



OFF-BUDGET FUNDS

INFRASTRUCTURE AND GENERAL GOVERNMENT APPROPRIATIONS SUBCOMMITTEE
STAFF: STEVEN ALLRED, MARK BLEAZARD, AND GARY RICKS

ISSUE BRIEF

SUMMARY

During the 2013 Interim the Office of the Legislative Fiscal Analyst reviewed all off-budget funds and operations. The report was presented to the Executive Appropriations Committee in November and its recommendations were approved. Its recommendations fall into six broad categories:

1. Close 35 funds and deposit \$393,100 into the General Fund;
2. Include \$70,824,200 in financial activity and \$606,375,400 in fund balances from 53 funds and operations in the appropriations process and modify the Budgetary Procedures Act so that they are appropriately communicated with the Governor's budget;
3. Refer 45 funds to subcommittees to consider statute changes;
4. Request the executive branch make changes to 18 funds and provide additional expenditure detail;
5. Include seven funds in annual presentations to the Executive Appropriations Committee, including a new presentation on long-term liabilities and other material risks; and,
6. Ask seven organizations to report annually to the Retirement and Independent Entities Appropriations Subcommittee.

Below are the funds that fall under the purview of the Infrastructure and General Government Appropriations Subcommittee under recommendations #1 and #2. Further detail for each fund is provided behind this page.

1. Funds recommended for closure. A bill is being drafted to close these accounts. This is for the subcommittee's information.
 - a. Fund 2840 Aeronautics Construction Revolving Loan Fund. Agency: Transportation.
 - b. Fund 8020 Finance Suspense Fund. Agency: DAS – Finance.
 - c. Fund 8040 Savings Bond Fund. Agency: DAS – Finance.
 - d. Fund 8135 Miscellaneous Agency Fund. Agency: Transportation.
 - e. Fund 8140 Motor Carrier Fee. Agency: Transportation.
2. Funds recommended for inclusion in the appropriations process. Action by the subcommittee is necessary to implement this recommendation.
 - a. Fund 2090 Child Welfare Parental Defense Fund. Agency: Administrative Services.
 - b. Fund 2096 State Archives Fund. Agency: Administrative Services.
 - c. Fund 2105 Office of State Debt Collection Fund. Agency: Administrative Services.
 - d. Fund 2255 Wire Estate Memorial Fund. Agencies: Finance and Transportation.
 - e. Fund 7205 Utah Navajo Royalties Holding Fund. Agency: Administrative Services.
 - f. Fund 8050 Office of State Debt Collection Collections. Agency: Administrative Services.
 - g. Fund 3000 Capital Projects Fund. Agency: Administrative Services – DFCM

Recommendation #1: Funds Recommended for Closure.

Fund 2840 Aeronautics Construction Revolving Loan Fund

Agency(s): Transportation

Analyst: Mark Bleazard

Purpose and Uses

This fund was created to support local airport construction projects with the intent that loans would be made and the interest from the loans would stay in the fund to be used for other loans.

Recommendation

The Analyst recommends closing the fund. The Department of Transportation and the Division of Finance do not object.

No Financial History Available

Transaction Information

There has never been any activity in this fund. No funds have been made available to operate the program.

Fund 8020 Finance Suspense Fund

Agency(s): Finance

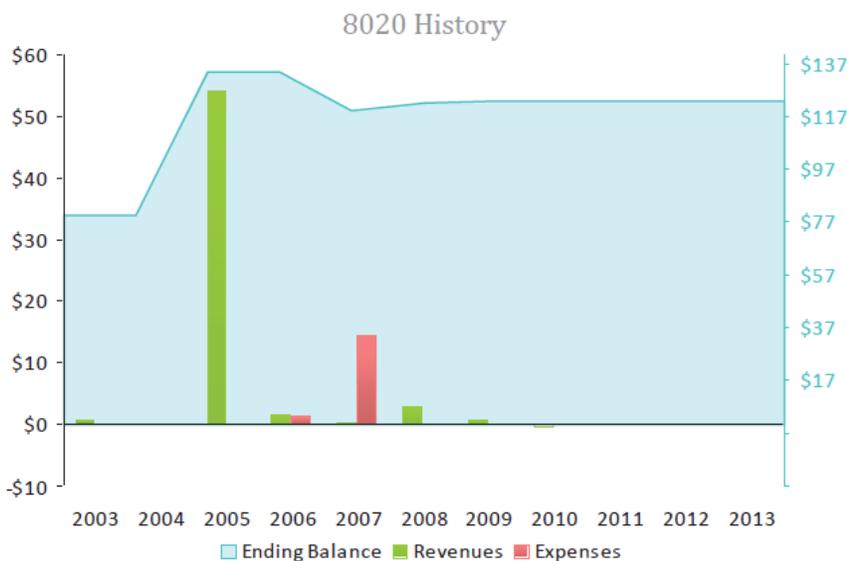
Analyst: Gary Ricks

Purpose and Uses

The fund serves as a revolving fund to deposit checks when the proper fund to be credited needs to be researched. Upon finding the proper fund, the money is moved out of this fund and into the proper fund.

Recommendation

The fund has not had any activity in recent years. The Division of Finance has implemented a new receipt accounting system rendering this fund obsolete and no longer needed. There is still \$122,100 in the account. The Analyst recommends that the Division of Finance analyze and determine where these funds should be transferred and inform the Analyst of the decision. After the funds are transferred, the Analyst recommends closing the fund. The Division of Finance does not object.



Graph Notes

This fund has had minimal recent activity. Cash is the principal asset in the fund.

*Revenues and Expenses include Net Transfers; Dollar figures in thousands

Fund 8040 Savings Bond Fund

Agency(s): Finance

Analyst: Gary Ricks

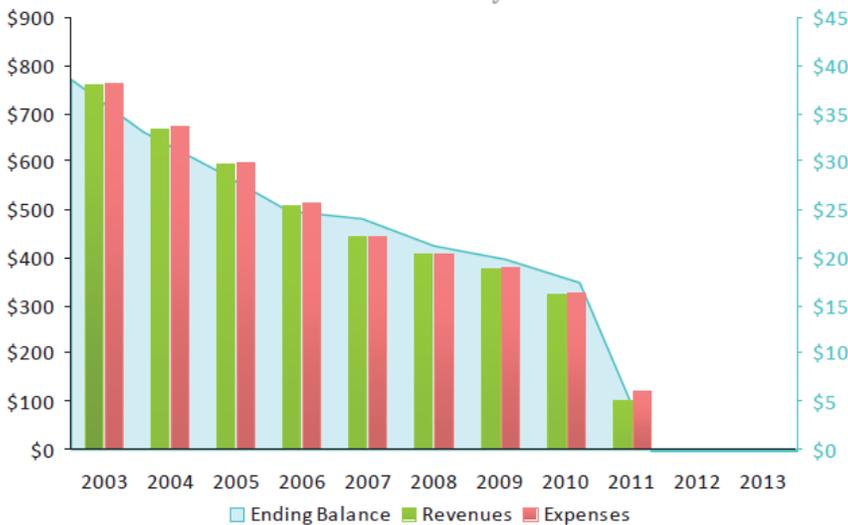
Purpose and Uses

The fund is an administrative fund created to hold employee deductions to purchase US Savings Bonds.

Recommendation

The Analyst recommends closing the fund as it is no longer in use. Prior to closing the Division of Finance needs to correct the negative fund balance. The Division of Finance does not object.

8040 History



Graph Notes

The fund has been inactive in most recent fiscal years and is no longer in use. The fund ended FY 2013 with a negative balance of \$200.

*Revenues and Expenses include Net Transfers; Dollar figures in thousands

Fund 8135 Miscellaneous Agency Fund

Agency(s): Transportation

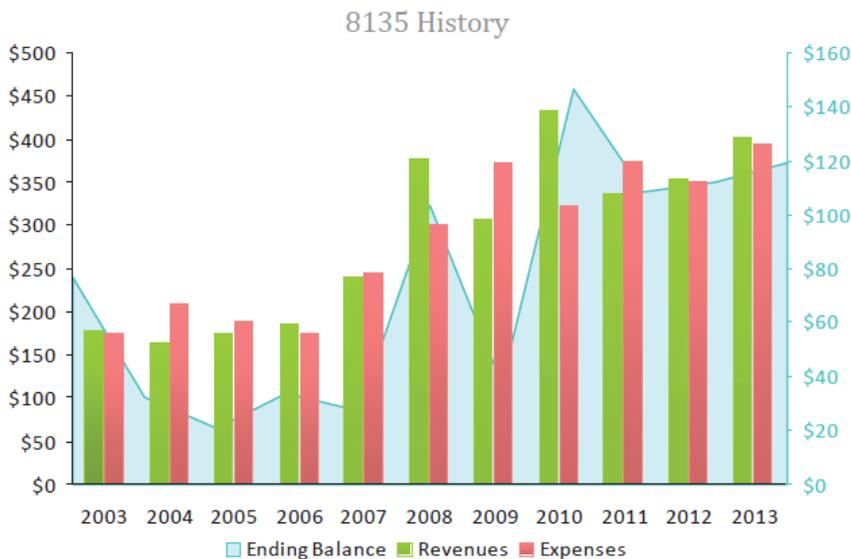
Analyst: Mark Bleazard

Purpose and Uses

This fund is used for accounting purposes to track expenditures for conferences and specialized training programs at the Department of Transportation.

Recommendation

The Analyst recommends closing the fund and moving its existing activity to the Department of Transportation's operating budget. The current practice is to run seminar-type expenditures and revenues in an agency's line item versus a separate fund.



Graph Notes

Revenues have been from legislative appropriations and expenditures have been for conferences and specialized training.

*Revenues and Expenses include Net Transfers; Dollar figures in thousands

Fund 8140 Motor Carrier Fee

Agency(s): Transportation

Analyst: Mark Bleazard

Purpose and Uses

The original purpose of this fund was for the deposit of motor carrier revenues. At year-end those revenues were moved to Transportation Fund Unrestricted. The revenues are now deposited directly to Transportation Fund Unrestricted.

Recommendation

The Analyst recommends closing this fund and eliminating the reference in UCA 72-9-706. The last financial activity was in FY 2009. These motor carrier revenues are now deposited directly to Fund 2800 as free revenue.

8140 History



Graph Notes

There has not been any activity in this fund since FY 2009. Balances are zero.

*Revenues and Expenses include Net Transfers; Dollar figures in thousands

Recommendation #2: Funds Recommended for Inclusion in the Appropriations Process.

Fund 2090 Child Welfare Parental Defense Fund

Agency(s): Administrative Services, State Treasurer

Analyst: Gary Ricks

Purpose and Uses

The fund pays for attorney fees and other associated costs (i.e. witness fees) related to parental defense in child welfare cases for indigent parents.

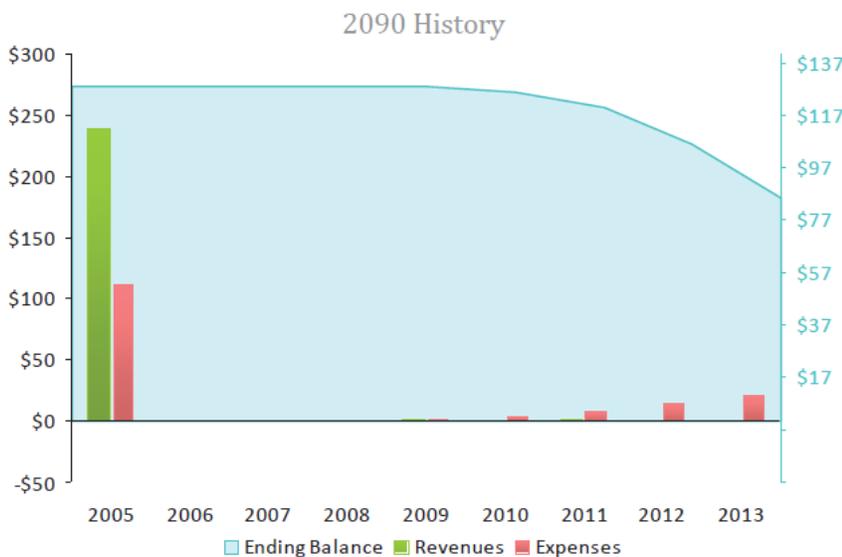
Accountability

UCA 63A-11-104 provides that the Department of Administrative Services shall manage the operation and budget of the program. UCA 63A-11-106 dictates that on or before the first day of October each year, the executive director shall report to the Governor and the Child Welfare Legislative Oversight Panel of the Legislature regarding the preceding fiscal year. The executive director shall prepare a budget of the administrative expenses for the program and the amount estimated to fund needed contracts and other costs.



Recommendation

This fund is an expendable special revenue fund. The Analyst recommends the Legislature review this fund annually and include it in an appropriations act.



Graph Notes

The Legislature made a one-time appropriation of \$239,000 in FY 2005 to this fund. The Department of Administrative Services has paid approximately \$10,000 to \$13,000 from this fund annually in recent years for legal counsel to represent indigent parents per UCA 63A-11-203.

*Revenues and Expenses include Net Transfers; Dollar figures in thousands

Fund 2096 State Archives Fund

Agency(s): *Administrative Services*

Analyst: *Gary Ricks*

Purpose and Uses

The fund consists of gifts and donations to be used in the State Archives Division.

Accountability

UCA 63A-12-109 requires the State Archives Division to use the fund for the purpose specified by the grantor, if any; or if no purpose is specified by the grantor, the preservation of and access to the archival records and exhibits. The Division is required to annually report on the use of the fund to an appropriation subcommittee designated by the Executive Appropriations Committee as part of the appropriation subcommittee's budgetary process under Title 63J, Chapter 1, Budgetary Procedures Act.



Recommendation

This fund is an expendable special revenue fund. The Analyst recommends the Legislature review this fund annually and include it in an appropriations act.

No Financial History Available

Transaction Information

This fund consists of cash. Recent activity consists of a corporate donation to provide training on archival procedures and spending for the same purposes. The FY 2013 closing balance is \$990.

Fund 2105 Office of State Debt Collection Fund

Agency(s): Administrative Services

Analyst: Gary Ricks

Purpose and Uses

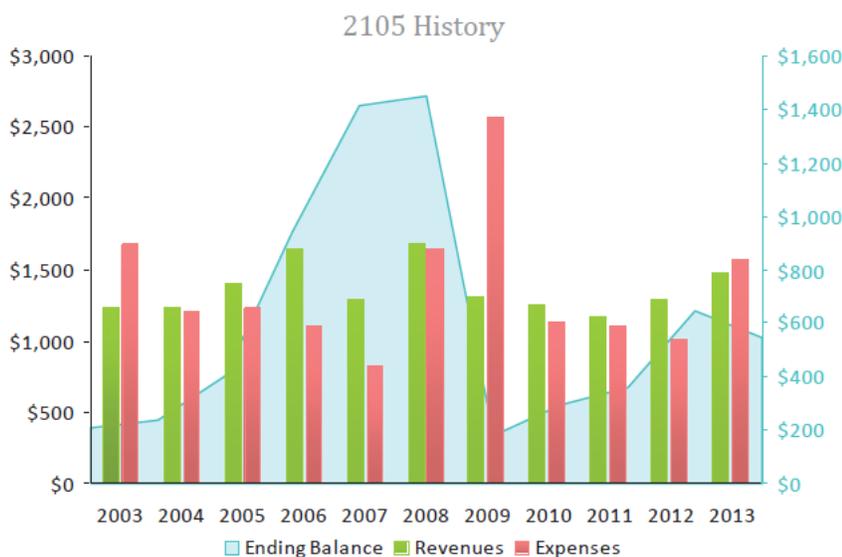
The fund was created to account for the collection of debts owed to the State. Revenues in the fund are to be used to offset systems, administrative, legal and other collection costs of the Office of Debt Collection. Any remaining funds at the end of the fiscal year that are not committed to offsets are deposited in the General Fund.

Accountability

UCA 63A-3-505 provides that the Office of Debt Collection shall report at least annually to the appropriations subcommittee assigned to review the budget of the Department of Administrative Services on the fund balance, revenues, expenditures and administrative offsets.

Recommendation

This fund is an expendable special revenue fund. The Analyst recommends the Legislature review this fund annually and include it in an appropriations act.



Graph Notes

Revenues are derived from state debt collections and late fees and penalties. Expenditures are agency operations costs including personnel expenses.

*Revenues and Expenses include Net Transfers; Dollar figures in thousands

Fund 2255 Wire Estate Memorial Fund

Agency(s): Finance, Transportation

Analyst: Mark Bleazard

Purpose and Uses

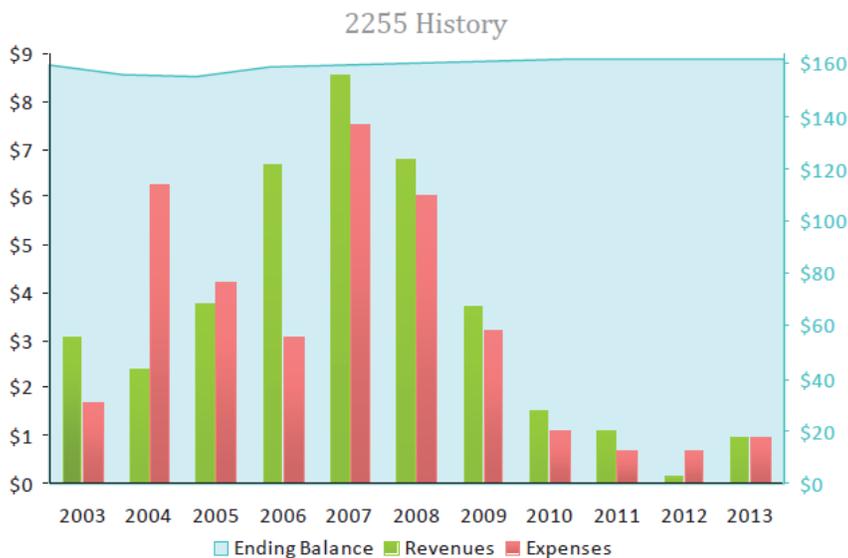
By request of the Lester Wire estate, the Department of Transportation became trustee to construct a memorial to Lester Wire. Wire is the inventor of the traffic signal. The memorial consists of a transportation infrastructure library at the Calvin Rampton Complex. The fund accounts for expenditures to maintain the Lester Wire Memorial Library.

Accountability

When the court named the Department of Transportation trustee to the memorial fund, it also designated how the fund could be used. The Department of Transportation reports annually to the Transportation Commission the activities in the fund. The Department of Transportation has consistently reported and maintained controls as required by the court documents.

Recommendation

As this fund represents a liability, the Analyst recommends the Legislature review this fund annually and include it in an appropriations act.



Graph Notes

The Lester Wire estate originally donated \$145,000 to the State as a memorial fund. Interest on the fund balances is the only continuing revenue going into the fund. The Department of Transportation expends approximately \$700 annually to maintain the library. Activity has been consistent in the last three years. FY 2013 year end balances are approximately \$160,000.

*Revenues and Expenses include Net Transfers; Dollar figures in thousands

Fund 7205 Utah Navajo Royalties Holding Fund

Agency(s): Administrative Services

Analyst: Gary Ricks

Purpose and Uses

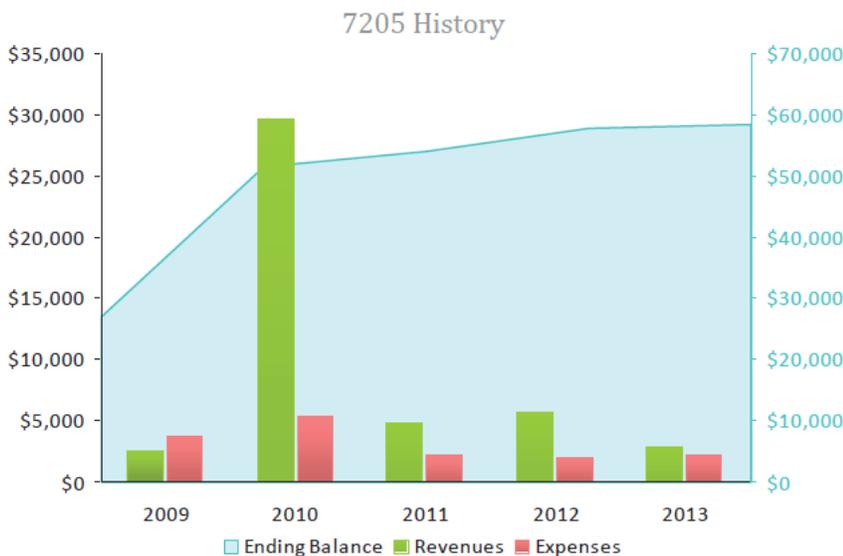
The Utah Navajo Royalties Holding Fund is a temporary state agency serving to administer the Utah Navajo Trust Fund while awaiting the United States Congress to formally designate another trustee for the trust fund. It is managed and overseen by the Department of Administrative Services. Uses are for the health, education, and general welfare of the Navajo residents of San Juan County, Utah.

Accountability

UCA 51-9-504 provides for accounting, reporting and control of the fund within the Division of Finance. The State Auditor annually audits and reports on the fund's internal control and compliance in accordance with government auditing standards and audits its financial statements.

Recommendation

The Analyst recommends the Legislature review this fund annually and include it in an appropriations act.



Graph Notes

The major balances in the fund consist of investments, miscellaneous receivables, and buildings. Revenues consist of returns on investments and mineral extraction royalty payments. Expenditures include personnel services costs, operating supplies, maintenance and repairs, and scholarships.

*Revenues and Expenses include Net Transfers; Dollar figures in thousands

Fund 8050 Office of State Debt Collection Collections

Agency(s): Administrative Services

Analyst: Gary Ricks

Purpose and Uses

This fund was created to separately account for victim restitution collections, payments, and fines recovered by the Office of State Debt Collection. Restitution collections and fines are generally collected by the Department of Corrections and State Courts. If the restitution payments and fines cannot be collected, the accounts are sent to the Office of State Debt Collection. Any recovered funds are recorded in this fund and disbursed to the victims or appropriate party by the Office of State Debt Collection.

Accountability

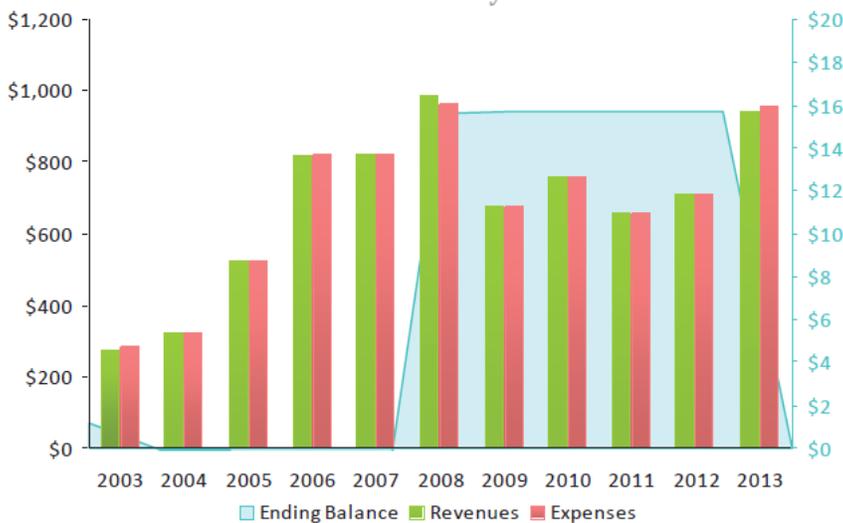
The fund itself has no explicit, direct reporting requirements or controls.

Recommendation

The Analyst recommends the Legislature review this fund annually and include it in an appropriations act.



8050 History



Graph Notes

This is a cash account. Revenues consist of restitution receipts, interest and penalties; expenditures consist of victim restitution payments.

*Revenues and Expenses include Net Transfers; Dollar figures in thousands

Fund 3000 DFCM Capital Projects Fund

REPORT ID: AM31
 RUN DATE: 12-21-2013
 RUN TIME: 01:36:16

State of Utah
 TRIAL BALANCE REPORT - SUMMARY
 FY 2013 THROUGH APD 13
 AS OF 12-21-2013

PAGE : 399

FUND : 3000 (FCM) Capital Projects Fund

ACCOUNT TYPE OBJ/REV/BSA	BEGINNING BALANCE	TOTAL DEBITS	TOTAL CREDITS	ENDING BALANCE
6401 - Deferred Revenue	\$0.00	\$16.80	(\$802.40)	(\$785.60)
ACCT TYP LIABILITY TOTAL	(\$15,580,335.77)	\$150,675.59	(\$43,509,983.91)	(\$58,939,644.09)
Fund Balance				
7035 - Restricted	(\$39,251,776.87)	\$0.00	(\$7,947,652.65)	(\$47,199,429.52)
7070 - Assigned	(\$100,437,939.09)	\$46,854,249.87	\$0.00	(\$53,583,689.22)
7200 - Fund Balance Default/Closing	\$0.00	\$0.00	(\$38,906,597.22)	(\$38,906,597.22)
ACCT TYP FUND BALANCE TOTAL	(\$139,689,715.96)	\$46,854,249.87	(\$46,854,249.87)	(\$139,689,715.96)
Pre-Encumbrances				
Pre-Encumbrances	\$0.00	\$0.00	\$0.00	\$0.00
Reserve for Pre-Encumbrances	\$0.00	\$0.00	\$0.00	\$0.00
ACCT TYP PRE-ENCUMBRANCES TOTAL	\$0.00	\$0.00	\$0.00	\$0.00
Encumbrances				
Encumbrances	\$186,770,334.87	\$14,195,236.04	(\$200,965,570.91)	\$0.00
Reserve for Encumbrances	(\$186,770,334.87)	\$200,965,570.91	(\$14,195,236.04)	\$0.00
ACCT TYP ENCUMBRANCES TOTAL	\$0.00	\$215,160,806.95	(\$215,160,806.95)	\$0.00
Expenditure/Expenses				
ACCT TYP EXPENDITURE/EXPENSES TOTAL	\$385,086,842.65	\$43,392,920.48	(\$2,740,214.10)	\$425,739,549.03
Revenues				

This report includes Trial Balance - Summary

OFF-BUDGET FUNDS

State of Utah

REPORT ID: AM31
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TRIAL BALANCE REPORT - SUMMARY
 FY 2013 THROUGH APD 13
 AS OF 12-21-2013

PAGE : 400

FUND : 3000 (FCM) Capital Projects Fund

ACCOUNT TYPE OBJ/REV/BSA	BEGINNING BALANCE	TOTAL DEBITS	TOTAL CREDITS	ENDING BALANCE
ACCT TYP REVENUES TOTAL	(\$338,829,081.36)	\$48,278,699.22	(\$96,282,569.67)	(\$386,832,951.81)
FUND 3000 TOTAL	\$0.00	\$515,340,809.97	(\$515,340,809.97)	\$0.00
Change in Fund Balance	\$46,257,761.29	\$91,671,619.70	(\$99,022,783.77)	\$38,906,597.22
Adjusted Total Fund Balance	(\$93,431,954.67)	\$138,525,869.57	(\$145,877,033.64)	(\$100,783,118.74)
Total Liability & Fund Balance	(\$109,012,290.44)	\$138,676,545.16	(\$189,387,017.55)	(\$159,722,762.83)

This report includes Trial Balance - Summary