

State Budget Overview

Appropriations Summary & Budget Highlights

Summary

A recovering economy and good fiscal management allowed Utah's Legislature to balance the state's \$12 billion FY 2012 budget while at the same time addressing growth in public education and Medicaid. The Legislature did so without general tax increases or accelerations, and without significantly drawing down rainy day funds. The Legislature narrowed the use of one-time resources for ongoing commitments from \$313 million to about \$50 million.

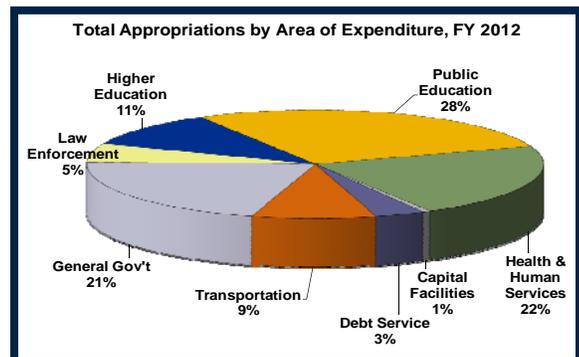
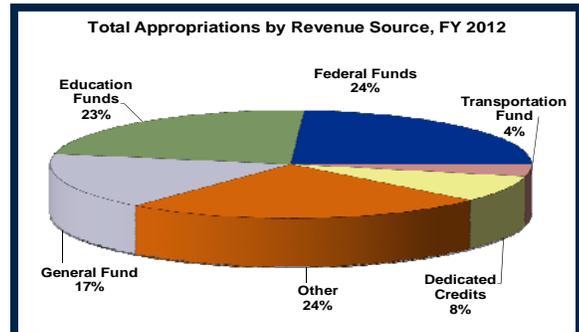
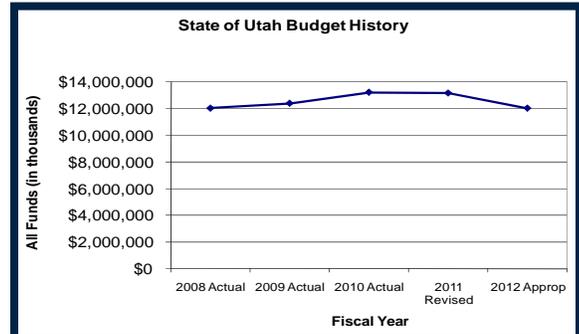
Legislators funded the Governor's request for public education, including a 2.2% increase in funding for more than 14,000 additional students. They shored-up public safety and corrections budgets, putting \$2.5 million more into law enforcement and nearly \$10 million into inmate housing. They increased resources for social service programs by nearly 6%. Legislators did so by re-allocating more than \$80 million from lower priority spending items.

Policymakers continued to manage personnel costs by asking state workers to cover an additional 5% of health benefits costs - shifting the premium share from 95%/5% to 90%/10%. They also required the state's insurer - the Public Employees' Health Program - to hold the line on dental costs and roll-back health premiums by 2%. Building on last year's retirement reform efforts, Legislators provided \$3 million for a relatively modest increase in retirement costs.

The Legislature enacted a number of targeted tax programs, including:

- HB 99, *Motion Picture Incentives Amendments*, extends movie production tax credits set to expire in FY 2012. The credit amounts to approximately \$6,793,700 annually beginning in FY 2012.

Total Budget	
FY 2010 Actual	\$13,225,743,006
State Funds	\$4,462,341,936
FY 2011 Revised	\$13,172,986,881
State Funds	\$4,724,470,836
FY 2012 Appropriated	\$12,038,783,814
State Funds	\$4,793,000,041
Percent Change FY10/FY11 Rev	-0.4%
State Fund Increase/(Decrease)	5.9%
Percent Change FY11 Rev/FY12	-8.6%
State Fund Increase/(Decrease)	1.5%



Members of the Executive Appropriations Committee

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 Ronda Rudd Menlove

Staff:

Jonathan C. Ball
 Steven M. Allred



- HB 496, *Technology and Life Science Economic Development Act and Related Tax Credits*, authorizes a one-time tax credit for the Life Science Industry in the amount of \$1,300,000 for FY 2012. The bill authorizes a one-time appropriation of \$200,000 to the Governor's Office of Economic Development to implement the provisions of the bill.
- SB 262, *Tobacco Products Amendments*, approves a change in the tax rate on little cigars resulting in a (\$91,900) ongoing reduction to the General Fund offset by a \$115,700 one-time gain in FY 2012.
- SB 226, *Income Tax Credits for Cleaner Burning Fuels*, expanded credits to electric cars offset by reductions in the overall amount of the credit. It is projected to generate a \$21,100 increase in ongoing revenue to the Education Fund.
- SB 69, *Sales and Use Tax Exemption for Textbooks for Higher Education* authorizes, a private textbook retailer to have the same sales tax exemption for textbooks as public university bookstores.
- SB 259, *Sales and Use Tax Exemption for Local Government Taxes and Fees*, results in an ongoing decrease of (\$9,000) in General Fund.
- SB 21 S2, *Tax Revisions*, more precisely defines residency and generates \$5,000 ongoing revenue to the Education Fund.

Major Funding Initiatives

A reorganization and consolidation of appropriations subcommittees brought certain agency budgets directly before the Executive Appropriations Committee. Those agencies include the Utah National Guard, the Department of

Veterans' Affairs, and the Capitol Preservation Board.

National Guard

- Tuition Assistance: \$500,000 of one-time General Funds for tuition assistance for National Guard personnel.
- The Family Assistance Program for the families of deployed Utah National Guard troops: \$529,400 from Federal Funds in FY 2011 and \$940,800 for FY 2012.

Veterans' Affairs

- HB 86, *Veteran's Identification on Driver License or Identification Card*: \$20,000 of one-time General Fund.
- The Veterans' Outreach Program: \$200,000 one-time General Fund.

Capitol Preservation Board

- The Legislature held the Capitol Preservation Board (CPB) harmless and restored the \$214,400, which was a 7% reduction taken from the base budget of the agency.
- FY 2012 Operating Expenses and Maintenance Costs: \$1,000,000 one-time General Fund.
- HB 41, *State Capitol Preservation Board Fee Revisions*, either completely eliminated or significantly reduced rental fees for Capitol Campus venues during the 2011 General Session.
- The FY 2012 rate and fee structure builds-in reduced or eliminated for the 2012 General Session, rendering specific legislation to address the issue unnecessary next year.

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Salt Lake City, Utah 84114

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Business, Economic Development and Labor

Appropriations Summary & Budget Highlights

Budget Summary

The Business, Economic Development and Labor Appropriations Subcommittee oversees budgets for 10 areas of State government: Department of Community and Culture, Governors Office of Economic Development, Utah State Tax Commission, Utah Science Technology and Research Initiative, Department of Alcoholic Beverage Control, Labor Commission, Department of Commerce, Department of Financial Institutions, Insurance, and the Public Service Commission.

Major Funding Initiatives:

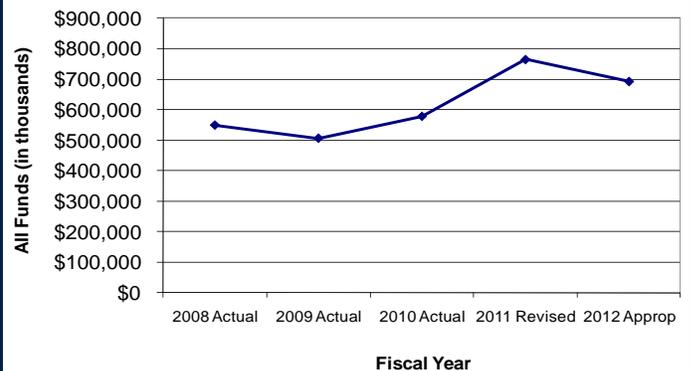
Governor's Office of Economic Development

- Falcon Hill Project: \$3,000,000 one-time
- Special Olympics: \$10,000
- Reduce Centers of Excellence Funding: (\$242,000)
- Procurement: \$1,000,000 ongoing
- Sports Commission: \$1,000,000 FY 2011 and \$1,000,000 ongoing FY 2012
- West Coast Initiative: \$500,000 one-time
- Manufacturer's Extension Partnership: \$461,900
- Health Insurance Initiative \$600,000 one-time
- Small Business Development Centers: \$136,900 one-time
- Business Resource Centers: \$300,000 one-time
- Herriman Innovation Center: \$115,000 one-time
- Motion Picture Tax Credits: \$6,793,700

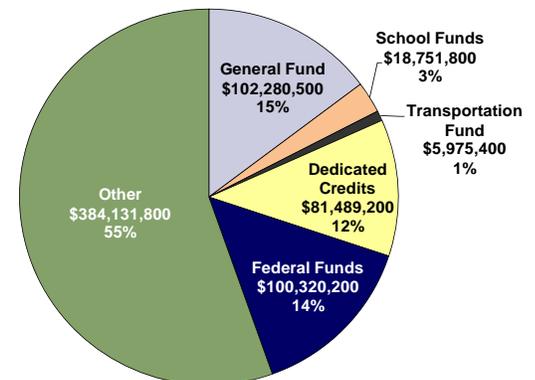
Total Budget

FY 2010 Actual	\$578,353,000
<i>State Funds</i>	\$122,142,300
FY 2011 Revised	\$765,142,100
<i>State Funds</i>	\$126,286,000
FY 2012 Appropriated	\$692,948,900
<i>State Funds</i>	\$121,032,300
Percent Change FY10/FY11 Rev	32.3%
<i>State Fund Increase/(Decrease)</i>	3.4%
Percent Change FY11 Rev/FY12	-9.4%
<i>State Fund Increase/(Decrease)</i>	-4.2%

Business, Economic Development, & Labor Budget History



Business, Economic Development, & Labor FY 2012 Funding Mix



Members of the Joint Appropriations Subcommittee

Senators

Jerry W. Stevenson, Co-Chair
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Dennis E. Stowell
Gene Davis
Ralph Okerlund
Stephen H. Urquhart
Stuart C. Reid

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Val L. Peterson

Staff

Andrea Wilko
Thomas E. Young
Patrick W. Lee



- Tourism Marketing Performance Fund: \$7,000,000 one-time
- English Language Center: \$50,000 one-time
- World Trade Center Relocation and Funding: \$750,000 one-time
- Center for Education, Business, and the Arts (CEBA): \$40,000 one-time

Tax Commission

- Reduced storage costs by eliminating the keeping of returns beyond 12-15 years: (\$5,000).
- Savings as a result of productivity increase of administrative support functions: (\$255,600).
- Adjusted in-state and out-of-state travel in an effort to maximize audits performed per dollar traveled: (\$93,900).
- Reduced postage and printing costs through the elimination of the income tax booklet and by targeting statements to delinquent taxpayers: (\$140,800).
- Continued funding the costs of expanding services of the South Valley DMV to Fridays: \$250,000.
- Reduced the beer tax earmark to local governments for alcohol-related issues (HB 440, *Beer Tax Amendments*): \$30,000.

Department of Community and Culture

- Living Planet Aquarium: \$2,000,000 one-time
- Ogden High School Restoration: \$200,000 one-time
- Bear River Valley Historic Museum: \$50,000 one-time
- Leonardo: \$200,000 one-time

- Thanksgiving Point: \$1,500,000
- Taylorsville War Memorial: \$100,000 one-time
- Old Lyric Theater: \$50,000 one-time
- KUER Translator Move: \$85,000 one-time

Commerce Department

- Four new Securities Examiners: \$342,200

Department of Alcoholic Beverage Control

- In an effort to increase profitability, the Legislature authorized a reduction in fixed costs of \$2.2 million.

USTAR

- Reduced ongoing costs related to the search for science and technology professors: (\$493,400) and \$540,500 one-time backfill from ARRA funding.

Insurance Department

- Full-time Actuary Position: \$147,400
- Deputy Director Position: \$154,000
- Health Division Director: \$127,000

Public Service Commission

- Funding to implement a new data management system to make products for regulatory matters more available to the public: \$35,000.

Labor Commission

- Provided nonlapsing authority for funds in the Industrial Accidents Restricted Account to provide for electronic data integration system: \$153,000.

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Executive Offices and Criminal Justice

Appropriations Summary & Budget Highlights

Budget Summary

The Subcommittee oversees various agencies in the Executive Branch and the Judicial Branch—the Attorney General, Governor’s Office, State Auditor, State Treasurer, Public Safety, Judicial Branch (Courts), Corrections, Board of Pardons, and the Division of Juvenile Justice Services (JJS).

Major issues related to this Subcommittee included: adult offender growth, juvenile offender decrease, immigration, voting precincts, funding restructure for DUI squad and liquor law enforcement, and defense of Utah public lands.

Major Funding Initiatives

- Immigration: HB 116, *Utah Immigration Accountability and Enforcement Amendments*, FY 2013 proposed funding \$6,083,600 General Fund/Restricted Fund one-time; HB 466, *Migrant Workers and Related Commission Amendments*, \$9,900 General Fund; HB 497, *Utah Illegal Immigration Enforcement Act*, \$162,200 Restricted Funds.
- SB 147, *Forgery Law Amendments*: \$293,500 net ongoing funds to Corrections, Courts, Board of Pardons for processing, incarceration, and parole for certain forgery offenses.
- Drug Offender Reform Act (DORA), \$2,979,000 ongoing funding provided for treatment as follows: \$2,039,400 to Human Services, \$888,100 for supervision to Corrections, and \$51,500 for judicial follow-up to Courts.

Attorney General

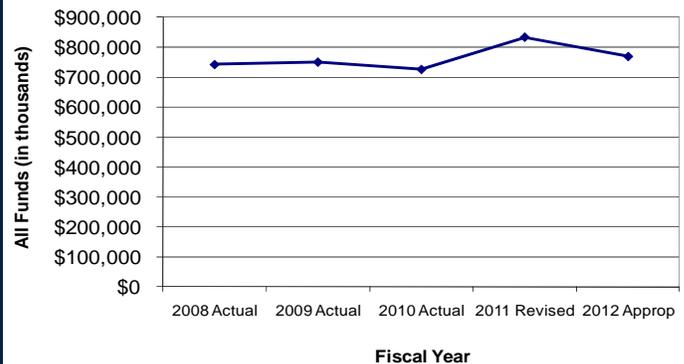
- SB 39, *Children's Justice Center Program Amendments*, provided \$100,000 to open two new Children’s Justice Centers in Sanpete and Sevier Counties.

Total Budget

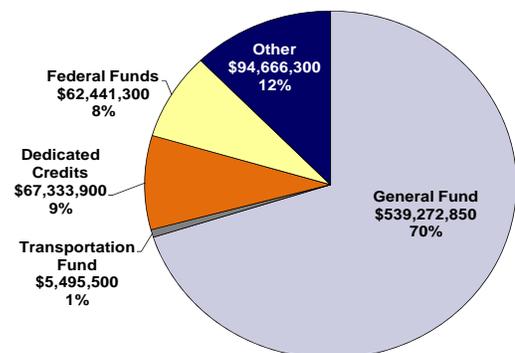
FY 2010 Actual	\$726,439,850
<i>State Funds</i>	\$513,978,750
FY 2011 Revised	\$833,169,450
<i>State Funds</i>	\$540,790,550
FY 2012 Appropriated	\$769,209,850
<i>State Funds</i>	\$539,321,850

Percent Change FY10/FY11 Rev	14.7%
<i>State Fund Increase/(Decrease)</i>	5.2%
Percent Change FY11 Rev/FY12	-7.7%
<i>State Fund Increase/(Decrease)</i>	-0.3%

Executive Offices & Criminal Justice Budget History



Executive Offices & Criminal Justice FY 2012 Funding Mix



Members of the Joint Appropriations Subcommittee

Senators

Daniel W. Thatcher, Co-Chair
Benjamin M. McAdams
Howard A. Stephenson
John L. Valentine
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Curtis Oda

Jennifer M. Seelig
Joel K. Briscoe
Paul Ray
Richard A. Greenwood

Staff

Gary R. Syphus
Steven M. Allred
Stephen C. Jardine



- Staff budget reduction: (\$800,000) or -3.2 % of line item.
- \$350,000 to continue the SECURE task force to prosecute major organized crime committed by a small number of illegal aliens.
- HB 76, *Federal Law Evaluation and Response*: \$350,000 from the Constitutional Defense Restricted Account to hire two attorneys.
- \$200,000 to continue the Citizens' Communications Portal, a crime reporting mechanism.
- \$209,700 to continue to defend and enforce the tobacco settlement agreement.
- \$5,000,000 for the FY 2012 installment of the Pelt Settlement.

Corrections

- Maintained all funding for prison housing units – no early release of state inmates.
- \$4,970,000 for Jail Contracting with the counties for additional 302 beds.
- HB 153, *County Correctional Facilities Funding Amendments*, provides \$70,000 in additional funds for treatment for state inmates in county jails.

State Auditor

- (\$243,200) decrease, or -7% of the line item.

State Treasurer

- (\$65,800) decrease or -7% of the line item.

Governor's Office

- HB 84, *Office of Inspector General of Medicaid Services*, transferred \$2.6 million from various funds from the Department of Health to open a new Medicaid Inspector General office in GOPB.
- \$220,000 to implement programming changes to enable the Lt. Governor's Office to help local governments define election district boundaries.
- \$140,000 for Metropolitan Planning Organizations.

- \$200,000 for Civic and Character Education.
- SB 251, *Lobbyist Training*, requires lobbyists to receive annual training and provides \$15,000 to administer the training website.
- (\$399,700) reduction in the LeRay McAllister Program, or -100% percent of the line item.
- (\$64,700) reduction to the Commission on Criminal and Juvenile Justice, or -7% of their General Fund line item.
- \$300,000 ongoing to the Governor's Office.
- \$425,000 one-time to the Governor's Energy Office and GOPB.

Public Safety

- \$300,000 in restricted funding for the Eliminate Alcohol Sales to Youth (EASY) program.
- SB 314, *Alcoholic Beverage Amendment*, increased liquor law enforcement and DUI squad by 3 agents: \$300,000.
- (\$145,000) reduction in uniform allowance across personnel in Driver License, Dispatch services and Utah Highway Patrol.
- (\$294,600) reduction in Driver License offices statewide.

Courts

- Eliminated (\$2,385,100) in personnel
- \$27,000 to the Guardian ad Litem for lease increases.

Board of Pardons

- (\$50,000) reduction in program costs/current expense.

Juvenile Justice Services

- Juvenile Justice Services was allowed to maintain its base General Fund budget without reductions.
- Juvenile Justice Services received \$3,000,000 one-time General Fund to help replace the loss of federal Medicaid funds for youth in custody.

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Higher Education

Appropriations Summary & Budget Highlights

Budget Summary

The Utah System of Higher Education (USHE), including the Utah College of Applied Technology (UCAT) provides academic, career, and technical educational learning opportunities for students. USHE promotes research, as well as economic, academic, cultural, and other social programs for the citizens of Utah.

The USHE is comprised of eight credit-granting institutions, governed by the State Board of Regents, and UCAT, governed by a Board of Trustees.

The Utah Education Network (UEN) is a partnership of Utah's public and higher education institutions, delivering distance learning and educational services statewide. The Utah Medical Education Council (UMEC) works closely with the healthcare industry, colleges and universities, and medical education programs.

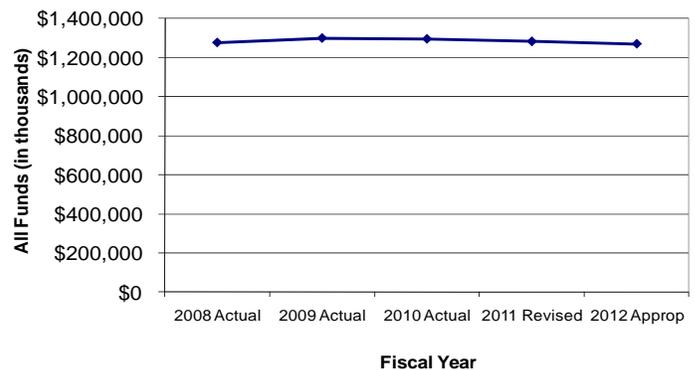
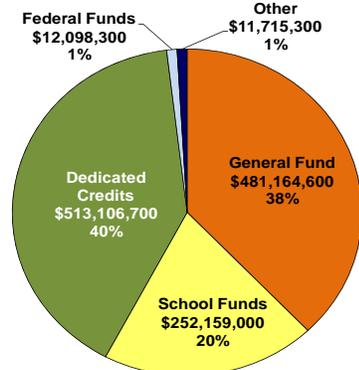
Major Funding Initiatives

The ongoing FY 2012 budget began with an overall 7% reduction (\$51,822,000), but over \$38.5 million of those reductions were restored in SB 2, *New Fiscal Year Supplemental Appropriations Act*. In addition, the Legislature approved new funding in the amount of \$888,000 for Regents' and New Century Scholarships.

Similar to compensation adjustments for state employees, the Legislature approved a health insurance premium reduction of 2% and also the differential from shifting the premium split from 95% (employer)/5% (employee) to a 90%/10% split. Overall, this reduced the state funded portion of the Higher Education appropriation by (\$5.8) million.

Total Budget

FY 2010 Actual	\$1,294,727,200
<i>State Funds</i>	\$693,319,000
FY 2011 Revised	\$1,282,105,800
<i>State Funds</i>	\$702,762,900
FY 2012 Appropriated	\$1,270,243,900
<i>State Funds</i>	\$733,323,600
Percent Change FY10/FY11 Rev	-1.0%
<i>State Fund Increase/(Decrease)</i>	1.4%
Percent Change FY11 Rev/FY12	-0.9%
<i>State Fund Increase/(Decrease)</i>	4.3%

Higher Education Budget History**Higher Education FY 2012 Funding Mix****Members of the Joint Appro-****Senators**

Stephen H. Urquhart, Co-Chair
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 Ross I. Romero
 Scott K. Jenkins
 Stuart C. Reid

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 Dean Sanpei
 Don L. Ipson
 Douglas Sagers

Staff

Mark A. Wheatley
 Patrice M. Arent
 R. Curt Webb
 Rebecca P. Edwards
 Kay L. McCliff
 Spencer C. Pratt



The Legislature later approved adding back \$1.5 million.

The Legislature approved consolidating funding for the University of Utah's Health Sciences, moving restricted revenue funding from the Education and General line item together with General Funds previously appropriated to the Department of Community and Culture that were designated for the University. In addition to the base funding, the Legislature added \$1.3 million in one-time funds.

One-time Funding

Several one-time items were funded, including:

- Various efforts coming out of the Governor's Excellence in Education Task Force: \$5,539,700
- USU's Animal Sciences: \$2,000,000
- USU's Music Department: \$50,000
- SUU's Shakespeare Festival: \$500,000

Several years ago, the Legislature approved a new policy for state-funded buildings, where the ongoing Operations and Maintenance (O & M) appropriation for a new building was funded at the time the building was approved. The ongoing funding is offset with one-time reductions until the building is ready for occupancy. For FY 2012, the one-time O & M reductions total \$2,997,900 for the following six buildings:

- U of U Business School Building: (\$621,500)
- USU Agriculture Building: (\$245,800)
- UVU Science/Health Science: (\$828,200)
- DSC Centennial Commons: (\$712,000)
- SLCC Digital Design/Communications: (\$141,400)

- SLCC Instructional/Admin Complex: (\$449,000)

The Legislature utilized \$138,700 of the one-time reduction for the U of U Nursing Building, which has never received ongoing O & M funding.

Passed Bills with Fiscal Impact

HB 57, *Joint Professional School of Veterinary*, will allow USU to enter into a partnership with Washington State University for a four-year program to train veterinarians. The first two years of instruction will be taught in Logan; the second two years will be taught in Pullman, WA. Utah resident students would pay resident tuition for all four years. The approved state funding amount is \$1.7 million with an additional \$812,000 in tuition collections.

Infrastructure and General Government

Appropriations Summary & Budget Highlights

Budget Summary

The Subcommittee oversees the Capital Budget, Department of Administrative Services, Department of Technology Services, Department of Transportation, and Debt Service. The Subcommittee also approves budgets for statewide internal service funds, which provide consolidated services to state agencies.

Most of the subcommittee budget is allocated to the Department of Transportation (63%) and debt service (29%).

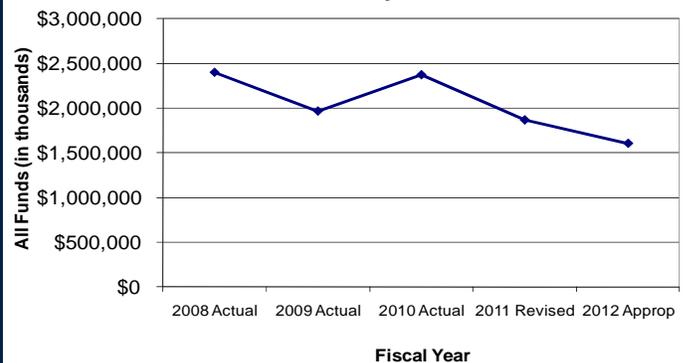
Major Funding Initiatives

- State Funded Capital Developments: \$101,216,000 (see table on page 2).
- Operation and Maintenance for New Buildings: \$2,185,500.
- Non-State Funded Capital Developments: \$227,674,000 (see table on page 2).
- Capital Improvements: \$53,648,600 (0.63% of the replacement value of state buildings).
- Transportation: 1.6% increase in Transportation Funds for FY 2012 and no new bond authorizations or new state-funded highway facilities.
- Jail Reimbursement: \$5,000,000 ongoing and \$3,000,000 one-time.
- State Building Energy Efficiency Program: replacement of ongoing funding with one-time funds to transition to a self-funding model through energy rebates.
- State Purchasing: replacement of ongoing General Fund with dedicated credits to transition to a self-funding model through fees on purchasing contracts.

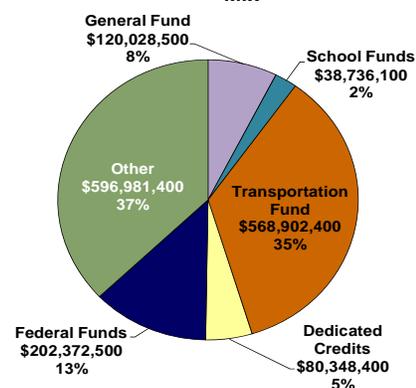
Total Budget

FY 2010 Actual	\$2,375,088,000
<i>State Funds</i>	\$142,296,700
FY 2011 Revised	\$1,869,293,300
<i>State Funds</i>	\$270,179,600
FY 2012 Appropriated	\$1,607,369,300
<i>State Funds</i>	\$158,764,600
Percent Change FY10/FY11 Rev	-21.3%
<i>State Fund Increase/(Decrease)</i>	89.9%
Percent Change FY11 Rev/FY12	-14.0%
<i>State Fund Increase/(Decrease)</i>	-41.2%

Capital Facilities & Government Operations Budget History



Infrastructure & General Government FY 2012 Funding Mix



Members of the Joint Appropriations Subcommittee

Senators

J. Stuart Adams, Co-Chair
David P. Hinkins
Karen Mayne
Kevin T. Van Tassell
Lyle W. Hillyard
Mark B. Madsen

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Janice M. Fisher
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Neal B. Hendrickson
Patrick Painter
Wayne A. Harper

Staff

Mark B. Bleazard
Richard P. Amon
Gary K. Ricks



Other Funding Items

- Debt Service: \$29,772,800 ongoing transportation funds increase to pay for new highway bond debt service in FY 2012.
- Transportation: transfer of \$5,500,000 from the Construction Management to Maintenance budget.
- Development Zone Partial Rebates: in addition to the \$4,540,000 base appropriation, the Legislature provided \$2,401,800 in FY 2011 and \$2,690,200 in FY 2012.
- Administrative Services: no reductions to the Divisions of Archives, DFCM, Finance, and Parental Defense.
- Technology Services: no reductions to the Chief Information Officer and the Automated Geographic Reference Center.
- Technology Services ISF: rate reduction for the Wide Area Network Rate from \$44 to \$42.

Bills Impact

- HB 492, *Washington County Veterans' Nursing Home*, appropriates \$6,350,000 to construct a nursing home facility in Washington County.
- HB 493, *Utah County Veterans' Nursing Homes*, appropriates \$6,350,000 to construct a nursing home facility in Utah County.

Significant Intent Language Items

- DFCM shall study asset utilization, cost, and operation and maintenance in state-owned and leased properties.
- DFCM shall explore options for updating the current space standards for state facility construction including Higher Education.
- It is the intent of the Legislature that any net savings that might be realized upon substantial completion of the I-15 CORE Project be used by the Department of Transportation to add highway capacity on I-15 south of the Spanish Fork

Main Street interchange to Payson.

- The Legislature further intends that the balance of the savings realized from substantial completion of the I-15 CORE Project, and after funding the I-15 south of Spanish Fork Main Street to Payson project, be used to design, construct, or reconstruct projects in Utah County. Priority should be given to projects prioritized by the Transportation Commission pursuant to section 72-2-125 of the Utah Code, Critical Highway Needs Fund, that were cut or delayed due to budgetary constraints subsequent to the Transportation Commission's prioritization.

State Funded Building Projects

WSU (Davis) Classroom Building	\$31,535,000
State Hospital Building Consolidation	\$25,000,000
USU Business Building Addition	\$14,000,000
Tooele Applied Tech. College Campus	\$9,981,000
Washington Cnty. Vet. Nursing Home	\$6,350,000
Utahs County Vet. Nursing Home	\$6,350,000
Archives and DATC Warehouse	\$5,000,000
SLCC Herriman Land Purchase	\$3,000,000

Total State Funded Buildings: \$101,216,000

Non-State Funded Building Projects

UofU South Jordan Hospital Purchase	\$66,000,000
UVU Student Wellness Bldg.	\$40,000,000
UofU Healthcare Medical Serv. Bldg.	\$25,857,000
UofU Athletic Center Expansion	\$20,000,000
UofU Ambulatory Care Complex Parking	\$16,328,000
Snow College Student Housing	\$15,689,000
USU Regional Campus Distance Ed Bldg.	\$10,000,000
WSU (Davis) Classroom Building	\$8,400,000
UVU Parking Structure	\$8,000,000
USU Athletics Practice Facility	\$7,500,000
Courts Farmington Courthouse	\$3,900,000
USU Art Barn Renovation	\$2,500,000
DNR Lee Kay Archery Center	\$2,300,000
UCAT Admin. and Training Bldg.	\$1,200,000

Total Non-State Funded Buildings: \$227,674,000

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Note: All figures represented in this summary are preliminary. Final appropriation figures, including gubernatorial vetoes, will be reflected in the 2011-2012 Appropriations Report. A comprehensive list of budget actions is available upon request.

Natural Resource, Agriculture, & Environmental Quality

Appropriations Summary & Budget Highlights

Budget Summary

This Subcommittee oversees the budget for Department of Natural Resources, Department of Agriculture and Food, Department of Environmental Quality, School and Institutional Trust Lands Administration, and Public Lands Office.

Major Funding Initiatives

General Fund

- DEQ Uinta Basin Air Initiative: \$200,000
- Ag's Current Expenses: (\$130,000)
- DEQ Consolidate Director Positions of Division of Environmental Response & Remediation and Division of Solid & Hazardous Waste: (\$142,000)
- Restructuring of Parks Operations: (\$5,800,000)
- Restructuring of Parks Operations: \$2,800,000 one-time

Non-General Fund

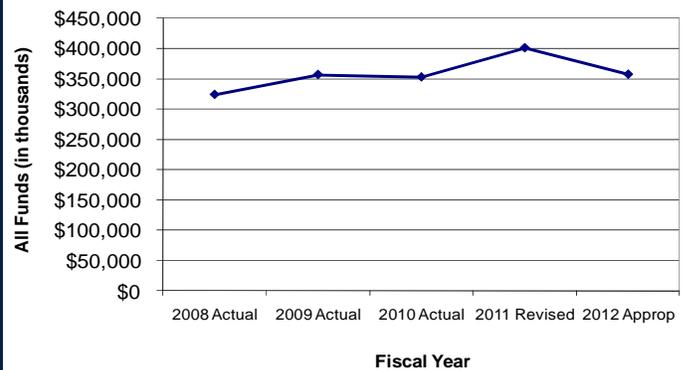
- Ag's Predator Control Adjustment: (\$247,100)
- Forestry, Fire, & State Lands – Invasive Species: \$150,000
- Hunter Walk-In Access on SITLA Lands: \$600,000
- Water Filtration System for the Kamas Hatchery (FY 11): \$750,000
- Parks Transitional Funding for Reductions: \$600,000 one-time
- Funding for a Literacy Program as described in HB 25, *Mineral and Petroleum Literacy*: \$100,000
- SITLA Administrative Reductions: (\$312,000)
- SITLA Business System Re-Write: \$375,000 one-time
- SITLA Data Processing: \$300,000 one-time
- DEQ Surface Ground Water Monitoring to fund two FTE for the collection and analysis of well water data: \$312,000
- Development of interactive web site for the Division of Drinking Water: \$90,000.

Total Budget

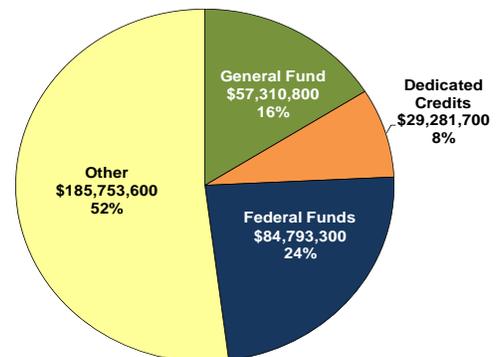
FY 2010 Actual	\$352,728,900
State Funds	\$68,295,600
FY 2011 Revised	\$400,909,000
State Funds	\$60,577,800
FY 2012 Appropriated	\$357,139,400
State Funds	\$57,310,800

Percent Change FY10/FY11 Rev	13.7%
State Fund Increase/(Decrease)	-11.3%
Percent Change FY11 Rev/FY12	-10.9%
State Fund Increase/(Decrease)	-5.4%

Natural Resources, Agriculture, & Environmental Quality Budget History



Natural Resources, Agriculture, & Environmental Quality FY 2012 Funding Mix



Members of the Joint Appropriations Subcommittee

Senators

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Gene Davis
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Margaret Dayton
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Christine F. Watkins
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Mark B. Bleazard



Bills Impact

HB 495, *Animal Control Modifications*, transfers the Cat and Dog Community Spay and Neuter Program Restricted Account from the Department of Health to the Department of Agriculture.

SB 32, *Agriculture Amendments*, will require beef producers to increase the fee paid to the State by an amount equal to that paid to the Federal Government (\$.50 per head).

Significant Intent Language Items

The Legislature intends that the proceeds of the hunts for bison, deer and Bighorn sheep on Antelope Island, up to the amount of \$250,000, be used on Antelope Island State Park. Both conservation and regular hunts will be coordinated through a cooperative agreement between the Division of State Parks and the Division of Wildlife Resources.

The Legislature intends that the Division of Parks and Recreation develop a plan to transfer the management of selected state parks to county or local governments and present this plan to the Natural Resources, Agriculture, and Environmental Quality Appropriations Subcommittee and the Natural Resources, Agriculture, and Environmental Quality Interim Committee by October 2011.

The Legislature intends that the Division of Parks and Recreation identify select parks that would be good candidates for privatization of their management and present a plan with options for the transition to the Natural Resources, Agriculture, and Environmental Quality Appropriations Subcommittee and the Natural Resources, Agriculture, and Environmental Quality Interim Committee by October 2011.

The Legislature intends that the Division of Parks and Recreation take steps to reduce its reliance on General Fund appropriations to \$4 million by FY 2015 and report its progress to the Natural Resources, Agriculture, and Environmental Quality Appropriations Subcommittee and the Natural Resources, Agriculture, and Environmental Quality Interim Committee by

October 2011.

As part of the effort to stay within the new budget constraints, the Legislature intends that the Division of Parks and Recreation institute park-level accounting at all parks and report the profit or loss of each park to the Natural Resources, Agriculture, and Environmental Quality Appropriations Subcommittee and the Natural Resources, Agriculture, and Environmental Quality Interim Committee by October 2011.

The Legislature intends that the Division of Parks and Recreation create a financial performance incentive program, take measured steps toward replacing full-time staff with seasonal employees, reduce the law enforcement costs, and report the progress to the Natural Resources, Agriculture, and Environmental Quality Appropriations Subcommittee and the Natural Resources, Agriculture, and Environmental Quality Interim Committee by October 2011.

The Legislature intends that the Department of Natural Resources prepare proposals for improving efficiencies in its law enforcement responsibilities. The department should seek input from County Sheriffs, the Department of Public Safety, and the Department of Natural Resources, and the State Legislature, and report the Department's proposals to the Natural Resources, Agriculture, and Environmental Quality Interim Committee by November 2011.

The Legislature intends that the Division of Parks and Recreation examine the overlap of support staff at different levels of the organization, identify whether some positions should be eliminated, and report the progress to the Natural Resources, Agriculture, and Environmental Quality Appropriations Subcommittee and the Natural Resources, Agriculture, and Environmental Quality Interim Committee by October 2011.

The Legislature intends that the \$4,000,000 one-time General Fund appropriation be used by the Division of Parks and Recreation to keep state parks open during FY 2012.

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Public Education

Appropriations Summary & Budget Highlights

Budget Summary

Appropriations made as part of the state's public education budget provide the majority of operating revenues to Utah's 41 school districts and 80 charter schools. These local education agencies (LEAs) receive funding through the Minimum School Program and the School Building Program. The budget also includes various statewide support agencies. The "Total Budget" box shows a short history of the education budget. State funds are indicated in italics.

Fall 2011 enrollment projections indicate that 591,089 students will enroll in the LEAs, an increase of 14,754 or 2.6 percent over fall 2010. Approximately \$8,597 of this growth will occur in school districts and the remaining 6,157 in charter schools.

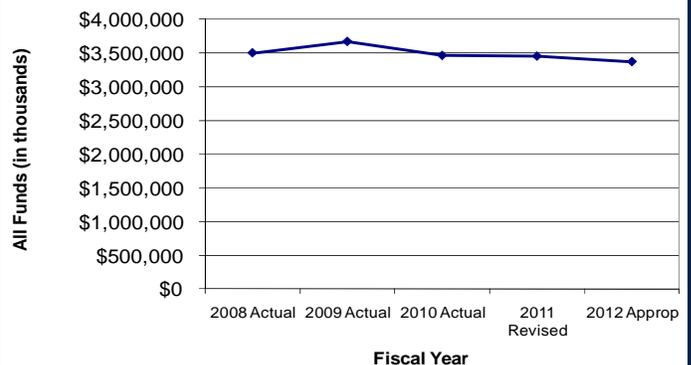
The line chart shows the total education budget over the past 5 years. Since FY 2009, the budget declined as a result of state-fund reductions made to balance the state's budget. The decrease in total funding from FY 2011 to FY 2012 is a result of non-state fund changes. Although it appears state funds increase by \$85.5 million from FY 2011 to FY 2012, a one-time Education Fund reduction in FY 2011 of \$50 million enhances this difference. This reduction was due to an education revenue deficit in FY 10.

Finally, the pie chart details the major revenue sources used in the budget. State funds make up the largest source (General Fund, Education Fund, Uniform School Fund) at 72 percent. Remaining revenues come from Other funds (primarily local property tax revenue), federal funds, and dedicated credits. LEAs generate additional revenue, through property taxes, to supplement the state program.

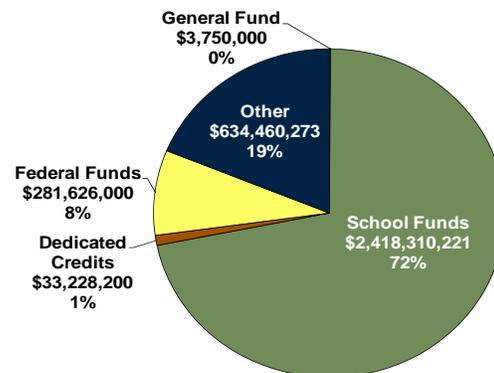
Total Budget

FY 2010 Actual	\$3,461,990,156
<i>State Funds</i>	<i>\$2,293,037,886</i>
FY 2011 Revised	\$3,451,515,431
<i>State Funds</i>	<i>\$2,336,560,886</i>
FY 2012 Appropriated	\$3,371,374,694
<i>State Funds</i>	<i>\$2,422,060,221</i>
Percent Change FY10/FY11 Rev	-0.3%
<i>State Fund Increase/(Decrease)</i>	<i>1.9%</i>
Percent Change FY11 Rev/FY12	-2.3%
<i>State Fund Increase/(Decrease)</i>	<i>3.7%</i>

Public Education Budget History



Public Education FY 2012 Funding Mix

**Members of the Joint Appropriations Subcommittee****Senators**

D. Chris Butters, Co-Chair
J. Stuart Adams
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Jim Nielson
Marie H. Poulson
Bill Wright
Ben Leishman



Major Funding Initiatives

By using an estimated \$51.3 million (\$31.3 million ongoing & \$20 million one-time) and internal budget reallocations, the Legislature funded the following changes in the education budget:

Minimum School Program

- **WPU Value:** The value of the Weighted Pupil Unit increased from \$2,577 to \$2,816, an increase of \$239. The WPU value for the Special Education Add-on and the Career & Technology Education Add-on programs remains at \$2,577.
- **Basic School Program:** The total number of WPUs increased from 745,100 to 764,725, costing approximately \$44.3 million. The change in the WPU value cost approximately \$166.8 million. A combination of new state revenue and program reallocations funded these changes.
- **Voted & Board Leeways:** Program impacts due to increased WPUs and a statutory rate change were funded through reallocation with approximately \$23.4 million. The state guarantee rate per WPU is \$27.17 in FY 2012.
- **Educator Salary Adjustments:** Additional teachers qualifying for the adjustments resulted in an added cost to the program of \$1,728,500 in FY 2011 (one-time) and FY 2012 (ongoing).
- **Pupil Transportation:** Funding for To & From School Pupil Transportation was maintained at the FY 2011 appropriated level.
- **Teacher Salary Supplement:** An additional \$1.3 million was allocated to the program which provides a \$4,100 annual salary supplement to qualifying Math & Science educators.
- **Teacher Supplies & Materials:** Legislators appropriated \$5 million one-time to help reimburse teachers for out-of-pocket expenditures on classroom supplies and materials.

- **Pilot Assessment:** Expanded the state's pilot assessment program with \$1 million one-time for pilot projects in large school districts.

School Building Program

- Legislators reduced the School Building Program by (\$100,000) one-time in FY 2012, from \$14.5 million to \$14.4 million to fund an accessible playground at the Salt Lake City Campus of the Utah Schools for the Deaf and the Blind.

Education Agencies

- **Fine Arts Outreach & Science Outreach:** The Legislature appropriated \$213,200 for Fine Arts Outreach and \$304,500 for Science Outreach. These increases bring the total state fund budgets for the programs to \$3 million and \$2 million respectively.
- **Carson Smith Special Needs Scholarships:** An additional \$538,200 in General Fund was provided to provide additional scholarships.
- **Utah State Office of Education:** The Legislature funded the following programs within the main USOE & USOE-Initiative Programs line-items:
 - Utah Common Core: \$2 million one-time
 - 6th Grade Math Assessment: \$750,000 one-time
 - SB 59, *School Grading System*: \$40,800 ongoing and \$377,500 one-time
 - HB 302, *Reading Program Amendments*: \$3 million ongoing, offset one-time by (\$1,250,000) for a net funding of \$1,750,000 in FY 2012.
 - ELL Software Licenses: \$300,000
 - UPSTART Early Childhood Learning: \$176,400 one-time
 - SB 65, *Statewide Online Education Program*: \$250,000
 - Regional Service Centers: maintained funding at FY 2011 level of \$1.4 million

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Note: All figures represented in this summary are preliminary. Final appropriation figures, including gubernatorial vetoes, will be reflected in the 2011-2012 Appropriations Report. A comprehensive list of budget actions is available upon request.

Social Services

Appropriations Summary & Budget Highlights

Budget Summary

The Subcommittee oversees the departments of Health, Human Services, Workforce Services, and the State Office of Rehabilitation Services. The Subcommittee received an increase of State funds from FY 2011 to FY 2012 of 11.4% or \$74 million due primarily to Medicaid growth. The Subcommittee also had a reduction in total funds of -13.3% or (\$600) million due primarily to a reduction in appropriations for the Unemployment Compensation Trust Fund, which included the end of federal stimulus money for unemployment benefits extension.

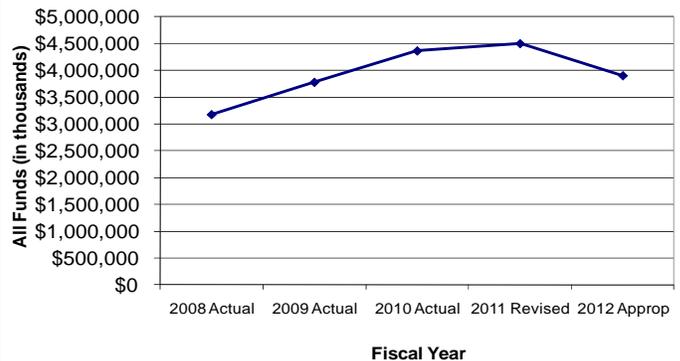
Major Funding Initiatives

- Federal Stimulus Funds: \$39,027,700 in FY 2011 from a temporary increase in the match rate for Medicaid services.
- Tobacco Settlement Restricted Account: \$6.3 million one-time backfill of estimated tobacco revenue shortfalls in FY 2011. For FY 2012 the Legislature backfilled \$2.4 million ongoing.
- Medicaid Caseload/Utilization Increases:
 - (1) FY 2011: \$84,894,800, of which \$24,382,600 is one-time General Fund and
 - (2) FY 2012: \$31,169,900, of which \$19,455,100 is ongoing General Fund offset by (\$10,500,000) one-time reduction.
- Medicaid Computer System Upgrade: \$30,000,000, of which \$3,000,000 is one-time General Fund to continue replacement of 1975-style Medicaid Management Information System.
- HMO Administrative Reduction Delay: \$850,000 one-time General Fund to delay reductions to managed care administrative reimbursement until FY 2013.

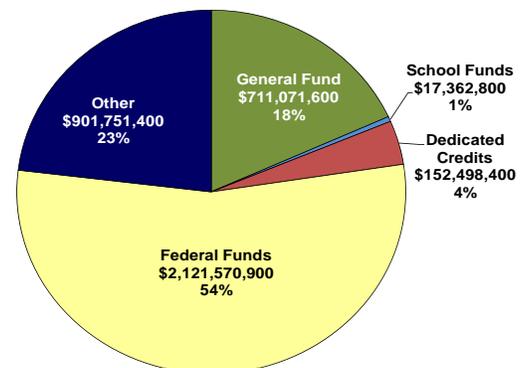
Total Budget

FY 2010 Actual	\$4,368,889,900
State Funds	\$596,510,000
FY 2011 Revised	\$4,504,356,320
State Funds	\$653,962,500
FY 2012 Appropriated	\$3,904,255,100
State Funds	\$728,434,400
Percent Change FY10/FY11 Rev	3.1%
State Fund Increase/(Decrease)	9.6%
Percent Change FY11 Rev/FY12	-13.3%
State Fund Increase/(Decrease)	11.4%

Social Services Budget History



Social Services FY 2012 Funding Mix



Members of the Joint Appropriations Subcommittee

Senators

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Larry B. Wiley
Rebecca Chavez-Houck
Ronda Rudd Menlove

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Stephen C. Jardine
Russell T. Frandsen
Patrick W. Lee



March 23, 2011

JONATHAN C. BALL
DIRECTOR

- Changes in Medicaid Reimbursement: (\$11,875,500) of which (\$6,873,700) is ongoing General Fund reduction from a reduction in out-patient hospital rates and more aggressively updating the State's maximum price for pharmacy reimbursements offset by \$3,422,800 one-time General Fund.
- Extrapolation of Medicaid Provider Errors: (\$6,380,000) of which (\$1,848,600) is ongoing General Fund from seeking reimbursement from errors on the entire base of claims audited when a statistically significant error has been found.
- Medicaid Program Efficiencies: (\$6,765,400) of which (\$1,991,000) is General Fund from increased savings from the Preferred Drug List, New Choices Waiver, and 340B Drug Program as well as efficiencies for using ideas from PEHP, help from federal auditors, pay-for-performance, and closing an unprofitable State-run medical and dental clinic.
- Drug Offender Reform Act (DORA), \$2,979,000 ongoing funding provided for treatment as follows: \$2,039,400 to Human Services, \$888,100 for supervision to Corrections, and \$51,500 for judicial follow-up to Courts.
- Disabilities Waiting List and Supported Employment: after several years of difficult revenues, funded \$3,627,300, of which \$1,051,000 is General Fund, for services for individuals with disabilities who have been on a waiting list. Also funded \$250,000 for Supported Employment services.
- Services for the mentally ill: provided \$3,336,000 to local mental health authorities.
- Youth in State Custody: provided \$5,006,300 to make up for lost federal funding used to support youth in state custody in foster and group care.
- Disabilities provider rates and additional needs of the disabled: funded \$10,008,600 (\$2,900,000 State funds) to maintain current disability provider rates and provide additional needed services for those on Medicaid waivers.
- Reductions for Human Services administration: reduced (\$4,563,700), of which (\$2,467,300) is from the General Fund, for numerous state administrative and support functions.
- Reduced administration and other costs for Eligibility Services for Medicaid, CHIP, Food Stamps, and other social service programs by \$3.3 million.
- Vocational Rehabilitation Services Funding: \$800,000.
- Contracts to Utah's six Independent Living Centers: \$242,600.
- Robert G. Sanderson Community Center: \$200,000.
- Utah Independent Living Centers: \$150,000.
- Utah State Office of Rehabilitation Deaf and Hard-of-Hearing programs: \$95,000.
- Assistive Technology: \$200,000.

Bills Impact

SB 180, *Medicaid Reform*, requires Health to develop a proposal to modify Medicaid in a way that maximizes replacement of the fee-for-service delivery model with one or more risk-based delivery models.

SJR 19, *Joint Resolution Approving the Houghton Case Final Settlement Agreement*, provides \$946,000 one-time General Fund for the final payment of the *Houghton v. Utah* lawsuit.

HB 84, *Office of Inspector General of Medicaid Services*, transfers from Health \$2,632,500, of which \$994,900 is General Fund for a new Office of Inspector General of Medicaid Services in the Governor's Office. The new Inspector General will be appointed by the Governor and serve two-year terms.

HB 453, *Domestic Violence Services*, allows the Division of Child and Family Services to establish rules defining when it will investigate domestic violence in the presence of a child in order to better focus resources.

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Retirement and Independent Entities

Appropriations Summary & Budget Highlights

Budget Summary

The Subcommittee oversees the operating budgets of the Department of Human Resource Management (DHRM) and the Career Service Review Office. The Subcommittee also reviews statewide compensation issues.

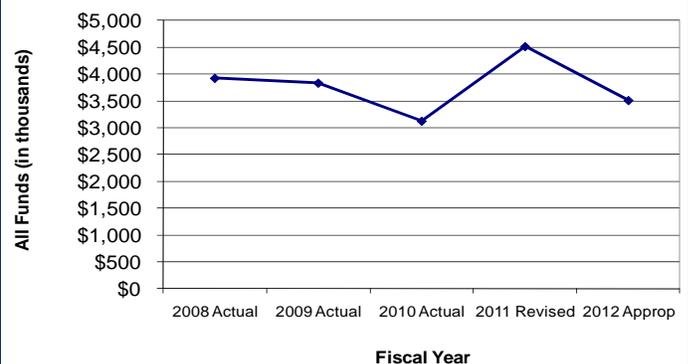
Major Funding Initiatives

- Career Service Review Office: no changes in the budget.
- Department of Human Resource Management: ongoing operational reduction of \$104,200.
- Department of Human Resource Management ISF: new rate for Attorney General services.
- HB 110, *Teacher Salary Supplement Program Amendments*, appropriates \$27,400 ongoing General Fund to DHRM to establish and administer an appeal process for a teacher who applies and does not receive the Teacher Salary Supplement.

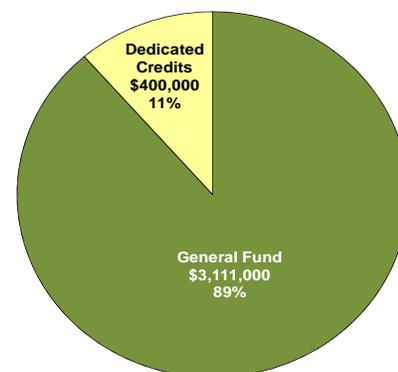
Total Budget

FY 2010 Actual	\$3,125,800
<i>State Funds</i>	\$3,245,500
FY 2011 Revised	\$4,517,500
<i>State Funds</i>	\$3,642,300
FY 2012 Appropriated	\$3,511,000
<i>State Funds</i>	\$3,111,000
Percent Change FY10/FY11 Rev	44.5%
<i>State Fund Increase/(Decrease)</i>	12.2%
Percent Change FY11 Rev/FY12	-22.3%
<i>State Fund Increase/(Decrease)</i>	-14.6%

Retirement & Independent Entities Budget History



Retirement & Independent Entities FY 2012 Funding Mix



Members of the Joint Appropriations Subcommittee

Senators

Daniel R. Liljenquist, Co-Chair
Curtis S. Bramble
Daniel W. Thatcher
Karen Mayne
Luz Robles
Stuart C. Reid

Representatives

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Gage Froerer, Vice-Chair
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Bradley M. Daw
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