 1,338.

Legislative Management has authorized a Medicaid Interim Committee to examine Medicaid funding as well as all health and human service programs in the State.

Budgetary issues that will be felt Department-wide include funding for 3.5 percent cost-of-living adjustment (COLA) and health and dental insurance increases. These increases total \$6,286,800, with \$2,274,200 from the General Fund. State Internal Service Fund rate changes will have a net increase to the Department's FY 2007 budget of \$43,900, of which \$17,500 is from the General Fund.

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

Executive Director's Office

The Executive Director's Office includes those functions of the Department of Health that provides overall direction of policy, management, and administrative support to the divisions, bureaus, offices and programs of the Department. This organizational category also includes the Office of the Medical Examiner and the Center for Health Data.

Legislative Action

The Legislature approved funding for FY 2007 in the amount of \$25,739,100, of which \$6,247,800 is from the General Fund. The FTE level for this line item is 208. The funding allocations to the programs within the line item are:

Office of the Executive Director	\$ 2,413,600
Office of the Medical Examiner	\$ 2,130,100
Bioterrorism Grants	\$12,675,800
Center for Health Data	\$ 4,679,900
Program Operations	\$ 3,839,700

One-time FY 2006 funding of \$70,000 from the General Fund was shifted from Medical Assistance to address the funding

shortfall in the Medical Examiner's Office. The shifted funding was made nonlapsing

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 and analysis of continuity, acceptability, quality, quantity, and cost.

Legislative Action

The approved FY 2007 budget for the Health Systems Improvement line item is \$15,469,300 with \$5,682,300 from the General Fund. Federal Funds and Dedicated Credit Revenue account for nearly \$ 9.7 million of the division's budget. The funding allocations to the programs within the line item are:

Director's Office	\$ 316,700
Emergency Medical Services	\$4,760,300
Child Care Licensing	\$2,562,600
Health Facility Licensure, Certification and Resident Assessment	\$5,275,000
Primary Care and Rural Health	\$2,554,700

The Legislature approved a funding increase for Primary Grants of \$457,300 of which \$100,000 is ongoing General Fund and the remainder is one-time General Fund. These grants are awarded to health care providers whose services are mainly utilized by low-income individuals and families in medically underserved areas.

The FTE level for Health Systems Improvement is 136 for FY 2007.

Intent Language

Authorization for nonlapsing funding was approved for several programs within the Health Systems Improvement Division, including: Primary Care Grant funding, plan review fees collected by the Bureau of Health Facility Licensure, Certification and Resident Assessment, funding for people with bleeding

disorders, and civil penalties from child care and health care provider violations.

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 medical services for an obligated period of time.

Legislative Action

Lawmakers approved an ongoing budget of \$572,900 for the Workforce Financial Assistance Program for FY 2007. The General Fund appropriation is \$422,900, with the balance from nonlapsing funds and includes 0.3 FTE. The appropriation is designated as nonlapsing.

Epidemiology and Laboratory Services

The Division of Epidemiology and Laboratory Services provides core public health systems of surveillance and detection in the areas of public and environmental health programs and the Utah Public Health Laboratory.

Legislative Action

For FY 2007, the approved appropriation is \$18,153,800, of which \$5,218,400 is from the General Fund. Federal Funds and Dedicated Credit Revenue account for almost \$12 million of this budget. The funding allocations to the programs within the line item are:

Director's Office	\$ 534,300
Communicable Disease Control	\$7,377,200
Environmental Chemistry	\$1,610,100
Epidemiology	\$2,704,700
Laboratory Improvement	\$1,044,100

Forensic Toxicology	\$1,016,600
Microbiology	\$3,866,800

An ongoing General Fund appropriation in the amount of \$210,000 was approved for a State Epidemiologist. The total FTE level for FY 2007 is 135.

H.B. 114 “Enforcement of Food Sanitation Rules” passed, providing a General Fund appropriation of \$102,500.

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

One-time FY 2006 funding of \$389,900 was shifted from Medical Assistance for additional and replacement laboratory equipment.

Intent Language

The Legislature approved intent language which authorizes the division to retain unexpended funds up to \$200,000 at the end of FY 2006 for laboratory equipment, computer equipment and/or software.

Community and Family Health Services

This division assures that women, infants, 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 2007 is \$105,305,800, with a General Fund allocation of \$9,778,700. Other significant funding sources include Federal Funds, Dedicated Credit Revenue and restricted funds from cigarette taxes and the Tobacco Settlement Account. The funding allocations to the programs within the line item are:

Director’s Office	\$ 2,324,700
Health Promotion	\$20,696,300
Maternal and Child Health	\$56,563,500
Children with Special Health Care Needs	\$25,721,300

Funding of \$675,300 from the General Fund was appropriated for the Baby Watch/Early Intervention Program to fund the estimated caseload growth for FY 2007.

The Legislature approved increasing the funding for the Center for Multicultural Health by \$50,000. This was accomplished with the passage of **H.B. 142 “Center for Multicultural Health – Duties”**.

For FY 2007, this division will include 299 FTE.

Intent Language

The Legislature designated the funding for alcohol, tobacco, and other drug prevention reduction, cessation and control programs as nonlapsing.

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. The programs administered are primarily Medicaid, the Primary Care Network and the State Children’s Health Insurance Program (SCHIP).

Legislative Action

For FY 2007, the Legislature approved a budget level of \$71,084,000 with \$11,016,900 coming from the General Fund and 485 FTE. Federal Funds provide nearly \$40 million of the Division's budget. The funding allocations to the programs within the line item are:

Director's Office	\$ 5,073,300
Financial Services	\$ 7,199,900
Managed Health Care	\$ 3,066,400
Medical Claims	\$ 3,936,200
Coverage and Reimbursement	\$ 4,048,300
Eligibility Services	\$18,670,400
Contracts	\$29,089,500

Intent Language

The Legislature approved intent language instructing the Department to determine the feasibility of developing and submitting a Medicaid waiver that would allow the state to match federal Medicaid funds with funds provided by private nonprofit charities for the delivery of optional Medicaid services and to report results to the Legislature.

The Legislature also designated funds appropriated for the e-REP enhancements as nonlapsing.

Medical Assistance

Medical Assistance is the 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 2007 level is \$1,587,204,900, with \$317,519,100 from the General Fund. Most of the appropriation is pass-through funding, but there are 65 FTE included in the Medical Assistance program. Federal Funds

provide over \$1 billion for the Medicaid budget. The funding allocations to the programs within the line item are:

Medicaid Base Program	\$1,377,123,700
Title XIX for Human Services	\$ 205,341,700
DOH Health Clinics	\$ 4,739,500

Medicaid Fund Replacement: The Legislature replaced \$19,149,600 ongoing General Fund in the Medicaid budget with one-time funds to shift ongoing revenue to the Department of Human Services due to estimated federal fund reductions.

The following table demonstrates the growth in the Medicaid program since FY 2004 as well as the specific Medical services that are provided to recipients.

Historical Medical Assistance Expenditures Total Funding, including State General Fund and Federal Funds FY 2004 - FY 2007					
Category	FY 2004 Actual	FY 2005 Actual	FY 2006 * Appropriated	FY 2006 * Estimated	FY 2007 * Appropriated
Nursing Facilities (NF)	\$109,824,041	\$138,069,900	\$146,216,600	\$142,985,900	\$145,845,600
Nursing Facilities - ICF/MR	23,703,852	24,410,800	24,659,200	28,302,700	28,868,800
Inpatient Hospital	191,573,560	195,977,300	218,834,000	223,560,000	231,697,600
Outpatient Hospital	59,467,970	64,127,000	69,931,900	73,408,700	76,080,800
Dental Services	16,046,160	19,047,900	19,585,400	29,905,400	18,120,200
Pharmacy	176,859,239	206,428,100	232,642,200	232,642,200	244,600,000
Physician Services	62,854,691	59,937,000	73,608,100	69,647,800	72,183,000
HMOs	160,738,768	179,785,000	183,486,100	197,065,400	204,238,600
Mental Health	117,002,011	122,007,000	132,597,600	131,784,000	131,784,000
Services through DHS	175,057,171	183,716,100	195,674,300	195,674,300	200,982,600
Home Health	14,626,439	19,824,300	16,226,700	21,687,500	22,476,900
Medical Supplies	9,613,642	9,798,600	10,665,500	11,013,400	11,414,300
Medical Transportation	6,303,550	6,196,900	7,243,800	7,175,100	7,436,300
Other	150,757,400	167,881,300	189,829,900	190,098,800	191,476,200
Supplemental			37,031,500		
TOTAL	\$1,274,428,494	\$1,397,207,200	\$1,558,232,800	\$1,554,951,200	\$1,587,204,900
* Figures not adjusted for "Clawback"					
Pharmacy Expense Reduction for Part D			(\$50,000,000)	(\$50,000,000)	(\$114,805,600)
Estimated Clawback Payments			\$12,000,000	\$12,000,000	\$26,493,600

General Medicaid FY 2007 increases: The Legislature approved funding to cover 1) projected caseload growth and utilization at \$50,296,300 million (\$14,000,000 General Fund); 2) inflationary increases in the amount of \$34,462,600 (\$10,252,700 General Fund); 3) the change in the Federal Medical Assistance Program (FMAP) in the amount of \$8,601,400 General Fund; and 4) Medicare Part D Implementation for \$2,254,500 (\$1,100,000 General Fund).

H.B.288 “Health Care Amendments for Foster Children” passed and provided funding of \$1,514,600 (\$450,000 General Fund) for medical care for independent foster care adolescents.

H.B. 276, “Medicaid Covered At Work Premium Subsidy” was approved by the Legislature and funded with \$890,000 (\$267,500 General Fund). Although funding is listed with Medical Assistance where the program will be funded, the bill appropriated the funds to the Division Health Care Financing.

Supplemental appropriations for the FY 2006 Medicaid Program were allocated for: Medicaid caseload and utilization increase of \$28,712,100 (\$10,263,700 General Fund); and Medicare Part D Implementation funding of \$8,709,300 (\$4,249,300 General Fund).

Intent Language

The FY 2006 funding for Medicare Part D was made nonlapsing.

Children’s Health Insurance Program (CHIP)

CHIP provides health insurance coverage for uninsured children up to the age of nineteen, living in families whose income is less than 200 percent of the Federal Poverty Level.

Legislative Action

The total budget the Legislature approved for CHIP for FY 2007 is \$51,341,900. 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 \$40,034,900. The program funds nine FTE.

There is some concern that Utah may not receive all of the estimated tobacco funds for FY 2006. Pending litigation could significantly reduce the State’s allocation. This is being monitored closely by both the Attorney General’s Office and the Department of Health. The tobacco payment received for FY 2006 was \$26,028,633.

Local Health Departments

The State provides a block grant to the 12 local health departments (LHDs) as funding for the state-mandated services provided by the LHDs. This funding is distributed among the 12 LHDs according to a formula.

Legislative Action

The 2007 Legislature approved a funding level of \$2,092,200 General Fund for this block grant, which includes an increase of \$36,500 General Fund for a 2.5 percent cost-of-living adjustment.

Funding Detail

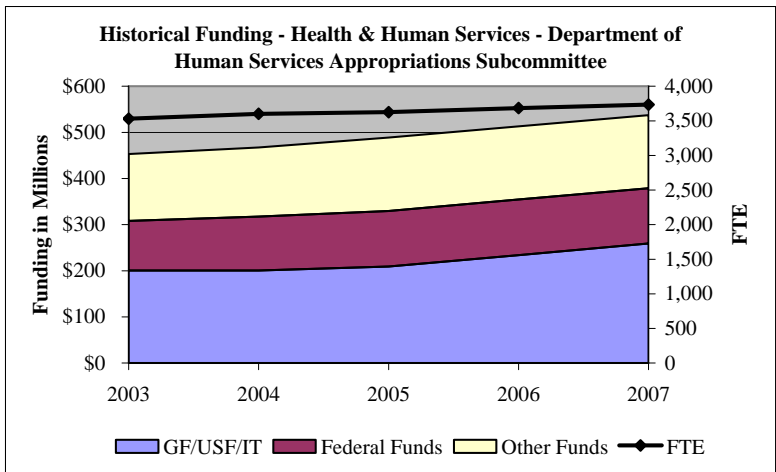
Department of Health					
Sources of Finance	2006	2006	2006	2007	Change from
	Estimated	Supplemental	Revised	Appropriated	2006 Revised
General Fund	319,339,900		319,339,900	337,937,700	18,597,800
General Fund, One-time	4,639,000	14,513,000	19,152,000	20,040,600	888,600
Federal Funds	1,208,438,200	22,908,400	1,231,346,600	1,234,714,100	3,367,500
Dedicated Credits Revenue	114,141,400		114,141,400	123,169,900	9,028,500
GFR - Cigarette Tax Rest	3,131,500		3,131,500	3,131,700	200
GFR - Kurt Oscarson Trans	100,000		100,000	100,000	
GFR - Nursing Care Facilities Account	11,554,300		11,554,300	11,604,300	50,000
GFR - State Lab Drug Testing Account	293,600		293,600	293,300	(300)
GFR - Tobacco Settlement	16,531,800		16,531,800	16,624,500	92,700
Organ Donation Contribution Fund	76,100		76,100	113,000	36,900
Transfers - Environmental Quality	30,600		30,600	31,900	1,300
Transfers - H - Medical Assistance	2,253,500		2,253,500	20,100	(2,233,400)
Transfers - Human Services	97,600,500		97,600,500	61,716,500	(35,884,000)
Transfers - Intergovernmental	(148,700)		(148,700)	(145,100)	3,600
Transfers - Medicaid	1,210,300		1,210,300	1,261,000	50,700
Transfers - Other Agencies	8,554,200		8,554,200	50,264,500	41,710,300
Transfers - Public Safety	145,000		145,000	236,600	91,600
Transfers - State Office of Education	101,100		101,100	8,400	(92,700)
Transfers - Within Agency	12,589,400		12,589,400	14,965,600	2,376,200
Transfers - Workforce Services	660,300		660,300	676,300	16,000
Beginning Nonlapsing	4,327,400		4,327,400	2,390,000	(1,937,400)
Closing Nonlapsing	(1,768,000)		(1,768,000)	(2,191,000)	(423,000)
Lapsing Balance	1,800		1,800		(1,800)
Total	\$1,803,803,200	\$37,421,400	\$1,841,224,600	\$1,876,963,900	\$35,739,300
Line Items					
Executive Director's Operations	24,894,600	70,000	24,964,600	25,739,100	774,500
Health Systems Improvement	14,434,200		14,434,200	15,469,300	1,035,100
Workforce Financial Assistance	897,400		897,400	572,900	(324,500)
Epidemiology & Lab Services	16,631,400	319,900	16,951,300	18,153,800	1,202,500
Community & Family Health	105,145,100		105,145,100	105,305,800	160,700
Health Care Financing	69,617,600		69,617,600	71,084,000	1,466,400
Medical Assistance	1,517,919,700	37,031,500	1,554,951,200	1,587,204,900	32,253,700
Children's Health Ins Prog	52,207,500		52,207,500	51,341,900	(865,600)
Local Health Departments	2,055,700		2,055,700	2,092,200	36,500
Total	\$1,803,803,200	\$37,421,400	\$1,841,224,600	\$1,876,963,900	\$35,739,300
Budgeted FTE	1,339.4	0.0	1,339.4	1,337.6	(1.8)

Department of Human Services

Department 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 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 included with the Executive Offices and Criminal Justice Appropriations Subcommittee.



Legislative Action

The total appropriation for FY 2007 is \$537,326,300, including \$258,895,100 from the General Fund. This represents an increase of approximately \$24.3 million or 4.7 percent when compared to the revised FY 2006 budget. The General Fund increased by \$25 million (10.7 percent).

The Department's revised FY 2006 budget totals \$512,999,700 (\$233,919,300 General Fund). This reflects non-state fund adjustments and supplemental appropriations for FY 2006 totaling \$1,140,200 with \$11,337,300 from the General Fund, (44,014,700) from federal funds, \$34,600 from dedicated credits, and (\$6,217,000) from transfers – Medical Assistance, as approved by the Legislature.

General Departmental Issues

Personnel Services Adjustments: The compensation package for the Department of Human Services increased by \$14,549,400 with \$6,678,000 in General Funds for the 3,733 full time equivalent (FTE) employees plus the 2 FTEs for the Department's Internal Service Funds. This increase is based on 3.5 percent cost of living, health, retirement, termination pool and the OPEB rate. There was a one-time reduction of \$611,200 with \$258,200 from General Funds for one less working day in FY 2007. In addition, the Legislature provided a 2.5 percent cost of living adjustment 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 total cost of \$4,169,400 with \$2,159,600 in General Funds.

Internal Service Fund Adjustments: The Department of Human Services had a reduction of \$316,000 with \$162,400 from General Funds for internal service fund (ISF) adjustments. The ISF adjustments include decreases for Human Resource Management, Risk Management and Fleet Services.

Medicaid Match Rate Change: The Federal Medical Assistance Percentage (FMAP) rate will fall from 71.11 percent to 70.30 percent in FY 2007. The Legislature appropriated \$1,740,800 from General Funds to the Divisions of Substance Abuse and Mental Health, Services for People with Disabilities, Child and Family Services, and Aging and Adult Services to maintain the current level of services in these programs.

Loss of Federal Funds: The Federal Budget Reconciliation Act resulted in a loss of federal funds for the

Department of Human Services of \$11.1 million for FY 2006 and \$20.8 million for FY 2007. This legislation impacted the foster care programs with a loss to the Divisions of Child and Family Services, the Executive Director of Operations and the Juvenile Justice Services. The Legislature provided a supplemental appropriation of \$10.3 million in General Funds for FY 2006 and \$19.1 million ongoing General Funds for FY 2007 for the Department of Human Services to maintain the same level of services for the foster care program.

TANF Transfers to SSBG: As in previous sessions, the FY 2007 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.

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. The total full time equivalent (FTE) count for EDO is 221.

Legislative Action

For FY 2007, the Legislature appropriated a total budget of \$22,031,300 (\$10,329,300 General Funds). This is an increase of approximately \$230,400 in total funds and \$1.3 million in General Funds over the FY 2006 revised appropriation.

The Legislature appropriated one-time General Funds of \$898,000 for years two and three of the **Drug Offenders Reform Act (DORA)** three-year pilot program, based on passage of S.B. 1004 during the 1st Special Session in 2005. The Departments of Human Services and Corrections were appropriated \$647,000 and \$251,000 respectively to provide treatment services under this program.

The Legislature appropriated General Funds of \$1.3 million for FY 2007 and a supplemental appropriation of \$736,700 to replace the loss of federal funds based on passage of the Federal Budget Reconciliation Act.

Intent Language

The Legislature adopted intent language allowing non-lapsing authority for “e-REP” and DORA funds. In addition, intent language was passed allowing the Foster Care Citizens Review Board to non-lapse FY 2006 funds and authorized those funds to be used for one-time development, maintenance, and upgrading of computer software and equipment for recruitment, training and retention of volunteers.

Drug Courts, Drug Boards

Drug Court is a judicial process that offers intensive, court-supervised drug treatment to nonviolent, substance-abuse offenders 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 2007, the Legislature appropriated \$2,197,200 for this line item with \$435,000 from General Funds, \$1,647,200 from the General Fund Restricted - Tobacco Settlement Account, \$800,000 from the federal Substance Abuse Prevention and Treatment (SAPT) block grant and \$35,000 from Transfers - Commission on Criminal and Juvenile Justice. Of this amount, \$2,566,300 is intended for various Drug Courts around the State and \$350,900 is for Drug Board programs in Weber and Davis Counties. This is an increase of approximately \$1.3 million in total

funds and \$435,000 in General Funds over the FY 2006 revised appropriation.

The Division of Substance Abuse and Mental Health (DSAMH) oversees the drug treatment programs for the Drug Courts and Drug Boards. DSAMH annually transfers SAPT funding to the Drug Courts for treatment services, therefore, the Legislature transferred \$800,000 of the SAPT grant from DSAMH to Drug Courts.

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 and administers the Drug Courts and Drug Boards. The DSAMH has 845 full-time equivalent (FTE) employees to administer their programs with 811 FTE of that number at the State Hospital.

Substance Abuse: 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.

Mental Health: Local mental health authorities deliver 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 funding match of 20 percent.

Legislative Action

For FY 2007, the Legislature appropriated a total budget of \$178,700,500 (\$77,692,000 General Fund). This is an increase of approximately \$3.5 million in total funds and \$3.7 million in General Funds over the FY 2006 revised appropriation.

Substance Abuse: Substance abuse funding for FY 2007 appropriated by the Legislature total \$29.6 million (\$10 million General Fund). This includes an FY 2007 appropriation of

\$186,000 for a 2.5 percent cost-of-living adjustment for local service providers' staff.

Mental Health: Mental health programs for FY 2007 total \$83.9 million (\$66.2 million General Fund) which includes community and residential mental health services, mental health centers, and the State Hospital.

The Legislature provided an increase in the General Fund appropriation for the State Hospital of \$1,550,100 for FY 2007 and a one-time supplemental for FY 2006 of \$358,700 to open a 30-bed adult wing.

The Legislature appropriated one-time General Funds in the amount of \$1 million for use by local mental health centers for services to non-Medicaid eligible clients. Prior to 2005, 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 the use of funds for this purpose.

DSAMH also received a one-time appropriation from General Funds of \$500,000 for mental health services for children.

The FMAP rate change for mental health services was funded at \$90,800 and local mental health authorities received \$456,300 in State funds for a 2.5 percent cost of living adjustment for employees of local mental health service providers.

H.B. 407, "Counseling for Families of Veterans" appropriated \$210,000 of one-time General Fund to develop and implement a statewide counseling program for service-members and their families to facilitate the reintegration of service members back into civilian and family life after deployment.

Intent Language

The Legislature directed the Division to identify critical issues related to providing mental health services to people with a hearing disability and report to the Health and Human Services Appropriations Subcommittee and the Interim Committee by October 1, 2006.

Division of Services for People with Disabilities

The Division of Services for People with Disabilities (DSPD) is responsible for providing residential, day support, and other services for people with mental retardation and other developmental disabilities. It also provides services to people with brain injuries and other physical disabilities. Services provided range from limited family support to a full array of 24-hour services both in the community and at the Utah State Developmental Center. Community services are provided under contracts with private providers. Services are also available in private Intermediate Care Facilities for People with Mental Retardation (ICFs/MR) with Medicaid funding through the Department of Health. DSPD has 983 full time equivalent (FTE) employees, 718 of whom are at the Developmental Center.

Waiting List: There are currently approximately 1,700 people with immediate needs waiting for various community-based services. It would take approximately \$8.3 million (General Fund) to fund the current waiting list.

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. On February 28, 2006, the court dismissed the case with prejudice citing the plaintiffs failed to prove that the administration of the waiver services violates Title II of the Americans with Disabilities Act or the Rehabilitation Act.

Legislative Action

For FY 2007, the Legislature appropriated a total budget of \$178,700,500 (\$52,143,300 General Fund). The FY 2007 appropriation is an increase of \$11.7 million in total funding and \$5.7 million in General Funds over the revised FY 2006 appropriated budget.

The Legislature increased funding for the waiting list by nearly \$1,563,100 in General Funds which will serve approximately 370 additional people. In addition, \$599,800 in General Funds was appropriated to provide additional Home and Community Based Medicaid Waiver Services for 151 individuals.

DSPD received General Funds of \$1,252,200 for the change in the FMAP rate, and \$674,500 for a 2.5 percent cost of living increase for employees of private providers contracting with DSPD.

Passage of **H.B. 31, “Pilot Program for the Provisions of Services for People with Disabilities”** appropriated \$150,000 in one-time General Fund to provide funding for supported employment services.

Intent Language

The Legislature authorized DSPD to use non-lapsing carry-forward funds in FY 2007 to serve people with disabilities coming into service due to emergency situations, court-orders, and individuals from child welfare and juvenile justice services that are aging out of state custody.

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. ORS has 1,064 full time equivalent (FTE) employees.

Legislative Action

For FY 2007 the Legislature appropriated \$48,334,600 (\$12,381,000 General Fund). This represents an increase of \$1.5 million over the revised FY 2006 appropriations.

Intent Language

The Legislature approved intent language making previously appropriated “eREP” funds non-lapsing for FY 2007.

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.” DCFS has 554 full-time equivalent employees to administer the Division’s programs.

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 the summer of 2006.

Legislative Action

For FY 2007, the total appropriated budget for DCFS is \$147,126,000 (\$92,683,200 General Fund). The total of all funds appropriated is \$6 million above the revised FY 2006 appropriation. General Funds increased by \$12.7 million.

The FY 2007 budget increases include \$1.5 million for case growth in out of home care and \$500,000 for adoption assistance. The Legislature also appropriated \$372,700 for the change in the FMAP rate, and \$708,000 for a 2.5 percent cost of living increase for the 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.

The Legislature appropriated General Funds of \$17.8 million for FY 2007 and a supplemental appropriation of \$9.5 million to replace the loss of federal funds based on passage of the Federal Budget Reconciliation Act.

H.B. 21, “Child Welfare Revisions” provided an appropriation from the General Fund of \$9,400 for additional training of caseworkers.

For FY 2006, the Legislature provided a supplemental appropriation of \$708,000 for case growth in out of home care.

Intent Language

The Legislature included intent language for FY 2007 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.

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. DAAS has 66 full time equivalent (FTE) employees.

Legislative Action

For FY 2007, the Legislature appropriated a total budget of \$22,478,800 (\$13,231,300 General Fund). Compared to the revised FY 2006 revised budget, the total FY 2007 appropriation increased by \$17,600 and the General Fund by \$745,700.

The Legislature appropriated General Funds of \$115,000 for congregate and meals on wheels. One-time General Funds of \$300,000 was provided for the Medicaid waiver (home services) program. In addition, the Legislature appropriated \$25,100 for the impact of the FMAP rate change on the Division, and \$134,800 for the 2.5 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 2007 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 a General Services Internal Service Fund (ISF) that provides 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.

Passage of H.B. 109, "Information Technology Governance Amendments," during the 2005 General Session consolidated information technology services and governance into one department, therefore, the Data Processing ISF (\$2,758,900 and 32.5 FTEs) was consolidated into the new department.

The FY 2007 Appropriations Act authorizes collections of \$1,440,000, with operating expenses estimated at \$1,454,283, creating an expected operating loss of \$14,283. Accumulated retained earnings are expected to be \$53,307 by the end of FY 2007. The Legislature also approved a staffing level of 2 FTEs.

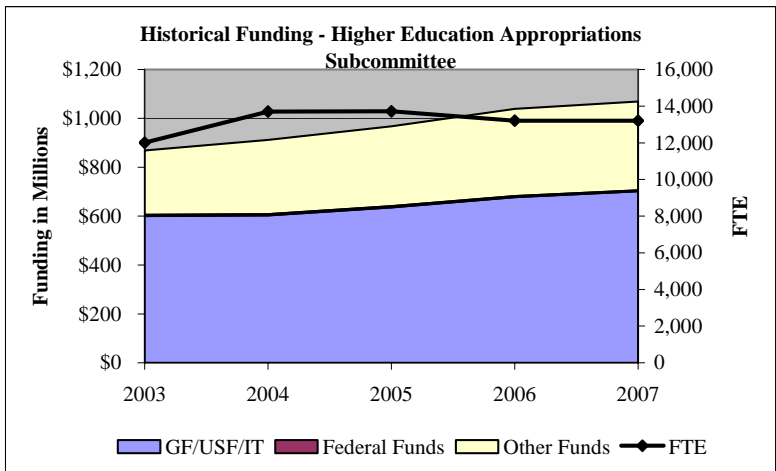
Funding Detail

Health & Human Services - Department of Human Services Appropriations Subcommittee					
Sources of Finance	2006 Estimated	2006 Supplemental	2006 Revised	2007 Appropriated	Change from 2006 Revised
General Fund	219,780,800		219,780,800	256,076,800	36,296,000
General Fund, One-time	2,801,200	11,337,300	14,138,500	2,818,300	(11,320,200)
Federal Funds	124,720,200	(4,014,700)	120,705,500	119,978,700	(726,800)
Dedicated Credits Revenue	8,469,900	34,600	8,504,500	9,090,900	586,400
GFR - Children's Trust	400,000		400,000	400,000	
GFR - Domestic Violence	712,200		712,200	734,800	22,600
GFR - Intoxicated Driver Rehab	1,500,000		1,500,000	1,500,000	
GFR - Tobacco Settlement	1,647,200		1,647,200	1,647,200	
GFR - Trust for People with Disabilities	100,000		100,000	100,000	
Transfers - Commission on Criminal and Juve				35,000	35,000
Transfers - H - Medical Assistance	144,994,900	(6,217,000)	138,777,900	139,751,600	973,700
Transfers - Other Agencies	3,006,800		3,006,800	3,136,200	129,400
Beginning Nonlapsing	5,559,800		5,559,800	2,056,800	(3,503,000)
Closing Nonlapsing	(1,833,500)		(1,833,500)		1,833,500
Total	\$511,859,500	\$1,140,200	\$512,999,700	\$537,326,300	\$24,326,600
Agencies					
Human Services	511,859,500	1,140,200	512,999,700	537,326,300	24,326,600
Total	\$511,859,500	\$1,140,200	\$512,999,700	\$537,326,300	\$24,326,600
Budgeted FTE	3,683.6	0.0	3,683.6	3,733.2	49.5

Higher Education

Subcommittee Overview

The Legislature appropriated a total FY 2007 budget of \$1,099,975,500 for the Utah System of Higher Education, the Utah Education Network, and the Medical Education Council. This represents an increase of \$32,165,900 or 3.0 percent over the FY 2006 revised budget of \$1,067,809,600. State funding from the General Fund and Income Tax is \$721,797,100 or 65.6 percent of the total funding. General Fund Restricted Accounts total \$9,284,500 with the remaining balance of \$368,893,900 consisting of federal revenue, dedicated credits, transfers, mineral lease and land grant management funds.



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 \$30,357,900 or 2.9 percent increase over the FY 2006 revised budget of \$1,039,096,500. The funding for the

System of Higher Education comes from several sources. The total FY 2007 funding level of \$1,069,454,400 comes from the General Fund, 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 \$701,439,100 or 65.6 percent of the budget appropriated for the System of Higher Education.

The new funding for the Utah System of Higher Education for FY 2007 includes:

- **Internal Service Fund Adjustments:** The change to the base for Internal Service Fund adjustments is a reduction of \$155,200 for Risk Management and Fleet Management.
- **Compensation:** For FY 2007, the Legislature authorized a 3.5 percent cost-of-living adjustment and appropriated \$22,308,400 to cover all but the last 0.5 percent, which is to be funded internally. To cover increased costs in health insurance and retirement rates, the Legislature appropriated \$10,632,800.
- **Operation and Maintenance of New Facilities:** The USHE received an appropriation of \$4,193,700 for the operation and maintenance of 12 new facilities including five at the University of Utah, one at Weber State University, two at the College of Eastern Utah, one at Utah Valley State College, two at Salt Lake Community College, and one at the Uintah Basin Applied Technology College. In 2005, the Legislature adopted a new policy to approve the O and M funding when the building is approved, and then offset that funding with one-time reductions until the building comes on line. Under this new policy, the Legislature approved one-time reductions in the appropriated levels in the amount of \$3,618,200.
- **Fuel and Power:** The Legislature appropriated \$5,076,000 to all of the higher education institutions, including UCAT to cover fuel and power expenditures. The Legislature also provided a supplemental appropriation of \$5 million for FY 2006.

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- **Financial Aid:** The Utah System of Higher Education received \$500,000 in ongoing funds for student financial aid, along with \$2,250,000 in one-time, need-based funding for FY 2007. The ongoing funding provides \$210,300 for the state match for federal financial aid programs and \$289,700 for the New Century Scholarship. In addition, a supplemental appropriation of \$200,000 was provided for the New Century Scholarship for FY 2006.
 - **Engineering and Computer Science Initiative:** The Legislature appropriated an additional \$1.2 million (\$700,000 one-time) to continue this initiative.
 - **Nursing Initiative:** An appropriation of \$750,000 (\$500,000 one-time) was approved for the Nursing Initiative.
 - **Jobs Now Initiative:** Lawmakers appropriated \$500,000 for the Jobs Now Initiative, which is for short-term intensive training programs to prepare the Utah workforce for jobs that are available now. UCAT will receive 2/3 or \$333,300 of the appropriation and other higher education institutions will receive the balance of \$166,700.
 - **Technology:** The Legislature appropriated \$900,000 ongoing and \$500,000 one-time for software licensing and security and routine replacement of hardware on campuses.
 - **Range Creek:** Funding in the amount of \$80,000 (\$30,000 one-time) was approved for the University of Utah's Museum of Natural History to fund continued work in the Range Creek area.
 - **One-time Funded Projects** include:
 - \$200,000 for a portion of the cost of the cleanup of the mudslide (Utah State University)
 - \$587,000 to buy out Iron County's equity position in a building on the Southern Utah University campus

- \$900,000 to pay off the lease at the Tooele Continuing Education Center (Utah State University)

- **Prison Training and Education:** The 2005 Legislature approved H.B. 234, “Telephone Surcharges for Education and Training Programs at Prison” which levies a surcharge on telephone calls placed at state correctional facilities. Funds will be collected beginning in FY 2007 and are estimated at \$1 million. An appropriation of \$1 million was approved for prison training and education programs. Intent language attached to this item of appropriation requires the State Board of Regents to report on how these funds are expended during the 2006 interim.

- **Tuition:** Following the conclusion of the 2006 General Session, the State Board of Regents approved a four percent first-tier tuition rate increase for academic year 2006-2007. In addition, the Regents approved second tier tuition ranging from 0 to 27.1 percent. The tuition increases for academic year 2006-2007 will generate approximately \$27.6 million (\$13 million from first tier tuition and \$14.6 million from second tier tuition). The following table shows the tuition percent increases:

USHE Tuition Increases for 2006-2007			
	<u>1st Tier</u>	<u>2nd Tier</u>	<u>Total</u>
University of Utah	4.0%	5.5%	9.5%
Utah State University	4.0%	4.0%	8.0%
Weber State University	4.0%	4.5%	8.5%
Southern Utah University	4.0%	4.0%	8.0%
Snow College	4.0%	5.0%	9.0%
Dixie State College			
Resident, Lower Division	4.0%	27.1%	31.1%
Resident, Upper Division	4.0%	-14.7%	-10.7%
Non Resident	4.0%	19.6%	23.6%
College of Eastern Utah	4.0%	4.5%	8.5%
Utah Valley State College	4.0%	5.0%	9.0%
Salt Lake Community College	4.0%	0.0%	4.0%

- **UCAT Leases:** The Utah College of Applied Technology was provided funding of \$150,000 for leases at three campuses.
- **UCAT Enrollment Growth:** An appropriation of \$2,113,400 (\$1,750,000 state funds and \$363,400 dedicated credits) was made to the Utah College of Applied Technology for enrollment growth of 495,621 membership hours.
- **UCAT Central Administration:** The UCAT Central Administration office received an appropriation of \$150,000 for ongoing administrative support.
- **UCAT Student Information System:** The Utah College of Applied Technology received an ongoing appropriation of \$330,000 for its new student information system, scheduled to come online July 1, 2006.
- **New Space:** Funded through the Capital Facilities and Administrative Services Subcommittee during the 2006 General Session, the following construction or purchase of facilities will impact higher education:
 - UVSC Digital Learning Center
 - WSU Classroom replacement/Chiller plant
 - CEU Energy Center
 - USU relocation of agricultural functions
 - UBATC Vernal Campus Building
 - MATC land purchase

The following bills affecting Higher Education were passed during the 2006 General Session:

S. B. 57, “Telehealth for Rural Utah” (Evans), provides an ongoing appropriation of \$500,000 to the University of Utah for its Telehealth Network.

S.B. 75, “U STAR Initiative” (Mansell) redirects the \$4 million appropriated to the two research universities to the newly-created USTAR authority. (The legislation also establishes the USTAR Governing Authority for the construction of research

buildings at Utah State University and the University of Utah, a technology outreach program at up to five locations throughout Utah, and the recruiting and funding of research teams. These functions will be included in the Economic Development Subcommittee.)

Funding Detail

Utah System of Higher Education					
Sources of Finance	2006	2006	2006	2007	Change from 2006 Revised
	Estimated	Supplemental	Revised	Appropriated	
General Fund	472,622,700		472,622,700	231,642,100	(240,980,600)
General Fund, One-time	10,000		10,000		(10,000)
Income Tax	194,373,000		194,373,000	467,248,200	272,875,200
Income Tax, One-time	5,462,400	5,200,000	10,662,400	2,548,800	(8,113,600)
Federal Funds	4,205,400		4,205,400	4,205,400	
Dedicated Credits Revenue	345,942,400		345,942,400	351,686,600	5,744,200
Dedicated Credits - Land Grant	1,058,500		1,058,500	1,058,500	
Federal Mineral Lease	1,703,100		1,703,100	1,745,800	42,700
GFR - Cigarette Tax Rest	4,284,500		4,284,500	4,284,500	
GFR - Prison Telephone Surcharge Account	100,000		100,000	1,000,000	900,000
GFR - Tobacco Settlement	4,000,000		4,000,000	4,000,000	
Transfers - Commission on Criminal and Juve	34,500		34,500	34,500	
Beginning Nonlapsing	100,000		100,000		(100,000)
Total	\$1,033,896,500	\$5,200,000	\$1,039,096,500	\$1,069,454,400	\$30,357,900
Agencies					
University of Utah	354,215,300	2,299,600	356,514,900	362,635,000	6,120,100
Utah State University	206,273,500	1,200,000	207,473,500	209,778,700	2,305,200
Weber State University	99,097,000	385,900	99,482,900	103,261,500	3,778,600
Southern Utah University	42,399,300	494,600	42,893,900	45,074,300	2,180,400
Snow College	22,896,000		22,896,000	23,738,400	842,400
Dixie State College	25,516,400	149,600	25,666,000	26,583,700	917,700
College of Eastern Utah	16,715,000	19,400	16,734,400	17,198,100	463,700
Utah Valley State College	98,557,700	160,600	98,718,300	102,436,900	3,718,600
Salt Lake Community College	94,223,900	290,300	94,514,200	98,556,200	4,042,000
Utah College of Applied Technology	50,391,600		50,391,600	54,553,100	4,161,500
State Board of Regents	23,610,800	200,000	23,810,800	25,638,500	1,827,700
Total	\$1,033,896,500	\$5,200,000	\$1,039,096,500	\$1,069,454,400	\$30,357,900
Budgeted FTE	13,209.5	0.0	13,209.5	13,209.5	0.0

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 future years. 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 \$25,300 over the FY 2006 revised budget of \$988,800. The appropriated budget for UMEP for FY 2007 is \$364,100 in General Funds and \$650,000 in dedicated credits for a total of \$1,014,100.

The new funding for the Utah Medical Education Program for FY 2007 is for compensation, including \$16,800 for a 3.5 percent cost-of-living adjustment and \$8,500 to cover increased costs in health insurance and retirement rates.

Funding Detail

Higher Education - Medical Education Appropriations Subcommittee					
Sources of Finance	2006 Estimated	2006 Supplemental	2006 Revised	2007 Appropriated	Change from 2006 Revised
General Fund	338,800		338,800	364,100	25,300
Dedicated Credits Revenue	679,500		679,500	650,000	(29,500)
Beginning Nonlapsing	11,700		11,700		(11,700)
Total	\$1,030,000	\$0	\$1,030,000	\$1,014,100	(\$15,900)
Agencies					
Medical Education Program	1,030,000		1,030,000	1,014,100	(15,900)
Total	\$1,030,000	\$0	\$1,030,000	\$1,014,100	(\$15,900)
Budgeted 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 KUEN-9; provides closed-circuit, two-way video services; and connects state institutions to each other and the Internet. 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 \$1,807,200 or 10 percent when compared to the agency's FY 2006 state fund budget of

\$18,186,700. UEN's total budget for FY 2007 is \$29,507,000, of which \$19,993,900 is from state tax funds.

Changes to the Utah Education Network budget for FY 2007 include the following:

- **Network Capacity and Reliability:** Appropriators provided additional ongoing state funds of \$1.3 million for greater network capacity and improved reliability. These funds cover ongoing costs for network improvements funded in FY 2006, as well as unanticipated costs of network contracts from the two previous fiscal years. In addition to the ongoing appropriation, Legislators approved \$1.5 million in one-time funds for network capacity and reliability. The funds are designated as one-time in an appropriations act, and UEN should not assume that ongoing funds will be made available in future legislative sessions.
- **Internet Based Video Conferencing:** The Legislature appropriated one-time funding of \$1,000,000 to continue UEN's conversion of its EdNet system to internet based video conferencing.
- **Compensation:** For FY 2007, lawmakers approved an additional \$320,400 to cover a 3.5 percent cost of living increase as well as changes in health and retirement costs for UEN employees. Of the total compensation appropriation, \$303,700 was from state funds.
- **Internal Service Fund Adjustments:** Appropriators reallocated \$3,500 from other areas of the state budget to UEN as the result of Internal Service Fund rate adjustments.

Funding Detail

Higher Education - Utah Education Network Appropriations Subcommittee					
Sources of Finance	2006 Estimated	2006 Supplemental	2006 Revised	2007 Appropriated	Change from 2006 Revised
General Fund	15,257,600		15,257,600	261,100	(14,996,500)
Income Tax	629,100		629,100	17,232,800	16,603,700
Income Tax, One-time	2,300,000		2,300,000	2,500,000	200,000
Federal Funds	6,460,500		6,460,500	9,311,300	2,850,800
Dedicated Credits Revenue	79,000		79,000	79,000	
Transfers	122,800		122,800	122,800	
Beginning Nonlapsing	2,859,200		2,859,200	25,100	(2,834,100)
Closing Nonlapsing	(25,100)		(25,100)	(25,100)	
Total	\$27,683,100	\$0	\$27,683,100	\$29,507,000	\$1,823,900
Agencies					
Utah Education Network	27,683,100		27,683,100	29,507,000	1,823,900
Total	\$27,683,100	\$0	\$27,683,100	\$29,507,000	\$1,823,900
Budgeted FTE	107.0	0.0	107.0	107.0	0.0

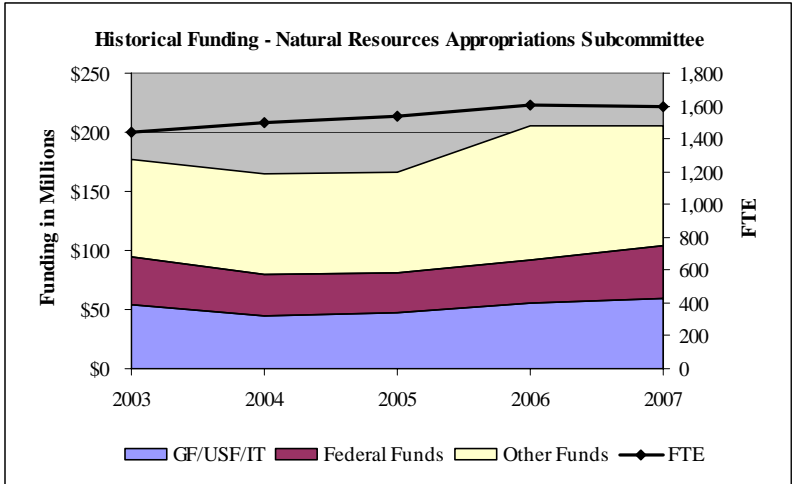
Funding Detail

Higher Education Appropriations Subcommittee					
Sources of Finance	2006 Estimated	2006 Supplemental	2006 Revised	2007 Appropriated	Change from 2006 Revised
General Fund	488,219,100		488,219,100	232,267,300	(255,951,800)
General Fund, One-time	10,000		10,000		(10,000)
Income Tax	195,002,100		195,002,100	484,481,000	289,478,900
Income Tax, One-time	7,762,400	5,200,000	12,962,400	5,048,800	(7,913,600)
Federal Funds	10,665,900		10,665,900	13,516,700	2,850,800
Dedicated Credits Revenue	346,700,900		346,700,900	352,415,600	5,714,700
Dedicated Credits - Land Grant	1,058,500		1,058,500	1,058,500	
Federal Mineral Lease	1,703,100		1,703,100	1,745,800	42,700
GFR - Cigarette Tax Rest	4,284,500		4,284,500	4,284,500	
GFR - Prison Telephone Surcharge Account	100,000		100,000	1,000,000	900,000
GFR - Tobacco Settlement	4,000,000		4,000,000	4,000,000	
Transfers - Commission on Criminal and Juv	34,500		34,500	34,500	
Transfers	122,800		122,800	122,800	
Beginning Nonlapsing	2,970,900		2,970,900	25,100	(2,945,800)
Closing Nonlapsing	(25,100)		(25,100)	(25,100)	
Total	\$1,062,609,600	\$5,200,000	\$1,067,809,600	\$1,099,975,500	\$32,165,900
Agencies					
University of Utah	354,215,300	2,299,600	356,514,900	362,635,000	6,120,100
Utah State University	206,273,500	1,200,000	207,473,500	209,778,700	2,305,200
Weber State University	99,097,000	385,900	99,482,900	103,261,500	3,778,600
Southern Utah University	42,399,300	494,600	42,893,900	45,074,300	2,180,400
Snow College	22,896,000		22,896,000	23,738,400	842,400
Dixie State College	25,516,400	149,600	25,666,000	26,583,700	917,700
College of Eastern Utah	16,715,000	19,400	16,734,400	17,198,100	463,700
Utah Valley State College	98,557,700	160,600	98,718,300	102,436,900	3,718,600
Salt Lake Community College	94,223,900	290,300	94,514,200	98,556,200	4,042,000
Utah College of Applied Technology	50,391,600		50,391,600	54,553,100	4,161,500
State Board of Regents	23,610,800	200,000	23,810,800	25,638,500	1,827,700
Utah Medical Education Program	1,030,000		1,030,000	1,014,100	(15,900)
Utah Education Network	27,683,100		27,683,100	29,507,000	1,823,900
Total	\$1,062,609,600	\$5,200,000	\$1,067,809,600	\$1,099,975,500	\$32,165,900
Budgeted FTE	13,324.5	0.0	13,324.5	13,324.5	0.0

Natural Resources

Subcommittee Overview

The Natural Resources Appropriations Subcommittee oversees the budgets of 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 Public Lands Policy Coordinating Office.



Legislative Action

For FY 2007 the Legislature appropriated \$204,865,400 to the above mentioned agencies, of which \$59,372,000 is from the General Fund.

General Subcommittee Issues

One-Time Reallocation: The Subcommittee funded some program needs through the reallocation of one-time General Funds as shown in the following table.

<u>Department of Agriculture</u>	<u>FY 2006</u>	<u>FY 2007</u>
Utah's Own Promotion	400,000	
Conservation Districts operation		100,000
High School Rodeo		10,000
Horse Commission		10,000
Litigation in Kane County		50,000
Weed Control		10,000
Utah Soil Conservation Commission		25,000
 <u>Department of Natural Resources</u>		
DWR - Berryman Institute		40,000
DWR - Predator Control		7,100
DWR - Wildlife Depredation		100,000
FFSL - Reseeding		1,000,000
FFSL - Training for Urban Interface Fire Suppression	20,000	
Green River Golf Course Cart Path Improvement		100,000
OHV Right-Of-Way Purchases		75,000
Water Resources - Stream Gages		78,000
Water Rights - Distribution Automation	250,000	105,000
UGS - Mineral Lease	(50,000)	(150,000)
Forestry, Fire and State Lands	(370,000)	(1,560,100)
<u>Public Lands Office</u>		(250,000)
Total	0	0

The passage of **H.B. 47 “Sales Tax Diversion for Water Projects and Water Financing”** allows additional funding as follows: \$500,000 for watershed restoration by DNR, \$150,000 for cloud seeding by Water Resources, and approximately \$8.4 million for water development projects by Water Resources and Water Rights.

The passage of **S.B. 268 “Property Rights Ombudsman”** moved the Private Property Ombudsman’s office with its funding (\$150,800 from the General Fund) from the Department of Natural Resources to the Department of Commerce.

Department of Natural Resources

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

- Forestry, Fire and State Lands

-
- Oil, Gas and Mining
 - Parks and Recreation
 - Utah Geological Survey
 - Water Resources
 - Water Rights
 - Wildlife Resources

The total appropriation for DNR for FY 2007 was \$158,364,700, with \$45,210,100 from the General Fund.

In the Third Special Session, the Legislature passed **H.J.R. 301, “Resolution Approving Use of Federal Funds by the Department of Natural Resources”**. This resolution authorized the Department to submit a new federal funds request for an endangered species grant.

DNR Administration

DNR Administration includes the Executive Director office, Law Enforcement oversight, Species Protection, the Internal Service Funds, building maintenance, and pass-through funding for the Bear Lake Regional Commission.

Legislative Action

The FY 2007 appropriation for DNR Administration is \$3,050,300, all of which comes from the General Fund.

New funding for Administration for FY 2007 includes:

Property Rights Ombudsman: The passage of S.B.268 moved the Private Property Ombudsman’s office with its funding to the Department of Commerce.

Watershed Development: The Legislature appropriated \$2,000,000 one-time to DNR for watershed development. The money is to be used as a match for obtaining other funding sources for watershed development.

Bear Lake Regional Commission: The Legislature appropriated \$50,000 to the Bear Lake Commission.

This Is The Place Foundation: The Legislature provided a supplemental appropriation of \$2,000,000 to DNR Administration. The funding is to be used for This Is The Place Park after objectives set by DNR are met. The appropriation is designated as nonlapsing.

Forestry, Fire, and State Lands

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

Legislative Action

The Legislature reallocated \$1,930,100 one-time General Funds from the Division's base budget (\$370,000 for FY 2006 and \$1,560,100 for FY 2007) to fund other priorities. The General Funds were replaced with funding from the Sovereign Lands Management Account. The total appropriation for the Division is \$16,459,100, with \$2,557,300 from the General Fund.

Wildland Fire Suppression: To cover fire suppression cost exceeding funds available in the Fire Suppression Program, the Legislature appropriated supplemental funding of \$4,000,000.

Saltair Sewer Replacement: The Legislature appropriated \$110,000 as a supplemental appropriation from the restricted fund. There was a \$100,000 appropriation last year for the same purpose.

Mobile Structure Protection Units: A one-time appropriation of \$105,000 from the restricted fund was provided to the Division to develop two trailer-mounted Structure Protection Kits for deployment in wildland urban interface communities threatened by wildfire.

Recruitment Program: The Division has experience difficulty hiring qualified people to fill vacant professional positions. The Legislature appropriated \$62,000 (one-time) from the restricted fund to hire an intern from one of the local universities with forestry and fire programs.

Lands Maintenance Fund: The agency owns or has rights to various parcels of land which need repair and maintenance. To establish funding to address these needs, the Legislature appropriated \$50,000 one-time from the restricted account.

Re seeding: The Legislature appropriated \$1,000,000 one-time from the restricted fund for re seeding after fires.

Oil, Gas, and Mining

The division of Oil, Gas, and Mining regulates exploration for and development of Utah's oil, gas, coal and other mineral resources. When exploration and developmental activities are completed, the division ensures that oil and gas wells are properly abandoned and mining sites are satisfactorily reclaimed.

Legislative Action

The FY 2007 appropriation to the Division of Oil, Gas and Mining is \$8,876,100 of which \$1,607,200 is from the General Fund.

Oil & Gas Biologists: Oil and gas exploration and drilling in Utah has reached all time highs in the past two years. To help with the increased demands, the Legislature appropriated a supplemental appropriation of \$70,000 and an ongoing appropriation of \$280,000 from the GFR - Oil and Gas Conservation Account for two biologists, who will work with the oil and gas industry to speed up the permitting and drilling and protect the habitat through cooperative efforts.

Electronic Permitting System: The Legislature appropriated supplemental funding of \$50,000 and a one-time FY 2007 appropriation of \$100,000 from the restricted fund for the

research and development of adequate electronic permitting system.

Minerals Workload Expansion: The Legislature appropriated \$150,000 to enhance the ability of the Minerals Regulatory Program to review and approve applications, monitor for safety, and enforce the bonding requirement for reclamation.

Wildlife Resources

The Division of Wildlife Resources (DWR) is the wildlife authority for the state under the policymaking authority of the Wildlife Board and manages all fish and wildlife species, regulates hunting, fishing and trapping, and conducts non-consumptive activities.

Legislative Action

The Wildlife Resources operation line item was appropriated for FY 2007 a total of \$44,140,100, with General Fund of \$5,160,100.

Employee Benefits: In addition to the benefit increases provided to all state employees for FY 2007, the Legislature appropriated \$2,220,700 to DWR to fund all the increases with General Funds so that raising licenses fees would not be needed.

Wolf Fund: The Legislature provided a supplemental appropriation of \$8,000 and an ongoing appropriation of \$15,000 from the restricted Wolf Depredation Management Account.

Predator Control: The Legislature appropriated \$7,100 one-time to the Predator Control line item, in order for DWR to have sufficient funds to fulfill its obligation to the Department of Agriculture (according to UCA 4-23-9).

Cougar and Bear: To assist in covering farmers' losses to cougar and bear, the Legislature appropriated \$100,000 to the Predator Control line item.

Berryman Institute: The Legislature provided a one-time appropriation of \$40,000 to DWR to fund Sage Grouse research performed by the Berryman Institute at Utah State University.

Intent Language

The Division is directed to spend up to \$200,000 on cougar/bear depredation, with \$150,000 from the General Fund and up to \$50,000 from the Wildlife Restricted Account.

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 2007 appropriation for the Division of Parks and Recreation is \$34,924,400, of which \$14,152,900 is from General Fund.

Employee Benefits: In addition to the benefit increases provided to all state employees for FY 2007, the Legislature appropriated \$510,600 to the Division to obviate the raising of park fees.

Capital Facilities Improvements: To address some of the needs related to the maintenance and capital improvement of state parks, the Legislature provided a one-time appropriation of \$3,000,000.

Park Trails: The Legislature provided a one-time appropriation of \$250,000 for park trails.

Green River: The Legislature provided a one-time appropriation of \$100,000 for the improvement of the Green River golf course cart paths.

Existing Operations: The Legislature appropriated \$300,000 from the restricted account in both FY 2006 and FY 2007 to offset potential shortfalls in projected fee revenues.

Utah Field House of Natural History Operations: The Legislature appropriated \$80,000 from the restricted account for the Operations and Maintenance of the Field House of Natural History. The Legislature has appropriated General Funds for this purpose the past two years.

Off Highway Vehicle Right-Of-Way Purchases: The Legislature provided a one-time appropriation of \$75,000 for purchases of OHV Rights-Of-Way.

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 UGS emphasizes making timely geological information available.

Legislative Action

The Legislature reallocated \$200,000 of one-time funding from the UGS' base budget to fund programs in other divisions. The FY 2007 appropriation for the UGS is \$6,578,200, with General Fund of \$2,512,800.

Groundwater Analysis: The Legislature appropriated \$122,000 to continue providing information to agencies regarding best practices and protection of ground water resources.

Water Resources

The Division of Water Resources provides comprehensive water planning, protects Utah's rights to interstate waters, and manages Utah's water development programs. In addition, the

Division promotes the orderly and timely planning, conservation, development, utilization, and protection of Utah's water resources.

Legislative Action

The total FY 2007 appropriation for the Division of Water Resources is \$10,643,400, of which \$4,449,600 is from the General Fund.

Stream Gauges: To restore 10 gauges and to ensure that no essential gauges will be cut, the Legislature appropriated a FY 2006 Supplemental of \$38,000 and \$118,000 (\$78,000 one-time) in FY 2007 to the Division of Water Resources.

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 appropriation for FY 2007 for the Division of Water Rights is \$7,324,500, of which \$6,957,000 comes from the General Fund.

Automating Water Delivery: To help improve water delivery in the state, the Legislature approved a \$105,000 one-time appropriation and a \$250,000 supplemental appropriation.

Funding Detail

Department of Natural Resources					
Sources of Finance	2006 Estimated	2006 Supplemental	2006 Revised	2007 Appropriated	Change from 2006 Revised
General Fund	35,576,200		35,576,200	40,239,200	4,663,000
General Fund, One-time	1,134,500	5,888,000	7,022,500	4,970,900	(2,051,600)
Federal Funds	30,804,500		30,804,500	39,068,700	8,264,200
Dedicated Credits Revenue	8,694,300		8,694,300	8,715,300	21,000
Federal Mineral Lease	1,700,000	345,300	2,045,300	2,158,500	113,200
GFR - Boating	3,787,200	100,000	3,887,200	4,068,900	181,700
GFR - Off-highway Vehicle	2,931,200	200,000	3,131,200	3,260,500	129,300
GFR - Oil & Gas Conservation Account	2,314,800	120,000	2,434,800	2,839,100	404,300
GFR - Sovereign Land Mgt	5,826,300	480,000	6,306,300	4,865,600	(1,440,700)
GFR - Species Protection	550,000		550,000	568,800	18,800
GFR - State Fish Hatch Maint	1,955,000		1,955,000	1,205,000	(750,000)
GFR - State Park Fees	9,946,800		9,946,800	10,424,700	477,900
GFR - Wildlife Habitat	1,055,300		1,055,300	2,121,800	1,066,500
GFR - Wildlife Resources	26,151,500		26,151,500	25,937,400	(214,100)
GFR - Wolf Depredation & Mgt		8,000	8,000	15,000	7,000
OGM Abandoned Mine Reclamation	75,000		75,000		(75,000)
Water Resources C&D	5,808,700	63,000	5,871,700	6,011,800	140,100
Water Res Construction	150,000		150,000	150,000	
Transfers	984,500		984,500	999,500	15,000
Beginning Nonlapsing	11,210,500		11,210,500	829,000	(10,381,500)
Closing Nonlapsing	(637,400)		(637,400)	(85,000)	552,400
Total	\$150,018,900	\$7,204,300	\$157,223,200	\$158,364,700	\$1,141,500
Line Items					
Administration	5,245,600	2,000,000	7,245,600	3,050,300	(4,195,300)
Species Protection	3,006,200		3,006,200	3,026,000	19,800
Building Operations	1,660,700		1,660,700	1,660,700	
Range Creek	211,000		211,000	160,700	(50,300)
Watershed				2,000,000	2,000,000
Forestry, Fire and State Lands	16,561,200	4,130,000	20,691,200	16,459,100	(4,232,100)
Oil, Gas and Mining	8,327,100	120,000	8,447,100	8,876,100	429,000
Wildlife Resources	40,590,100	108,000	40,698,100	44,140,100	3,442,000
Predator Control	169,300	(100,000)	69,300	66,700	(2,600)
GFR - Wildlife Resources	133,000		133,000	74,800	(58,200)
Contributed Research	355,600		355,600	355,600	
Cooperative Env Studies	5,103,200		5,103,200	5,248,800	145,600
Wildlife Resources Capital	7,739,200		7,739,200	13,775,300	6,036,100
Parks & Recreation	27,465,400	300,000	27,765,400	29,155,200	1,389,800
Parks & Recreation Capital	9,236,000		9,236,000	5,769,200	(3,466,800)
Utah Geological Survey	7,030,800	295,300	7,326,100	6,578,200	(747,900)
Water Resources	4,795,300	101,000	4,896,300	5,261,100	364,800
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	7,006,900	250,000	7,256,900	7,324,500	67,600
Total	\$150,018,900	\$7,204,300	\$157,223,200	\$158,364,700	\$1,141,500
Budgeted FTE	1,299.3	0.0	1,299.3	1,285.5	(13.8)

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 DAF's budget since FY 2003.

Legislative Action

For FY 2007, the Legislature appropriated \$26,227,800, of which \$13,459,100 is from the General Fund.

Utah's Own Promotion: The Legislature appropriated a \$400,000 General Fund supplemental to stimulate the rural economy by encouraging consumers to buy Utah products. The money is to be used to implement the Utah's Own campaign, which will include advertising and promotion with consumers, grocers, distributors, restaurants, etc.

Rangeland and Invasive Species Program: The Legislature provided a one-time General Fund appropriation of \$400,000 for the Grazing Improvement Program. Also, the Legislature appropriated \$150,000 ongoing for the improvement of rangeland in Utah.

Veterinarian Position: The Legislature appropriated \$81,000 from the General Fund to fund one full-time veterinary position. The duties will include administering the Trichomoniasis regulations, performing hatchery inspections, and administering the National Poultry Improvement program.

Conservation Districts Operation: The Legislature appropriated \$100,000 one-time to the Conservation Districts for their operation.

The Legislature also appropriated \$20,000 (one-time) for the "Ag In the Classroom" program, \$10,000 for high school rodeo competitions, \$10,000 to the Horse Racing Commission, a supplemental appropriation of \$45,000 to the Berryman Institute for Sage Grouse studies, \$50,000 (one-time) for litigation in Kane County, \$20,000 for Utah Soil Conservation Commission, and \$10,000 (one-time) for weed control.

Intent Language

The one-time \$400,000 appropriation for the Grazing Improvement Program is to be used on federal or private lands only if the Department receives matching private or federal funds at least equal to the amount to be expended by the Department. This appropriation is designated as nonlapsing.

Funding Detail

Department of Agriculture and Food					
Sources of Finance	2006 Estimated	2006 Supplemental	2006 Revised	2007 Appropriated	Change from 2006 Revised
General Fund	11,943,300		11,943,300	12,858,200	914,900
General Fund, One-time	213,000	445,000	658,000	600,900	(57,100)
Federal Funds	5,546,400		5,546,400	5,040,800	(505,600)
Dedicated Credits Revenue	4,827,800		4,827,800	4,716,800	(111,000)
GFR - Horse Racing	50,000		50,000	50,000	
GFR - Livestock Brand	931,000		931,000	916,000	(15,000)
GFR - Wildlife Damage Prev	582,900		582,900	611,700	28,800
Agri Resource Development	629,400		629,400	629,400	
Utah Rural Rehab Loan	18,000		18,000	18,000	
Transfers	772,600		772,600	775,200	2,600
Transfers - Natural Resources	69,300		69,300		(69,300)
Beginning Nonlapsing	2,951,700		2,951,700	583,700	(2,368,000)
Closing Nonlapsing	(531,000)		(531,000)	(572,900)	(41,900)
Total	\$28,004,400	\$445,000	\$28,449,400	\$26,227,800	(\$2,221,600)
Line Items					
Administration	21,092,600	445,000	21,537,600	19,248,200	(2,289,400)
Building Operations	270,000		270,000	270,000	
Utah State Fair Corporation	3,685,600		3,685,600	3,655,700	(29,900)
Predatory Animal Control	1,255,500		1,255,500	1,303,200	47,700
Resource Conservation	1,386,600		1,386,600	1,436,600	50,000
Loans	314,100		314,100	314,100	
Total	\$28,004,400	\$445,000	\$28,449,400	\$26,227,800	(\$2,221,600)
Budgeted FTE	224.1	0.0	224.1	226.0	1.9

School and Institutional Lands Administration

The School and Institutional Trust Lands Administration (SITLA), a quasi-governmental 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. All of the funding for SITLA's 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 2007, the Legislature appropriated \$17,539,600 to SITLA, all of which is from the Land Grant Management Fund.

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

Capital Development: The Legislature provided a supplemental appropriation of \$2,000,000 and an ongoing appropriation of \$3,800,000 for capital development on school trust lands.

Construction Manager: The Legislature provided a supplemental appropriation of \$62,000 and ongoing appropriation of \$103,200 for a construction manager.

West Desert Consulting: The Legislature appropriated \$50,000 for consultants exploring the feasibility of increasing revenues from trust lands in the West Desert beginning FY 2006.

OHV Administrator: The Legislature provided a supplemental appropriation of \$20,000 and an ongoing appropriation of \$78,000 for an OHV Administrator position.

The Legislature also appropriated: \$10,000 for a contract auditor, \$10,000 supplemental and \$20,000 ongoing for a forestry contractor, \$62,000 ongoing for a land planner, \$70,000 supplemental for project accounting system, \$40,000 for surface contracts, and \$26,000 for a vehicle purchase.

Funding Detail

School & Inst Trust Lands					
Sources of Finance	2006	2006	2006	2007	Change from
	Estimated	Supplemental	Revised	Appropriated	2006 Revised
Land Grant Mgt Fund	13,048,400	2,252,000	15,300,400	17,539,600	2,239,200
Total	\$13,048,400	\$2,252,000	\$15,300,400	\$17,539,600	\$2,239,200
Programs					
Board	205,400		205,400	205,400	
Director	1,105,700		1,105,700	1,035,500	(70,200)
Administration	847,500		847,500	833,200	(14,300)
Accounting	319,300		319,300	344,900	25,600
Royalty	236,200		236,200	249,200	13,000
Minerals	1,093,300	50,000	1,143,300	1,192,700	49,400
Surface	1,454,900	60,000	1,514,900	1,620,600	105,700
Public Relations				12,400	12,400
Development - Operating	1,066,400	132,000	1,198,400	1,332,300	133,900
Legal/Contracts	572,700		572,700	688,800	116,100
Data Processing	764,300		764,300	804,200	39,900
Forestry and Grazing	382,700	10,000	392,700	420,400	27,700
Development - Capital	5,000,000	2,000,000	7,000,000	8,800,000	1,800,000
Total	\$13,048,400	\$2,252,000	\$15,300,400	\$17,539,600	\$2,239,200
Budgeted FTE	68.0	1.5	69.5	72.0	2.5

Public Lands Office

The Public Lands Office is charged to partner with state agencies and political subdivisions in an effort to prepare coordinated public lands policies, develop consistent reviews and responses to public lands policies, develop management plans that relate to public lands policies, and develop and maintain a statewide land use plan.

Legislative Action

The Legislature reallocated \$250,000 one-time General Funds from the Public Lands Office’s base budget to fund needs of other organizations, such as the automating of water distribution through the Division of Water Rights. For FY 2007, the Legislature appropriated \$2,733,300 to the Public Lands Office, with \$702,800 from the General Fund.

Funding Detail

Public Lands Policy Coordinating Office					
Sources of Finance	2006	2006	2006	2007	Change from 2006 Revised
	Estimated	Supplemental	Revised	Appropriated	
General Fund	677,700		677,700	703,900	26,200
General Fund, One-time	20,000	(250,000)	(230,000)	(1,100)	228,900
GFR - Constitutional Defense	2,013,700		2,013,700	2,030,500	16,800
Beginning Nonlapsing	1,479,100		1,479,100		(1,479,100)
Total	<u>\$4,190,500</u>	<u>(\$250,000)</u>	<u>\$3,940,500</u>	<u>\$2,733,300</u>	<u>(\$1,207,200)</u>
Line Items					
Office of Public Lands	4,190,500	(250,000)	3,940,500	2,733,300	(1,207,200)
Total	<u>\$4,190,500</u>	<u>(\$250,000)</u>	<u>\$3,940,500</u>	<u>\$2,733,300</u>	<u>(\$1,207,200)</u>
Budgeted FTE	9.0	0.0	9.0	9.0	0.0

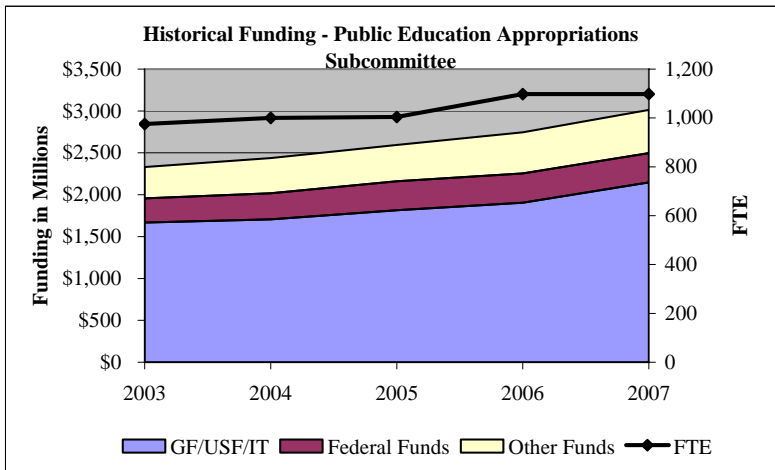
Funding Detail

Natural Resources Appropriations Subcommittee					
Sources of Finance	2006	2006	2006	2007	Change from 2006 Revised
	Estimated	Supplemental	Revised	Appropriated	
General Fund	48,197,200		48,197,200	53,801,300	5,604,100
General Fund, One-time	1,367,500	6,083,000	7,450,500	5,570,700	(1,879,800)
Federal Funds	36,350,900		36,350,900	44,109,500	7,758,600
Dedicated Credits Revenue	13,522,100		13,522,100	13,432,100	(90,000)
Federal Mineral Lease	1,700,000	345,300	2,045,300	2,158,500	113,200
GFR - Boating	3,787,200	100,000	3,887,200	4,068,900	181,700
GFR - Constitutional Defense	2,013,700		2,013,700	2,030,500	16,800
GFR - Horse Racing	50,000		50,000	50,000	
GFR - Livestock Brand	931,000		931,000	916,000	(15,000)
GFR - Off-highway Vehicle	2,931,200	200,000	3,131,200	3,260,500	129,300
GFR - Oil & Gas Conservation Account	2,314,800	120,000	2,434,800	2,839,100	404,300
GFR - Sovereign Land Mgt	5,826,300	480,000	6,306,300	4,865,600	(1,440,700)
GFR - Species Protection	550,000		550,000	568,800	18,800
GFR - State Fish Hatch Maint	1,955,000		1,955,000	1,205,000	(750,000)
GFR - State Park Fees	9,946,800		9,946,800	10,424,700	477,900
GFR - Wildlife Damage Prev	582,900		582,900	611,700	28,800
GFR - Wildlife Habitat	1,055,300		1,055,300	2,121,800	1,066,500
GFR - Wildlife Resources	26,151,500		26,151,500	25,937,400	(214,100)
GFR - Wolf Depredation & Mgt		8,000	8,000	15,000	7,000
Agri Resource Development	629,400		629,400	629,400	
Land Grant Mgt Fund	13,048,400	2,252,000	15,300,400	17,539,600	2,239,200
OGM Abandoned Mine Reclamation	75,000		75,000		(75,000)
Utah Rural Rehab Loan	18,000		18,000	18,000	
Water Resources C&D	5,808,700	63,000	5,871,700	6,011,800	140,100
Water Res Construction	150,000		150,000	150,000	
Transfers	1,757,100		1,757,100	1,774,700	17,600
Transfers - Natural Resources	69,300		69,300		(69,300)
Beginning Nonlapsing	15,641,300		15,641,300	1,412,700	(14,228,600)
Closing Nonlapsing	(1,168,400)		(1,168,400)	(657,900)	510,500
Total	<u>\$195,262,200</u>	<u>\$9,651,300</u>	<u>\$204,913,500</u>	<u>\$204,865,400</u>	<u>(\$48,100)</u>
Agencies					
Natural Resources	150,018,900	7,204,300	157,223,200	158,364,700	1,141,500
Public Lands Office	4,190,500	(250,000)	3,940,500	2,733,300	(1,207,200)
Agriculture	28,004,400	445,000	28,449,400	26,227,800	(2,221,600)
School & Institutional Trust Lands	13,048,400	2,252,000	15,300,400	17,539,600	2,239,200
Total	<u>\$195,262,200</u>	<u>\$9,651,300</u>	<u>\$204,913,500</u>	<u>\$204,865,400</u>	<u>(\$48,100)</u>
Budgeted FTE	1,600.4	1.5	1,601.9	1,592.5	(9.4)

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 \$3.0 billion to support Public Education in Utah for FY 2007, a 9.8 percent increase over the FY 2006 revised budget. In total, the public education budget represents 43.5 percent of the total appropriations made from the State's General and Uniform School Funds in FY 2007. 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, State Charter School Board, Child Nutrition Programs, Fine Arts Outreach Programs, Science 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 over 50 charter schools.

Currently, the state's school districts and charter schools enroll 510,012 students. Projections indicate that in FY 2007 (2006-2007 school year), an additional 14,668 students may enroll in the public schools. This would bring the statewide enrollment total to over 524,680 students.

Minimum School Program

The Minimum School Program is the single largest portion of the Public Education budget. It provides support to public schools in each of 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).

Legislative Action

The Legislature appropriated a budget of \$2,503,224,225 to the Minimum School Program for FY 2007. This appropriation is a 10.6 percent increase over the FY 2006 revised appropriation.

Weighted Pupil Unit (WPU) Equivalent Increase: The Legislature increased the value of the WPU by \$137 to a total of \$2,417 for FY 2007. This increase totaled \$91.9 million and raised the value of the WPU by 6.0 percent over last year.

The Legislature provided new funding for student enrollment growth; employee benefit increases, teacher supplies and materials, Library/Media Literacy Materials, Early College High Schools, Concurrent Enrollment, Charter school local replacement funding, Additional one time Charter school funding, Pupil Transportation, Adult Education, and the Electronic High School for FY 2007.

Other major items funded by the Legislature include:

- **UPASS Technology - On Line Testing:** The Legislature approved a one-time FY 2006 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).
- **Student Growth Costs:** Funding for the expected 14,668 student growth was funded at \$61,503,831 and represents a 2.9 percent increase for a total fall enrollment estimate for FY 2007 of 524,680.

The enrollment trends for the next decade predicted an increase of between 100,000 and 150,000 new students. This will require not only resource allocation for new growth but also new facilities.

- **Charter Schools**

- **Local Replacement Funding:** The Legislature provided \$8,992,500 in ongoing Uniform School Fund revenue to provide for program increases due to increased student enrollment and local revenue increases in the local school districts. Funding for this program is determined by statutory provisions found in UCA 53A-1a-513.
- Legislators provided \$7,100,000 in one-time Uniform School Fund revenue for additional charter school funding, to be distributed to charter schools based on **student enrollment**.
- The Legislature appropriated \$200,000 in one-time Uniform School Fund revenue and transferred \$100,000 in ongoing Uniform School Fund revenue from the State Charter School Board to the Minimum School Program. The total funding of \$300,000 will assist charter schools with school level **administrative costs**.

S.B. 5, “Amendments to the Minimum School Program Budget” contains language directing an in-depth study of

charter schools. The Legislature requested that the Office of Legislative Research and General Counsel and the Office of the Legislative Fiscal Analyst study charter schools in Utah and report to the Executive Appropriations Committee. The study will cover the four main areas of charter school administration, finances, facilities, and growth. The bill also appropriates \$150,000 for this study.

- **Teacher Supplies and Materials:** The Legislature appropriated one-time funding in the amount of \$7,000,000 for teacher supplies and materials for FY 2007. 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 \$360; a teacher on salary schedule steps one through three teaching in grades seven through twelve will receive \$310; a teacher on salary schedule step four or higher teaching in grades kindergarten through six or preschool handicapped will receive \$285; and a teacher on salary schedule step four or higher teaching in grades seven through twelve will receive \$235. The money should be for school supplies, materials, or field trips under rules adopted by the State Board of Education.
- **Electronic High School:** The Legislature provided funding in the amount of \$300,000 for the Electronic High School in FY 2007.
- **Adult Education:** The Legislature appropriated \$1,000,000 for FY 2007 for Adult Education to restore programming that was reduced by the 2002 Legislature.
- **Program Transfers:** The Legislature transferred funding for Youth In Custody administration from the At Risk program to the Utah State Office Education, and transferred funds for Charter School Administration from the Utah State Office Education to the Minimum School Program.

- **Board and Voted Leeway:** The Legislature funded the statutory increase to the Board and Voted Leeway Program, estimated at \$9,680,954.
- **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 2007 by \$10,000,000 to \$37,288,900. Of this amount, the enrollment growth program was appropriated the base of \$2,930,900 and additional one-time funding of \$10,000,000 for FY 2007. The remaining \$24,358,000 was appropriated to the Capital Outlay Foundation Program.

Minimum School Program Summary

The table on the following two pages shows the appropriations for FY 2006 as revised by the Legislature, and the funding for FY 2007, along with a comparison between the two years. The budget reductions and funding increases are detailed.

6/22/06 2:20 PM Financing	FY 2006 Legislature		FY 2007 Legislature		FY 2006	
	2005-06 WPU'S	Funding @ \$2,280	2006-07 WPU'S	Funding @ \$2,417	Difference From Rev. 06	% Diff 06 to 2007
A. Local Revenue	0,000,1702	\$225,872,138	0,000,1593	\$232,483,090	\$6,610,952	2.9%
A. Basic Tax Levy		162,172,538		175,340,351	13,167,813	8.1%
B. Voted Leeway		43,757,326		47,981,239	4,223,913	9.7%
C. Board Leeway		15,000,000		15,000,000		
D. Board Leeway/Other-Reading		446,802,002		470,804,680	24,002,678	5.4%
III. State Revenue						
A. Uniform School Fund		1,787,123,275		1,996,119,545	208,996,270	11.7%
B. Uniform School Fund - One Time		15,579,000		21,100,000	5,521,000	35.4%
C. School Land Trust		14,000,000		15,000,000	1,000,000	7.1%
D. General Fund One-Time				200,000	200,000	
State Revenue Subtotal		1,816,702,275		2,032,419,545	215,717,270	11.9%
REVENUE (I & II) TOTAL		2,263,504,277		2,503,224,225	239,719,948	10.6%
I. Basic Program						
A. Regular Basic School Programs						
1. Kindergarten	22,365	50,992,200	23,680	57,234,560	6,242,360	12.2%
2. Grades 1-12	445,146	1,014,932,880	462,579	1,118,063,443	103,120,563	10.2%
3. Necessarily Existent Small Schools	7,798	17,779,440	7,649	18,487,633	708,193	4.0%
4. Professional Staff	43,541	99,273,480	43,909	106,128,053	6,854,573	6.9%
5. Administrative Costs	1,662	3,789,360	1,629	3,937,293	147,933	3.9%
	520,512	1,186,767,360	539,446	1,303,840,982	117,073,622	9.9%
B. Restricted Basic School Programs						
1. Special Education-Regular Programs						
a. Special Education add-on WPU's	54,858	125,076,240	56,413	136,350,221	11,273,981	9.0%
b. Self-Contained Regular WPU's	12,719	28,999,320	13,301	32,148,517	3,149,197	10.9%
2. Special Education - Pre-School	7,241	16,509,480	8,158	19,717,886	3,208,406	19.4%
3. Extended Year Program for Severely Disabled			357	887,039	73,079	9.0%
4. Special Education-State Programs	1,402	3,196,560	1,443	3,487,731	291,171	9.1%
Special Education (1-4) Subtotal	24,098	174,595,560	79,682	192,591,394	17,995,834	10.3%
5. Applied Technology Education - District		54,943,440	24,797	59,934,349	4,990,909	9.1%
6. Applied Tech. Education-District Set Aside	1,030	2,348,400	1,060	2,562,020	213,620	9.1%
Applied Technology Ed. (5 - 6) Subtotal	25,128	57,291,840	25,857	62,496,369	5,204,529	9.1%
7. Class Size Reduction	30,773	70,162,440	30,773	74,378,341	4,215,901	6.0%
	132,478	302,049,840	136,312	329,466,104	27,416,264	9.1%
Total Restricted Basic Programs :						
TOTAL BASIC SCHOOL PROGRAM	652,990	1,488,817,200	675,758	1,633,307,086	144,489,886	9.7%

<p>C. Related to Basic Programs</p> <ol style="list-style-type: none"> 1. Interventions for Student Success Block Grant 2. Quality Teaching Block Grant 3. Local Discretionary Block Grant Program 4. Social Security & Retirement 5. Pupil Transportation 6. Granteee Transportation Levy 7. Math/Science - Beginning Teacher Recruitment 	<p>15,842,347 59,428,023 21,820,748 272,224,533 59,058,267 500,000 2,500,000</p> <p>431,373,918</p>	<p>16,792,888 62,993,704 21,820,748 310,891,038 62,601,763 500,000 2,500,000</p> <p>478,100,141</p>	<p>950,541 3,565,681 38,666,505 3,543,496</p> <p>46,726,223</p>	<p>6.0% 6.0% 14.2% 6.0%</p> <p>10.8%</p>
<p>D. Special Populations</p> <ol style="list-style-type: none"> 1. Highly Impacted Schools 2. At Risk Programs 3. Adult Education 4. Accelerated Learning Programs 	<p>5,123,207 26,557,600 7,630,805 8,999,293</p> <p>48,310,905</p>	<p>5,123,207 27,992,056 9,148,653 12,010,853</p> <p>54,274,769</p>	<p>1,434,456 1,517,848 3,011,560</p> <p>5,963,864</p>	<p>5.4% 19.9% 33.5%</p> <p>12.3%</p>
<p>E. Other</p> <ol style="list-style-type: none"> 1. Reading Program SB 230 2. Electronic High School 3. School Land Trust Program 4. Charter School Local Replacement Funding 5. U of U Reading Clinic 5. Charter School Administration 	<p>12,500,000 1,300,000 14,000,000 12,559,950</p> <p>40,059,950</p> <p>519,744,773</p>	<p>12,500,000 1,300,000 15,000,000 21,552,450</p> <p>100,000 50,452,450</p> <p>582,827,360</p>	<p>300,000 1,000,000 8,992,500</p> <p>10,392,500</p> <p>63,082,587</p>	<p>30.0% 7.1% 71.6%</p> <p>25.9%</p> <p>12.1%</p>
<p>II. Board and Voted Leeway Programs:</p> <ol style="list-style-type: none"> A. Voted Leeway Program B. Board Leeway Program C. Board Leeway/Other—Perf. Plus <p>Voted and Board Leeway Programs TOTAL</p> <p>Minimum School Program - I - II Subtotal</p>	<p>175,975,385 48,387,919 15,000,000</p> <p>239,363,304</p> <p>2,247,925,277</p> <p>15,579,000</p> <p>\$2,263,594,277</p>	<p>196,085,303 54,704,476 15,000,000</p> <p>265,789,779</p> <p>2,481,924,225</p> <p>21,300,000</p> <p>\$2,503,224,225</p>	<p>20,109,918 6,316,557</p> <p>26,426,475</p> <p>233,998,948</p> <p>5,721,000</p> <p>\$239,719,948</p> <p>\$5,000,000</p>	<p>11.4% 13.1%</p> <p>11.0%</p> <p>10.4%</p> <p>36.7%</p> <p>10.6%</p> <p>15.5%</p>
<p>III. One Time Appropriations PROGRAM (I - III) TOTAL</p> <p>School Building Program</p> <p>One Time Appropriations Summary</p> <ol style="list-style-type: none"> 1. UPASS Technology - On line Testing 2. Teacher Supplies & Materials 3. One time Funding - Transportation 4. PEJEP Math/Science Teacher Incentives 5. Library Books and Supplies 6. Charter School Funding 7. Charter School Administration Funding <p>III. One Time Appropriations TOTAL</p>	<p>\$32,288,900</p> <p>2,500,000 6,079,000 5,000,000 2,000,000</p> <p>15,579,000</p>	<p>7,000,000 5,000,000 2,000,000 7,100,000 200,000</p> <p>21,300,000</p>	<p>(2,500,000) 921,000 (2,000,000) 2,000,000</p> <p>\$5,721,000</p>	<p>-100.0% 15.2% -100.0%</p> <p>36.7%</p>

The following table shows the number of Public Education teachers by district (FY 2005 data).

Public Education: Classroom Teachers								
By School District and Total Classroom Teachers in Charter Schools								
FY 2005								
School District	Pre-Kindergarten		Kindergarten	Elementary	Secondary	Special Education	Teacher Interns	Total
	Regular	Special						
Alpine	7.9	11.0	100.0	1,049.9	785.8	213.7	22.3	2,190.6
Beaver	0.5	0.0	3.0	32.0	32.0	5.3	0.0	72.7
Box Elder	0.0	6.6	24.8	203.4	200.1	51.4	0.9	487.2
Cache	0.0	4.0	23.5	251.5	249.2	52.2	2.0	582.4
Carbon	1.0	1.0	12.0	62.5	81.1	29.0	0.0	186.6
Daggett	0.0	0.0	1.0	6.2	6.2	0.8	0.0	14.1
Davis	1.0	17.5	115.1	1,148.5	1,137.8	260.9	0.0	2,680.7
Duchesne	0.0	1.5	9.0	93.7	99.3	20.9	0.0	224.4
Emery	0.0	1.0	5.0	52.2	57.1	11.5	0.0	126.7
Garfield	0.5	0.0	3.7	21.9	29.2	5.8	0.0	61.2
Grand	0.0	1.0	5.0	32.5	35.8	9.0	1.0	84.2
Granite	1.0	21.6	125.9	1,273.2	1,377.9	325.0	4.5	3,129.1
Iron	1.3	3.0	18.0	147.2	144.2	31.9	0.7	346.3
Jordan	0.0	20.5	121.3	1,345.7	1,245.0	280.5	44.8	3,057.8
Juab	0.0	1.0	4.0	40.0	33.3	8.4	0.0	86.7
Kane	1.5	0.0	2.8	26.4	34.9	5.6	0.0	71.0
Logan	0.0	2.0	13.0	123.2	134.6	29.1	0.0	301.9
Millard	0.0	3.0	6.3	61.7	78.7	15.0	0.3	164.9
Morgan	0.6	0.4	3.5	36.6	45.7	8.2	0.0	95.0
Murray	1.0	0.5	11.3	129.9	127.8	27.7	0.0	298.3
Nebo	3.0	10.0	54.6	459.1	391.4	106.4	70.1	1,094.7
North Sanpete	0.0	1.0	5.4	52.2	50.5	9.6	0.0	118.7
North Summit	1.0	0.0	2.0	22.8	23.3	6.6	1.0	56.6
Ogden	1.0	5.0	39.5	242.9	250.1	62.1	0.0	600.5
Park City	0.0	1.0	6.5	95.4	109.3	19.0	0.0	231.2
Piute	0.0	0.8	0.5	7.2	14.6	1.4	0.0	24.3
Provo	3.0	1.0	28.5	262.3	257.1	78.8	0.0	630.6
Rich	0.0	0.0	1.0	13.7	16.5	2.0	1.0	34.2
Salt Lake	0.8	7.8	61.8	529.7	427.4	155.7	1.0	1,184.1
Washington	1.0	3.8	8.5	67.5	104.4	17.0	0.0	202.1
Wayne	0.0	4.7	8.8	82.3	93.5	24.9	0.0	214.2
South Sanpete	0.5	1.7	4.6	59.0	79.7	11.9	0.0	157.4
South Summit	0.0	0.2	3.0	32.9	31.8	3.8	0.0	71.7
Tintic	0.1	0.5	0.6	10.3	11.5	1.6	0.0	24.5
Tooele	1.0	4.6	27.3	219.7	184.9	56.7	12.9	506.9
Uintah	0.0	3.0	16.0	124.7	100.6	37.0	0.0	281.3
Wasatch	0.0	2.0	6.0	74.1	91.1	22.0	0.0	195.2
Washington	1.8	7.7	43.3	437.8	396.7	93.3	5.0	985.5
Wayne	0.0	0.5	1.5	12.4	19.1	3.4	5.5	42.4
Weber	0.0	10.0	56.1	531.2	491.0	156.4	18.5	1,263.3
Subtotal School Districts	29.4	160.7	983.4	9,475.0	9,080.1	2,261.2	191.6	22,181.2
Charter Schools Total	3.0	1.5	14.2	143.9	119.1	13.2	2.5	297.4
State Total	32.4	162.2	997.5	9,618.8	9,199.2	2,274.4	194.1	22,478.6
Notes:								
1. Positions are defined according to standards set by the National Center for Education Statistics (NCES) for the Common Core of Data (CCD) Nonfiscal Surveys.								
Source: Utah State Office of Education, Finance and Statistics Section.								
Prepared by: Office of the Legislative Fiscal Analyst (1/06BL).								

Public Education Agencies

The 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 (CNP), State Charter School Board (SCSB), Fine Arts and Science Outreach Programs, 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 \$472,479,900 for FY 2007. This amount includes \$93,155,400 from the Uniform School Fund and \$254,900 from the General Fund. Legislators increased the total FY 2007 budget for the education agencies by \$18,612,200 from the FY 2006 revised appropriation, representing a 4.1 percent increase. State funds appropriated to the education agencies increased by 24.2 percent. When only ongoing state revenue is considered, the state funds appropriated to the education agencies increased by 9.6 percent over FY 2006.

Funding Detail

State Board of Education: Education Agencies					
Sources of Finance	2006	2006	2006	2007	Change from
	Estimated	Supplemental	Revised	Appropriated	2006 Revised
General Fund	254,900		254,900	254,900	
General Fund, One-time	2,585,900		2,585,900	7,500,000	4,914,100
Uniform School Fund	68,206,800		68,206,800	72,531,600	4,324,800
Uniform School Fund, One-time	4,146,000		4,146,000	13,123,800	8,977,800
Federal Funds	347,946,900		347,946,900	348,831,600	884,700
Dedicated Credits Revenue	24,058,100		24,058,100	24,931,400	873,300
Federal Mineral Lease	994,300		994,300	1,033,200	38,900
GFR - Substance Abuse Prevention	494,100		494,100	494,500	400
USFR - Interest and Dividends Account	80,000		80,000	81,900	1,900
USFR - Professional Practices	92,000		92,000	94,200	2,200
Transfers	3,401,400		3,401,400	3,486,500	85,100
Transfers - Interagency	140,000		140,000	140,000	
Transfers - State Office of Education	26,000		26,000	26,000	
Beginning Nonlapsing	11,156,300		11,156,300	10,460,600	(695,700)
Beginning Nonlapsing - MSP		745,600	745,600		(745,600)
Closing Nonlapsing	(10,460,600)		(10,460,600)	(10,510,300)	(49,700)
Total	\$453,122,100	\$745,600	\$453,867,700	\$472,479,900	\$18,612,200
Line Items					
State Office of Education	236,335,000		236,335,000	250,736,400	14,401,400
State Charter School Board	9,804,800		9,804,800	11,019,800	1,215,000
State Office of Rehabilitation	55,704,400		55,704,400	57,528,100	1,823,700
Child Nutrition	118,521,700		118,521,700	118,614,200	92,500
Fine Arts and Sciences	3,309,000		3,309,000		(3,309,000)
Fine Arts Outreach				2,639,600	2,639,600
Science Outreach				1,339,400	1,339,400
Educational Contracts	3,854,800		3,854,800	3,854,800	
School for the Deaf and Blind	24,898,700	745,600	25,644,300	26,320,100	675,800
USDB - Institutional Council	693,700		693,700	427,500	(266,200)
Total	\$453,122,100	\$745,600	\$453,867,700	\$472,479,900	\$18,612,200
Budgeted FTE	1,097.7	0.0	1,097.7	1,097.9	0.2

Utah State Office of Education

As the largest of the public education agencies, the Utah State Office of Education (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, development of 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 \$250,736,400 to USOE for FY 2007 which includes \$37,879,300 from state funds. The total USOE appropriation represents an increase of \$14,401,400 from FY 2006 revised levels. The FY 2007 appropriated budget provides a total increase of 6.1 percent from FY 2006 revised. Of the total USOE appropriation, approximately 20 percent provides for the operation of the State Office itself. The remaining 80 percent, or \$200,899,800, is passed through to local school districts.

Educator Licensing: S.B. 4, “New Fiscal Year Supplemental Appropriations Act” includes an educator licensing fee schedule that provides sufficient revenue to cover the costs associated with regulating statewide educator licensing at the USOE. The fee schedule adopted by the Legislature is the same schedule adopted for FY 2006. Legislators were faced with increasing the fees charged to educators seeking certification through the “Alternative Route to Licensure” program due to higher regulatory costs for this program at USOE. The Legislature opted to appropriate \$234,000 in one-time Uniform School Fund revenue to provide the USOE time to evaluate the costs associated with overseeing and issuing these alternative licenses and find ways to reduce licensing fees in general.

H.B. 181, “Education Reform” appropriated \$15,000,000 in one-time revenue (\$7,500,000 each from the General Fund and the Uniform School Fund). The General Fund appropriation provides stipends to students that have not passed the Utah Basic Skills Competency Test (UBSCT) to obtain supplemental instruction to help them pass the UBSCT. The Uniform School Fund appropriation provides revenue to implement proposals to improve math test scores in grades four through six.

H.B. 285, “Appropriation for Highly Qualified Teachers” appropriated \$500,000 in one-time Uniform School Fund revenue to create a grant program to reduce out-of-pocket expenses licensed educators incur in obtaining National Board

certification or to take tests to meet federal highly qualified teacher standards. School districts and charter schools must provide matching funds to participate in the grant program.

Superintendent Education Initiatives: Legislators appropriated \$500,000 in one-time Uniform School Fund revenue to support educator morale and job satisfaction initiatives of the state Superintendent of Public Instruction.

Intent Language

Through intent language, the Legislature provided the State Board of Education with the authority to use up to \$60,000 of the ongoing \$2,500,000 Uniform School Fund appropriation for the Public Education Job Enhancement Program to administer the Public Education Job Enhancement Program.

During the 2005 General Session, the Legislature appropriated \$2,500,000 in one-time general fund revenue to the USOE to provide special needs scholarships under H.B. 249 “Carson Smith Special Needs Scholarships”. The Legislature provided the State Board of Education with non-lapsing authority to retain these funds in FY 2007 to provide student scholarships. Legislators further provided the authority to the State Board of Education to use up to \$100,000 of this revenue for program administration in FY 2007.

Funding Detail

State Office of Education					
Sources of Finance	2006	2006	2006	2007	Change from 2006 Revised
	Estimated	Supplemental	Revised	Appropriated	
General Fund, One-time	2,585,900		2,585,900	7,500,000	4,914,100
Uniform School Fund	20,886,400		20,886,400	21,674,900	788,500
Uniform School Fund, One-time	716,000		716,000	8,704,400	7,988,400
Federal Funds	204,823,100		204,823,100	204,805,800	(17,300)
Dedicated Credits Revenue	5,497,200		5,497,200	6,181,500	684,300
Federal Mineral Lease	994,300		994,300	1,033,200	38,900
GFR - Substance Abuse Prevention	494,100		494,100	494,500	400
USFR - Interest and Dividends Account	80,000		80,000	81,900	1,900
USFR - Professional Practices	92,000		92,000	94,200	2,200
Transfers - Interagency	140,000		140,000	140,000	
Transfers - State Office of Education	26,000		26,000	26,000	
Beginning Nonlapsing	10,101,800		10,101,800	10,101,800	
Closing Nonlapsing	(10,101,800)		(10,101,800)	(10,101,800)	
Total	\$236,335,000	\$0	\$236,335,000	\$250,736,400	\$14,401,400
Programs					
Board of Education	2,190,900		2,190,900	2,695,500	504,600
Student Achievement	141,599,600		141,599,600	141,935,300	335,700
Data and Business Services	5,087,100		5,087,100	5,299,400	212,300
Law, Legislation and Education Services	87,457,400		87,457,400	100,806,200	13,348,800
Total	\$236,335,000	\$0	\$236,335,000	\$250,736,400	\$14,401,400
Budgeted FTE	218.8	0.0	218.8	218.8	0.0

State Charter School Board

The Legislature created the State Charter School Board during the 2004 General Session. The board authorizes, supports, and promotes the establishment of charter schools and advises the State Board of Education on charter school issues. Prior to the 2005 General Session, the State Charter School Board was part of the Utah State Office of Education line item.

Currently, the state has over 50 approved charter schools including 17 to be opened in the fall of 2006 or 2007. Projections indicate that approximately 18,900 students may enroll in charter schools in fall 2006, up from 11,540 in fall 2005.

Legislative Action

The Legislature appropriated \$11,019,800 to the State Charter School Board, including \$4,484,000 from the Uniform School Fund. The FY 2007 budget for the State Charter School Board is 12.4 percent higher than the FY 2006 revised budget.

Administrative Funding: Legislators transferred \$100,000 in ongoing Uniform School Fund revenue from the State

Charter School Board to the Minimum School Program to support school level administration in the charter schools.

Start-up Funds: A total of \$4.1 million in one-time Uniform School Funds was appropriated by the Legislature to support start-up costs for charter schools approved to open in fall 2006. Included in the \$4.1 million is \$2.1 million to provide start-up grants for the three remaining high-tech charter high schools.

Intent Language

The Legislature passed intent language authorizing the State Board of Education to use any remaining revenue appropriated in FY 2006 to provide start-up grants for charter schools that began operation in fall 2005 be used in FY 2007 to provide start-up grants for charter schools that will begin operation in fall 2006.

Funding Detail

State Charter School Board					
Sources of Finance	2006 Estimated	2006 Supplemental	2006 Revised	2007 Appropriated	Change from 2006 Revised
Uniform School Fund	474,300		474,300	384,500	(89,800)
Uniform School Fund, One-time	2,800,000		2,800,000	4,099,500	1,299,500
Federal Funds	6,530,500		6,530,500	6,535,800	5,300
Total	\$9,804,800	\$0	\$9,804,800	\$11,019,800	\$1,215,000
Programs					
State Charter School Board	9,804,800		9,804,800	11,019,800	1,215,000
Total	\$9,804,800	\$0	\$9,804,800	\$11,019,800	\$1,215,000
Budgeted FTE	4.0	0.0	4.0	4.0	0.0

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 \$57,528,100 to USOR, including \$20,488,800 from the Uniform School Fund and \$254,900 from the General Fund. This appropriation represents an increase of \$1,823,700 from FY 2006 revised, including an increase in state funds of \$883,000. These changes result in a total increase of 3.3 percent from the FY 2006 revised levels.

Assistive Technology: Legislators provided \$400,000 in one-time Uniform School Funds to provide for assistive technology products and services. The program provides assistive technology devices for individuals that meet financial needs test requirements and cannot obtain funding from another source.

Independent Living: Legislators authorized \$350,000 from the Uniform School Fund for Utah's six Independent Living Centers. This funding will assist the IL centers in increasing nursing home diversion and transition services for individuals seeking assistance through the centers.

Utah's IL centers were included in Local Provider COLA adjustments provided by the Legislature. A total of \$32,500 in ongoing Uniform School Fund revenue was appropriated to provide a 2.5 percent cost of living adjustment for IL center employees.

Funding Detail

State Office of Rehabilitation					
Sources of Finance	2006 Estimated	2006 Supplemental	2006 Revised	2007 Appropriated	Change from 2006 Revised
General Fund	254,900		254,900	254,900	
Uniform School Fund	19,605,800		19,605,800	20,488,800	883,000
Uniform School Fund, One-time	300,000		300,000	378,400	78,400
Federal Funds	34,961,200		34,961,200	35,785,400	824,200
Dedicated Credits Revenue	582,500		582,500	601,200	18,700
Transfers				19,400	19,400
Total	\$55,704,400	\$0	\$55,704,400	\$57,528,100	\$1,823,700
Programs					
Executive Director	1,501,600		1,501,600	1,563,900	62,300
Blind and Visually Impaired	5,114,900		5,114,900	5,332,700	217,800
Rehabilitation Services	38,750,600		38,750,600	40,002,000	1,251,400
Disability Determination	8,305,000		8,305,000	8,520,000	215,000
Deaf and Hard of Hearing	2,032,300		2,032,300	2,109,500	77,200
Total	\$55,704,400	\$0	\$55,704,400	\$57,528,100	\$1,823,700
Budgeted FTE	434.0	0.0	434.0	434.0	0.0

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 \$26,320,100 to USDB, including \$21,934,100 from the Uniform School Fund for FY 2007. This appropriation represents a total increase of \$675,800 from FY 2006 revised, including a state fund increase of \$1,677,700. These budget changes result in a total increase of 2.6 percent from the FY 2006 revised levels.

Teacher Salary Adjustments: The Legislature increased USDB’s FY 2007 budget by \$215,900 in ongoing Uniform School Fund revenue to provide for statutory 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.

H.B. 218, “Schools for the Deaf and Blind Salary Adjustments” requires the State Board of Education to include the cost of step and lane increases for USDB teachers in its annual budget request pursuant to 53A-25-111. The FY 2007 cost of steps and lanes for USDB teachers is \$191,000.

Jean Massieu Charter School Integration: The Legislature provided \$746,600 in one-time and \$631,000 in ongoing Uniform School Fund revenue to support the inclusion of the program previously offered by the Jean Massieu Charter School (JMS) and support the students served by the charter school that now attend USDB. The JMS charter school board has voted to merge with USDB and beginning with the fall 2005 school year USDB and JMS operations were consolidated.

Funding Detail

School for the Deaf and Blind					
Sources of Finance	2006	2006	2006	2007	Change from
	Estimated	Supplemental	Revised	Appropriated	2006 Revised
Uniform School Fund	20,256,400		20,256,400	21,992,200	1,735,800
Uniform School Fund, One-time				(58,100)	(58,100)
Federal Funds	74,900		74,900	77,900	3,000
Dedicated Credits Revenue	805,200		805,200	841,000	35,800
Transfers	3,401,400		3,401,400	3,467,100	65,700
Beginning Nonlapsing	360,800		360,800		(360,800)
Beginning Nonlapsing - MSP		745,600	745,600		(745,600)
Total	\$24,898,700	\$745,600	\$25,644,300	\$26,320,100	\$675,800
Programs					
Instructional Services	13,502,800	745,600	14,248,400	14,933,100	684,700
Support Services	11,395,900		11,395,900	11,387,000	(8,900)
Total	\$24,898,700	\$745,600	\$25,644,300	\$26,320,100	\$675,800
Budgeted FTE	408.9	0.0	408.9	409.1	0.2

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 \$427,500 for FY 2007 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					
Sources of Finance	2006 Estimated	2006 Supplemental	2006 Revised	2007 Appropriated	Change from 2006 Revised
Dedicated Credits Revenue	358,800		358,800	477,200	118,400
Beginning Nonlapsing	693,700		693,700	358,800	(334,900)
Closing Nonlapsing	(358,800)		(358,800)	(408,500)	(49,700)
Total	\$693,700	\$0	\$693,700	\$427,500	(\$266,200)
Programs					
Institutional Council	693,700		693,700	427,500	(266,200)
Total	\$693,700	\$0	\$693,700	\$427,500	(\$266,200)
Budgeted FTE	6.0	0.0	6.0	6.0	0.0

Child Nutrition Programs

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

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

Legislative Action

For FY 2007, the Legislature appropriated \$118,521,700 to the Child Nutrition Programs, including \$157,000 from the Uniform School Fund and \$16,830,500 in Dedicated Credits generated by the sale of liquor. This appropriation represents a total increase of \$92,500 from FY 2006 revised, including a state fund increase of \$6,900.

Funding Detail

Child Nutrition					
Sources of Finance	2006 Estimated	2006 Supplemental	2006 Revised	2007 Appropriated	Change from 2006 Revised
Uniform School Fund	150,100		150,100	157,400	7,300
Uniform School Fund, One-time				(400)	(400)
Federal Funds	101,557,200		101,557,200	101,626,700	69,500
Dedicated Credits Revenue	16,814,400		16,814,400	16,830,500	16,100
Total	\$118,521,700	\$0	\$118,521,700	\$118,614,200	\$92,500
Programs					
Child Nutrition	118,521,700		118,521,700	118,614,200	92,500
Total	\$118,521,700	\$0	\$118,521,700	\$118,614,200	\$92,500
Budgeted FTE	26.0	0.0	26.0	26.0	0.0

Fine Arts and Science 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.

Legislative Action

For FY 2007, the Legislature appropriated from the Uniform School Fund \$2,639,600 to the Arts Outreach Program and \$1,339,400 to the Sciences Outreach Program. This appropriation represents an increase of \$1,000,000 over the FY 2006 appropriation.

Program Bifurcation: Legislative action resulted in the bifurcation of the Fine Arts and Sciences program into two distinct

line-items; namely, Arts Outreach and Science Outreach. The goal of the separation into two programs is to provide greater visibility to the specific needs of each genre, allow for the creation of distinct objectives within a genre, further facilitate focused appropriations by the Legislature to meet identified goals, and ensure appropriate oversight of the program.

Funding Increase: The Legislature approved a \$1,000,000 increase in ongoing Uniform School Fund revenue to the Arts Outreach Program and the Science Outreach Programs. As part of this increase, \$330,000 in one-time Uniform School Fund revenue that the combined program received over the past several years was converted to ongoing revenue. The increase provided a 9 percent increase to the organizations that previously participated in the Professional Outreach Program in the Schools (POPS) and the Arts Subsidy programs under the old structure. Finally, the Legislature appropriated funding to enhance science outreach services through a newly created Science Enhancement Program and increasing the revenue allocated to the Science RFP Program.

Funding Detail

Fine Arts Outreach					
Sources of Finance	2006 Estimated	2006 Supplemental	2006 Revised	2007 Appropriated	Change from 2006 Revised
Uniform School Fund				2,639,600	2,639,600
Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,639,600</u>	<u>\$2,639,600</u>
Programs					
Professional Outreach Programs				2,515,100	2,515,100
Requests for Proposals				70,000	70,000
Subsidy Program				54,500	54,500
Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,639,600</u>	<u>\$2,639,600</u>

Science Outreach					
Sources of Finance	2006 Estimated	2006 Supplemental	2006 Revised	2007 Appropriated	Change from 2006 Revised
Uniform School Fund				1,339,400	1,339,400
Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,339,400</u>	<u>\$1,339,400</u>
Programs					
Science Outreach Programs				959,400	959,400
Requests for Proposals				180,000	180,000
Science Enhancement				200,000	200,000
Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,339,400</u>	<u>\$1,339,400</u>

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. The Provo school district receives contract funds for the State Hospital, and the Jordan, South Sanpete, and Iron school districts receive contract funding for correctional facilities in those areas.

Legislative Action

For FY 2007, the Legislature appropriated \$3,854,800 from the Uniform School Fund to Education Contracts. This is the same level of funding as in FY 2006.

Funding Detail

Educational Contracts					
Sources of Finance	2006 Estimated	2006 Supplemental	2006 Revised	2007 Appropriated	Change from 2006 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. Further, 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 2007 operating budget of \$1,045,700 for the USOE – Internal Service Fund and \$4,148,000 for the USOE – Indirect Cost Pool. The Legislature also approved \$104,800 in combined capital outlay authorization.

Funding Detail

ISF - USOE Internal Service Fund					
Sources of Finance	2006 Estimated	2006 Supplemental	2006 Revised	2007 Appropriated	Change from 2006 Revised
Dedicated Credits - Intragvt Rev	1,031,600		1,031,600	1,045,700	14,100
Total	<u>\$1,031,600</u>	<u>\$0</u>	<u>\$1,031,600</u>	<u>\$1,045,700</u>	<u>\$14,100</u>
Programs					
ISF - State Board ISF	1,031,600		1,031,600	1,045,700	14,100
Total	<u>\$1,031,600</u>	<u>\$0</u>	<u>\$1,031,600</u>	<u>\$1,045,700</u>	<u>\$14,100</u>
Budgeted FTE	8.0	0.0	8.0	8.0	0.0

ISF - USOE Indirect Cost Pool					
Sources of Finance	2006 Estimated	2006 Supplemental	2006 Revised	2007 Appropriated	Change from 2006 Revised
Dedicated Credits - Intragvt Rev	4,000,300		4,000,300	4,148,000	147,700
Total	<u>\$4,000,300</u>	<u>\$0</u>	<u>\$4,000,300</u>	<u>\$4,148,000</u>	<u>\$147,700</u>
Programs					
ISF - Superintendent Indirect Cost Pool	4,000,300		4,000,300	4,148,000	147,700
Total	<u>\$4,000,300</u>	<u>\$0</u>	<u>\$4,000,300</u>	<u>\$4,148,000</u>	<u>\$147,700</u>
Budgeted FTE	49.0	0.0	49.0	48.0	(1.0)

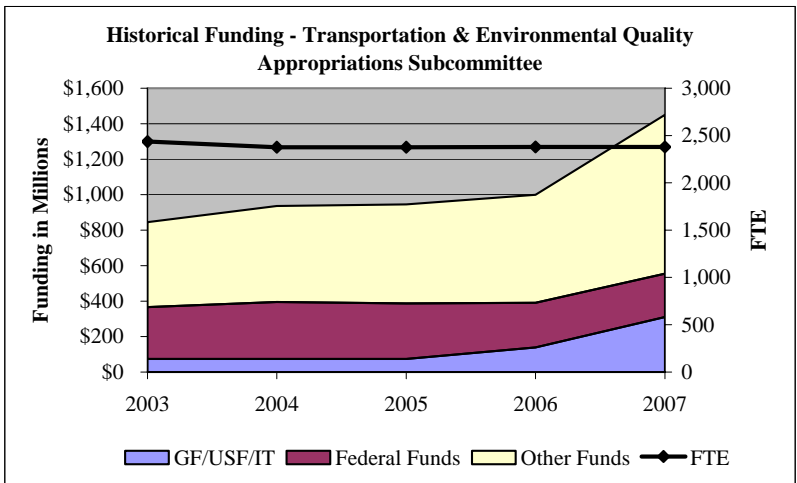
Funding Detail

Public Education Appropriations Subcommittee					
Sources of Finance	2006 Estimated	2006 Supplemental	2006 Revised	2007 Appropriated	Change from 2006 Revised
General Fund	254,900		254,900	254,900	
General Fund, One-time	2,585,900		2,585,900	7,500,000	4,914,100
Uniform School Fund	1,882,618,975		1,882,618,975	2,095,940,045	213,321,070
Uniform School Fund, One-time	19,725,000		19,725,000	44,423,800	24,698,800
Federal Funds	347,946,900		347,946,900	348,831,600	884,700
Dedicated Credits Revenue	24,058,100		24,058,100	24,931,400	873,300
Federal Mineral Lease	994,300		994,300	1,033,200	38,900
GFR - Substance Abuse Prevention	494,100		494,100	494,500	400
USFR - Interest and Dividends Account	10,000,000	4,080,000	14,080,000	15,081,900	1,001,900
USFR - Professional Practices	92,000		92,000	94,200	2,200
Local Property Tax	446,802,002		446,802,002	470,804,680	24,002,678
Transfers	3,401,400		3,401,400	3,486,500	85,100
Transfers - Interagency	140,000		140,000	140,000	
Transfers - State Office of Education	26,000		26,000	26,000	
Beginning Nonlapsing	11,156,300	5,327,455	16,483,755	10,460,600	(6,023,155)
Beginning Nonlapsing - MSP		745,600	745,600		(745,600)
Closing Nonlapsing	(10,460,600)	(5,327,455)	(15,788,055)	(10,510,300)	5,277,755
Total	\$2,739,835,277	\$4,825,600	\$2,744,660,877	\$3,012,993,025	\$268,332,148
Agencies					
State Board of Education	453,122,100	745,600	453,867,700	472,479,900	18,612,200
Minimum School Program	2,254,424,277	4,080,000	2,258,504,277	2,503,224,225	244,719,948
School Building Program	32,288,900		32,288,900	37,288,900	5,000,000
Total	\$2,739,835,277	\$4,825,600	\$2,744,660,877	\$3,012,993,025	\$268,332,148
Budgeted FTE	1,097.7	0.0	1,097.7	1,097.9	0.2

Transportation, Environmental Quality, and National Guard

Subcommittee Overview

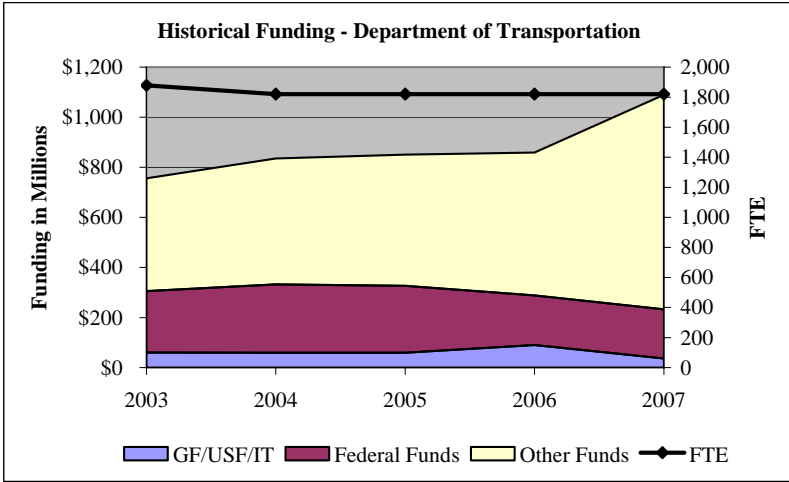
The Legislature provided funding of \$1,194,643,500 to the Department of Transportation, Department of Environmental Quality, and the Utah National Guard for FY 2007. In addition, \$256 million of restricted revenue will be utilized. Major sources of funding for these agencies include: General Fund, 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 2007 for the Transportation Fund total \$424,500,000 plus an additional \$195,948,300 in federal funds.

The Legislature approved FY 2007 expenditures for the Department of Transportation in the amount of \$1,089,540,200. This includes \$309,461,100 to fund the FY 2007 portion of the Centennial Highway Program and \$8,648,800 in compensation adjustments. State Internal Service Fund rate changes decreased the Department’s operating budget by \$52,700 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 2007 budget of \$29,334,200 for Support Services which is an increase of \$4,115,800 from the FY 2006 appropriation.

Engineering Services

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

Legislative Action

The FY 2007 budget approved for the Engineering Services Division is \$29,789,600 which is a decrease of \$1,421,000 for this line item from FY 2006 appropriation. The decrease comes primarily from the transfer of Safety Operations and Traffic Safety from Engineering Services to the Operations and Maintenance line item. The FY 2007 appropriation includes FTE assignment changes within those divisional budgets as well.

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 2007 budget for the Construction line item of \$372,951,900. In addition to Transportation Fund and Federal Funds, the appropriation includes funding from the following two sources:

Sales Tax for Infrastructure: The appropriation includes \$1,124,600 from sales tax revenue according to UCA 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” passed during the First Special Session of 2005, created the Transportation Investment Fund (TIF) and the Centennial Highway Fund Restricted Account. **H.B. 112, “Transportation Investment Act,”** passed in the 2006 General Session, codifies that 8.33 percent of the General Sales Tax revenue be transferred to the Centennial Highway Fund Restricted Account. For FY 2007, that transfer is estimated to be \$150,000,000. After general obligation bonds for the Centennial Highway Program are paid off, those Sales Tax revenues will be deposited into the new TIF.

Additional General Funds appropriated during the **May 2006 Third Special Session** of the Legislature for construction amounted to \$90,000,000 of which \$35,000,000 will be used in the State Construction – New Program and \$55,000,000 to the Transportation Investment Fund Program.

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 2007 commitment to the Centennial Highway Fund is \$309,461,100. The following are some of the key funding sources:

General Sales Tax: H.B. 112, “Transportation Investment Act” codifies that 8.33 percent of the General Sales Tax revenue to be transferred to the Centennial Highway Fund Restricted Account. That transfer is estimated to be \$150,000,000 in FY 2007. This revenue source will replace the previous ongoing General Fund commitment to the Centennial Highway Program. One-time appropriations of \$201,000,000 from the General Fund were also transferred to the Centennial Highway Program for FY 2007.

Dedicated Credits: An appropriation of \$1,338,000 in Dedicated Credits was appropriated to the Centennial Highway Fund. These funds are expected to be collected from interest and Local/Private sources.

Fuel Tax Revenues: For FY 2007, revenues from taxes on fuel are estimated to generate \$1,682,000

Vehicle Registration Fees: Centennial Highway Fund Restricted Account revenues are expected to increase by \$21,238,700 in FY 2007 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 the 56th Legislature. In addition, there

is expected to be \$118,054,000 from beginning balances in the Centennial Highway Fund.

Federal Funds: An estimated \$379,000 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 \$51,685,000 will also be available to the Centennial Highway Program for FY 2007.

No General Obligation bonds will be issued in FY 2007 for use on projects within the Centennial Highway Program. Debt service on previous bond issues is estimated to be \$130,062,600 for FY 2007.

Region Management

The Legislature approved a total FY 2007 budget for Region Management of \$25,198,000 which is an increase of \$1,590,700 from the FY 2006 estimated level.

Equipment Management

The Legislature approved a total FY 2007 budget for Region Management of \$25,198,000 which is an increase of \$1,590,700 from the FY 2006 estimated level.

Operations and Maintenance Management

The Legislature approved a FY 2007 budget for Operations and Maintenance Management of \$118,535,700. The appropriation includes an additional \$3,500,000 from the Transportation Fund to increase maintenance of state highways. Additional increases to this line item include the transfer of Safety Operations and Traffic Safety from Engineering Services to the Operations and Maintenance 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.

Sidewalk Construction

The Legislature approved a FY 2007 budget of \$500,000 for the Sidewalk Construction Program.

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 2007 expenditures for the Mineral Lease/Payment in Lieu programs of \$39,469,000.

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 \$120,013,800 for distribution to local governments through the B & C Road Account for FY 2007. This is an estimate only since the actual disbursement will depend on the total free revenues collected in the Transportation Fund in FY 2007. The appropriation includes \$17,618,400 from sales tax revenue which, according to UCA 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 2007 budget for the Aeronautics Division of \$27,193,700 which is a decrease of \$3,286,300 from the estimated FY 2006 level. This decrease is primarily due to a reduction in Federal Funding for airport construction.

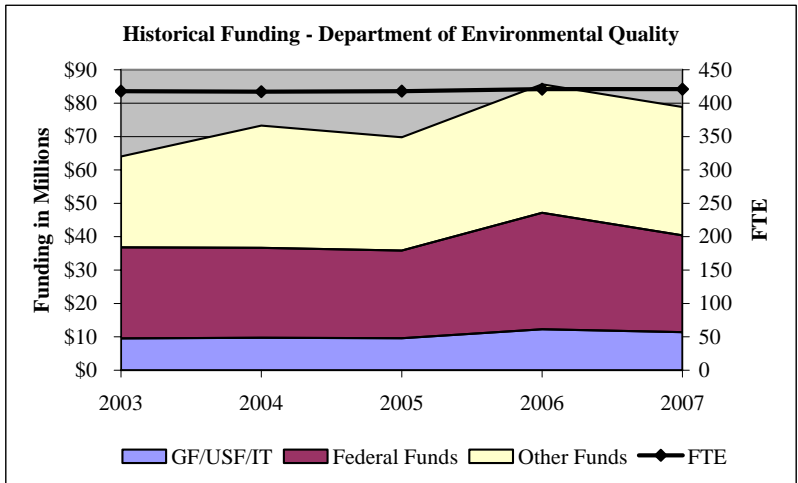
Funding Detail

Department of Transportation					
Sources of Finance	2006 Estimated	2006 Supplemental	2006 Revised	2007 Appropriated	Change from 2006 Revised
General Fund	90,088,100		90,088,100	35,088,100	(55,000,000)
General Fund, One-time				1,640,000	1,640,000
Transportation Fund	389,236,900		389,236,900	338,348,300	(50,888,600)
Transportation Fund, One-time		600,000	600,000	73,000,000	72,400,000
Transportation Investment Fund of 2005	30,000,000		30,000,000	55,000,000	25,000,000
Centennial Highway Fund				631,000	631,000
Centennial Highway Fund Restricted Account	80,607,700		80,607,700	371,607,700	291,000,000
Federal Funds	198,252,400		198,252,400	195,899,600	(2,352,800)
Dedicated Credits Revenue	25,576,900		25,576,900	19,480,000	(6,096,900)
Federal Mineral Lease	32,949,000		32,949,000	39,469,000	6,520,000
TFR - Aeronautics Fund	6,752,500		6,752,500	6,810,100	57,600
Debt Service	(128,479,200)		(128,479,200)	(130,062,600)	(1,583,400)
Designated Sales Tax	25,153,000		25,153,000	24,944,000	(209,000)
Transfers - Within Agency	6,000,000		6,000,000	6,000,000	
Beginning Nonlapsing	120,316,600		120,316,600	52,195,000	(68,121,600)
Closing Nonlapsing	(18,317,000)		(18,317,000)	(510,000)	17,807,000
Total	\$858,136,900	\$600,000	\$858,736,900	\$1,089,540,200	\$230,803,300
Line Items					
Support Services	25,518,400	(27,600)	25,490,800	29,334,200	3,843,400
Engineering Services	34,359,900	235,700	34,595,600	29,789,600	(4,806,000)
Operations/Maintenance Management	102,857,100	239,100	103,096,200	118,535,700	15,439,500
Construction Management	211,475,300		211,475,300	372,951,900	161,476,600
Region Management	23,707,300	169,100	23,876,400	25,198,000	1,321,600
Equipment Management	24,790,600	(16,300)	24,774,300	17,093,200	(7,681,100)
Aeronautics	27,059,400		27,059,400	27,193,700	134,300
B and C Roads	114,133,800		114,133,800	120,013,800	5,880,000
Safe Sidewalk Construction	2,262,600		2,262,600	500,000	(1,762,600)
Mineral Lease	32,949,000		32,949,000	39,469,000	6,520,000
Centennial Highway Program	259,023,500		259,023,500	309,461,100	50,437,600
Total	\$858,136,900	\$600,000	\$858,736,900	\$1,089,540,200	\$230,803,300
Budgeted FTE	1,820.0	0.0	1,820.0	1,820.0	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 2007 expenditures for the Department of Environmental Quality of \$78,866,600.

Budgetary issues that will be felt Department wide include funding for a 3.5 percent cost of living adjustment, health and dental insurance increases, retirement rate increases, and funding other post employment benefits in FY 2007. These increases total \$2,311,100, of which \$678,500 is from the General Fund. State Internal Service Fund rate changes decreased the Department budget by \$29,900.



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 2007 budget for the Executive Director’s Office of \$5,582,000. This appropriation includes salary and benefit adjustments of \$242,400.

High Level Nuclear Waste Storage: A one-time appropriation of \$250,000 in FY 2007 from the General Fund was

approved to fund continued State opposition to the storage of high level nuclear waste in Utah.

Air Quality

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

Legislative Action

The Legislature approved a FY 2007 budget for Air Quality of \$9,613,900. Included in that budget was one time funding of \$200,000 to address air quality monitoring at animal feeding operations.

The Air Quality Division received a \$47,900 appropriation from Dedicated Credits to help enact provisions of **H.B. 93**, “**Clean Fuel Vehicle Fund**”.

Intent Language

The Legislature approved intent language allowing any unexpended funds to be used to reduce emission fees and to make the appropriation to air quality monitoring of animal feeding operations non-lapsing.

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 \$8,508,300 to the Response and Remediation Program for FY 2007. The appropriation reauthorized one-time funding of \$43,600 from the Petroleum Storage Tank Expendable Trust Fund for FY 2007 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 \$3,063,300 as an expenditure level for FY 2007 for the Radiation Control Program.

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 \$9,728,400 was approved by the Legislature for the Water Quality Program for FY 2007. In addition, \$17,655,300 was approved for the water quality loan program for FY 2007.

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

Legislative Action

The Legislature approved an operating budget for the Division of Drinking Water for FY 2007 of \$4,055,800. In addition, an appropriation of \$12,929,100 was approved for the Drinking Water Loan Program for FY 2007.

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 2007 budget for Solid and Hazardous Waste of \$7,380,500.

Funding Detail

Department of Environmental Quality					
Sources of Finance	2006 Estimated	2006 Supplemental	2006 Revised	2007 Appropriated	Change from 2006 Revised
General Fund	10,296,600		10,296,600	11,012,500	715,900
General Fund, One-time	2,000,000		2,000,000	393,500	(1,606,500)
Federal Funds	34,942,200	(73,000)	34,869,200	29,004,000	(5,865,200)
Dedicated Credits Revenue	7,906,700		7,906,700	8,202,400	295,700
GFR - Environmental Quality	5,672,800		5,672,800	6,325,000	652,200
GFR - Underground Wastewater System	76,000		76,000	76,000	
GFR - Used Oil Administration	716,300		716,300	727,600	11,300
GFR - Voluntary Cleanup	611,800		611,800	611,500	(300)
GFR - WDS - Drinking Water	53,900	73,000	126,900	129,300	2,400
GFR - WDS - Water Quality	849,100		849,100	904,600	55,500
ET - Petroleum Storage Tank	1,216,200		1,216,200	1,246,600	30,400
ET - Waste Tire Recycling	111,600		111,600	118,900	7,300
Clean Fuel Vehicle Loan	400,000		400,000	101,300	(298,700)
Designated Sales Tax	7,175,000		7,175,000	7,175,000	
Petroleum Storage Tank Account	50,000		50,000	50,000	
Petroleum Storage Tank Loan	143,500		143,500	149,000	5,500
Transfers - Within Agency	85,700		85,700	71,400	(14,300)
Repayments	13,596,400		13,596,400	11,816,900	(1,779,500)
Beginning Nonlapsing	766,900		766,900	751,100	(15,800)
Closing Nonlapsing	(734,600)		(734,600)		734,600
Lapsing Balance	(304,500)		(304,500)		304,500
Total	\$85,631,600	\$0	\$85,631,600	\$78,866,600	(\$6,765,000)
Line Items					
Environmental Quality	52,560,200		52,560,200	47,882,200	(4,678,000)
Water Security Dev Acct - Water Pollution	20,167,300		20,167,300	17,655,300	(2,512,000)
Water Security Dev Acct - Drinking Water	12,904,100		12,904,100	12,929,100	25,000
Hazardous Substance Mitigation Fund				400,000	400,000
Total	\$85,631,600	\$0	\$85,631,600	\$78,866,600	(\$6,765,000)
Budgeted FTE	421.0	0.0	421.0	421.0	0.0

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 2007 expenditures for the Utah National Guard of \$26,236,700.

Budgetary issues that will be felt Department-wide include funding for a 3.5 percent cost of living adjustment, health and dental insurance increases, retirement rate increases, and funding other post employment benefits in FY 2007. These increases total \$864,500, of which \$206,500 is from the General Fund.

State Internal Service Fund rate changes increased the National Guard budget by \$7,600.

The appropriation included the following new items:

Veterans' Nursing Home: A one-time appropriation of \$250,000 was approved to fund additional maintenance of the Veterans' Nursing Home for FY 2007.

H.B. 1007 "Veterans' Nursing Home Authorization and Funding" passed during the First Special Session in 2005 and authorized 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 was to be repealed if federal funds were not received on or before that date. An amendment was enacted during the 2006 General Session to extend that date to December 31, 2008.

A one-time appropriation of \$50,000 was granted through **H.B. 401 “Veterans’ Affairs Amendments”** to the Division of Veterans’ Affairs to provide outreach and assistance services for veterans throughout the state.

Funding Detail

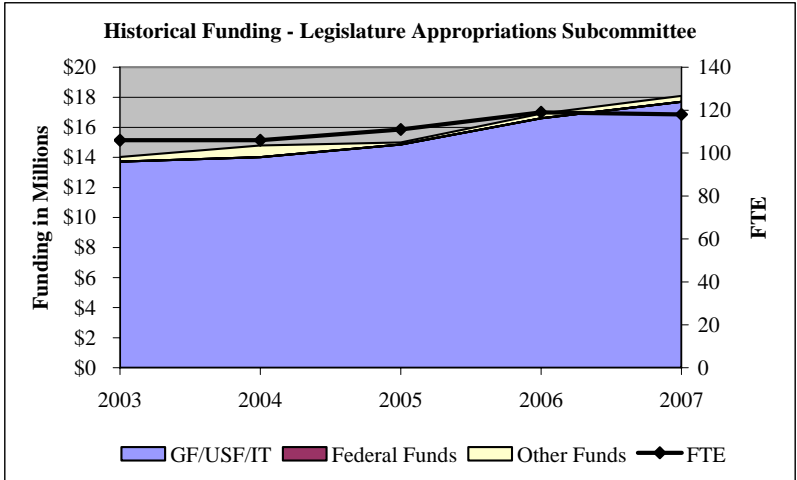
Utah National Guard					
Sources of Finance	2006 Estimated	2006 Supplemental	2006 Revised	2007 Appropriated	Change from 2006 Revised
General Fund	4,765,000		4,765,000	5,277,500	512,500
General Fund, One-time	500,000	243,500	743,500	1,041,000	297,500
Federal Funds	19,086,800		19,086,800	19,684,600	597,800
Dedicated Credits Revenue	127,700		127,700	149,200	21,500
Transfers	84,400		84,400	84,400	
Beginning Nonlapsing	76,100		76,100		(76,100)
Total	\$24,640,000	\$243,500	\$24,883,500	\$26,236,700	\$1,353,200
Line Items					
Utah National Guard	24,640,000	243,500	24,883,500	26,236,700	1,353,200
Total	\$24,640,000	\$243,500	\$24,883,500	\$26,236,700	\$1,353,200
Budgeted FTE	139.0	0.0	139.0	139.0	0.0

Funding Detail

Transportation & Environmental Quality Appropriations Subcommittee					
Sources of Finance	2006	2006	2006	2007	Change from
	Estimated	Supplemental	Revised	Appropriated	2006 Revised
General Fund	105,149,700		105,149,700	106,378,100	1,228,400
General Fund, One-time	32,500,000	243,500	32,743,500	204,074,500	171,331,000
Transportation Fund	389,236,900		389,236,900	338,348,300	(50,888,600)
Transportation Fund, One-time		600,000	600,000	73,000,000	72,400,000
Transportation Investment Fund of 2005	30,000,000		30,000,000	55,000,000	25,000,000
Centennial Highway Fund				631,000	631,000
Centennial Highway Fund Restricted Account	80,607,700		80,607,700	371,607,700	291,000,000
Federal Funds	252,281,400	(73,000)	252,208,400	244,588,200	(7,620,200)
Dedicated Credits Revenue	33,611,300		33,611,300	27,831,600	(5,779,700)
Federal Mineral Lease	32,949,000		32,949,000	39,469,000	6,520,000
GFR - Environmental Quality	5,672,800		5,672,800	6,325,000	652,200
GFR - Underground Wastewater System	76,000		76,000	76,000	
GFR - Used Oil Administration	716,300		716,300	727,600	11,300
GFR - Voluntary Cleanup	611,800		611,800	611,500	(300)
GFR - WDS - Drinking Water	53,900	73,000	126,900	129,300	2,400
GFR - WDS - Water Quality	849,100		849,100	904,600	55,500
TFR - Aeronautics Fund	6,752,500		6,752,500	6,810,100	57,600
ET - Petroleum Storage Tank	1,216,200		1,216,200	1,246,600	30,400
ET - Waste Tire Recycling	111,600		111,600	118,900	7,300
Clean Fuel Vehicle Loan	400,000		400,000	101,300	(298,700)
Debt Service	(128,479,200)		(128,479,200)	(130,062,600)	(1,583,400)
Designated Sales Tax	32,328,000		32,328,000	32,119,000	(209,000)
Petroleum Storage Tank Account	50,000		50,000	50,000	
Petroleum Storage Tank Loan	143,500		143,500	149,000	5,500
Transfers	84,400		84,400	84,400	
Transfers - Within Agency	6,085,700		6,085,700	6,071,400	(14,300)
Repayments	13,596,400		13,596,400	11,816,900	(1,779,500)
Beginning Nonlapsing	121,159,600		121,159,600	52,946,100	(68,213,500)
Closing Nonlapsing	(19,051,600)		(19,051,600)	(510,000)	18,541,600
Lapsing Balance	(304,500)		(304,500)		304,500
Total	\$998,408,500	\$843,500	\$999,252,000	\$1,450,643,500	\$451,391,500
Agencies					
National Guard	24,640,000	243,500	24,883,500	26,236,700	1,353,200
Environmental Quality	85,631,600		85,631,600	78,866,600	(6,765,000)
Transportation	858,136,900	600,000	858,736,900	1,089,540,200	230,803,300
Restricted Revenue - TEQ	30,000,000		30,000,000	256,000,000	226,000,000
Total	\$998,408,500	\$843,500	\$999,252,000	\$1,450,643,500	\$451,391,500
Budgeted FTE	2,380.0	0.0	2,380.0	2,380.0	0.0

Legislature

Overview



Legislative Action

The revised FY 2006 ongoing General Fund appropriation for the Legislature and staff agencies is \$16,914,740.

The Legislature approved a total FY 2007 spending level for the Legislature and its staff agencies of \$18,101,550, with \$17,694,800 from the General Fund. The total appropriation represents a General Fund increase of seven percent over the FY 2006 revised appropriation. This funding includes resources for the annual General Session, Interim Committees of the Legislature, and staff offices.

Funding was approved for the following items:

- A 3.5 percent cost-of-living adjustment, health and dental insurance increases, and funding of post employment benefits adjustments in FY 2007. These increases total \$815,200 from the General Fund.

- State Internal Service Fund rate charges decreased Legislative budgets by \$9,100.
- The budget of the Office of Legislative Research and General Counsel was increased by \$522,300 to fund current expense increases and additional FTE support for legislative BlackBerry communication devices.
- An ongoing appropriation of \$3,500 for the Senate and \$5,700 for the House of Representatives to enact the increased expenditures for in session employees authorized in S.J.R. 6.
- **H.B. 39, “Utah International Trade Commission”** added funding in the amount of \$9,200.
- Increased assessments from the National Conference of State Legislatures (NCSL) and Council of State Governments for dues for 2006 resulted in increases of \$2,200 for the Senate and \$5,600 for the House of Representatives.
- Increased expenditures for retired legislators’ health insurance resulted in funding of \$50,400 for the House of Representatives and \$19,500 for the Senate.
- An appropriation of \$150,000 was approved for the House of Representatives for increased current expenses and data processing costs.
- A one-time appropriation of \$150,000 was approved to study Charter Schools as required by **S.B. 5 “Amendments to the Minimum School Program Budget”**.

The Legislature approved the continuation of two task forces and commissions for interim work that began to function during FY 2005. To cover the expected costs, the Legislature

approved a \$150,000 supplemental appropriation. The two task forces are:

1. Privately Owned Health Care Task Force
2. Water Issues Task Force

Funding Detail

Legislature					
Sources of Finance	2006 Estimated	2006 Supplemental	2006 Revised	2007 Appropriated	Change from 2006 Revised
General Fund	15,815,200		15,815,200	17,429,600	1,614,400
General Fund, One-time	293,800	486,840	780,640	265,200	(515,440)
Dedicated Credits Revenue	320,600		320,600	240,000	(80,600)
Beginning Nonlapsing	2,928,500		2,928,500	2,930,200	1,700
Closing Nonlapsing	(2,930,200)		(2,930,200)	(2,763,450)	166,750
Total	<u>\$16,427,900</u>	<u>\$486,840</u>	<u>\$16,914,740</u>	<u>\$18,101,550</u>	<u>\$1,186,810</u>
Line Items					
Senate	1,733,050	16,900	1,749,950	1,783,150	33,200
House of Representatives	3,370,550	177,040	3,547,590	3,521,300	(26,290)
Legislative Auditor General	2,564,800		2,564,800	2,740,500	175,700
Legislative Fiscal Analyst	2,288,700		2,288,700	2,452,100	163,400
Legislative Printing	822,600		822,600	761,700	(60,900)
Legislative Research and General Counsel	5,543,200	292,900	5,836,100	6,737,800	901,700
Tax Review Commission	50,000		50,000	50,000	
Constitutional Revision Commission	55,000		55,000	55,000	
Total	<u>\$16,427,900</u>	<u>\$486,840</u>	<u>\$16,914,740</u>	<u>\$18,101,550</u>	<u>\$1,186,810</u>
Budgeted FTE	118.0	1.0	119.0	118.0	(1.0)

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 45 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.

Education Fund - The funding source for public and higher education. The Education Fund receives all revenues from taxes on intangible property or from income tax.

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. This funding source has been replaced by the Education Fund.

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.")

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.

Deficit Reduction Omnibus Reconciliation Act of 2005 - This act trims about \$40 billion out of the federal budget over the next five years mainly through cuts to Medicaid, Medicare, and student loan subsidies, among other programs.

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.

