

State Summary

An improving Utah economy afforded Utah legislators \$425.0 million in available General and Education Fund revenue during the 2013 General Session. \$264.0 million of that new revenue was from ongoing sources like sales and income taxes - an increase of 5.4 percent. Another \$161.0 million came from prior year surpluses and upward adjustments to current year revenue estimates. Uncertainty surrounding federal deficit reduction, the so-called “fiscal cliff” and federal “sequestration” slightly reduced growth expectations, but produced one-time gains due to profit-taking.

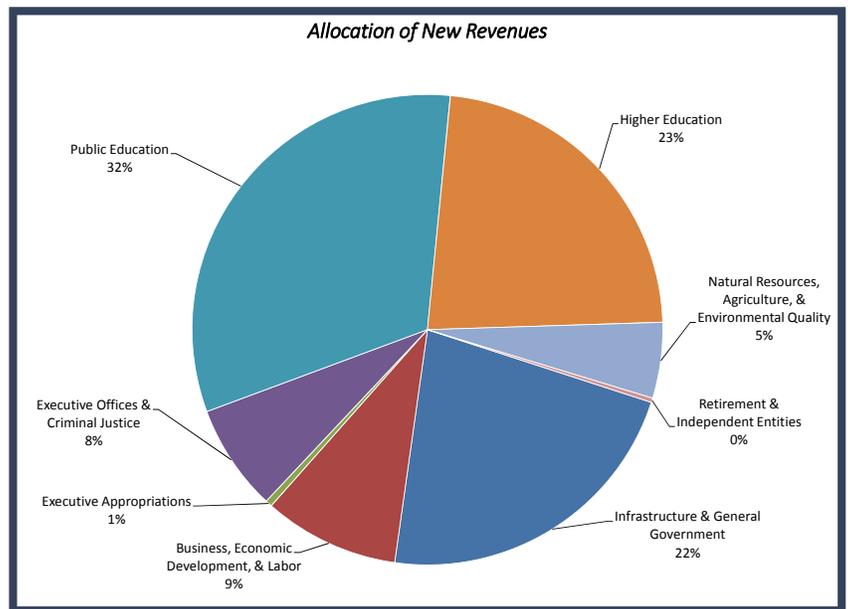
Including all sources of funding, Utah’s budget increased by about two percent from FY 2013 revised estimated amounts to \$12.9 billion in FY 2014. Discretionary General Fund and Education Fund appropriations increased by more than 6.5 percent to \$5.5 billion next year. Education was by far the highest priority this General Session, with colleges, universities, and local schools receiving approximately 70 percent of available new revenue, including capital facilities and economic development initiatives.

Appropriations by Budget Area

The following table details the statewide budgetary changes enacted by the Legislature during the 2013 General Session. The pie chart details the distribution of new revenues appropriated by the Legislature by appropriations subcommittee.

Utah State Budget (in billions)

Operating/Capital	All Sources	GF/EF
FY 2012 Actual	\$11.9	\$4.9
FY 2013 Revised	\$12.6	\$5.1
<i>Percent Change</i>	5.9%	5.6%
FY 2014 Appropriated	\$12.9	\$5.5
<i>Percent Change</i>	2.1%	6.6%



Budget Highlights

- Public & Higher Education**

Legislators funded nearly \$70.0 million in public education student enrollment growth and spent more than \$45.0 million to increase public education’s base formula by two percent. Public Education received almost \$25.0 million off-the-top of revenue growth to address current year enrollment growth that was funded with stop-gap appropriations last year due to a calculation error. Higher Education institutions got more than \$18.0 million for mission-based initiatives.

- Social Services**

In an anomaly from previous years, Social Service budgets declined from previous estimates - contributing a net of \$36.8 million one-time to offset other cost increases.

- Statewide Infrastructure**

State infrastructure budgets - including new higher education facilities - benefitted from the available one-time sources as legislators continued their policy of



cash funding for buildings. The Legislature authorized \$290.0 million in bonds for roads and highways.

- **Employee Compensation**

For the second year in a row, legislators provided modest pay increases for state and Utah College of Applied Technology employees - approving a salary increase equivalent to one percent. Appropriators also increased funding for growing employee health insurance costs (+9 percent) in state agencies and higher education institutions. They kept the state's retirement plan healthy by funding a nearly 10 percent increase in the retirement payroll rate. Legislators closed a post-retirement benefit plan for new employees and replaced it with a matched 401K alternative.

- **Tax Changes**

Legislators passed some tax changes this General Session, including:

H.B. 96, Cleaner Burning Fuels Tax Credits

Extends the existing clean fuel tax credit for an additional year. The bill also expands the credit to natural gas vehicles. The combined revenue impact of the two provisions is a decrease in revenue of \$2.4 million one-time General Fund and a \$500,000 decrease in Education Fund.

S.B. 84, Sales and Use Tax Exemption for Short-term Lodging Consumables

Provides a sales tax exemption for business purchases of items later included in the price charged to the consumer of the accommodations and services, a reduction of \$1.9 million.

S.B. 33, Sales and Use Tax Revisions

Provides a sales tax exemption for purchases and leases between businesses with identical ownership and enacts a sales tax exemption for business purchases of machinery and equipment intended for customer use in the amusement, gambling, and recreation industries, a reduction of \$154,100.

S.B. 171, Sales and Use Tax Exemption for Electronic Financial Payment Services

Provides a sales tax exemption for purchases of machinery or equipment made by electronic financial payment businesses, a reduction of \$43,300.

S.B. 31, Special Needs Adoption Tax Credit

Offers a refundable income tax credit of \$1,000 for adoptions of special needs children, a reduction of \$241,000.

Business, Economic Development, and Labor

The total FY 2014 budget* for Business, Economic Development, and Labor is \$343.1 million, with \$145.2 million coming from General and Education Funds. This represents an increase of 19.9 percent in state funding. The table below details the FY 2012 actual budget, the FY 2013 revised budget, the FY 2014 appropriated budget, and the respective percent changes.

The Business, Economic Development and Labor Appropriations Subcommittee continued to focus on issues that would improve the State’s economy and cultural infrastructure. The subcommittee attempted to target resources to areas that would enhance state revenues and increase job creation.

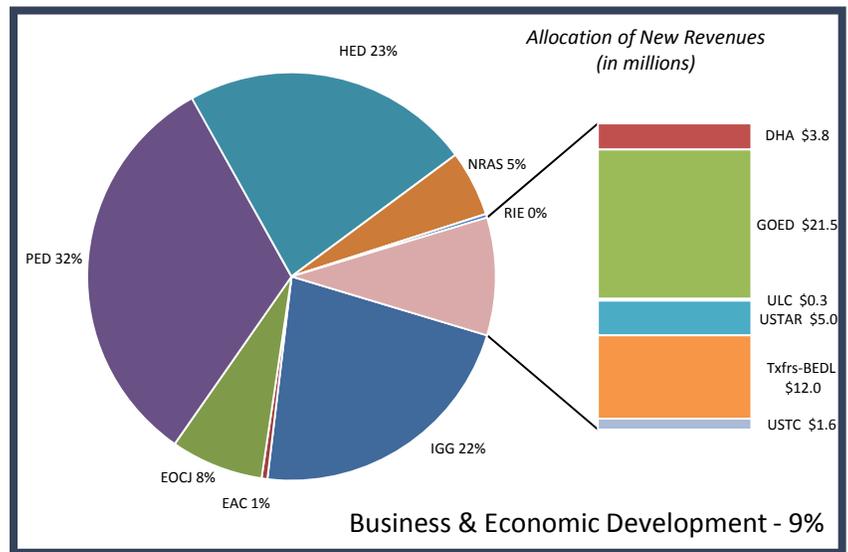
*Not including proprietary and fiduciary funds.

Appropriations by Budget Area

The following table details budgetary changes enacted by the Legislature during the 2013 General Session. The pie chart details the distribution of new revenues appropriated by the Legislature by major budget category with a break-out specific for this subcommittee.

Business, Economic Development, & Labor (in millions)

Operating/Capital	All Sources	GF/EF
FY 2012 Actual	\$293.8	\$126.6
FY 2013 Revised	\$342.8	\$121.1
<i>Percent Change</i>	16.7%	-4.3%
FY 2014 Appropriated	\$343.1	\$145.2
<i>Percent Change</i>	0.1%	19.9%



Budget Highlights

The following bullets highlight significant items funded by the Legislature. Programs funded one-time or as a supplemental in FY 2013 are noted.

Governor’s Office of Economic Development

- Tourism Marketing Performance Fund - \$12.0 million one-time
- Stem Action Center - \$1.5 million ongoing and \$8.5 million one-time
- Sports Commission- \$750,000 ongoing and \$150,000 supplemental funding
- Utah Defense Alliance - \$650,000 ongoing
- Falcon Hill Project - \$2.3 million one-time

- Small Business Development - \$300,000 one-time
- Hexcel Expansion - \$1.0 million one-time
- Health Initiative (Avenue H) - \$600,000 one-time
- Antelope Island Stampede Festival - \$10,000 ongoing
- Business Outreach - \$ 150,000 one-time
- Clear Horizons Academy - \$100,000 one-time
- English Learning Center - \$50,000 one-time
- Hill Air Show - \$100,000 one-time
- Pingree School Bus - \$150,000 one-time
- Sundance Film Festival - \$500,000 one-time
- Utah Summer Games - \$25,000 one-time

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UTAH STATE
LEGISLATURE

March 29, 2013

- Wasatch Food Co-op - \$10,000 one-time
- Bridgerland Tourism - \$50,000 one-time
- Industrial Assistance Fund - \$1.9 million one-time supplemental
- Educational Technology Amendments-\$2.4 million one-time

Heritage and Arts

- Utah Shakespearean Festival - \$2.0 million one-time
- Treehouse Museum - \$500,000 one-time
- Leonardo - \$350,000 one-time
- Topaz Museum - \$100,000 one-time
- Pioneer Cabin Relocation and Museum - \$115,000 one-time
- Humanities Council - \$15,000 ongoing and \$20,00 one-time
- Moab Music Festival - \$25,000 one-time
- Hill Air Force Museum -\$100,000 one-time
- Empress Theatre Magna - \$5,000 one-time
- Utah Symphony Outreach Taylorsville - \$20,000 one-time
- Kearns Veterans Memorial - \$10,000 one-time
- Rio Grande Security - \$50,000 one-time
- 9-11 Memorial - \$150,000 one-time

Insurance

- Victims of Fraud Restitutions - \$322,300 ongoing
- Captive Insurance - \$248,300 ongoing
- Auditor and Office Specialists for Insurance Examinations - \$149,900
- Staff Support- \$25,000 ongoing

Department of Alcoholic Beverage Control

- Stores - \$1.5 million one-time
- Credit Card Fees and Shipping Costs - \$581,000 ongoing
- Parents Empowered Increase - \$158,500 ongoing

Labor Commission

- Elevator Inspector - \$85,000 General Fund ongoing

Public Service Commission

- Personnel Increases - \$158,700 restricted ongoing

Utah Science Technology and Research (USTAR)

- New Research Teams - \$3.0 million ongoing
- Restoration of Base Budget - \$2.0 million ongoing

Financial Institutions

- Office Furniture Replacement - \$44,800 restricted one-time

Executive Offices and Criminal Justice

The total FY 2014 budget* for Executive Office and Criminal Justice is \$812.7 million, with \$591.5 million coming from General and Education Funds. This represents an increase of 6.1 percent in state funding. The table below details the FY 2012 actual budget, the FY 2013 revised budget, the FY 2014 appropriated budget, and the respective percent changes. Appropriations fund state criminal justice agencies and statewide elected executive offices including the Department of Corrections, Division of Juvenile Justice Services, Judicial Branch (State Courts), Department of Public Safety, Office of the Attorney General, and the Office of the Governor. Highlighted changes among these agencies are detailed throughout this brief.

Major issues the Legislature addressed include state inmate population increases (8-10 per month), DNA processing, legal settlements, evidence processing, court workload increases, law enforcement support, child protection, and youth offender placement options.

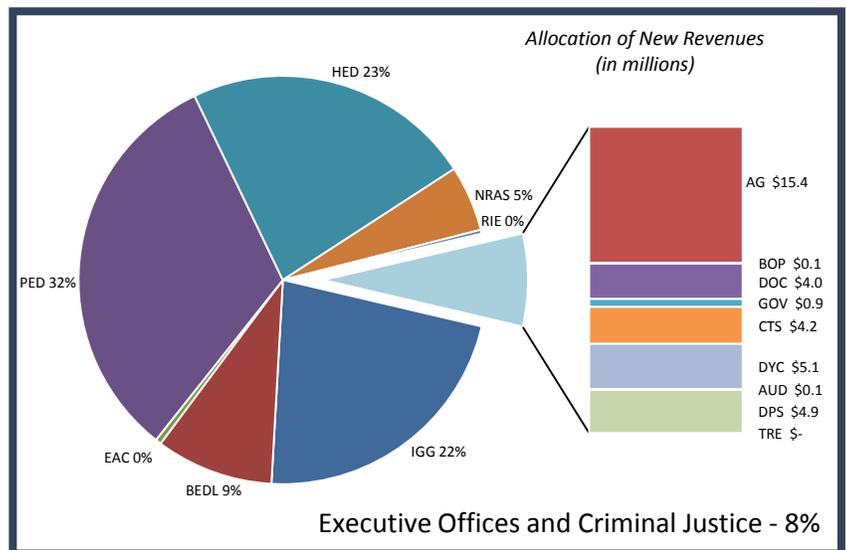
*Not including proprietary and fiduciary funds.

Appropriations by Budget Area

The following table shows the distribution of new revenues appropriated by the Legislature during the 2013 General Session by appropriations subcommittee. The break-out on the left shows the distribution of funding for public education.

Executive Offices & Criminal Justice (in millions)

Operating/Capital	All Sources	GF/EF
FY 2012 Actual	\$738.6	\$542.9
FY 2013 Revised	\$823.8	\$557.5
<i>Percent Change</i>	11.5%	2.7%
FY 2014 Appropriated	\$812.7	\$591.5
<i>Percent Change</i>	-1.4%	6.1%



Budget Highlights

The following bullets highlight significant items funded by the Legislature. Programs funded one-time or as a supplemental in FY 2013 are noted. [All amounts are from the General Fund unless otherwise noted.]

Corrections

- **Jail Contracting** - \$2.8 million one-time to maintain the current (\$46.85/daily) rate and add an app. 92 beds
- **Contract County Facility Treatment for State Inmates** - \$362,800 one-time
- **Parole Violator Center Operation** - \$2.0 million ongoing and \$2.5 million one-time
- **State Prison facility Treatment for State Inmates** - \$2.2 million ongoing for in-house treatment for state inmates housed at the Draper and Gunnison prisons.



Courts

- Drug Courts - \$130,000 ongoing
- S.B. 127, Juvenile Court Judge Amendments - \$353,300 ongoing for a Juvenile Court judge and staff
- S.B. 125, District Court Judge Amendments - \$240,000 ongoing for a District Court Judge
- Juror/Witness/Interpreter deficit - \$114,700 one-time
- Guardian ad Litem Attorney and Staff - \$185,100 ongoing
- Guardian ad Litem Volunteer Advocate - \$50,000 ongoing

Public Safety

- DNA Backlog Processing and Supplies - \$1.7 million one-time
- Emergency Management Operations - \$430,000 ongoing
- UHP Compression - \$320,000 ongoing
- UHP Salary Adjustment - \$750,000 ongoing
- SIAC Training - \$100,000 one-time
- SIAC Analysts/Drug Trafficking and Gang Violence Reduction - \$150,000 ongoing
- Bureau of Criminal Identification (BCI) rewrite - \$1.7 million one-time, for programming changes
- Investigators - \$300,000 ongoing
- Gang Tattoo Removal Program - \$100,000 one-time
- Aero Bureau Program - \$200,000 restricted ongoing for maintenance of helicopters

Governor's Office

- Utah Clean Air Initiative - \$50,000 one-time
- Energy Advisor - \$60,000 ongoing
- Public Lands Litigation - \$1.0 million restricted one-time
- Privatization Board - \$200,000 one-time
- Extradition Funding - \$45,500 supplemental and \$75,000 one-time
- Factual Innocence Payment - \$70,000 one-time
- H.B. 43, Campaign Finance Reporting by Corporations - \$20,000 Fund ongoing and \$44,000 one-time
- S.B. 241, Disclosure Requirements for Midterm Vacancy Candidates - \$15,000 ongoing and \$1,250 one-time
- S.B. 72, Prison Relocation and Redevelopment Amendments - \$430,000 ongoing & \$680,000 one-time address the relocation of the state prison, development of the

current prison land.

Attorney General

- Child Protection Caseload (Uintah Basin) - \$155,000 ongoing and \$45,000 Dedicated Credits ongoing
- Netsmartz - \$200,000 one-time
- Internet Crimes against Children - \$100,000 one-time
- Identity Theft Reporting and Information System - \$100,000 one-time
- Natural Resources Legal Support - \$100,000 ongoing
- Communications Portal - \$200,000 ongoing
- PELT Settlement - \$13.5 million one-time
- King's English Settlement - \$350,000 one-time

Juvenile Justice Services

- Genesis Youth Offender Work Camp - \$1.25M ongoing
- Youth Services and Receiving Centers - \$750,000 one-time
- Weber Valley Detention Center - \$1.2 million one-time
- 1% Provider Rate Increase - \$186,000 ongoing

Board of Pardons & Parole

- Allowed for up to \$500,000 of FY 2012 unspent funds be used for renovation, equipment and expenses.

Other Legislative Action

- S.B. 131, Assault Amendments

Provides for \$132,000 ongoing spanning Courts, Corrections and Board of Pardons & Parole. Funding will support the processing of certain offenders who assault a peace officer or military service member in uniform.

- H.B. 50, Dating Violence Protection Act

Provides \$151,600 ongoing spanning Courts and Corrections. Funding will support the issuance, modification, and enforcement of protective orders between individuals who are, or have been, in a dating relationship.

- H.B. 10, Sex Offense Amendments

Provides \$218,900 ongoing spanning Courts, Corrections and the Board of Pardons & Parole. Funding will support the processing and incarceration of certain sex offenders defined in the bill.

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Note: All figures represented in this summary are preliminary. Final appropriation figures, including gubernatorial vetoes, will be reflected in the 2013-14 Appropriations Report. A comprehensive list of budget actions is available upon request.

Higher Education

The total FY 2014 budget* for Higher Education is \$1,509.1 million, with \$843.7 million coming from General and Education Funds. This represents an increase of 14.7 percent in state funding. The table below details the FY 2012 actual budget, the FY 2013 revised budget, the FY 2014 appropriated budget, and the respective percent changes.

The Higher Education Appropriations Subcommittee reviews and discusses budgetary issues as they relate to public, post-secondary education in the State. These budget issues often provide the framework for policy decisions to improve the delivery of higher education to the citizens of the State.

The Utah System of Higher Education includes the eight public, credit-granting colleges and universities and the Utah College of Applied Technology, a noncredit granting institution that provides career and technical education at eight locations statewide. In addition to core academic programs, the USHE promotes research, economic, cultural, and social programs for the citizens of Utah. The Utah Medical Education Council provides research into the health care workforce needs in the State and also seeks public and private funding for clinical training and promotes graduate medical education for rural and underserved areas in Utah.

The subcommittee is concentrating its efforts towards increasing student participation, retention, and completion.

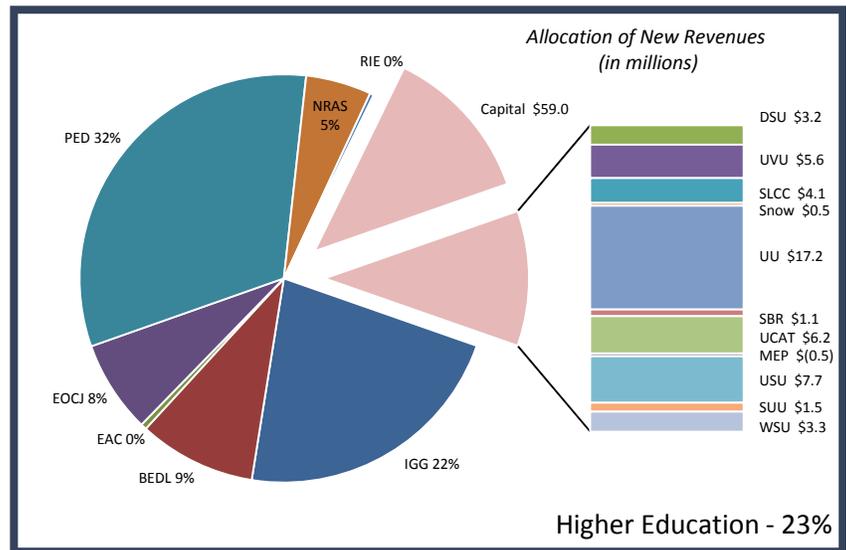
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Appropriations by Budget Area

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Higher Education (in millions)

Operating/Capital	All Sources	GF/EF
FY 2012 Actual	\$1,362.9	\$716.2
FY 2013 Revised	\$1,397.9	\$735.4
<i>Percent Change</i>	2.6%	2.7%
FY 2014 Appropriated	\$1,509.1	\$843.7
<i>Percent Change</i>	8.0%	14.7%



Budget Highlights

Major Funding Initiatives

Several items were funded, including:

- Mission Based Funding: Distinctive Mission - \$9.0 million**
 Each institution has a specific mission that fits within the system. Focusing on those missions should help them concentrate their efforts in those areas.

- Mission Based Funding: Equity - \$9.0 million**

Corrects inequities that have evolved over time and have resulted in discrepancies in funding levels between institutions.

- Campus Capacity - \$5.0 million**

UCAT is committed to the 66% Goal of Utahns holding a certificate or degree by the year 2020. Increases in cam-



pus program capacity will enhance certificate growth at each of the eight UCAT campuses.

- **DSC University Implementation - \$1.5 million**
Funding for Dixie State College to transition to Dixie State University (H.B. 61, Dixie State College - University Status).
- **University of Utah Reading Clinic - \$125,000**
To provide expanded reading assessment and interventions for public school students with low reading proficiency.

One-time Funding Items

Several items were funded with one-time sources, including:

- **Graduate School Admission - \$3.0 million**
To enable Utah State University to expand its graduate programs and increase the number of students in post-graduate courses.
- **Huntsman Cancer Institute - \$2.5 million**
Funding for cancer research.
- **Financial Aid/Scholarships - \$1.0 million**
Provides monetary scholarships to high school graduates who have successfully completed rigorous course work in high school.
- **Performance Based Funding - \$1.0 million**
The basis for Performance Based Funding links state funding for higher education institutions to their performance or outcomes. The three main components include goals, measurements, and incentives. These components need to be aligned and the goals must be consistent with state priorities.

- **Technology-Intensive Concurrent Enrollment - \$600,000**
To provide additional concurrent enrollment courses to high school students so they are better prepared for college and more likely to complete college.
- **Museum of Natural History - \$300,000**
Additional funding for the museum located at the University of Utah.
- **Computer Crime Institute - \$300,000**
The institute trains and develops individuals for employment in the field of digital forensics.
- **Walker Institute - \$250,000**
Funding for the Olene Walker Institute of Politics and Public Service at Weber State University.
- **Utah Women Education Initiative - \$50,000**
Continuation of the program begun in 2012 to encourage more women to attend college and earn a degree.

Passed Bills with Fiscal Impact

- **S.B. 42, Medical School Admission Funding**
Authorizes the University of Utah School of Medicine to increase the number of students admitted by 40 students for a total of 122 students per year. This bill appropriates \$6.5 million to the University in FY 2014, then funding increases to \$10 million annually.
- **S.B. 132, Utah Medical Education Council Amendments**
Transfers the Medical Education Council and its budget from a state agency to the Utah System of Higher Education.

Infrastructure and General Government

The total FY 2014 budget* for Infrastructure and General Government is \$1,601.6 million, with \$245.1 million coming from General and Education Funds. This represents an increase of 6.5 percent in state funding. The table below details the FY 2012 actual budget, the FY 2013 revised budget, the FY 2014 appropriated budget, and the respective percent changes.

The Infrastructure and General Government Appropriations 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.

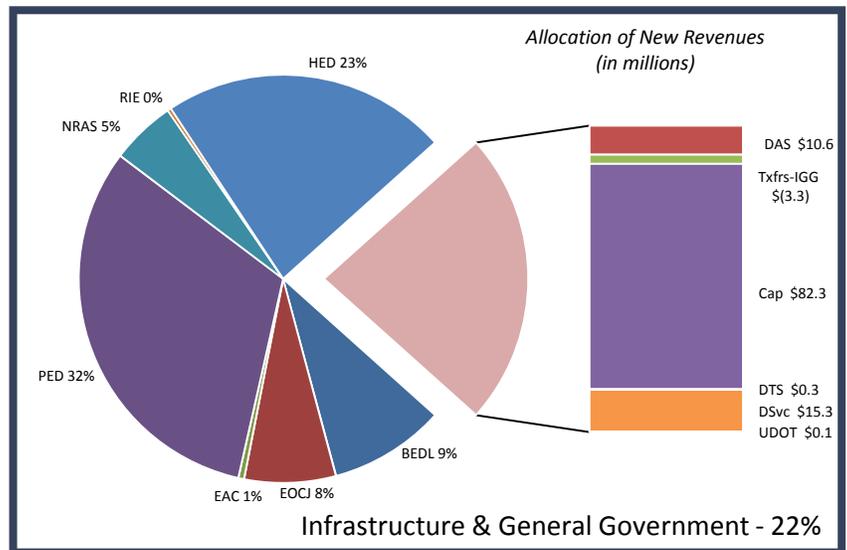
The subcommittee considers budget issues related to the increasing costs of roads and other capital construction, changing debt service rates, and the rapidly changing information technology environment, including increasing security threats to the state's information assets and systems.

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Appropriations by Budget Area

The following table details budgetary changes enacted by the Legislature during the 2013 General Session. The pie chart details the distribution of new revenues appropriated by the Legislature by major budget category with a break-out specific for this subcommittee.

Infrastructure & General Government (in millions)		
Operating/Capital	All Sources	GF/EF
FY 2012 Actual	\$1,621.7	\$159.3
FY 2013 Revised	\$1,781.2	\$230.1
<i>Percent Change</i>	9.8%	44.5%
FY 2014 Appropriated	\$1,601.6	\$245.1
<i>Percent Change</i>	-10.1%	6.5%



Budget Highlights

Major Funding Initiatives

Capital Budget

- **State Funded Capital Developments - \$95.3 million**
See the table titled "State Funded Capital Development Projects" for a detailed list of projects.
- **Non-State Funded Capital Developments - \$132.8 million**
See the table titled "Non-State Funded Capital Development Projects" for a detailed list of projects.

- **Capital Improvements - \$87.7 million**
A 1.02 percent of the replacement value of state buildings.
- Department of Administrative Services
- **Jail Reimbursement - \$1.0 million**
 - **Transfer - \$1.3 million**
Office of the Inspector General transferred from the Governor's Office (\$255,000 supplemental; \$1.1 million ongoing).

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 Representative Jacob L. Anderegg, House Vice-Chair
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March 29, 2013

- **Economic Development Tax Increment Financing - \$5.1 million**

Increases from available revenues (\$2.4 million supplemental; \$2.7 million ongoing).

- **H.B. 194, State Employee Benefits Amendments - \$4.5 million ongoing (less \$2.3 million one-time)**

Adjusts employee sick leave benefits and provides a biweekly matching contribution to an employee's 401(k) retirement savings account.

- **Compressed Natural Gas Vehicles - \$1.0 million**

Increased FY 2013 Authorized Capital Outlay for Fleet Services to increase vehicles.

- **FLDS Trust Judgment - \$5.6 million**

Satisfies the state obligation attendant to the United Effort Plan (UEP) Trust administration.

Department of Technology Services

- **IT Security**

Certain DTS rates increased and commensurate impacts funded among Executive Branch Agencies to address increasing cyber threats to the state's information systems.

- **Network Upgrade - \$295,000 (one-time)**

Global Positioning Reference, Automated Geographic Reference Center.

Department of Transportation

- **Maintenance - \$4.6 million**

Assists with maintenance and snow plowing of the additional 355 lane miles of highways that will be added to the system in FY 2013.

- **Equipment - \$790,000**

Purchase of equipment to remove snow from the increased lane miles on I-15 in Utah County.

- **Estimated Increased Sales Tax Collections - \$51.9 million**

Estimated increases in FY 2014 compared to estimated collections in FY 2013.

Debt Service

- **Highway Bond Debt Service - \$4.6 million ongoing**

Ongoing transportation funds increase to pay for new highway bond debt service in FY 2014.

Passed Bills with Fiscal Impact

- **S.B. 68, State Surplus Property Program Amendments**

Privatized non-vehicle State Surplus Property, contributing \$80,000 one-time to the General Fund.

- **H.B. 377, Transportation Funding Amendments**

Allows bonding under the authorization of 63B-18-401 of \$290.0 million in FY 2014 and expenditures of \$64.3 million

from Transportation Investment Funds. Those funds will construct state and local projects authorized in H.B. 173 of the 2012 General Session (\$150.0 million) and the additional projects in H.B. 377 of the 2013 General Session (\$200.0 million). The table titled "H.B. 377 Transportation Funding Projects from 2013 General Session."

H.B. 377 Transportation Projects from 2013 General Session	
UDOT Projects	Millions
Uintah Basin Transportation/Energy Corridor Study	\$3.00
DOT Projects prioritized by the Transportation Commission	135.00
Transfers to Local Governments	
GOED Projects - Park City Main Street Sidewalks	3.00
GOED - Development Infrastructure in Draper	4.50
Transportation Infrastructure Loan Fund - Vineyard RR & Adams Toll Rct	20.00
Ogden City - Harrison Blvd Improvements	2.00
Tooele City - Improve former SR 112 & local roads	2.50
Taylorsville City - Improve 6200 S from 1300 W to SR 111	4.20
Herriman City - Continued Improvements to SLCC College Road	1.00
West Jordan City - Improve 7800 S from 1300 W to SR 111	4.00
Sandy City - Continued Improvement to Monroe Street	5.00
Draper City - Improve Suncrest Road Phase I	5.00
Murray City - Improve 1300 E	1.80
So SLC - Continue to Improve West Temple, Main & State	1.50
West Valley City - Improve 2400 S from 4800 W to 7200 W	4.30
Riverton City - 4570 W from 12600 S to Riverton Blvd	1.50
Cottonwood Heights - Parking Lot at mouth of Big Cottonwood Canyon	0.75
Cottonwood Heights - Improve Bengal Blvd	1.30
Midvale City - Improve 7200 S from I-15 to 700 West	1.50
Bluffdale City - EIS on Porter Rockwell Blvd	1.00
South Jordan City - Improve 2700 West	1.00
UTA Studies of Uses of Small Buses and Mountain Rail System	2.90
Transfer TIF funds to Salt Lake County for requirements of SL County B	13.25
Total New Projects Funded in H.B. 377	\$220.00

State Funded Capital Development Projects	Millions
Ogden Juvenile Courts	\$29.30
UVU Classroom Building	54.00
DHS State Hospital	5.00
Unified State Lab Module 2 design	2.00
WSU Science Building design	3.50
USU Eastern Central Instructional Building design	0.50
USU Brigham City Campus Building design	0.50
DSC East Elementary Building purchase	0.50
Total State Funded	\$ 95.30

Non-State Funded Capital Development Projects	
U of U Basketball Training Center-HPER Addition	\$23.60
USU Aggie Life Wellness Center	30.00
USU Eastern Blanding Rec Center	0.90
USU Space Dynamics Lab	20.53
USU Athletic Complex/Training Center	7.50
SUU Center for the Arts	30.00
U of U Kennecott Building Renovation and Addition Phase II	11.04
USU Tooele Science & Technology Building	8.00
DPS Price Communications & Driver License Building	1.28
Total Non-State Funded	\$132.85

Natural Resources, Agriculture, and Environmental Quality

The total FY 2014 budget* for Natural Resources, Agriculture, and Environmental Quality is \$296.8 million, with \$65.4 million coming from General and Education Funds. This represents a decrease of 20.1 percent in state funding. The table below details the FY 2012 actual budget, the FY 2013 revised budget, the FY 2014 appropriated budget, and the respective percent changes.

The NRAE Appropriations Subcommittee oversees the budget for the Department of Natural Resources, Department of Agriculture & Food, Department of Environmental Quality, Public Lands Policy Coordination Office, Office of Energy Development, and School & Institutional Trust Lands Administration. Major budgetary considerations of the subcommittee during session included firefighting and fire prevention, state parks infrastructure and operations, and rangeland and watershed health.

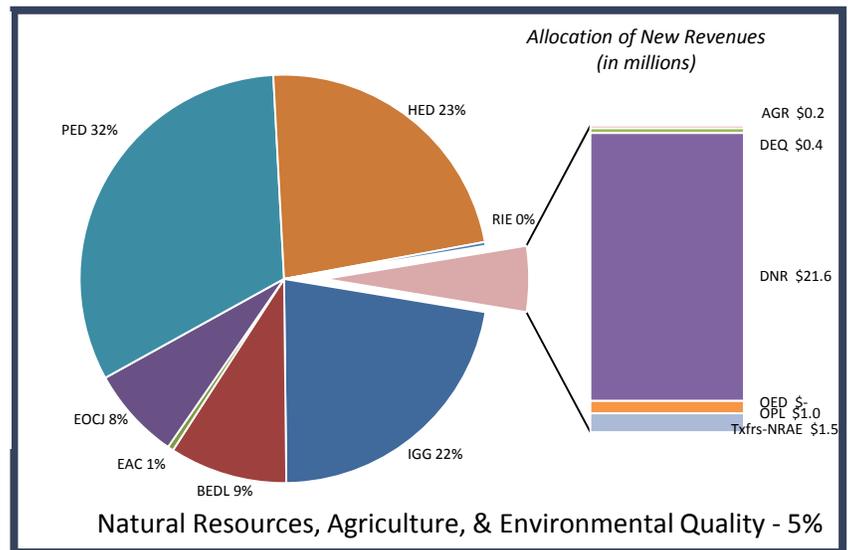
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Appropriations by Budget Area

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Natural Resources, Agriculture, & Environmental Quality (in millions)

Operating/Capital	All Sources	GF/EF
FY 2012 Actual	\$265.7	\$57.7
FY 2013 Revised	\$328.8	\$81.8
Percent Change	23.8%	41.7%
FY 2014 Appropriated	\$296.8	\$65.4
Percent Change	-9.7%	-20.1%



Budget Highlights

Major Funding Initiatives

General Fund

- Fire Suppression - \$13.5 million (supplemental)**
 Estimated additional fire suppression costs incurred while fighting the 2012 fires. This amount includes \$448,800 for Herriman City and \$61,200 for the costs incurred by the Utah National Guard in the 2010 Machine Gun Fire.
- Fire Rehab and Seed Purchase - \$5.2 million (supplemental)**

- Funding for the purchase of seeds and treatment of areas affected by the 2012 fire season.
- Invasive Species Mitigation Projects - \$1.0 million**
- Parks Critical Maintenance - \$1.0 million (one-time)**
 Funding to address the critical maintenance needs for the facilities and the infrastructure of the state parks in Utah.
- Huntington Creek Mitigation - \$800,000 (one-time)**
 To mitigate flooding problems in Huntington Canyon from 2012 fire season.

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LEGISLATURE

March 29, 2013

- **Grazing Improvement Projects - \$500,000 (one-time)**
- **Public Lands Policy Coordination Office - \$500,000 (one-time and ongoing)**
Funding for the Public Lands Office to help offset shrinking funds from restricted accounts; to be used for litigation, sage grouse projects, archaeological regulation, and land policy.
- **Delisting of Wolves - \$300,000 one-time**

Non-General Fund

- **Watershed Projects, Pre-suppression - \$2.0 million**
To fund additional pre-suppression projects.
- **Parks Operations - \$2.0 million**
Ongoing restricted funds to replace part of the General Fund reduction for the Division of Parks and Recreation.
- **Petroleum Violation Escrow - \$1.2 million (one-time)**
To support alternative transportation, energy conservation, and weatherization.
- **SITLA Federal Lands Exchange - \$600,000 (one-time and supplemental)**
Funding to support SITLA's land exchange efforts.
- **Sage Grouse Projects - \$500,000 (one-time)**
To help prevent the listing of Sage Grouse as an endangered species in Utah.
- **SITLA Saratoga Springs Cleanup - \$316,000 (supplemental)**
Funding for SITLA to pay for the EPA clean up at Saratoga Springs.
- **Revenues from Hunt on Antelope Island - \$250,000 (one-time)**
Appropriation of the anticipated additional revenues from the FY 2014 auction to ensure that the funding will benefit the Antelope Island and its wildlife.
- **Forestry, Invasive Species Control & Rehab - \$200,000**
To increase the efforts to control, and if possible, to eradicate invasive species on sovereign lands.
- **Revolving Loan Fund - \$110,000**
To support loan issuance to political subdivisions for energy efficiency and renewable energy projects.

Passed Bills with Fiscal Impact

- **H.B. 142, Public Lands Policy Coordinating Office Amendments**
Requires the Public Lands Office to conduct a study and economic analysis of the transfer of certain federal lands to state ownership.
- **H.B. 241, Underground Petroleum Storage Tank Financial Viability Study**
Allows the Department of Environmental Quality to expend funds from the Petroleum Storage Tank Trust Fund to conduct a study and prepare a report on the financial viability of the Environmental Assurance Program.

Significant Intent Language & Legislative Actions

- *The Legislature intends that the managers of the Grazing Improvement Program and the Watershed Restoration Program present to the Natural Resources, Agriculture, and Environmental Quality Appropriations Subcommittee by November 2013 a plan to improve the coordination and collaboration between the two programs. The Legislature further intends that each program identify performance measures that track and report the public benefits from their projects.*
- *The Legislature intends that the \$2 million increase from the Sovereign Lands Management restricted account be used for pre-suppression projects. The Legislature further intends that the Watershed Program manager provide a progress report on these projects to the Natural Resources, Agriculture, and Environmental Quality Appropriations Subcommittee during the 2014 General Session.*
- *The Legislature intends that the Department of Environmental Quality adjust ongoing spending to achieve the following reductions: a General Fund reduction of \$132,300 from Division of Environmental Response and Remediation; a General Fund reduction of \$49,500 from the Division of Air Quality; and a General Fund reduction of \$47,000 from the Division of Water Quality.*
- *The Legislature divided the Agriculture Administration line item into three separate line items, but allowed the department the flexibility to reallocate funding among these line items in FY 2014.*

Public Education

The total FY 2014 budget* for Public Education is \$3,830.5 million, with \$2,664.9 million coming from General and Education Funds. This represents an increase of 4.6 percent in state funding. The table below details the FY 2012 actual budget, the FY 2013 revised budget, the FY 2014 appropriated budget, and the respective percent changes.

Appropriations made as part of the State’s public education budget provide the majority of operating revenues to Utah’s 41 school districts and 85 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. Changes in each of these major budget areas are detailed throughout this brief.

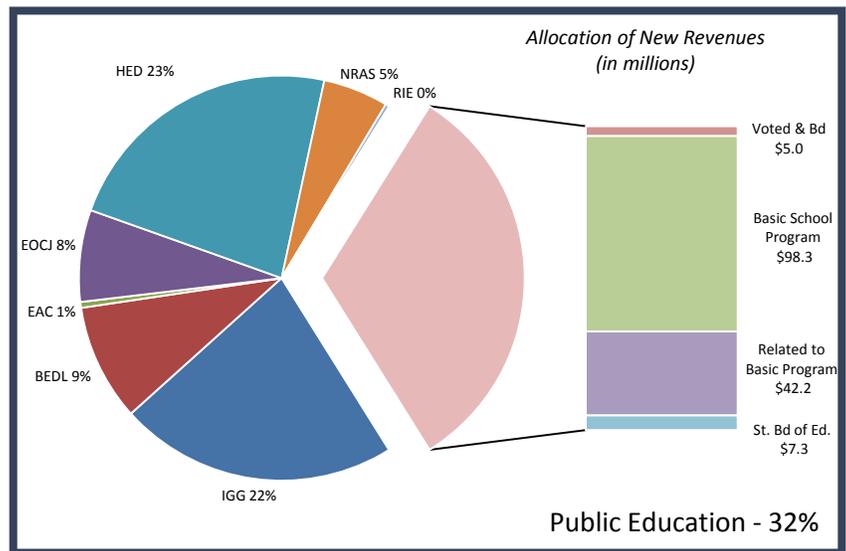
Fall 2013 projections indicate that 614,224 students will enroll in the LEAs, an increase of 13,254 or 2.2 percent over fall 2011. Approximately 7,133 of this growth will occur in school districts and the remaining 6,141 in charter schools.

*Not including proprietary and fiduciary funds.

Appropriations by Budget Area

The following table details budgetary changes enacted by the Legislature during the 2013 General Session. The pie chart details the distribution of new revenues appropriated by the Legislature by major budget category with a break-out specific for this subcommittee.

Public Education (in millions)		
Operating/Capital	All Sources	GF/EF
FY 2012 Actual	\$3,554.1	\$2,423.2
FY 2013 Revised	\$3,695.2	\$2,548.1
<i>Percent Change</i>	4.0%	5.2%
FY 2014 Appropriated	\$3,830.5	\$2,664.9
<i>Percent Change</i>	3.7%	4.6%



Budget Highlights

The following bullets highlight significant items funded by the Legislature. Programs funded one-time or as a supplemental in FY 2013 are noted.

Minimum School Program

- Enrollment Growth - \$68.5 million**

Adjusts certain programs for impacts related to the estimated increase in new students in fall 2013. Funding primarily supports increased Weighted Pupil Units (WPU) in the Basic School Program but also adjusts

funding for some programs in the Related to Basic School Program (Below-the-Line) and the Voted & Board Local Levy Programs.

- Enrollment Growth (FY 2013) - \$2.3 million one-time**

Increases funding for the Educator Salary Adjustment program to fund costs associated with new teachers hired by LEAs in the current year.

- WPU Value Increase - \$47.7 million**

Funds a two-percent increase in the WPU Value. Most



programs increased from \$2,842 to \$2,899. The Special Education and Career & Technical Education Add-on Programs increased from \$2,607 to \$2,659.

- **Early Intervention Enhanced Kindergarten - \$7.5 million**
Ongoing funding supports enhanced kindergarten programs in participating LEAs. There is a complimentary technology program in the USOE - Initiatives Program.
- **Dual Language Immersion - \$1.0 million**
Replaces FY 2013 one-time funding of \$800,000 with an ongoing appropriation of the same amount. Increased funding by an additional \$240,000 for further program expansion in FY 2014.
- **Teacher Supplies & Materials - \$5.0 million one-time**
Maintains funding to reimburse teachers for out-of-pocket expenditures on classroom supplies & materials.
- **Necessarily Existent Small Schools - \$2.2 million**
Provides an additional 655 WPUs for the NESS program, costing \$1.9 million. Secondary impacts related to this increase include the Professional Staff Cost Formula with 59 WPUs at a cost of \$171,000 and the Voted & Board Local Levy Programs at a cost of \$121,900.
- **Statewide Computer Adaptive Testing Infrastructure Grants - \$6.6 million one-time**
Continues a grant program to LEAs to purchase infrastructure (computers, networking, etc.) to facilitate the state's online adaptive assessment system.
- **Beverly Taylor Sorenson Elementary Arts Learning Program - \$4.0 million one-time**
Continues the BTS Elementary Arts program that provides subject-area arts specialists in participating elementary schools.

Governor's Office of Economic Development

Legislators approved two programs with joint public education and economic development focus. The funding for these programs was appropriated to the Governor's Office of Economic Development (GOED). [Note: These items are provide for information only, amounts are totaled in the Business, Economic Development and Labor budget.]

- **STEM Action Center - \$1.5 million ongoing and \$8.5 million one-time**
Establishes a science, technology, engineering, and math center within GOED (\$1.5 million ongoing for an executive director and staff), and authorizes \$8.5 million one-time for education related instructional tech-

nology and professional development in STEM areas for students in grades six through twelve.

- **Smart School Technology - \$2.4 million one-time**
Provides funding for a whole-school technology program. The program provides a one-to-one student to mobile learning device ratio and schools are selected to participate through a competitive process.

Education Agencies

- **Utah State Office of Education - \$1.1 million ongoing and \$1.4 million one-time**

The following items were funded by the Legislature:

1. Utah Core Academy - \$1.0 million one-time
 2. Assessment of College Readiness - \$850,000
 3. Student Achievement Backpack - \$250,000 one-time
 4. Financial Management Programming - \$100,000
 5. Youth Suicide Prevention - \$100,000
 6. Statewide Online Education - \$150,000 one-time
- **Utah Schools for the Deaf and the Blind - \$215,300**
Funds costs associated with educator steps (longevity, a 3.4 percent increase) and lanes (professional training and preparation, a 4 percent increase).
 - **USOE Initiative Programs - \$2.7 million ongoing and \$1.0 million one-time**
 1. Carson Smith Special Needs Scholarships - \$242,000
 2. UPSTART - \$500,000 one-time
 3. ProStart Student Culinary Arts - \$25,000 one-time
 4. Peer Assistance & Review Pilot - \$37,500 one-time
 5. IT Academy - \$300,000 one-time
 6. Seismic Safety - \$150,000 one-time
 7. Early Intervention Technology - \$2.5 million
The program has a total of \$4.7 million with \$2.2 million reallocated from the K-3 Reading Diagnostic Assessment program. USOE received \$100,000 for program administration.
 - **Educator Licensing - (\$1.0 million)**
Reduced educator licensing fees by about \$1.0 million.
 - **Fine Arts & Science Outreach - \$725,000**
Increases funding for the Professional Outreach Program in the Schools (POPS) by \$250,000; the Informal Science Education Enhancement (ISEE) by \$250,000; and restores the Science Outreach RFP program with the remaining \$225,000.

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Note: All figures represented in this summary are preliminary. Final appropriation figures, including gubernatorial vetoes, will be reflected in the 2013-14 Appropriations Report. A comprehensive list of budget actions is available upon request.

Retirement and Independent Entities

The total FY 2014 budget* for Retirement and Independent Entities is \$40.6 million, with \$22.0 million coming from General and Education Funds. This represents an increase of 6.8 percent in state funding. The table below details the FY 2012 actual budget, the FY 2013 revised budget, the FY 2014 appropriated budget, and the respective percent changes. The Retirement and Independent Entities Appropriations Subcommittee oversees the operating budgets of the Department of Human Resource Management, Career Service Review Office, and Utah Education Network.

The subcommittee considers issues related to health insurance, retirement programs, personnel recruitment and review, and independent entities authorized by the State. New to the subcommittee this year is Utah Education Network (UEN). UEN delivers education statewide through the use of technology, including public television station KUEN-9, Interactive Video-Conferencing (IVC), and internet connections for schools.

*Not including proprietary and fiduciary funds.

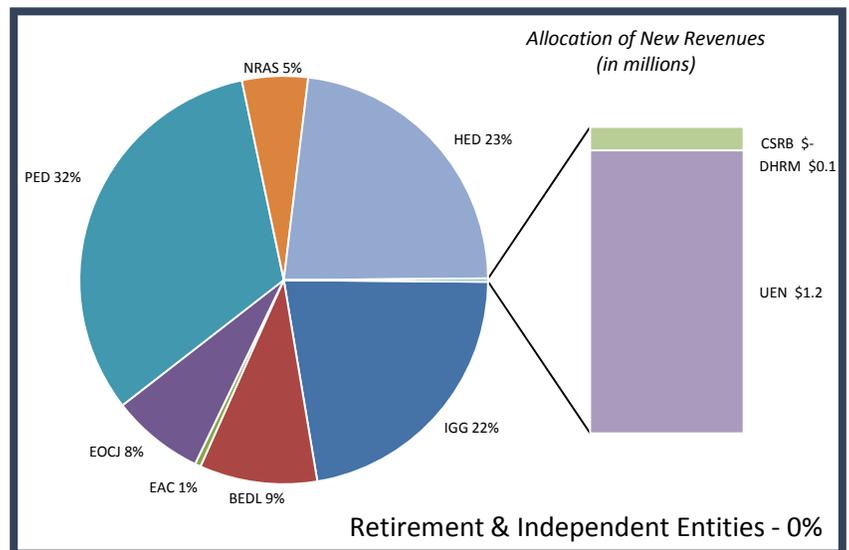
Appropriations by Budget Area

The following table details budgetary changes enacted by the Legislature during the 2013 General Session. The pie chart details the distribution of new revenues appropriated by the Legislature by major budget category with a break-out specific for this subcommittee.

Retirement & Independent Entities

(in millions)

Operating/Capital	All Sources	GF/EF
FY 2012 Actual	\$45.4	\$20.2
FY 2013 Revised	\$39.8	\$20.6
<i>Percent Change</i>	-12.4%	2.0%
FY 2014 Appropriated	\$40.6	\$22.0
<i>Percent Change</i>	2.1%	6.8%



Budget Highlights

Major Funding Initiatives (General and Education Funds)

- Health Insurance - \$9.0 million**
 A nine percent rate increase for health insurance benefits for state and higher education employees.
- State Contract Provider Salary Adjustment - \$1.5 million**
 A one percent cost of living adjustment for state contract providers.
- State Employee Salary Adjustment - \$6.7 million**

A one percent cost of living adjustment for state and Utah College of Applied Technology employees and step and lane increases for employees of the Utah Schools for the Deaf and Blind.

- State Employee Retirement - \$8.0 million**
 Retirement rate increases for state and higher education employees.
- UEN Capital Equipment Maintenance and Replacement - \$800,000 one-time**

Senator Todd Weiler, Co-Chair
 Representative Kraig Powell, Co-Chair
 Representative Merrill F. Nelson, House Vice-Chair
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UTAH STATE
LEGISLATURE
 March 29, 2013

To update critical network equipment.

- **UEN Elementary Connectivity - \$250,000**

To equalize circuit costs for school districts.

- **Department of Human Resource Management**

Field Service Rate Increase to \$560/FTE.

Passed Bills with Fiscal Impact

- **S.B. 95, Whistleblower Amendments**

Includes an ongoing General Fund appropriation of \$35,000 to the Career Services Review Office.

- **S.B. 191, Administrative Law Judge Amendments**

Includes an ongoing General Fund appropriation of \$75,200 and one time General Fund appropriation of \$31,700 to the Department of Human Resource Management.

Social Services

The total FY 2014 budget* for Social Services is \$4,337.5 million, with \$856.8 million coming from General and Education Funds. This represents an increase of 7.1 percent in state funding. The table below details the FY 2012 actual budget, the FY 2013 revised budget, the FY 2014 appropriated budget, and the respective percent changes.

The Social Services Appropriations Subcommittee oversees the departments of Health, Human Services, Workforce Services and the Utah State Office of Rehabilitation.

The February 2013 consensus forecast estimates a monthly average of 334,600 Medicaid and Children’s Health Insurance Program (CHIP) clients for FY 2013 and 339,400 clients for FY 2014. These clients represent about 11 percent of Utah’s population. Over half of this subcommittee’s budget is spent on the Medicaid program.

The subcommittee met 16 times and provided over 150 opportunities for people to give public comment. The committee funded \$3.0 million or 1/3 of all its one-time priorities through internal reallocations.

*Not including proprietary and fiduciary funds.

Appropriations by Budget Area

The following table details budgetary changes enacted by the Legislature during the 2013 General Session.

Social Services (in millions)		
Operating/Capital	All Sources	GF/EF
FY 2012 Actual	\$3,949.9	\$781.3
FY 2013 Revised	\$4,099.5	\$799.9
<i>Percent Change</i>	3.8%	2.4%
FY 2014 Appropriated	\$4,337.5	\$856.8
<i>Percent Change</i>	5.8%	7.1%

Budget Highlights

Major Funding Initiatives

- Medicaid & CHIP Baseline Caseload/Utilization Decreases**
 - FY 2013 - Reduction of \$152.7 million (\$44.7 million General Fund) due to 21,300 fewer clients than originally projected.
 - FY 2014 - Reduction of \$62.1 million (\$18.2 million General Fund) pays for an increase in clients of 4,800

(1.4 percent) and all mandatory cost increases.

- Medicaid & CHIP Affordable Care Act**
 Mandatory changes includes costs of \$67.4 million ongoing (\$19.8 million General Fund) and \$6.0 million one-time (\$667,600 General Fund) to provide and determine eligibility for medical services for 38,100 new clients beginning in January 2014.



- **BabyWatch Early Intervention - Caseload**
Funding of \$1.8 million ongoing and \$220,000 one-time for 921 children ages 0 to 3 with developmental delays who will have been added through FY 2014 since the last increase in state funding
- **Homeless Shelters' Capacity and Case Management Services - \$1.5 million one-time**
- **Accountable Care Organizations - \$1.4 million one-time**
Increases the Medicaid administration rate paid to accountable care organizations to 9.15 percent.
- **Services Addressing Substance Abuse**
 1. Drug Courts \$870,000;
 2. Drug Offender Reform Act (DORA) - \$175,000 ongoing and \$100,000 one time; and
 3. Volunteers of America Detox Center renovations - \$50,000 one-time.
- **Services for the Mentally Ill**
 1. Early intervention services for children and youth - \$3.5 million (\$1.5 million one-time);
 2. Local mental health authorities - provide mental health services for Medicaid eligible individuals - \$2.0 million one-time;
 3. Children's Center - services to preschool children - \$250,000 one-time; and
 4. Alliance House - housing assistance - \$70,000 one-time.
- **Services for Individuals with Disabilities**
Disability issues including funding a structural deficit, increased needs of those currently in services, continued needs of youth aging out of state custody, and services to remove individuals from the waiting list - \$17.3 million (\$6.0 million state funds).
- **Domestic violence shelter caseload increases - \$474,700 one-time**
- **Data Security and Privacy Office - \$300,000**
- **Foster care rate increase - \$253,500**
- **Meals on Wheels - \$250,000**
- **Traumatic Brain Injury - \$200,000 one-time**
- **Your Community Connections - \$147,000**
- **Health Facility Licensing Funding for HB 497 from 2011 General Session - \$130,000 ongoing and one-time**
- **Primary Care Grants - \$110,000 one-time**

- **Caregiver/Respite Services - \$100,000 one-time**
- **Health Emergency Assistance - \$25,000 one-time**
- **Utah State Office of Rehabilitation:**
 1. Additional paraprofessional rehabilitation technicians - \$80,000 one-time;
 2. Independent Living Centers - \$100,000;
 3. Services to the hard of hearing in rural Utah - \$50,000 one-time; and
 4. Assistive Technology - \$100,000 ongoing and \$250,000 one-time.
- **Employment development projects**
\$4.8 million from unemployment insurance penalties and interest

Passed Bills with Fiscal Impact

- **H.B. 157, Children's Hearing Aid Pilot Program**
Includes \$100,000 to provide hearing aids to qualifying children who are not eligible for Medicaid or CHIP.
- **S.B. 166, Hospital Assessment Amendments**
Extends the hospital provider assessment through FY 2016 to provide a total of \$154.0 million annually for the Medicaid program.
- **H.B. 147, Utah Marriage Commission**
Provides \$95,000 one-time.
- **H.B. 154, Suicide Prevention Programs**
Appropriates \$78,000 for a suicide prevention coordinator.
- **S.B. 56, Utah 2-1-1 Referral Information Network**
Provides \$250,000 one-time.
- **H.B. 81, Cytomegalovirus Public Health Initiative**
\$30,800 ongoing and \$4,000 one-time for a 0.5 FTE educator and educational materials to raise awareness.
- **H.B. 118, Automatic External Defibrillator Restricted Account**
\$150,000 one-time to fund automatic external defibrillators and related supplies.
- **H.B. 276, Newborn Screening for Critical Congenital Heart Defects**
Received \$8,000 one-time.