

# FISCAL NOTE AND BUILDING BLOCK FOLLOW-UP REPORT

Monday, June 21, 2010

Bills from the 2008 General Session:

## HB0005 Revenue Bond, Capital Facility, and Property Acquisition Authorizations

Analyst: Steven Allred

(2008GS)

Cost Estimate	Revenue Est	Appropriation	+ Supplementals	= Subtotal Available	- Spending	= Balance
\$0	\$0	\$1,529,000	\$0	\$1,529,000	\$0	\$1,529,000

### Explanation

Debt service on revenue bonds authorized in this bill will be paid from increased departmental / institutional operating revenues which result from the projects outlined in the bill. If institutions are successful in raising funds sufficient to construct authorized facilities, the bill allows certain institutions to request state funds for operations and maintenance (O&M) in the future. If institutions request such funding, annual O&M is anticipated to be as follows: Five DABC stores: \$159,600  
 USU Early Childhood Education Research Center: \$375,000  
 SUU Shakepearean Theater: Estimate Not Available  
 U of U Arboretum Visitor Center: \$6,800  
 USU Business Building Addition: \$350,000  
 USU Vernal Entrepreneurship Center: \$360,000  
 UVU Children's Theater: \$45,600

### Implementation

The revenue bonds authorized by the bill have been issued. The University of Utah Hospital Phase 2B bonds were split between normal tax-exempt lease-revenue bonds and Build America Bonds. Interest rate for both together is 3.66%. The hospital project management has been delegated to the university and is under construction. For the five DABC stores, tax-exempt lease-revenue bonds have been issued with an interest rate of 4.74%. Four of the five stores are complete (Cedar City, Utah County North, Washington County South, and Heber City); the Spingville store is beginning construction.

### Accuracy

The DABC revenue bond interest rate of 4.74% is similar to the projected rate for these 20 year bonds. Annual debt service is \$2 million; the 2010 Legislature appropriated \$1,529,000 for FY 2011 from the Liquor Control Fund for this purpose, with the balance coming from within DABC. Regarding O&M, the bill did not allow the University Hospital project to request state funds for O&M. The five liquor stores are maintained by the DFCM internal service fund. While four have only recently been completed, their O&M costs per square foot are expected to be similar to the fiscal note estimate. The DFCM ISF now manages 41 liquor stores.

### Performance (Optional)

**HB0010 Disclosure of Identity to Officer**

Analyst: Gary Syphus

(2008GS)

Cost Estimate	Revenue Est
\$0	\$0

Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
\$0		\$0		\$0		\$0		\$0

Explanation

Enactment of this bill will not require additional appropriations.

Implementation

The Courts implemented provisions of this bill May 5, 2008. The Courts trained 180 state and local judges, trained approximately 700 other staff, and made modifications to the bail schedule and to their CORIS and CARE databases. Local courts not on CORIS, modified their case management systems. Funds within existing budget were used to implement provisions of this bill and various other bills.

Accuracy

The Courts originally responded that most of the cases would be filed in local justice courts and that they did not know how many cases would be filed in state courts. In FY 2009, there were 22 cases filed in state courts at a cost of approximately \$2,200.

Performance (Optional)

**HB0014 Discharge of Firearm Amendments**

Analyst: Gary Syphus

(2008GS)

Cost Estimate	Revenue Est
\$0	\$0

Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
\$0		\$0		\$0		\$0		\$0

Explanation

Enactment of this bill will not require additional appropriations.

Implementation

The Courts trained judges, made modifications to the bail schedule, and modifications to their databases (CORIS and CARE) to implement the provisions of this bill. Funds within existing budget were used to implement provisions of this bill and various other bills.

Accuracy

The Department of Corrections and the Courts report no additional impact as a result of this legislation.

Performance (Optional)

**HB0016 Medicaid Coverage for Certain Telehealth Services** Analyst: Russell Frandsen

(2008GS)	Cost Estimate	Revenue Est	Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
	\$0	\$0	\$0		\$0		\$0		\$0		\$0

Explanation

Enactment of this bill will not require additional appropriations.

Implementation

The federal government indicated that it would not approve any changes to our telehealth services.

Accuracy

There were no new costs to the Department. The only costs were associated with administrative rule making.

Performance (Optional)

**HB0030 Vehicle Concealing Illegal Items** Analyst: Gary Syphus

(2008GS)	Cost Estimate	Revenue Est	Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
	\$0	\$0	\$0		\$0		\$0		\$0		\$0

Explanation

Enactment of this bill will not require additional appropriations.

Implementation

The Courts implemented the provisions of this bill beginning May 5,2008. The Courts trained 100 state judges and 500 other staff. Funds within existing budget were used to implement provisions of this bill and various other bills.

Accuracy

There is no additional impact as a result of this legislation. The Department of Corrections shows one conviction since 2008 for this offense. However since this offense existed prior to this legislation it is unclear whether this conviction was as a result of this legislation and thus any additional corresponding financial impact to the Department. Also, this offense was served concurrently with another offense and thus does not add to the amount of time the offender would have served without this legislation.

Performance (Optional)

**HB0086 Funding of Inmate Postsecondary Education**

Analyst: Spencer Pratt

(2008GS)

Cost Estimate	Revenue Est	Appropriation	+ Supplementals	= Subtotal Available	- Spending	= Balance
\$1,500,000	\$0	\$150,000	(\$50,000)	\$100,000	\$100,000	\$0

Explanation

This bill appropriates \$150,000 from the General Fund for costs associated with post-secondary education provided to inmates under the supervision of the Utah Department of Corrections.

Implementation

This funding was used to cover expenses incurred by institutions of higher education in the delivery of education services to inmates in the custody of the Department of Corrections. As of July 1, 2009, this education funding has been transferred to the Department of Corrections.

Accuracy

While the original version of this bill appropriated \$1.5 million, the final appropriation was \$150,000. This funding added to the base of \$385,700 in state tax funds. A supplemental appropriation reduced the ongoing funding by \$100,000 and replaced it with one-time funds. H.B. 100 (2009 General Session) required that state tax funds appropriated to the State Board of Regents be transferred to the Department of Corrections for the education services. This was done in July 2009. During the 2010 General Session, the Legislature approved moving the base funding for prison education to the Department of Corrections. The amount transferred was \$423,700. Only the historical program data will continue to be seen in Higher Education budgets.

Performance (Optional)

**HB0256 Criminal Penalties Amendments**

Analyst: Gary Syphus

(2008GS)

Cost Estimate	Revenue Est
\$0	\$0

Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
\$0		\$0		\$0		\$0		\$0

Explanation

Enactment of this bill will not require additional appropriations in the first two years of implementation. However, each year between 2018 and 2034, the Department of Corrections will require an increase of \$50,000 per year ongoing from the General Fund to pay for incarceration costs, with an annual cost in 2034 and each fiscal year thereafter of \$850,000.

Implementation

The Courts implemented this bill on May 5, 2008. They trained 72 state judges and 400 other staff, and made modifications to their case management system (CORIS). Funds within existing budget were used to implement provisions of this bill and various other bills.

Accuracy

There is no current impact as a result of this legislation. The Department of Corrections is expecting an impact as projected in the fiscal note and is monitoring this potential impact.

Performance (Optional)

**HB0319S02 Review and Approval of Grants**

Analyst: Steven Allred

(2008GS)

Cost Estimate	Revenue Est
\$0	\$0

Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
\$0		\$0		\$0		\$0		\$0

Explanation

Enactment of this bill will not require additional appropriations. The bill will require additional reviews of grants received by state agencies. It is unknown how many grants will be reviewed; depending on actual workload the Governor's Office of Planning and Budget may need additional funds for personnel. High impact grants will require legislative approval prior to an agency obligating the state. The bill may cause a delay in accepting or receiving some non-routine grants, but in such cases would also delay incursion of costs.

Implementation

As required by the bill, non-federal grants are undergoing a review and approval process. Grants are approved by the Governor, Judicial Council, and in some cases, the Executive Appropriations Committee or entire Legislature, prior to an agency accepting the grants, in conjunction with the federal funds review process.

Accuracy

The fiscal note was accurate. The bill did not require additional appropriations. The Governor's Office of Planning and Budget indicated it might need additional funds for personnel if the volume of grant applications was high; however, the volume has not been high enough to warrant further FTE funding. In FY 2009 the Governor's Office tracked 20 grants. To date in FY 2010, the Governor's Office is tracking 17 grants.

Performance (Optional)

**HB0348S01 Zion National Park Special Group License Plate**

Analyst: Thomas E. Young

(2008GS)

Cost Estimate	Revenue Est	Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
\$8,270	\$12,500	\$8,270		\$0		\$8,270		\$19,915		(\$11,645)

Explanation

Enactment of this bill will require a one-time appropriation of \$8,270 from Dedicated Credits to the Division of Motor Vehicles for set-up and production costs, based on an initial order of 500 sets of 3-color plates. The Zion Natural History Organization has agreed to pay for these initial set-up and production costs. Before the Division may produce additional plates, it must receive a reorder fee. Restricted fund revenue of \$12,500 is anticipated, and will be deposited in a new Zion National Park Programs Restricted Account and appropriated to the Division of Parks and Recreation.

Implementation

As of June 2010, 221 plates have been purchased for a total revenue of \$5,525.

Accuracy

Instead of ordering 500 3-color plates as originally thought, the federal organization that paid for the startup costs ordered 2,719 5-color plates. In dollars this means that the startup costs were \$19,915 instead of \$8,270.

Performance (Optional)

**HB0371S01 Digital Certificates for Breathalizers**

Analyst: Gary Syphus

(2008GS)

Cost Estimate	Revenue Est	Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
\$0	\$0	\$0		\$0		\$0		\$0		\$0

Explanation

Enactment of this bill will not require additional appropriations.

Implementation

The Department of Public Safety fully implemented the changes in this bill on January 1, 2010. They changed from the previous practice of mailing out these certificates to interested parties, to posting them on their website.

Accuracy

The impact of this bill has not required additional appropriations. Savings generated as a result of fewer mailings and other associated costs is approximately \$3,000 in ongoing General Fund.

Performance (Optional)

**SB0081S01 Illegal Immigration**

Analyst: Spencer Pratt

(2008GS)

Cost Estimate	Revenue Est	Appropriation	+ Supplementals	= Subtotal Available	- Spending	= Balance
\$1,753,900	\$0	\$1,753,900	(\$722,400)	\$1,031,500	\$1,009,000	\$22,500

Explanation

This bill requires specific state and local agencies to verify the citizenship status of an individual prior to their receiving certain State services. Costs for additional employees for investigation and verification at the Department of Commerce, Department of Health, and the Attorney General's office are estimated at \$660,300 in FY 2010 and \$450,600 in FY 2011. The Department of Health estimates savings from not providing services at \$185,500 annually. The Drivers License Division would be required to verify all new and renewal applications. This would require notification to all license holders and prevent renewal by mail or internet for one complete renewal cycle (five years). The estimated cost of the notification and the FTEs is \$1,039,400. Assuming that the notification and verification would occur during the regular license renewal, an additional 15 FTE in the field offices would be needed for one complete renewal cycle. Additional one-time costs are estimated at \$239,700. Revenue from new licenses is estimated at \$15,200 in FY 2010.

Implementation

Implementation of this bill was delayed one year to allow the Legislature to have additional time to analyze its effects. A task force heard testimony throughout the year, and after that, decided to proceed without any changes. Ongoing appropriations of \$1.49 million were made in FY 2009 for the amounts indicated, but because of the delayed implementation, were removed on a one-time basis. For FY 2010, the GF appropriations of \$1.49 million were approved, offset by \$185,500 in savings at the Department of Health. In addition, \$449,400 was appropriated one-time. The ongoing level will remain constant until FY 2015, when a \$777,100 appropriation to the Driver License division will drop out. Funding for the Attorney General (\$300,000) is being used in conjunction with ARRA grant money to run the SECURE task force. Commerce's funding (\$102,200) and part of DPS' funding (\$620,200) was reduced during budget cuts.

Accuracy

Funding for the Department of Health has been used in child care licensing and EMS certification programs. Savings from denied benefits were not realized, as programs were determined to be exempt. Most of the funding that went to DPS was for verification upon renewal of drivers' licenses. The funding is for five years for 15 additional examiners. This funding has been complemented with federal funds used for one-time costs.

Performance (Optional)

**SB0135 Extending the Sales and Use Tax Exemption for Pollution Control Facilities**

Analyst: Thomas E. Young

(2008GS)

Cost Estimate	Revenue Est	Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
\$0	\$0	\$0		\$0		\$0		\$0		\$0

Explanation

This bill extends the sales and use tax exemption for a pollution control facility indefinitely, whereas it is currently scheduled to expire at the end of FY 2009. In FY 2007 forgone revenue was \$218,000; based on current trends, the forgone revenue would be approximately \$245,000 in FY 2010.

Implementation

Firms are currently taking advantage of the sales tax exemption and the Auditing Division is aware of compliance ratios.

Accuracy

Based upon tax return information adjusted for audit compliance ratio, FY 2009 forgone revenue was \$205,000. The most recent \$205,000 number is indicative of a forgone revenue of \$213,100 in FY 2010. The fiscal note stated \$245,000, for an overestimate of \$31,900. Most of the overestimate is due to the collapse in the assumption regarding the overall sales tax environment.

Performance (Optional)

**SB0181S01 Off-highway Vehicle Use on Public Highways**

Analyst: Thomas E. Young

(2008GS)

Cost Estimate	Revenue Est	Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
\$0	\$0	\$0		\$0		\$0		\$0		\$0

Explanation

Enactment of this bill will not require additional appropriations. There are 196,000 off-highway vehicles registered in the State. It is unknown how many of these will pay the \$5 new plate fee in order to drive on public highways. For every individual that does pay the new plate fee, \$4 is for dedicated credits and \$1 goes to the Transportation Fund.

Implementation

Individuals can now pay a \$5 new plate fee and drive on public highways. As of June 2010, there were 1,403 off-highway vehicles registered as street legal for public highways.

Accuracy

The fiscal note did not quantify the number of off-highway vehicle owners that would register their vehicle for highway use. Based upon 1,403 individuals having registered, dedicted credits for license plate production has increased by \$5,612 and revenue to the Transportation Fund has increased by \$1,403.

Performance (Optional)

**SJR005 Joint Resolution Amending Legislative Apportionment**

Analyst: Steven Allred

(2008GS)

Cost Estimate	Revenue Est	Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
\$14,700	\$0	\$14,700		\$0		\$14,700		\$15,930		(\$1,230)

Explanation

Publication and distribution costs to put this resolution on the ballot will require a one-time FY 2009 appropriation of \$14,700 from the General Fund.

Implementation

The Lt. Governor's Office published and distributed the full text of the consitutional amendment as required by law.

Accuracy

The total cost to submit this amendment, including impartial analysis and pro/con arguments, was \$15,930. There were no arguments against submitted, nor were there any rebuttal arguments. The fiscal note was fairly accurate, but had arguments and rebuttals been submitted, the cost would have gone up. The length of each publication is unpredictable. The average cost of the five amendments published in 2008 was \$21,700.

Performance (Optional)

Bills from the 2009 General Session:

**HB0004 General Obligation Bonds Authorizations**

Analyst: Rich Amon

(2009GS)

Cost Estimate	Revenue Est	Appropriation	+ Supplementals	= Subtotal Available	- Spending	= Balance
\$5,700,000	\$0	\$5,700,000	\$0	\$5,700,000	\$5,500,000	\$200,000

Explanation

Authorizes issuance of General Obligation bonds, which are backed by the full faith and credit of the state, for construction of a Multi-agency Government Office Building and the Snow College Library. Assuming all of the bonds are issued in the first year, with a standard six year repayment period and flattened payments at today's interest rates, debt service will require approximately \$5,700,000 per year with first year interest cost of \$318,000. Actual debt service will vary according to interest rates at the time of issuance and the structure of the bonds.

Implementation

On May 19, 2009 the State issued \$104.45 million of General Obligation bonds in the 2009B series which included \$32 million for the Multi-agency Government Office Building and the Snow College Library projects authorized in this legislation.

Accuracy

The fiscal note estimated that an average \$5.7 million appropriation would be needed to cover debt service costs on these bonds compared to a \$5.5 million average on the actual issuance. The fiscal note estimated that True Interest Cost (TIC) for the bonds would be 2.11 percent. The actual bonding environment, however, was more favorable to the state and actual TIC was 1.7% for the \$104.45 million of G.O. bonds. The actual structure of the bonds is consistent with the fiscal note estimate; however, the coupon rates are higher than estimated.

Performance (Optional)

The Multi-agency building is complete and occupied and the Snow library is nearing completion and in temporary occupancy.

**HB0015 Career and Technical Education Amendments**

Analyst: Spencer Pratt

(2009GS)

Cost Estimate	Revenue Est	Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
\$0	\$0	\$0		\$0		\$0		\$0		\$0

Explanation

Implementation

Accuracy

Performance (Optional)

The restructuring of the Salt Lake/Tooele campus of the Utah College of Applied Technology will result in a stand-alone UCAT campus in Tooele to serve students there and the School of Applied Technology at Salt Lake Community College to serve the students in Salt Lake County. The current tax fund appropriation to SLTATC is \$3,297,200. With an anticipated 15% base reduction in FY 2010, the balance to be divided between SLCC and the Tooele ATC is \$2,802,600. Based on the current distribution of students and the anticipated fixed, start-up costs associated with establishing the new TATC, a split in the funding of 60%/40% is assumed with SLCC's portion being \$1,682,900 and TATC's being \$1,119,700.

The SLTATC was dissolved as of July 1, 2009, and the new TATC opened up for business. Other provisions of the bill were also implemented.

The fiscal note assumed a 60%/40% split of the SLTATC funding, with 60% going to SLCC and the remaining 40% going to TATC. During the later part of the 2009 General Session, the original FY 2010 amount of \$3,641,400 (including \$282,400 in ARRA funds) was the amount divided. Recognizing initial start-up costs and certain fixed costs for the new TATC, more than the proportionate share (based on student FTE) was moved to the TATC. However, since we anticipated that SLCC would receive the larger portion of students, about 65% of the funding went to SLCC. Of the ongoing state funding, SLCC received 67%; TATC got 33%. The Dedicated Credits were split 90%/10% under the assumption that the majority of the former SLTATC students would go to SLCC.

Analyst: Ivan Djambov

**HB0034 Penalties for Destruction of Bald Eagle**

(2009GS)

Cost Estimate	Revenue Est	Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
\$0	\$0	\$0		\$0		\$0		\$0		\$0

Explanation

Enactment of this bill can potentially increase the revenue to the Division of Wildlife Resources.

Implementation

A minimum restitution value for a bald eagle (for the purpose of determining the penalty for the wanton destruction) was established at \$1,000.

Accuracy

To date, there have been no convictions for wanton destruction of bald eagle and the Division of Wildlife Resources has not received any restitution associated with the passage of this bill. However, there is currently a case under investigation that may generate restitution funds, based on the outcome of the case.

Performance (Optional)

**HB0064S01 Deterring Illegal Immigration**

Analyst: Steven Allred

(2009GS)

Cost Estimate      Revenue Est

\$0	\$0
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Appropriation + Supplementals = Subtotal Available - Spending = Balance

\$891,000	\$0	\$891,000	\$680,000	\$211,000
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Explanation

Enactment of this bill appropriates \$891,000 per year from the General Fund to the Attorney General beginning FY 2010. The Courts will incur costs as cases are adjudicated, but no estimates can be made due to insufficient data.

Implementation

The bill directed the Attorney General's Office to establish a task force to pursue illegal aliens who commit crimes. The task force was established and has been operating since June of 2009. Appropriations are set to expire at the end of FY 2010, but sufficient funds may carry forward for an additional six months. Approximately \$680,000 has been spent to date in FY 2010.

Accuracy

On the last night of session, the bill was amended so that appropriations came from ARRA rather than the General Fund, appropriations went to the Commission on Criminal and Juvenile Justice rather than the Attorney General, and appropriations were made in FY 2009 and FY 2010 rather than ongoing. Regarding the fiscal note's statement that, "The Courts will incur costs as cases are adjudicated, but no estimates can be made due to insufficient data": The 47 cases tried to date in state courts, assuming second degree felonies at 180 minutes each, calculate to approximately \$29,000 of additional costs for the courts.

Performance (Optional)

The task force has resulted in 62 arrests: 46 filed in state court, 15 filed in federal court, and 1 filed in juvenile court.

**HB0100S02 Department of Corrections - Tracking and Reimbursement of Individual Prisoner Costs**

Analyst: Steven Allred

(2009GS)

Cost Estimate	Revenue Est	Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
\$0	\$0	\$0		\$0		\$0		\$0		\$0

Explanation

Enactment of this bill will not require additional appropriations.

Implementation

Within one month of the bill's effective date the Department of Corrections put in place the required mechanisms to track offenders. Whether collections will occur has yet to be determined.

Accuracy

The fiscal note is correct. Nothing has happened regarding this bill that has caused an unexpected fiscal impact on UDC.

Performance (Optional)

**HB0120S02 Snake Valley Aquifer Research Team and Advisory Council**

Analyst: Ivan Djambov

(2009GS)

Cost Estimate	Revenue Est	Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
\$7,900	\$0	\$7,900		\$0		\$7,900		\$5,000		\$2,900

Explanation

Enactment of this bill will require an ongoing \$7,900 appropriation from the General Fund to the Public Lands Policy Coordination Office.

Implementation

The Snake Valley Aquifer Advisory Council was established and met five times during FY 2010.

Accuracy

The agency reported that they spent \$5,000 for travel and per diem for three of the council members plus staff support for the five meetings. Due to the recent ruling of Nevada's Supreme Court, additional anticipated meetings of the council and the entire Snake Valley negotiations are currently on hold.

Performance (Optional)

Analyst: Rich Amon

**HB0185S03 Transportation Amendments**

(2009GS)

Cost Estimate	Revenue Est
\$1,030,000	\$0

Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
\$1,030,000		\$0		\$1,030,000		\$1,043,900		(\$13,900)

Explanation

This legislation authorizes issuance of General Obligation bonds, which are backed by the full faith and credit of the state, for construction of highways. Assuming all of the bonds are issued in the first year, with a standard fifteen year repayment period and flattened payments at today's interest rates, debt service will require approximately \$3,364,000 per year with first year interest cost of \$1,173,000. Actual debt service will vary according to interest rates at the time of issuance and the structure of the bonds. Current debt service appropriations from the County of the First Class Highway Program Fund will cover all but \$1,030,000 in FY 2010 and FY 2011.

Implementation

The 2009C and 2009D series of General Obligation bonds, issued on September 29, 2009, contain \$39.5 million for the county highway projects authorized by this legislation.

Accuracy

The fiscal note estimated true interest costs (TIC) of the bonds to be 3.24 percent. The actual true interest cost came in lower at 2.79 percent as a result of a favorable bond market and the State's strong AAA bond rating. The structure of the actual issuance of the bonds differs significantly from the estimated level debt service structure in the fiscal note. However, appropriations made in the 2009 General Session from the County of the First Class State Highway transportation restricted fund were sufficient to cover debt service expenses in FY 2010. Annual adjustments to the appropriation will need to be made beginning in FY 2011 from the transportation restricted fund, which currently has a sufficient balance to cover future debt service.

Performance (Optional)

**HB0220S02 State Payment and Reimbursement to County Correctional Facilities**

Analyst: Steven Allred

(2009GS)

Cost Estimate	Revenue Est	Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
\$0	\$0	\$0		\$0		\$0		\$0		\$0

**Explanation**

Enactment of this bill will not require additional appropriations. This bill maintains the provision that the State may spend "within funds appropriated by the Legislature" and therefore, it is not required to expend more than what is appropriated. Should the Legislature choose to fund the increase between the rate required by the bill and the current base budget, the increase will require General Fund appropriations of \$8,030,400 in FY 2010 and \$8,581,700 in FY 2011 to the Division of Finance for Jail Reimbursement payments to counties. Beyond FY 2011, additional required ongoing General Fund appropriations will likely increase by \$575,000 per year.

**Implementation**

Jail reimbursement is now being overseen by the Commission on Criminal and Juvenile Justice (CCJJ) with payments made by the Division of Finance, within funds appropriated by the Legislature. The Legislature also authorized a transfer of \$55,000 from the Department of Corrections to CCJJ for administrative costs. In July 2009, CCJJ hired a program specialist to implement and maintain the program for CCJJ.

**Accuracy**

The fiscal note's statement, "Should the Legislature choose to fund the increase between the rate required by the bill and the current base budget, the increase will require General Fund appropriations of \$8,030,400 in FY 2010 and \$8,581,700 in FY 2011" was based on a projected 428,796 days. More recent projections are for 388,000 days. Using the more recent projections, the funding estimate would change to \$6,721,200 in FY 2010 and \$7,219,900 in FY 2011. This did not affect the amount paid to counties. The amount paid is prorated based on funds available; the Legislature did not provide additional funding as a result of this bill.

**Performance (Optional)**

**HB0256S01 Livestock Watering Rights Amendments**

Analyst: Ivan Djambov

(2009GS)

Cost Estimate	Revenue Est	Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
\$15,200	\$0	\$0		\$0		\$0		\$11,600		(\$11,600)

Explanation

Enactment of this bill will require a one-time General Fund appropriation of \$12,500 in FY 2010 and \$2,700 ongoing to the Division of Water Rights. The bill will increase Dedicated Credits revenue by \$1,500 per year.

Implementation

The Division has implemented the requirement to "provide the livestock water use certificate application form on the Internet and allow electronic submission of the livestock water use certificate application."

Accuracy

The original fiscal note assumed that the agency will provide for online application (1x \$12,500) and online payments (ongoing \$2,700); these are the two components of the costs for the fiscal note. However, the funding was not appropriated and the division of Water Rights paid \$11,600 for the online application implementation but did not provide the online payment option (requires ongoing costs), which is not mandated by the bill.

Performance (Optional)

**HB0265 Postmortem Procedures Amendments**

Analyst: Russell Frandsen

(2009GS)

Cost Estimate	Revenue Est	Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
\$4,200	\$0	\$4,200		\$0		\$4,200		\$3,500		\$700

Explanation

Enactment of this legislation requires a \$4,200 one-time General Fund appropriation in FY 2009 for programming costs to the Department of Health.

Implementation

The system changes from this legislation have been in place since May 2009. Through June 1, 2010, seven individuals (dispositioners) have used the new method for registering death certificates.

Accuracy

The cost of implementing the changes was \$3,500. The original estimate was \$4,200.

Performance (Optional)

**HB0300 Capital Improvement Appropriation Modification**

Analyst: Steven Allred

(2009GS)

Cost Estimate	Revenue Est	Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
\$0	\$0	\$0		\$0		\$0		\$0		\$0

Explanation

Enactment of this bill will not require additional appropriations. Actual impacts are dependent upon legislative appropriations in FY 2009 and FY 2010.

Implementation

Provisions of this bill allowed the Legislature to fund capital development projects in FY 2009 and FY 2010 without fully funding capital improvements at the normal statutory levels (1.1% of replacement value in normal years; 0.9% in budget deficit years). Actual funding in FY 2009 and FY 2010 was approximately 0.7%.

Accuracy

Provisions of the bill did not require additional appropriations. The statutory change gave the Legislature more appropriations flexibility during the budget downturn, which made the actual impact dependent upon legislative appropriations, as stated in the fiscal note.

Performance (Optional)

**HB0306 Health and Human Services-related Commission, Committee, and Council Amendments**

Analyst: Stephen Jardine

(2009GS)

Cost Estimate	Revenue Est	Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
(\$56,200)	\$0	(\$56,200)		\$0		(\$56,200)		(\$56,200)		\$0

Explanation

Enactment of this bill will result in General Fund savings of \$15,000 in FY 2009 and \$56,200 in FY 2010 and thereafter. These savings are reflected in H.B. 3 and S.B. 2, 2009 General Session.

Implementation

The Department of Human Services implemented the provisions of this bill by eliminating the Board of Child and Family Services, the Board of Services for People with Disabilities, the Board of Public Guardian Services, the Human Services Licensing Board, and the Board of Substance Abuse and Mental Health. These boards were all eliminated by the end of State Fiscal Year 2009 (June 30, 2009).

Accuracy

H.B. 306 codified budget reductions previously approved in the Health and Human Services appropriations subcommittee during the 2009 General Session. The Department of Human Services has indicated that the actual savings associated with H.B. 306 are the same as the savings that were estimated in the fiscal note.

Performance (Optional)

**HB0331S02 Health Reform - Health Insurance Coverage in State Contracts**

Analyst: Rich Amon

(2009GS)

Cost Estimate	Revenue Est	Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
\$0	\$0	\$0		\$0		\$0		\$0		\$0

Explanation

Enactment of this bill may indirectly increase the cost of state construction projects depending upon the contractor. The extent of such increases is currently unknown.

Implementation

The Division of Facilities Construction and Management (DFCM) and the Department of Transportation (UDOT) currently require contractors to sign a document affirming that they provide a minimal level of health insurance to their employees (if the contract is over a certain amount) as required by this bill. Most large contractors provided this coverage previous to the passage of this bill.

Accuracy

Neither DFCM nor UDOT have any documented evidence of increases to construction projects as a result of this bill. Some anecdotal information suggests that smaller contractors or contractors having only a small portion of their total contracts with the state have stopped bidding on state work. However, to this point, neither agency can determine the effect this may or may not have on construction projects.

Performance (Optional)

**HB0340S01 Respite Care Assistance Fund**

Analyst: Stephen Jardine

(2009GS)

Cost Estimate

Revenue Est

Appropriation

+ Supplementals

= Subtotal Available

- Spending

=

Balance

\$0	\$0	\$0	\$0	\$0	\$0	\$0
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Explanation

Implementation

Accuracy

Performance (Optional)

This bill creates a new restricted special revenue fund. The Utah Developmental Disabilities Council has indicated it can handle this fiscal impact within existing resources.

It took the Utah Developmental Disabilities Council into 2010 to establish the fund. As of June 2010, the Council has passed a policy establishing the Respite Care Assistance Fund. To date there have been two donations totaling \$350.

The Utah Developmental Disabilities Council, which is funded only from federal funds, initially indicated that it would cost \$9,000 in one-time costs and \$9,200 in ongoing costs to create and maintain this restricted special revenue fund. The agency stated in the 2009 General Session that it could handle these costs from existing resources. As of June 2010, any costs have continued to be handled within existing budgets.

Analyst: Gary Syphus

**HB0455 Court Security Restricted Account**

(2009GS)

Cost Estimate	Revenue Est
\$0	\$2,800,000

Appropriation	+ Supplementals	= Subtotal Available	- Spending	= Balance
\$0	\$0	\$0	\$0	\$0

Explanation

Enactment of this bill will increase the court security fee by \$8. This will increase revenue to the General Fund Restricted Court Security account by approximately \$2.8 million annually. Courts will use the funds to contract for security services at juvenile and district courts. For the rest of FY 2009, the bill will require one-time revenue and appropriations of \$350,000.

Implementation

The Courts implemented the provisions of this bill beginning May 12, 2009. The Courts made changes to their database (CORIS and CARE tables), trained 208 state and local judges, and approximately 700 other staff. Justice courts not on CORIS implemented to their database. Local governments and local law enforcement also made relevant changes to courtesy bail notices. Funds within existing budget were used to implement provisions of this bill and various other bills.

Accuracy

For FY 2010, the Courts estimate that collections will be below original estimates - approximately \$1,900,000. While this is below the original estimate, local governments continue to improve their collection and reporting efforts and this reported figure will likely rise to more closely reflect the original estimate.

Performance (Optional)



**SB0018S01 Utah Transparency Advisory Board Amendments**

Analyst: Gary Ricks

(2009GS)

Cost Estimate	Revenue Est	Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
\$70,400	\$0	\$70,400		\$0		\$70,400		\$102,400		(\$32,000)

Explanation

Implementation of this bill will require \$70,400 one-time in FY 2010 and FY 2011 for a temporary Financial Analyst II in the Division of Finance and may require an additional appropriation of \$24,000 per 100 non-state entities that choose to use the State's transparency website.

Implementation

The Division of Finance reports that it has made good progress getting participating local entities on the website. As of June 10, 2010, approximately 69% of the entities required to comply by May 15, 2010 had posted data to the website. Finance reports that there is still much work to do, including posting of employee compensation information and bringing on the 2nd set of local entities in FY 2011.

Accuracy

Funding of \$70,400 was provided for FY 2010. The Division of Finance has expended \$102,400 in FY 2010 implementing the bill. Officials estimate that the division will expend \$112,500 in FY 2011. The Division of Finance will use available nonlapsing balances to fund the FY 2011 cost unless additional funding is provided.

Performance (Optional)

**SB0023S01 Income Taxation of Pass-through Entities and Pass-through Entity Taxpayers**

Analyst: Thomas E. Young

(2009GS)

Cost Estimate	Revenue Est	Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
\$80,000	(\$2,200,000)	\$80,000		\$0		\$80,000		\$80,000		\$0

Explanation

Enactment of this bill could increase revenue to the Education Fund by \$678,300 in FY 2010 and \$710,000 in FY 2011. Beginning in FY 2012, there will be a loss in revenue to the Education Fund of \$2,200,000 annually. The Tax Commission will require an appropriation of \$80,000 to enforce the provisions of the bill. This would be one auditor.

Implementation

The position authorized by the bill has been filled and all other auditors have been trained on enforcing the provisions of this bill. The first quarterly returns impacted by this legislation are being processed now. Baseline research is being done now on the old partnership returns, and plans for enforcement of the provisions of the bill are being developed.

Accuracy

As of today, the appropriation side is accurate. The revenue side is still up in the air; as required by the bill, the fiscal note will be reviewed by Revenue and Taxation Interim Committee during the 2010 interim before full implementation in FY 2011.

Performance (Optional)

Analyst: Thomas E. Young

**SB0038S02 Severance Tax Amendments**

(2009GS)

Cost Estimate	Revenue Est
\$0	(\$4,400,000)

Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
\$0		\$0		\$0		\$0		\$0

Explanation

Enactment of this bill would transfer funds from the General Fund to the Permanent State Trust Fund beginning in FY 2012. Before the transfer of funds to the Permanent State Trust Fund, the Invasive Species Mitigation Fund, the Rangeland Improvement Fund, the Species Protection Account, and the Department of Natural Resources would receive an earmarked portion of the oil & gas revenue. These earmarks would likely receive \$4,400,000 in FY 2012. The transfer would likely be \$15,000,000 in FY 2013 and \$50,000,000 in FY 2014 from the General Fund to the Permanent State Trust Fund. When the base amounts become zero in FY 2017, all revenue collected from oil, gas, and mining severance taxes would be credited to the Permanent State Trust Fund rather than the General Fund. The expected amount is \$99,000,000 in FY 2017.

Implementation

Bill did not pass.

Accuracy

Based upon severance tax collections, oil, gas, copper, and other natural resource prices, the transfer amounts for FY 2012 and on are still within the 95% confidence interval.

Performance (Optional)

**SB0059 Allocation and Apportionment of Income and Deduction of a Net Loss**

Analyst: Thomas E. Young

(2009GS)

Cost Estimate	Revenue Est	Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
\$0	(\$12,000,000)	\$0		\$0		\$0		\$0		\$0

**Explanation**

Enactment of this bill will decrease revenue to the Education Fund by \$11,000,000 in FY 2010 and \$12,000,000 in FY 2011.

**Implementation**

Bill did not pass.

**Accuracy**

Based upon a review of the 2005, 2006, 2007, and 2008 corporate income tax databases, the fiscal note is within the expected range. The 95% confidence interval is between a loss of \$11,000,000 and a loss of \$13,000,000.

**Performance (Optional)**

**SB0102 Share the Road Special Group License Plate**

Analyst: Thomas E. Young

(2009GS)

Cost Estimate	Revenue Est	Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
\$0	\$62,500	\$0		\$0		\$0		\$0		\$0

**Explanation**

Enactment of this bill will create the Share the Road Bicycle Restricted Account. The amount of revenue going into the fund depends upon the number of individuals paying at least \$25 to support the fund. If 2,000 individuals participate in the first year and 500 in the subsequent year, revenue to the fund would be \$62,500. With 2,500 individuals participating over FY 2010 and FY 2011, dedicated credits revenue for license plate production would be \$8,000 in FY 2010 and \$2,000 in FY 2011. Revenue to the Transportation Fund would be \$2,000 in FY 2010 and \$500 in FY 2011. In addition, the bill allows UDOT to use up to 5% of the funds appropriated from the new account for administration costs. Startup costs will be paid by the Bicycle Coalition.

**Implementation**

As of June 2010, 207 plates have been purchased for a total revenue of \$5,175. The initial order of 2,500 plates may not all be purchased for some time.

**Accuracy**

Of the \$62,500 projected over two years, only \$5,175 has been collected in FY 2010. Accuracy will again be determined at the end of FY 2011.

**Performance (Optional)**

<b>SB0108</b> (2009GS)	<b>Tax Commission Administration, Collection, and Enforcement Amendments</b>					Analyst: Thomas E. Young		
	Cost Estimate	Revenue Est	Appropriation	+ Supplementals	= Subtotal Available	- Spending	=	Balance
	\$0	\$0	\$0	\$0	\$0	\$0		\$0
	Explanation		Implementation	Accuracy	Performance (Optional)			
	Enactment of this bill may increase or decrease revenue to the General Fund and the Education Fund. On the provision related to increasing the duration of a judgment, there could be an increase in revenue. On the provision related to prohibiting the Tax Commission from refiling a judgment, there could be a decrease in revenue.		The Tax Commission is no longer refiling judgments beyond the time limits set in the bill.	Better revenue impact information will be available when the calendar year 2009 data sets are available in October 2010. As of now, it is unknown how large the effect has been.				

<b>SB0142</b> (2009GS)	<b>Disposition of a Dead Body</b>					Analyst: Russell Frandsen		
	Cost Estimate	Revenue Est	Appropriation	+ Supplementals	= Subtotal Available	- Spending	=	Balance
	\$87,000	\$87,000	\$87,000	\$0	\$87,000	\$200,000		(\$113,000)
	Explanation		Implementation	Accuracy	Performance (Optional)			
	The legislation has a net \$0 fiscal impact. The legislation requires an appropriation of \$87,000 ongoing Dedicated Credits to the Department of Health. The \$87,000 comes through a new fee for additional services provided in the legislation.		Fees have been charged since May 12, 2009.	Current annual revenue estimates are \$200,000 from the new fee. The original estimate was \$87,000.				

**SB0157 Property Taxation of Aircraft**

Analyst: Thomas E. Young

(2009GS)

Cost Estimate	Revenue Est
\$0	\$126,000

Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
\$0		\$0		\$0		\$0		\$0

Explanation

The provisions of this bill change the way certain air charter service providers pay their taxes. Instead of paying property tax through central assessment, these companies will be paying a registration fee of 0.0025 of the average wholesale value of an aircraft that is owned by a person other than the air charter service provider. Because of the switch, enactment of this bill will increase revenue to the Transportation Fund Aeronautics Restricted Account by \$126,000.

Implementation

Firms are paying the registration fee and the Tax Commission is no longer assessing the aircraft property taxes.

Accuracy

Final property tax numbers will be available in October 2010. As of June 2010, the fiscal note is accurate, with a 95% confidence interval of \$120,000 and \$132,000.

Performance (Optional)

**SB0176 Civil Fees in Courts of Record Amendments**

Analyst: Gary Syphus

(2009GS)

Cost Estimate	Revenue Est
\$0	\$492,900

Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
\$0		\$0		\$0		\$0		\$0

Explanation

Enactment of this bill will not require additional appropriations. In FY 2009, this bill will generate \$61,600 in one-time General Fund revenues. If enacted, this bill will increase ongoing General Fund revenues to approximately \$492,900 beginning FY 2010.

Implementation

The Courts implemented the provisions of this bill beginning May 12, 2009. The Courts made changes CORIS tables, and trained 180 state and local judges and approximately 700 other staff on changes. Justice courts not on CORIS also implemented database and table adjustments. Funds within existing budget were used to implement provisions of this bill and various other bills.

Accuracy

The projected revenue collection for this bill was \$61,600 in FY 2009 (May and June). The actual increase was \$75,100. For FY 2010, original estimates were \$492,900. The Courts now project revenue collections of \$662,800 for FY 2010. Collections above the original estimate are primarily due to a recent historically high case filings.

Performance (Optional)

**SB0184S01 Civil Filing Fees**

Analyst: Gary Syphus

(2009GS)

Cost Estimate	Revenue Est
\$0	\$11,300,000

Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
\$0		\$0		\$0		\$0		\$0

Explanation

Enactment of this bill will increase General Fund revenue by approximately \$1,412,500 in FY 2009. If enacted, this bill will generate 11,300,000 in ongoing General Fund revenue beginning in FY 2010.

Implementation

The Courts implemented the provisions of this bill beginning May 12, 2009. The Courts made changes to their database (CORIS and CARE tables) and 72 state judges and 400 other staff. Funds within existing budget were used to implement provisions of this bill and various other bills.

Accuracy

This legislation was projected to collect \$1,412,500 in revenue for FY 2009 (May and June). Actual collections for FY 2009 were \$1,638,800. For FY 2010, revenue collections were estimated at \$11,300,00 while the latest estimate for this fiscal year is \$16,530,600. Collections above the original estimate are mainly due to a recent historically high number of case filings.

Performance (Optional)

**SB0201**

**General Obligation Bond Authorization Amendments**

Analyst: Rich Amon

(2009GS)

Cost Estimate	Revenue Est	Appropriation	+ Supplementals	= Subtotal Available	- Spending	= Balance
\$20,434,000	\$0	\$1,020,000	\$0	\$1,020,000	\$17,318,900	(\$16,298,900)

**Explanation**

This legislation authorizes issuance of General Obligation bonds, which are backed by the full faith and credit of the state, for construction and design of state buildings. Assuming all of the bonds are issued in the first year, with a standard six year repayment period and flattened payments at today's interest rates, debt service will require approximately \$20,434,000 per year with first year interest cost of \$2,342,000. Actual debt service will vary according to interest rates at the time of issuance and the structure of the bonds. Current debt service appropriations will cover all but \$1,020,000 in FY 2010 and each year thereafter until the bond is retired in FY 2016.

**Implementation**

The fiscal note assumed that the bonds would be issued all at once. The State issued a portion of the authorized bonds on May 19, 2009 in the General Obligation bond series 2009B (\$42 million). The State issued a second portion (\$63 million) of the bonds on September 29, 2009 in the 2009C series. The remaining \$10 million will be issued sometime in 2010 to complete the University of Utah School of Business project. The Legislature appropriated \$1.02 million for debt service on these bonds. Had the actual structure of the bonds been a typical level debt service, the Legislature would have needed to appropriate as much as \$20 million. Instead, by structuring bond principal payments to take advantage of existing debt service and appropriations, the state was able to bond for the entire \$116 million without having to appropriate more than \$1.02 million for debt service.

**Accuracy**

The fiscal note estimated that an average \$20.4 million appropriation would be needed to cover debt service costs on these bonds based on a True Interest Cost (TIC) of 2.3 percent. The actual bonding environment, however, was more favorable to the state and the actual TIC was about 1.7 percent for the two issuances resulting in an average debt service requirement of \$17.3 million per year. The fiscal note also assumed that coupon rates would reflect lower yield rates. The first bond issuance contained high coupon rates, which resulted in higher interest costs over the term of the bonds, but also resulted in higher premiums up front and a lower par amount. This had the effect of increasing debt service requirements beyond the \$1.02 million appropriation by about \$0.5 million in FY 2010 and \$1.1 million in FY 2011, but lowering debt service requirements by \$5.0 million in FY 2013 and \$7.4 million thereafter. The additional debt service requirements for FY 2010 and FY 2011 can be covered with existing balances in debt service funds.

**Performance (Optional)**

All of the \$115 million of capital facilities projects have been started and are in various stages of construction or completion. The Libbie Edwards School for the Deaf and the Blind has been purchased and renovated. Design on the UVU Health Science building is essentially complete and design on the Dixie Centennial Commons building design is underway. The Mountainlands ATC, the Ogden Weber ATC, and the SUU Gibson Science Center buildings are under contract for 96%, 85%, and 72%, respectively, of their construction budgets. The U of U Business Building is also under construction with the \$12.9 million issued in this bond coupled with other non-state sources (\$10 million of the State's portion has yet to be issued). The SLCC Digital Design building is in the beginning stages of construction having encumbered 17% of its budget and spent 5%.

**SB0240S01 Utah Science Technology and Research Initiative Amendments**

Analyst: Thomas E. Young

(2009GS)

Cost Estimate	Revenue Est	Appropriation	+ Supplementals	= Subtotal Available	- Spending	= Balance
\$33,000,000	\$0	\$33,000,000	(\$5,000,000)	\$28,000,000	\$15,400,000	\$12,600,000

Explanation

Enactment of this bill appropriates \$33,000,000 one-time from Federal Funds - American Recovery and Reinvestment Act to the Utah Science and Technology Research (USTAR) Governing Authority. This bill extends blanket nonlapsing authority to USTAR.

Implementation

Originally, the \$33 million was to be allocated: (1) \$23 million to Energy Technology, Digital Media, Medical Imaging and Brain Medicine, BioDevice and BioPharma, and NanoTechnology (all existing teams); (2) \$3 million as backfill for the outreach centers and administration; (3)\$2 million for grant programs at U of U and USU. The intention is to provide grants for non-USTAR researchers; (4) \$1 million to enhance the research laboratories at U of U and Utah State; (5) \$1 million to commercialize technology through the Technology Commercialization Grant; (6) \$3 million for strategic (undetermined) initiatives across the research and Technology Outreach programs. During the 2010 General Session, \$5 million was cut. The \$5 million budget adjustment eliminated the \$3 million strategic initiatives effort, and the other \$2 million translates into less startup money for new researchers.

Accuracy

Program size and effort has been scaled to remain within available funds over multiple years.

Performance (Optional)

**SJR022**

**Resolution Approving Contract for Construction of Utah Science Technology and Research Initiative Centers**

Analyst: Rich Amon

(2009GS)

Cost Estimate	Revenue Est	Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
\$0	\$0	\$0		\$0		\$0		\$0		\$0

Explanation

Enactment of this bill will not require additional appropriations.

Implementation	Accuracy	Performance (Optional)
<p>This bill authorizes the Division of Facilities, Construction and Management (DFCM) to move forward with construction of two USTAR (Utah Science Technology and Research) buildings at the University of Utah and Utah State University even though \$46 million of funding for the projects was removed by the Legislature in the 2009 General Session. Construction is currently underway for both projects and the State issued bonds for \$110 million to be used for these projects in May and September of 2009. The Legislature subsequently added back the \$46 million through S.B. 280 in the 2010 General Session which authorizes the issuance of General Obligation bonds. This authorization has not yet been issued, but is expected to be issued in the first quarter of FY 2011.</p>	<p>The bill recognizes that a shortfall exists in current funding for the USTAR projects because the Legislature withdrew \$46 million of cash previously appropriated for the construction of these buildings (in addition to the \$110 million bond authorization). While the bill itself does not have a fiscal impact, the Legislature was aware that an implicit commitment existed for the authorization of \$46 million in bonds to complete this project. Funds appropriated to the debt service line item are currently sufficient to cover the issuance of the additional \$46 million bond authorized by the 2010 Legislature.</p>	<p>As of June 2010, the Utah State USTAR project has encumbered 144% of its current construction budget and spent 107%. The University of Utah USTAR project, in contrast, has encumbered 53% of its current budget and spent 36%. The USU project will need the proceeds from the bonds much sooner than the U of U project.</p>

Budget Items from the 2009 General Session:

**BB1954 DNR - Close Some Parks 2 Days per Week**

Analyst: Ivan Djambov

(2009GS)

Cost Estimate	Revenue Est	Appropriation	+ Supplementals	= Subtotal Available	- Spending	= Balance
\$0	\$0	(\$274,100)	\$0	(\$274,100)	(\$274,100)	\$0

Explanation

Select parks will be closed for 2 days (slowest days) of the week. This will reduce the need for seasonal staff.

Implementation

In order to implement the total reduction of \$274,100, the division of Parks and Recreation reduced the seasonal staff system wide (\$206,500) and also closed several parks for one or two days per week (\$67,600). The Anasazi state park is closed only on Sundays. The following parks are closed two days per week (Sunday and Monday): Camp Floyd, Utah Field House, Edge of the Cedars, Iron Mission, Territorial Statehouse.

Accuracy

The full \$274,100 was reduced.

Performance (Optional)

**BB2461 Water Resources - Reduction in Loan Funds**

Analyst: Ivan Djambov

(2009GS)

Cost Estimate	Revenue Est	Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
\$0	\$0	(\$1,582,300)		\$0		(\$1,582,300)		(\$1,582,300)		\$0

Explanation

Will reduce the direct General Fund appropriations to the two revolving water loan funds: Conservation & Development Fund and the Revolving Construction Fund.

Implementation

The \$1,582,300 is the total of two ongoing appropriations that were eliminated in the Legislature's 2009 General Session: \$539,100 into the Revolving Construction Fund and \$1,043,200 into the Conservation and Development Fund. This reduction amounts to about 7% of the Board's total loan program (including the Cities Water Loan Fund).

Accuracy

The budget was reduced by 1,582,300.

Performance (Optional)

The \$539,100 had been used in the dam safety program and made up about 12% of the annual dam safety expenditure. The Board has typically been able to fund only one or two dam safety upgrade projects each year, so this reduction would not necessarily reduce the number of projects built in any year, but might delay construction of one until all the funds needed were gathered. Cumulatively it could reduce the number of projects by one every four to eight years.

The \$1,043,200 was used to fund water development projects in the Conservation and Development Fund. The average cost per project in this fund is about \$ 1 million therefore, the reduction in the number of projects would therefore be about one per year.

**BB2987 DNR - Elimination of Engineer Positions**

Analyst: Ivan Djambov

(2009GS)

Cost Estimate	Revenue Est	Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
\$0	\$0	(\$164,700)		\$0		(\$164,700)		(\$164,700)		\$0

Explanation

Elimination of Water Resources engineers' positions.

Implementation

Two engineers' positions were eliminated in the Planning section of the division of Water Resources. The division management has reported that this reduction has impacted the division's ability to identify future water needs and implement water management, conservation, and development strategies.

Accuracy

The full \$164,700 was reduced and the two positions were eliminated.

Performance (Optional)

**Oth3796 Invasive Species Mitigation Projects**

Analyst: Ivan Djambov

(2009GS)

Cost Estimate	Revenue Est	Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
\$0	\$0	\$500,000		\$0		\$500,000		\$500,000		\$0

Explanation

This was not a building block requested by the department but one-time funding provided by the Appropriations Subcommittee for invasive species mitigation projects.

Implementation

The department of Agriculture and Food used the \$500,000 for 18 projects, ranging from \$2,000 to \$200,000 in cost.

Accuracy

The department has funded 18 projects with total cost equal to the appropriation.

Performance (Optional)

**BB2698**

**Capital Development - UDC Gunnison Inmate Housing**

Analyst: Rich Amon

(2009GS)

Cost Estimate	Revenue Est	Appropriation	+ Supplementals	= Subtotal Available	- Spending	= Balance
\$54,500,000	\$0	\$54,500,000	(\$52,000,000)	\$2,500,000	\$2,500,000	\$0

Explanation

In the 2008 G.S. the Legislature appropriated \$54,500,000 for a new 192-bed medium security housing unit and design of a new 288-bed dormitory unit at the Gunnison Prison Complex. Both are in the design phase. This cut would reduce future inmate housing options for the Department of Corrections.

Implementation

The Legislature reduced \$52 million of the \$54.5 million appropriation in the 2009 General Session for the FY 2009 budget. By the time of the reduction the department had spent or committed \$2.5 million of the original \$54.5 million appropriation for planning and design of the inmate housing projects. The \$52 million was taken from the Capital Projects fund and reallocated by the Legislature.

Accuracy

\$52 million was the unspent portion of the \$54.5 million appropriation for the UDC Gunnison prison expansion.

Performance (Optional)

The Department of Corrections estimates that construction time for a 192 bed housing unit will take between 18 and 20 months. The Department currently houses 6,232 male beds with an operational capacity of 6,032. As of June 2010 the Department has 6,155 male beds filled - 123 beds above operation capacity and only 77 beds below the maximum capacity. The Department estimates that the male inmate population grows by about 10 per month which would result in maximum capacity by the end of calendar year 2010.

**BB313 Capital Improvement Funding**

Analyst: Rich Amon

(2009GS)

Cost Estimate	Revenue Est	Appropriation	+ Supplementals	= Subtotal Available	- Spending	= Balance
\$67,838,200	\$0	\$67,838,200	(\$12,175,700)	\$55,662,500	\$55,662,500	\$0

Explanation

This reduction defers improvements on state owned buildings and infrastructure and drops funding for capital improvements below 0.9% of the value of existing buildings that is required before capital developments can be approved. Statute requires funding capital improvements at a minimum of 0.9% of the value of buildings (in times of budget deficits) before any capital developments may be funded by the Legislature.

Implementation

This reduction sets the base budget for capital improvements in FY 2010 at \$55.7 million, which is 0.7% of the value of existing buildings. The Legislature passed H.B. 300 (2009 G.S.), which exempted the Legislature from the statutory minimum requirement of 0.9% in FY 2009 and FY 2010. In April 2009 the Building Board acted accordingly and allocated the \$55.7 million budget to the most critical capital improvement projects in the State.

Accuracy

The Special Session reduced the FY 2009 appropfrom \$82.8 million to \$67.8 million. The additional \$12.2 million reduction reduces the FY 2010 appropriation for capital improvements to \$55.7 million.

Performance (Optional)

State agencies and institutions requested \$160.7 million of capital improvement projects from the Legislature in FY 2010. DFCM, however, estimates based on the facilities condition assessment program that the State currently has \$284.5 million in immediate building repairs and infrastructure needs. The \$55.7 million funding represents 35% of the requests and 20% of the immediate repair needs.

**BB2006 DOH - No Quantity Test for Illegal Substances**

Analyst: Russell Frandsen

(2009GS)

Cost Estimate	Revenue Est	Appropriation	+ Supplementals	= Subtotal Available	- Spending	= Balance
\$0	\$0	(\$35,000)	\$0	(\$35,000)	(\$35,000)	\$0

Explanation

Elimination of tests that provide specific quantification levels of illegal substances for the Medical Examiner and law enforcement. Only the presence of a substance will be determined.

Implementation

The State lab no longer provides quantity testing for legal cases involving illegal substances. These tests are only performed for Medical Examiner cases and other cases as funding permits.

Accuracy

The Department indicates that \$35,000 is being saved annually because of reduced purchasing of materials for quantity testing.

Performance (Optional)

This reduction has resulted in 3,555 less quantity tests for illegal substances that can be performed.

**BB2019 DOH - Reduce Primary Care Grants**

Analyst: Russell Frandsen

(2009GS)

Cost Estimate	Revenue Est	Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
\$0	\$0	(\$409,400)		\$0		(\$409,400)		(\$409,400)		\$0

Explanation

Less funding to safety net providers of medical services. Each safety net provider grant recipient will be affected differently.

Implementation

The agency is issuing less funding via contracts to meet the \$409,400 reduction.

Accuracy

The agency reduced the amount of contracts awarded by \$409,400.

Performance (Optional)

The estimated impact of the reduced funding for grants is about 5,000 fewer primary care visits for 3,000 underinsured individuals funded by the State.

**BB2034 1,000 Less Children in CSHCN Clinics**

Analyst: Russell Frandsen

(2009GS)

Cost Estimate	Revenue Est	Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
\$0	\$0	(\$1,000,000)		\$1,000,000		\$0		\$0		\$0

Explanation

Approximately 1,000 clients will not receive services. Additionally, more clients will need to travel farther to receive services. Two clinics will close that currently see 750 children in Ogden in Provo. Funding reductions at remaining clinics will reduce the number of children served by 600. The reduction will take place in FY 2011 because of the \$1,000,000 ongoing reduction in FY 2010 with a \$1,000,000 one-time backfill for FY 2010.

Implementation

The following offices will be closed in FY 2011 affecting a total of about 730 children: Vernal's Children with Special Healthcare Needs Clinic, Provo's Neonatal Follow-up Clinic, Logan's Neurology Clinic, St. George's Neurology Clinics, and the Pediatric Orthopedic Clinics in Salt Lake City, Provo, and Ogden. These children can travel to Salt Lake City to receive these services via the State-run clinics or through private clinics. Additionally, the Adaptive Behavioral Learning Evaluation Program for about 290 children will end in FY 2011. This program provided coordination of care via telephone.

Accuracy

The reduction starts in FY 2011, no accuracy analysis will be available until next year.

Performance (Optional)

**BB2076 Reduce Rates for Medicaid Non-physician to 7/1/07** Analyst: Russell Frandsen

(2009GS)	Cost Estimate	Revenue Est	Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
	\$0	\$0	(\$2,455,200)		\$1,622,600		(\$832,600)		(\$832,600)		\$0

Explanation Implementation Accuracy Performance (Optional)

Takes rates back to what was paid on July 1, 2007 for non-physician Medicaid providers. May impact the number of providers willing to see Medicaid clients.

This reduction was partially delayed until FY 2011. In FY 2011 the provider rate reductions will range from 0% to 17%. Some providers would see a reduction of 0% to 2.5%, pharmacist 3%, and inpatient hospital 17%.

The Department reduced the provider rates to approximate the reduction in funding. Final accuracy analysis will not be available until after the close of FY 2010.

**BB2653 DOH - Provider Rate Reduction - Medicaid Non-physician to FY 2008 Rate** Analyst: Russell Frandsen

(2009GS)	Cost Estimate	Revenue Est	Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
	\$0	\$0	(\$33,263,200)		\$6,590,400		(\$26,672,800)		(\$26,672,800)		\$0

Explanation Implementation Accuracy Performance (Optional)

Provider rates had \$33,263,200 removed with a one-time backfill of \$6,590,400. May impact the number of providers willing to see Medicaid clients.

This reduction was partially delayed until FY 2011. In FY 2010 the provider rate reductions ranged from 1% to 25%. Some providers saw a reduction of 1% to 6%, pharmacist 10%, and inpatient hospital 15%.

The Department reduced the provider rates to approximate the reduction in funding. Final accuracy analysis will not be available until after the close of FY 2010.

**BB2898 DOH - Medicaid Cost Containment**

Analyst: Russell Frandsen

(2009GS)

Cost Estimate	Revenue Est	Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
\$0	\$0	\$7,727,000		\$0		\$7,727,000		\$4,831,100		\$2,895,900

Explanation

The higher federal match rate provides Federal Funds of \$2,400,000, offsetting a \$2,400,000 General Fund reduction, obtained through changing to a prospective, capitated administrative payment system for contracted health plans. The Legislature also approved \$7,727,000 (one-time) General Fund for start-up costs.

Implementation

As of September 1, 2009 one of the three contracted health plans is now operating under a risk-based contract.

Accuracy

Through May 25, 2010 the Department has spent \$4.8 million of the original \$7.7 million estimate of costs. The ongoing General Fund savings thus far have been \$253,000.

Performance (Optional)

**BB3145**

**DHS - Federal Stimulus - Medicaid**

Analyst: Stephen Jardine

(2009GS)

Cost Estimate	Revenue Est	Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
\$0	\$0	\$15,541,800		\$0		\$15,541,800		\$15,541,800		\$0

Explanation

In 2009, Congress passed the American Recovery and Reinvestment Act, or ARRA, providing over \$240 million in enhanced Medicaid FMAP (Federal Medical Assistance Percentage) funding to Utah with the requirement that Medicaid eligibility standards for Medicaid not become more restrictive through December 31, 2010 than those in place July 1, 2008. The Human Services portion of the FY 2009 enhanced Medicaid FMAP appropriation was \$15,541,800.

Implementation

The Legislature appropriated \$15,541,800 in Enhanced Medicaid FMAP to the Department of Human Services, including the Division of Juvenile Justice Services, for FY 2009. Actual funding amounts were subsequently received by the department based upon the formula calculations specified in the federal ARRA legislation.

Accuracy

The appropriation to the Department of Human Services, required shortly after the federal ARRA law was passed, was \$15,541,800. The department subsequently received more funds than the amounts appropriated. Much of this was attributable to a formula provision in the ARRA law having to do with a state's unemployment rate reaching certain specified levels by specified dates. The actual unemployment rates reached higher percentages sooner than used in the estimate for the appropriation. However, due to intent language included in the appropriations act related to ARRA funding, agencies were unable to spend the additional collections and any additional ARRA enhanced Medicaid FMAP funds instead went back into the General Fund. The Department of Human Services lapsed back to the General Fund \$2,546,400 in total ARRA funds. Most of this lapsed ARRA funding was attributable to Enhanced Medicaid FMAP.

Performance (Optional)

**BB1884** **CCJJ - Grants to Prevent Sexual Exploitation of Children Reduction**

Analyst: Steven Allred

(2009GS)

Cost Estimate	Revenue Est	Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
\$0	\$0	(\$63,100)		\$0		(\$63,100)		\$0		(\$63,100)

Explanation

Scales back grants to local agencies to protect children. (7.5% level: \$91,800; 15.0% level: \$126,200)

Implementation

Through numerous rounds of budget adjustments, the Commission on Criminal and Juvenile Justice's FY 2009 and FY 2010 ongoing appropriation for grants to combat sexual exploitation of children was reduced by \$126,200, but received a one-time backfill of \$63,100. CCJJ was funding one project that provided child Internet safety services using NetSafe Utah (NetSafe Utah was developed by the Utah Education Network using these grant funds). UEN has been able to continue delivering Internet safety services despite the cut because much of the initial development costs had already taken place.

Accuracy

Once UEN's start-up costs were met, CCJJ would have shifted all or part of the grants to increase the number of students receiving training, or shifted funds from UEN to other agencies providing services to protect children. Those grants will no longer occur.

Performance (Optional)

NetSafe Utah trainers have presented to 24,125 Utah students, teachers, parents and caregivers in the first three quarters of FY 2010. For all of FY 2009 they presented to 24,413 people. A key component of UEN's program includes regional Outreach Coordinators who live locally and help with training. CCJJ will be able to offer UEN at least two more years of grant funds sufficient to keep the program and Outreach Coordinators in operation.

Analyst: Steven Allred

**BB2455**  
(2009GS)

**AUD - Personnel Staff Reduction**

Cost Estimate	Revenue Est
\$0	\$0

Explanation

Eliminates 9 auditor positions. Total auditor positions: 40. (7.5% level: \$280,700; 15.0% level: \$561,000)

Appropriation	+ Supplementals	= Subtotal Available	- Spending	= Balance
(\$77,900)	(\$125,100)	(\$203,000)	\$0	(\$203,000)

Implementation	Accuracy	Performance (Optional)
<p>Through numerous rounds of budget adjustments, the State Auditor's FY 2010 ongoing appropriation was reduced by \$505,000, but received a one-time backfill of \$427,100. The Legislature made another one-time FY 2010 supplemental reduction of \$125,100 during the 2010 General Session. In response to ongoing reductions, the Auditor's office terminated two full-time financial auditors and significantly reduced the operations of their Local Government and Special Projects groups. Staff from the Local Government and Special Projects groups was reassigned to financial audits. Near the end of 2009, two staff retired and were not replaced. The Auditor used five temporary interns rather than hire full-time staff to get through the busier audit seasons. They completed all required financial audits for FY 2009 and FY 2010.</p>	<p>Four positions were eliminated rather than nine that were estimated with larger cuts being proposed early in the session. Those larger cuts were avoided by backfill. However, at least 9 positions were affected, due to the Auditor's office reprioritizing workload, shifting employee duties, and hiring five temporary interns.</p>	

**BB2459 TRE - Personnel Staff Reduction**

Analyst: Steven Allred

(2009GS)

Cost Estimate      Revenue Est

\$0	\$0
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Appropriation + Supplementals = Subtotal Available - Spending = Balance

(\$21,100)	(\$18,300)	(\$39,400)	\$0	(\$39,400)
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Explanation

Eliminates 3 support staff positions. Total agency FTEs: 25. (7.5% level: \$74,300; 15.0% level: \$151,800)

Implementation

Through numerous rounds of budget adjustments, the State Treasurer's FY 2010 ongoing appropriation was reduced by \$136,600, but received a one-time backfill of \$115,500. The Legislature made another one-time FY 2010 supplemental reduction of \$18,300 during the 2010 General Session. FY 2009 cuts were not taken with a staff reduction; instead the office reduced contracts and other current expenses. In FY 2010 an employee retired and was not replaced. One-time appropriations were not used to support ongoing programs.

Accuracy

One position was eliminated rather than three that were estimated with larger cuts being proposed early in the session. Those larger cuts were avoided by backfill and by the Treasurer reducing current expenses and shifting employee duties.

Performance (Optional)

Analyst: Steven Allred

**BB2463 AG - Personnel Staff Reduction**

(2009GS)

Cost Estimate	Revenue Est
\$0	\$0

Appropriation	+ Supplementals	= Subtotal Available	- Spending	= Balance
(\$926,900)	(\$633,300)	(\$1,560,200)	\$0	(\$1,560,200)

Explanation

Eliminates 36 attorneys and support staff positions within the main line item. Total main line item FTEs: 424. (7.5% level: \$2,096,100; 15.0% level: \$4,399,200)

Implementation

Through numerous rounds of budget adjustments, the Attorney General's FY 2010 ongoing appropriation was reduced by \$3,330,900, but received a one-time backfill of \$2,404,000. The Legislature made another one-time FY 2010 supplemental reduction of \$633,300 during the 2010 General Session. In response to ongoing reductions, the AG's office used attrition, moved some existing staff to new ARRA federal grants, and moved several investigators and an attorney to other federal grants. Nineteen positions were eliminated.

Accuracy

Nineteen positions were eliminated rather than 36 that were estimated with larger cuts being proposed early in the session. Those larger cuts were avoided by backfill and federal funds. If federal grants are not renewed, additional positions could be eliminated later.

Performance (Optional)

**BB2696**      **GOV - Discretionary Reduction**

Analyst: Steven Allred

(2009GS)

Cost Estimate	Revenue Est
\$0	\$0

Appropriation	+ Supplementals	= Subtotal Available	- Spending	= Balance
(\$131,300)	(\$149,100)	(\$280,400)	\$0	(\$280,400)

Explanation

Discretionary reductions in the Governor's Office and Governor's Office of Planning and Budget.

Implementation

Through numerous rounds of budget adjustments, the Governor's FY 2010 ongoing appropriation was reduced by \$1,010,500 but received a one-time backfill of \$879,200. The Legislature made another one-time FY 2010 supplemental reduction of \$149,100 during the 2010 General Session. In response to ongoing reductions, the Governor's office reduced 6 FTE, travel costs, and current expenses, and used nonlapsing balances.

Accuracy

The Legislature gave the Governor's office discretion to reduce budgets according to their management priorities.

Performance (Optional)

**BB2957**      **AG - Children's Justice Centers**

Analyst: Steven Allred

(2009GS)

Cost Estimate	Revenue Est
\$0	\$0

Appropriation	+ Supplementals	= Subtotal Available	- Spending	= Balance
(\$431,900)	\$431,900	\$0	\$0	\$0

Explanation

The Legislature reduced ongoing FY 2010 appropriations by \$431,900, but provided a one-time backfill of \$431,900, resulting in a net FY 2010 impact of \$0. During the 2010 General Session, the Legislature restored \$431,900 ongoing beginning in FY 2011.

Implementation

Implementation of cuts was unnecessary due to backfill.

Accuracy

Due to legislative backfills and restorations, this line item has remained whole.

Performance (Optional)

**BB3036 AG - Police Meth Detox**

Analyst: Steven Allred

(2009GS)

Cost Estimate	Revenue Est
\$0	\$0

Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
\$100,000		\$0		\$100,000		\$100,000		\$0

Explanation

Provided funding for detoxification of police officers exposed to meth.

Implementation

The full appropriated amount of \$100,000 was paid under contract to a private non-profit provider (American Detox Foundation) to allow the remaining of 50 sick officers to go through the treatment program.

Accuracy

Funding will be sufficient for 50 officers.

Performance (Optional)

**BB3038 AG - Citizens Communication Protocol**

Analyst: Steven Allred

(2009GS)

Cost Estimate	Revenue Est
\$0	\$0

Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
\$140,000		\$0		\$140,000		\$0		\$140,000

Explanation

Funding for a web portal to enhance citizen communication with law enforcement.

Implementation

The one-time FY 2010 legislative appropriation of \$140,000 has not been expended yet. The Attorney General's office is still negotiating a contract with the web portal's designers to get enhancements made to the portal.

Accuracy

The appropriation is set; the A.G.'s office is negotiating for enhancements within the set amount.

Performance (Optional)

**BB3200**      **GOV - Elections Lawsuit**

Analyst: Steven Allred

(2009GS)

Cost Estimate	Revenue Est	Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
\$0	\$0	\$102,000		\$0		\$102,000		\$102,000		\$0

Explanation

The courts ordered the state to pay a legal settlement after finding the state's financial disclosure law unconstitutional. The Lt. Governor's office paid the settlement in FY 2009; the Legislature reimbursed the office in FY 2010.

Implementation	Accuracy	Performance (Optional)
The Lt. Governor's office paid the amount ordered by the court.	The amount appropriated was equal to the court ordered amount.	

**BB3201**      **AG - Legal Settlements**

Analyst: Steven Allred

(2009GS)

Cost Estimate	Revenue Est	Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
\$0	\$0	\$536,100		\$0		\$536,100		\$530,000		\$6,100

Explanation

The Legislature appropriated \$536,100 as an FY 2009 supplemental for various litigation settlements: (1) \$400,000 for Pelt Forensic Accountants; (2) \$46,100 for David C. final payment; and (3) \$90,000 for St. George airport due diligence work.

Implementation	Accuracy	Performance (Optional)
Pelt Forensic Accountants: This has been mostly spent over two years, and a small balance is being used for clean-up work, since the case is now settled; David C.: Final payment has been made to plaintiff's attorney; St. George airport due diligence: Final payment has been made. Total spending to date has been approximately \$530,000.	Amounts appropriated were accurate. In most cases, legal settlements are fixed amounts.	

<b>Oth6654</b>	<b>GOV - Character Education</b>					Analyst: Steven Allred		
(2009GS)	Cost Estimate	Revenue Est	Appropriation	+ Supplementals	= Subtotal Available	- Spending	=	Balance
	\$0	\$0	\$50,000	\$0	\$50,000	\$20,000		\$30,000
	Explanation		Implementation	Accuracy	Performance (Optional)			
	For grants to organizations that conduct civic and character education programs.		Of the \$50,000 General Fund one-time appropriation for FY 2010, the Lt. Governor's office has granted \$20,000 so far. The Legislature did not provide nonlapsing authority to this line item for FY 2010. Therefore the balance of \$30,000 (if unspent by June 30), plus a carry-forward balance of \$43,300 from FY 2009, will lapse to the General Fund at the close of FY 2010. The expenditure of \$20,000 was granted to the Utah Coalition for Civic, Character and Service Learning. The coalition travels to elementary schools across the state to provide teacher and student training.	The Lt. Governor's office has not expended as much as appropriated by the Legislature in the past four fiscal years: FY 2007: \$50,000 appropriated, \$50,000 expended. FY 2008: \$50,000 appropriated, \$5,000 expended (\$45,000 carried forward). FY 2009: \$0 appropriated, \$1,700 expended (\$43,300 carried forward). FY 2010: \$50,000 appropriated, \$20,000 expended YTD (no nonlapsing authority).				

<b>Oth6731</b>	<b>GOV - Metropolitan Planning Organizations</b>					Analyst: Steven Allred		
(2009GS)	Cost Estimate	Revenue Est	Appropriation	+ Supplementals	= Subtotal Available	- Spending	=	Balance
	\$0	\$0	\$140,000	\$0	\$140,000	\$122,500		\$17,500
	Explanation		Implementation	Accuracy	Performance (Optional)			
	Provides assistance to metropolitan planning organizations.		The Governor's Office has entered into contracts with the Wasatch Front Regional Council and the Mountainland Association of Governments. The office predicts that all funding will be spent by FY 2010 end.	Amount was set by appropriation; the Governor's Office negotiated contracts within appropriations.				

Bills from the 2010 General Session:

**HB0460 Board of Regents Amendments**

Analyst: Spencer Pratt

(2010GS)

Cost Estimate	Revenue Est
\$400,000	\$0

Appropriation	+ Supplementals	= Subtotal Available	- Spending	= Balance
\$0	\$0	\$0	\$0	\$0

Explanation

Projected expenses of \$400,000 for this new program will be offset by tuition (\$120,000) and internal reallocations (\$280,000) at Weber State University.

Implementation

This bill was overridden by an amendment put in SB 52, which required the Bd. of Regents to approve the proposed engineering program at WSU. So while HB 460 did not pass, the same language passed in a different bill.

Accuracy

WSU still maintains that the cost of the new program will be \$400,000 of which \$120,000 will be from tuition paid by the students in the program and the balance of \$280,000 will come from internal reallocations.

Performance (Optional)

**SB0041S01 Drug Utilization Review Board Amendments**

Analyst: Russell Frandsen

(2010GS)

Cost Estimate	Revenue Est
(\$472,800)	\$0

Appropriation	+ Supplementals	= Subtotal Available	- Spending	= Balance
(\$472,800)	\$0	(\$472,800)	\$0	(\$472,800)

Explanation

Enacting this bill will save \$118,200 in on-going General Funds and \$354,600 in federal funds beginning in FY 2011.

Implementation

All changes in law have been operationalized and will be used for upcoming decision making.

Accuracy

The savings do not start until FY 2011.

Performance (Optional)

**SB0052S02 State Board of Regents Amendments**

Analyst: Spencer Pratt

(2010GS)

Cost Estimate	Revenue Est	Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
\$6,200	\$0	\$6,200		\$0		\$6,200		\$0		\$6,200

**Explanation**

Additional travel reimbursements for Regents who reside outside of metropolitan statistical areas are estimated at \$6,200. Also included in the bill is a requirement for the Board of Regents to approve the establishment of a bachelor of science degree program in electronics engineering at Weber State University. The funding of this new program, estimated at \$400,000, would come from tuition (\$120,000) and internal reallocations at the University (\$280,000).

**Implementation**

The Governor has until September 2011 to make appointments that will comply with this new legislation. The new electronics engineering program at Weber State University is slated to be on the Board of Regents' June 25, 2010 meeting agenda.

**Accuracy**

Travel and per diem costs for two Regents from more rural parts of the State are expected to be approximately \$6,200 annually for the Board meetings.

**Performance (Optional)**

**SB0069S01 College of Eastern Utah Affiliation with Utah State University**

Analyst: Spencer Pratt

(2010GS)

Cost Estimate	Revenue Est	Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
\$0	\$0	\$500,000		\$0		\$500,000		\$0		\$500,000

**Explanation**

Enactment of this bill will not require additional appropriations.

**Implementation**

The College of Eastern Utah has become a comprehensive regional college within Utah State University. In the final days of the 2010 General Session, a one-time appropriation of \$500,000 was made to Utah State University for transition costs.

**Accuracy**

The \$500,000 one-time appropriation is for FY 2011.

**Performance (Optional)**

**SB0132 Higher Education Scholarship Amendments**

Analyst: Spencer Pratt

(2010GS)

Cost Estimate	Revenue Est	Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
\$4,650,000	\$0	\$4,650,000		\$0		\$4,650,000		\$800,000		\$3,850,000

Explanation

Enactment of this bill will avoid future costs associated with New Century and Regents' scholarships. The degree to which this occurs cannot be quantified as it is contingent upon the number of students that would otherwise have been eligible for the scholarships.

Implementation

To accommodate students who have been working on completing the requirements for the New Century Scholarship, the more stringent requirements apply to students who complete high school in 2011 or later. For students completing high school in 2010, the original requirements apply. For the current students the Legislature approved FY 2010 supplemental funding of \$800,000; for the ones graduating this year, one-time funding in FY 2011 was approved in the amount of \$3,850,000.

Accuracy

Because students have until September 1, 2010 to apply for the New Century Scholarship, the final number of eligible students is not known. However, preliminary indications show that with the \$800,000 in FY 2009 and the \$3,850,000 in FY 2010, the funding level will be very close.

Performance (Optional)

**SB0215S01 Highway Project Funding - Salt Lake County**

Analyst: Rich Amon

(2010GS)

Cost Estimate	Revenue Est	Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
\$0	\$0	\$0		\$0		\$0		\$0		\$0

Explanation

Based on current revenue estimates no state funds or state bonding will be required.

Implementation

Salt Lake County and the State of Utah are currently negotiating the inter-local agreement as provided for in the bill. Once the agreement is signed by the County and the State, the County will issue the revenue bonds. The inter-local agreement currently contains a provision that would give the County primacy over the State to the funds currently deposited in the County of the First Class Highways Fund. The inter-local agreement also contains a provision requiring the State to provide two times coverage for the debt service (a higher threshold than contained in the bill).

Accuracy

Current revenue projections and cash flows show that the revenues and balances within the County of the First Class Highways Fund should be sufficient to cover the debt service on the bonds issued by the County. However, the State's position as secondary to the funds indicates that the State will bear the greater risk if revenues decline or bond costs exceed current expectations. Also, the two times coverage requirement could result in a negative monthly balance in the Fund requiring a short-term transfer from other Transportation funds which would likely be repaid within a few months.

Performance (Optional)

Analyst: Russell Frandsen

**SB0273**

**Hospital Assessments**

(2010GS)

Cost Estimate	Revenue Est
\$0	\$0

Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
\$7,881,900		\$0		\$7,881,900		\$0		\$7,881,900

Explanation

Enacting this legislation creates a new restricted special revenue fund to receive hospital assessments. It creates the assessment, which should generate \$7,881,900 in FY 2010, \$30,894,700 in FY 2011, and \$34,926,300 in FY 2012.

In FY 2011 \$2,000,000 of the assessment is provided to the Department of Health to offset Medicaid mandatory expenditures and the reduction in hospital outpatient fees in FY 2011 with \$1,000,000 provided annually in FY 2012 and FY 2013 to offset Medicaid mandatory expenditures. The legislation directs the Division of Health Care Financing to distribute the remaining revenue deposited into the new fund to hospitals. It is estimated that expenditures associated with the bill would be \$7,881,900 from Restricted Special Revenue and \$31,118,100 from Federal Funds in FY 2010, \$30,894,700 from Restricted Special Revenue and \$95,354,300 from Federal Funds in FY 2011, and \$34,926,300 from Restricted Special Revenue and \$86,630,500 from Federal Funds in FY 2012.

Implementation

The Department has submitted the needed paperwork to the federal government, but as of June 15, 2010 the federal government has not approved the State's proposal.

Accuracy

The \$7.9 million estimated for FY 2010 will not be collected until FY 2011 due to issues with implementation.

Performance (Optional)

Budget Items from the 2010 General Session:

**Oth4015 eREP**

Analyst: Patrick W. Lee

(2010GS)

Cost Estimate	Revenue Est	Appropriation	+ Supplementals	= Subtotal Available	- Spending	= Balance
\$56,730,900	\$0	\$70,885,100	\$8,313,100	\$79,198,200	\$79,198,200	\$0

Explanation

eREP is the electronic Resource and Eligibility Product that was developed for more efficient and integrated social service eligibility determination. It replaces the previous system--PACMIS, the Public Assistance Case Management Information System. Workforce Services manages the eREP system in cooperation with Health and Human Services. The system is rules based according to federal and state guidelines. Initially the program was funded in FY 2003 to begin the development and implementation portion which has nearly reached completion. However, funding is now mainly utilized for system maintenance and updates of federal rules.

Implementation

As of June 2010, approximately 20 cases were left in PACMIS that needed conversion to eREP. DWS is on track to complete entry of these into eREP by the end of FY 2010. In an initial timeline presented in February 2004, DWS projected a completion date for the end of CY 2006. This completion date incorporated all stages-- planning, design, development, testing, pilot and production. However, DWS has since progressively moved the completion date until the current time mentioned above for cases loaded from PACMIS to eREP--June 2010.

Accuracy

With DWS in the final implementation stages of eREP, maintenance and operability will be the major costs associated with the system in FY 2011 and thereafter. DWS has estimated these costs to be approximately \$11,000,000 per fiscal year. However, it will be necessary to further monitor needs versus expenditures to fully determine fiscal note accuracy.

Since 2003, cost projections by DWS have changed with the timeline from an initial estimate of \$56.7 million in FY 2004 to \$71 million in FY 2007 and, finally, \$79.2 million in FY 2010. DWS reports that these changes have been in part due to a higher federal funds match than anticipated and differences with the system product expected by the agency and the actual product supplied by Curam Software, a subcontractor of IBM.

Performance (Optional)

The fiscal analyst discussed valid performance measures with DWS who have indicated the four following areas for tracking and reporting: 1. Worker Error rates (accuracy); 2. Worker Productivity (throughput); 3. Operational Costs; and, 4. Service Provision (client satisfaction).

**BB3807 DOH - Legislative Audit Recommendations - Increased Fraud Recoveries in Medicaid** Analyst: Russell Frandsen

(2010GS)	Cost Estimate	Revenue Est	Appropriation	+	Supplementals	=	Subtotal Available	-	Spending	=	Balance
	(\$16,835,200)	\$0	(\$16,835,200)		\$0		(\$16,835,200)		\$0		(\$16,835,200)

Explanation

Legislative Audit 2009-12, completed in August 2009 found various areas where the agency could recover more money through increased controls and reviews. Ongoing savings listed reflect numbers from the audit. The Legislature provided \$3.4M one-time backfill in FY 2011 to give the agency 6 months to fully ramp up its fraud and waste systems.

Implementation

As of June 2010 the Department is contracting with a company to perform pre-payment screening services. Additionally, the Department is preparing to reissue a broader request for proposal for a fraud and abuse detection system that will meet the requirements of the Patient Protection and Affordable Care Act.

Accuracy

The Department of Health has not provided an updated estimate of FY 2010 savings for this measure.

Performance (Optional)

## FISCAL NOTE & BUILDING BLOCK FOLLOW UP REPORT

The Analyst follows up on bills and building blocks from two sessions ago. (It's too soon to report on the immediate past session.) The report consists of:

- **Item Explanation**  
What the appropriation is supposed to do. For bills the explanation is the fiscal note.
- **Implementation**  
Is the item is being implemented in a timely manner?
- **Accuracy**  
Was the fiscal note was accurate? Both the Analyst and the agency are rated.
- **Performance Measures**  
Shown and evaluated when appropriate.
- **Follow the Money**  
The report traces funding from the original request to the remaining balance.

## RED YELLOW GREEN GUIDELINES

We point out problems, potential trouble, and things going as expected with traffic light colors.

### ONE SIZE DOES NOT FIT ALL

Early on, we found that what was reasonable for revenue estimates is unreasonable for ordinary bills and building blocks. Our guidelines are less stringent when an agency is asked to do something new and different than their usual fare.

### \$10,000 RULE

The temptation to manage a fiscal note is so great that we give an automatic Yellow to any bill with a fiscal note near \$10,000.

### THE DIRECTOR'S EXCEPTION

The Director may draw your attention to any bill or building block with a yellow if the item needs your attention.

## CURRENT RULES

### 1. Similar to things they already do:

- Green - Within 5% of estimate or variances less than \$10,000.
- Yellow - Greater than 5% but less than or equal to 10% of estimate and more than \$10,000.
- Red - Greater than 10% of estimate and more than \$10,000.

### 2. Something new and unfamiliar:

- Green - Within 10% of estimate or less than \$10,000.
- Yellow - Greater than 10% but less than or equal to 20% of estimate and more than \$10,000.
- Red - Greater than 20% of estimate and more than \$10,000.

### 3. Revenue bills:

- Green - Within the estimate's margin of error.
- Yellow - Greater than margin of error but less than two times margin of error.
- Red - Greater than two times margin of error.

### 4. Implementation:

- Green - Implemented within the first month of the bill's effective date. The definition of "implemented" will vary according to the difficulty of the bill's task. Tasks that are too large to be implemented in the first month can be considered "implemented" if the agency has a reasonable plan and they are on schedule.
- Yellow - Implemented after the first month but before the fourth month of the bill's effective date.
- Red - Implemented after three months of the bill's effective date.

### 5. Performance Measures:

The Analyst will decide if performance measures are appropriate and will use the "Implementation" guidelines. The Analyst will evaluate the agency's performance measures and recommend alternate measures when necessary.

## COMMENTS, CRITICISM, & COMPLAINTS

Working guidelines are never final. We welcome your review and comment. Call Jon Ball at 435-901-0977 or by email at ([jball@utah.gov](mailto:jball@utah.gov)).