

OPTIONS FOR ELIMINATING THE STRUCTURAL DEFICIT

Index	Unit of Government	Item	FY 2012			% of Program Reduced	FTE		Clients Affected	Impact	Statute Change?
			Ongoing GF/EF	One Time GF/EF	Other Funds		Active	Vacant			

BUSINESS, ECONOMIC DEVELOPMENT, & LABOR

Community & Culture

1	Housing and Community Development	Eliminate Office of Ethnic Affairs	(\$725,500)			100%	(10.0)			The Office of Ethnic Affairs provides a referral service to ethnic communities. This service would be provided through alternative channels by other agencies directly i.e. Health, Human Services, Education. The current program has no statutory authority.	N
2	DCC Administration	Reduce Digitization Funding	(\$212,000)			40%				Reductions at this level will allow DCC to retain all digitization programs currently in place but not implement any new projects in the future.	N
3	Indian Affairs	Eliminate Part Time Position in Indian Affairs	(\$15,200)			7%	(0.5)			Currently this office has 2.5 FTE's for a fairly small budget. Staffing would be reduced to be aligned with the size and complexity of the budget.	N
4	Arts & Museums	Eliminate Arts Acquisition Funding	(\$60,000)			100%				The annual appropriation of \$60,000 allows Arts to acquire new pieces for the collection. This would eliminate the appropriation and put further art purchases on hold.	N
5	Housing and Community Development	Reduce Funding for the Huntsman Cancer Institute	(\$447,100)			25%				Reduces ongoing pass through to the Huntsman Cancer Institute by 25%. The Center would have to come up with alternative funds as replacement.	N
6	Zoos	Reduce Funding for the Zoos	(\$100,400)			10%				Ongoing pass through to the Zoo's would be reduced by 10%. The Zoo's would have to come up with alternative funding or decrease services.	N
7	State History	Restructure Historic Preservation Program	(\$154,300)			17%	(2.0)			Statutory changes to the Preservation program have led to a restructuring of the Preservation Office. As a result they are no longer responsible for certain aspects of permitting. The FTE's identified are being eliminated as part of this restructure.	N
8	Olene Walker Housing Loan Fund	Reduce Restricted funds for the Olene Walker Housing Loan Fund	(\$224,300)			10%			13 - 20	Reductions in this program would reduce the number of low income housing units created annually between 13 to 20 units.	N
9	Pamela Atkinson Homeless Trust Fund	Reduce Restricted Funding for the Pamela Atkinson Homeless Trust Fund	(\$56,600)			10%			1,340.0	Reductions in this program would reduce funds for homelessness service providers. Approximately 13,400 individuals are homeless annually a 10% reduction in the program could impact 1,340 individuals.	N
10	Arts & Museums	Reduce Competitive Arts Grants	(\$208,600)			25%				Funding for the competitive grant program in Arts and Museums would be reduced by 25%. This could lead to an overall reduction in grant funding or a reduction in the number of entities funded.	N

Note: This document is intended as a menu of options from which policymakers might choose items that help solve the \$313 million structural imbalance. The list is not exhaustive - other options and approaches exist. It is a place to start deliberations. Each option on the list has policy implications that will be further examined in public meetings. Not all options will be acceptable and, as such, the sum of options listed here exceeds the structural deficit by more than \$200 million (\$535 m vs. \$313 m).

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Governor's Office of Economic Development (GOED)											
11	Business Development	GOED - Restructure Centers of Excellence	(\$200,000)			10%				The Centers of Excellence program has gone through a significant restructuring. As a result the grants are offered on a less frequent basis. The amount proposed would allow the program to continue without putting current commitments at risk.	N
12	Motion Picture Incentive Fund	GOED - Reduce Funding for the Motion Picture Incentive Fund	(\$1,242,100)			56%				The reduction would begin transitioning the existing appropriations component of the Motion Picture Incentive Fund to the tax credit being proposed in the FY 2011 General Session.	N
Utah Science Technology and Research initiative (USTAR)											
13	Administration	Partnerships with Leonardo, Chambers of Commerce, and like initiatives	(\$80,000)			80%				Public exposure to USTAR may decline; visitors to the Leonardo each year is expected to be 200,000 and membership in sponsored Chambers of Commerce is 20,000 individuals or companies	N
14	Research Teams	Security budget @ USU	(\$10,000)			2%				One less camera	N
15	Research Teams	Current expense @ U of U	(\$10,000)								N
16	Research Teams	University of Utah Researcher Travel	(\$16,900)			5%				Total FY 2010 Travel Budget of \$264,149; expected FY 2012 Travel Budget of \$328,144. Three fewer international or domestic trips	N
17	Research Teams	Utah State University Researcher Travel	(\$10,200)			8%				Total FY 2010 Travel Budget of \$127,378; expected FY 2012 Travel Budget of \$127,000. Two fewer international or domestic trips	N
18	Research Teams	Reallocation of Center for Advanced Nutrition funding	(\$200,000)			2%				USTAR is planning to reallocate the salary of a non-performing professor within the Center for Advanced Nutrition; depending upon whether the switch would generate federal funding for research, this may or may not forgo science funding @ USU	N
19	Research Teams	Reduce reallocation plan for the new energy initiative or the new commercialization program	(\$212,500)			2%				The performance of research teams is grouped into A, B, and C performance levels, with A being the best. USTAR is planning to reallocate funding of a C group to the Bingham Entrepreneurship & Energy Research Center or another area.	N
20	Research Teams	Discontinue recruiting for a Center for Advanced Nutrition hire or another area	(\$400,000)			4%				The performance of research teams is grouped into A, B, and C performance levels, with A being the best. The initial performance of the Center for Advanced Nutrition has been C level. USTAR still believes in the area of research, though, and is planning to hire another professor in the Center for Advanced Nutrition area.	N
21	Research Teams	Discontinue the recruitment for a professor in the area of Personalized Medicine or another area	(\$510,500)			4%				To date, the recruitment effort for a personalized medicine professional has not been successful, but USTAR thinks the current risks are worth the potential future benefits.	N

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Tax Commission											
22	Administration	Reduce costs of collection at South Valley DMV (Hours expansion)	(\$250,000)			100%	(5.0)	26,000.0	This was funded as a customer service issue. For most of the day, this will have no effect. For busy times (early morning, lunch time, early evening), this may increase wait times by up to 10 minutes. The expanded hours represents an increase in the cost of collection and did not increase revenue or compliance.	N	
23	Administration	Multi-state Tax Commission	(\$237,200)			100%			Organization of states involved in making national tax policy related to the states. Funding represents membership dues and travel. The State has in the past gained revenue from audits the organization performs on international corporations on behalf of the states. Depending upon audit findings, this could decrease revenue by not collecting audit revenue or increase revenue if cases of double taxation are not found.	N	
24	Administration	Increase management productivity by 4.9% (Vacant Division or Deputy Division Director position)	(\$165,700)			5%	(1.0)		Others will fill in for the management requirements	N	
25	Administration	Costs & liability associated with storage of private returns	(\$5,000)					5M	Depending upon tax type, after 12-15 years, private tax return information would be deleted. Eliminates a cumulative liability of at least \$500,000.	N	
26	Administration	Alcoholic Enforcement & Treatment Restricted Account	(\$562,300)			10%		247.0	The Alcoholic Beverage & Treatment Restricted Account is a General Fund earmark. Revenue to the fund is from the beer tax. The revenue is distributed by the Tax Commission to local governments. In FY 2010, 247 groups received funding from this; on average, a local entity would receive a cut of \$2,000. The largest entity, Salt Lake County, would receive a reduction of \$76,000.	32A-1, 59-15-109	
27	Administration	Local governments pay a greater share of personal property tax audits	(\$200,000)			5%			Governor's Optimization Commission: of the 29 counties and local governments, some may or may not decide to do the audits themselves.	59-2	
28	Administration	Printing of income tax booklets	(\$87,000)			100%		60,000.0	About 60,000 individuals use the forms contained in the income tax booklets. The forms would still be available in the offices or online.	N	
29	Administration	Fewer vehicle miles traveled due to the switch to the 4-10s	(\$2,500)							N	
30	Administration	Reduce statement of accounts to delinquent taxpayers from quarterly to annually or in a more targeted manner	(\$53,000)			9%		80,000.0	At any one time, there are about 80,000 delinquent taxpayers. Although individuals receiving these statements are generally ignoring them, there may be a decrease in revenue from some individuals that would have responded to a quarterly statement.	N	
31	Administration	In-state-travel (Hold @ FY 2010 actual)	(\$33,400)			14%			A planned increase of about 23 more trips in FY 2012 over FY 2010 would not take place.	N	

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32	Administration	Out-of-state travel (Hold @ FY 2010 actual)	(\$86,900)			22%				A planned increase of about 44 more trips in FY 2012 over FY 2010 would not take place.	N
33	Administration	Office furnishings (Hold @ FY 2010 actual)	(\$32,500)			46%				A planned increase in purchases for chairs, desks, and so forth in FY 2012 over FY 2010 would not take place.	N
34	Administration	Conventions, seminars, workshops (Hold @ FY 2010 actual)	(\$16,000)			54%				A planned increase of about 30 conventions or seminars in FY 2012 over FY 2010 would not take place.	N
35	Administration	Advertising campaign for electronic payments	(\$10,000)			100%				Public awareness of electronic filing options may decrease.\	N
36	Administration	Membership dues for Streamlined Sales Tax	(\$20,200)			100%				State's ability to influence national tax policy regarding nexus and other sales tax issues may decrease.	N
37	Administration	Membership dues for the Federation of Tax Administrators	(\$16,200)			100%				FTA list serves would be unavailable to employees when questions come up regarding various practices in other states.	N
38	Administration	Prosecute tax protestors at a slower pace (1/4 tax appeal attorney)	(\$48,600)			50%				Tax Commission would pay the AG to prosecute tax protestors at a slower pace. The deterrent effect from exposure would still exist with a 1/4 attorney. Depending upon the year, the number of cases can range from 5 to 10.	N
39	Administration	Expert witness testimony	(\$3,000)			100%				Was not used in FY 2010; if issues come up where the Tax Commission lacks expertise, funding for an outside consultant would be unavailable.	N
40	Administration	Increase auditing productivity by 3.2%	(\$240,000)			2%	(4.0)			There's a wide range, but auditors perform, on average, 100 to 1,000 audits per year. On a correlation basis, and after controlling for other factors, auditors may or may not increase collections. On average, about 10 Auditor positions open up each year. This reduction represents 4 newly minted college graduates hired to be Auditors, or, as vacancies arise, vacant Auditing positions.	N
41	Administration	Increase productivity of the full-time Processing staff by 5.1% (Seasonal employees)	(\$131,000)			75%	(6.0)			Income tax refunds may be processed up to 10 days later than has historically been the case.	N
42	Administration	Farmland study done every three years instead of every year	(\$26,300)			25%				May delay updating on farmland tax assessments	59-2
43	Administration	Reduce the number of sales ratio study mailings	(\$6,000)			13%				May or may not delay updating on certain residential, commercial, and vacant land assessments	N
44	Administration	Property Tax Division current expense (Hold postage, consulting, and rental of motor pool vehicles to FY 2010 level)	(\$21,700)			18%					N
45	Administration	Turnover savings from 5 motor vehicle technicians (1 from each office)	(\$228,400)			2%	(5.0)			For some of the day, this will have no effect. For busy times (early morning, lunch time, early evening), this may increase wait times by 10 to 15 minutes.	N

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46	Administration	Employee training & development (Hold @ FY 2010 actual)	(\$23,100)			38%					N
47	Administration	Employee recognition awards (paper recognition instead)	(\$34,900)			90%					N
48	Administration	Data processing & supplies (printing paper & toner) (Hold @ FY 2010 actual)	(\$18,900)			8%					N
49	Administration	Books & subscriptions (Hold @ FY 2010 level)	(\$12,700)			36%					N
50	Administration	Building security current expense	(\$20,000)			100%			Cash and check payments may be at greater risk		N
51	Administration	Motor Vehicle Enforcement Division Board meetings done online as well as in person (eliminate per diem)	(\$1,600)			100%		1.0	Individuals not living along the Wasatch Front may choose not to attend in person.		N
52	Administration	Property Tax Division meetings with assessors, students, and others	(\$23,200)			25%			Property Tax professionals would meet with assessors, students, and others in person less frequently. More meetings would be done either online through gotomeeting.com, Skype, or some other way.		N
53	Administration	Allow some growth in temporary permit fee to go to the Motor Vehicle Division instead of just the MVED	(\$24,400)		\$24,400				Temporary permit fee is currently earmarked for the Motor Vehicle Enforcement Division		49-3-302
54	Administration	Increase productivity of tax appraisal specialists by 4%	(\$60,000)			4%	(1.0)		Potentially less assistance to local governments on property tax issues.		N
55	Administration	Pilot - no initial filing of corporate tax returns.	(\$40,000)			50%			May impact selection of audits; may increase or decrease revenue depending upon audit selection and current & future corporate honesty.		59-7
56	Administration	Pilot - restructure accounting technician position	(\$432,600)			12%			The Tax Commission has 80 FTE accounting technician positions. As a pilot, hire part-time FTE equivalent to perform the duties of the full-time accounting technicians (saves about \$9 per hour on salary and benefits).		N
57	Administration	Authorize use of \$400,000 of license plate funds			\$400,000	22%			Based upon current fee structure, fund balance may reach zero in FY 2014 instead of FY 2015. Used as a buffer in restructuring the accounting technician positions.		N
58	Administration	Productivity increase of about 2.2% in all divisions except for Auditing and & DMV (turnover savings)	(\$536,800)			2%	(9.0)		Allows for an increae of about \$1 million on personnel services over FY 2010 actual.		N
59	Administration	Increase productivity of computer programmers by 2.8%	(\$80,000)			1%	(1.0)		System updates may be slower		N

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60	Administration	Increase productivity of full-time motor vehicle technicians by 5.9% (seasonal motor vehicle)	(\$213,100)			50%		(9.0)		For some of the day, this will have no effect. For busy times (early morning, lunch time, early evening), this may increase wait times by up to 15 minutes.	N
61	Administration	Counties or taxpayers pay part of the appeal cost based upon the outcome of the case	(\$15,000)		\$15,000				1,435.0	Tax Commission covers the cost of hearing local property tax appeals. If the taxpayer wins the appeal, then the local property tax administrator (county, city) would pay \$10 to the Tax Commission. If the county turns out to be right, then the taxpayer would pay \$10 to the Tax Commission to cover part of the costs of hearing an appeal.	59-2
62	Administration	Increase auditing productivity by another 3.2% (4 probable vacant Auditor positions)	(\$320,000)			3%		(4.0)		There's a wide range, but auditors perform, on average, 100 to 1,000 audits per year. On a correlation basis, and after controlling for other factors, auditors may or may not increase collections. On average, about 10 Auditor positions open up each year.	N
Insurance Department											
63	Comprehensive Health Insurance	Insurance - Reduce state subsidy to Comp Hlth Insurance Pool	(\$807,500)			10%				The state subsidy provided approximately 27% of total revenue for HIPUtah in FY 2010 for medical and pharmacy claims and administration of the program. HIPUtah is one of the only state high risk pools funded from the State's general fund. Possible renegotiation of contract with HHS.	N
64	Administration	Insurance - Increase efficiencies for Insurance Specialists	(\$48,700)			17%		(1.0)			N
65	Administration	Insurance - Consolidate functions for Chief Financial Examiners	(\$88,300)			26%		(1.0)		The Dept of Insurance currently operates with 1 Chief Financial Examiner and 2 Asst Chief Financial Examiners. This would reduce the number of assistants to one.	N
66	Administration	Insurance - Increase efficiencies for Auditors	(\$75,100)					(1.0)			N
67	Administration	Insurance - Consolidate functions of Division Directors	(\$167,400)			50%		(2.0)		The Department of Insurance currently has four division directors. This reduction would spread their duties across 2 directors instead of 4.	N
68	Administration	Insurance - Increase efficiencies for Financial Analysts	(\$65,500)			17%		(1.0)			N
69	Administration	Insurance - Increase efficiencies for Insurance Analysts	(\$58,800)			11%		(1.0)			N
70	Administration	Insurance - Reduce current and dp current expense	(\$32,000)								N
Labor Commission											
71	All Divisions	Labor - Consolidate duties of Division Directors	(\$241,600)			50%		(2.0)			N
72	Anti-Discrimination	Labor - Increase efficiencies for Labor Commission Specialists	(\$74,500)			15%		(2.0)		This would reduce the total number of Labor Commission specialist positions from 14 to 12.	N

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73	Anti-Discrimination	Labor - Consolidate Prgm Administrator duties with Prgm Mgrs	(\$61,100)			25%	(1.0)			N	
74	Boiler, Elevator Safety	Labor - Increase efficiencies for Boiler/Elevator Inspectors	(\$153,300)			22%	(2.0)			N	
75	Administration	Labor - Reduce current and dp current expense	(\$56,700)							N	
Alcoholic Beverage Control											
76	Executive Director	DABC - Transfer Compliance Functions to Public Safety or local	(\$502,500)			100%	(7.0)		Compliance officers visit licensees to ensure they understand state laws and rules related to the responsible sale and service of alcoholic beverages. This function would likely need to be passed to local governments or Public Safety.	N	
77	Stores & Agencies	DABC - Reduce store hours in high population density areas	(\$599,300)			3%	(30.0)		One of the recommendations of the legislative auditors was for DABC to consider reducing some store hours in strategic areas. This option has been utilized to some extent for savings, but could be furthered for savings.	N	
78	Stores & Agencies	DABC - Eliminate fixed costs to maximize profits for geographically close stores	(\$2,000,000)			9%	(45.0)		The recommendation of the legislative auditors was for DABC to consider closing stores for savings and meeting reductions. This option would consider the closure of at least 3-4 stores ideally in geographic areas that are contiguous.	N	
Commerce											
79	Administration	Commerce - Remove Property Rights Ombudsman	(\$430,600)			100%	(4.0)		The Property Rights Ombudsman's Office provides assistance to individuals to understand property law, assist in solutions when govt actions may violate private property rights, assist to settle disputes over eminent domain, as well as provide education and training to local govts. If this function were removed, individuals would be required to seek private direction on the above matters. Additionally, some disputes may go to the Courts more often without the office's mediation.	N	
80	Commerce	Commerce - Increase efficiencies for Office Spclsts	(\$894,900)			25%	(21.0)		The current ratio of office specialists to all other staff is 1 to 1.7. This reduction would make that ratio 1 to 2.25.	N	
81	Administration	Commerce - Reduce current expense expenditures	(\$476,800)			7%			This reduction in current expenses corresponds to the reduction in the Ombudsman office and office specialists in programs throughout the agency.	N	
<i>Subcommittee Total</i>			(\$16,270,000)	\$0	\$439,400		(139.5)	(39.0)			