

Office of the
Legislative Fiscal Analyst

FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Capital Facilities and Administrative Services

Department of Administrative Services
Finance - Mandated

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1.0 Summary: Division of Finance - Mandated Expenditures

Each year the Legislature funds items that are not specific to one agency, solve unique problems, or pose a conflict of interest to agency management. For these programs, the Legislature directs the money to be kept in the Division of Finance. In the past, the Legislature funded Y2K, critical land issues and inmate issues by placing the funds in dedicated accounts managed by the Division of Finance.

The Division manages expenditures as provided in law for each fund, but is not empowered to make policy decisions regarding funding in the Mandated sections.

The *Finance – Mandated* FY 2004 budget recommendation includes the following items:

- ▶ LeRay McAllister Critical Land Fund
- ▶ Post Conviction Indigent Defense Fund
- ▶ Navajo Trust Fund (Information Only)

The Legislature moved the Post Conviction Indigent Inmate Defense Fund to its own line item last year to ensure that funds were not transferred during the year to other programs. For purposes of budget recommendations, the program will continue to be tracked in the Finance-Mandated Line Item but will be shown separately after the 4.0 table.

| | Analyst FY 2004 Base | Analyst FY 2004 Changes | Analyst FY 2004 Total |
|-------------------------------------|----------------------------|-------------------------------|-----------------------------|
| Financing | | | |
| General Fund | 482,600 | | 482,600 |
| Total | \$482,600 | \$0 | \$482,600 |
| Programs | | | |
| LeRay McAllister Critical Land Cons | 482,600 | | 482,600 |
| Total | \$482,600 | \$0 | \$482,600 |

2.0 Issues: Division of Finance - Mandated Expenditures

2.1 LeRay McAllister Critical Land Fund

The LeRay McAllister Fund provides money to match with local and non-profit groups for the preservation of open space. The Division of Finance allocates the Fund's appropriation in four quarterly payments, maximizing interest earnings for the General Fund. During the 2002 Special Session budget process the Legislature made significant reductions to LeRay McAllister fund. Many groups seeking matching funds for their projects may not realize state support in FY 2003 or 2004. Section 3.1 provides further information

3.0 Programs: Division of Finance - Mandated Expenditures

3.1 LeRay McAllister Critical Land Fund

| | 2002 | 2003 | 2004 | Est/Analyst |
|-------------------------|--------------------|------------------|------------------|-------------|
| | Actual | Estimated | Analyst | Difference |
| Financing | | | | |
| General Fund | 2,037,200 | 2,232,600 | 482,600 | (1,750,000) |
| General Fund, One-time | | (1,750,000) | | 1,750,000 |
| Total | <u>\$2,037,200</u> | <u>\$482,600</u> | <u>\$482,600</u> | <u>\$0</u> |
| Expenditures | | | | |
| Other Charges/Pass Thru | 2,037,200 | 482,600 | 482,600 | |
| Total | <u>\$2,037,200</u> | <u>\$482,600</u> | <u>\$482,600</u> | <u>\$0</u> |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

The creation of LeRay McAllister Critical Land Conservation Fund (CLCF) allows non-profit organizations, the Department of Agriculture and local governments access to funds for open space preservation. Money from the CLCF must be used to preserve or restore open lands and agricultural lands. Generally, municipal parks, ball fields, and other types of developed, active recreation areas are not critical lands as defined by the Quality Growth Act.

The initial \$100,000 appropriation increased to \$2.75 million in one-time funds for Fiscal Year 2000. In Fiscal Year 2001 the Legislature made those funds ongoing but FY 2002 and 2003 budget pressures necessitated a re-prioritization of expenditures, ultimately reducing the program to \$482,600 in ongoing funds.

| | Critical Land Financing | | | | <i>FY Total</i> |
|-----------------------|--------------------------------|-------------------|------------------|------------------|--------------------|
| | <i>General Fund</i> | <i>Pacificorp</i> | <i>Park Sale</i> | <i>Interest</i> | |
| FY 1999 | \$100,000 | | \$80,000 | \$10,238 | \$190,238 |
| FY 2000 | 2,750,000 | \$311,760 | | 174,472 | 3,236,232 |
| FY 2001 | 2,750,000 | | | 260,505 | 3,010,505 |
| FY 2002 | 2,037,200 | | | 64,165 | 2,101,365 |
| FY 2003 | 482,600 | | | 26,299 | 508,899 |
| FY 2004 (rec.) | 482,600 | | | | 482,600 |
| Total | \$8,602,400 | \$311,760 | \$80,000 | \$535,679 | \$9,529,839 |
| <i>Five Year Avg.</i> | <i>\$1,433,733</i> | <i>n/a</i> | <i>n/a</i> | <i>\$107,136</i> | <i>\$1,588,307</i> |

Even with cuts in both FY 2002 and 2003, the annual Legislative commitment to open space preservation still averages \$1.4 million over the life of the program.

*Quality Growth
Commission awards
grants*

The Legislature created the Quality Growth Commission to help local governments in planning, to advise the state on matters impacted by growth and to manage the CLCF grant program. Since 1999 the QGC authorized 31 grants totaling \$8.7 million. Partners in open space preservation contributed nearly five dollars for every dollar of state money appropriated through the CLCF.

| CLCF: Urban/Rural Comparison | | | |
|-------------------------------------|---|---------------------------------------|--|
| | <i>Average State Grant Dollars per Acre</i> | <i>Average Total Dollars per Acre</i> | <i>Leverage of Outside Funding vs. State Funds</i> |
| Rural: | \$186.13 | \$1,202.00 | \$5.46 to \$1 |
| Urban: | \$486.67 | \$2,601.26 | \$4.35 to \$1 |
| Overall: | \$261.84 | \$1,554.51 | \$4.94 to \$1 |

Overall more than \$52 million has been committed to preserve 33,500 acres of open space. A full report of QGC activity can be found on their website at <http://governor.utah.gov/quality/update2002web.pdf>.

| CLCF: Projects Funded 1999-2002 | | | | | |
|--|-----------------------|--------------------|---------------------|---------------------|-------------------|
| <i>Year</i> | <i>Urban Projects</i> | <i>Grant</i> | <i>Match</i> | <i>Total Cost</i> | <i>Acreage</i> |
| 1999 | 2 | \$922,000 | \$4,072,000 | \$4,994,000 | 7339 |
| 2000 | 8 | \$1,747,165 | \$8,531,890 | \$10,279,055 | 870.485 |
| 2001 | 3 | \$849,096 | \$1,090,300 | \$1,939,396 | 177.16 |
| 2002 | 4 | \$595,412 | \$4,179,942 | \$4,775,354 | 66.11 |
| Total Urban Funded: | | \$4,113,673 | \$17,874,132 | \$21,987,805 | 8,452.755 |
| <i>Year</i> | <i>Rural Projects</i> | <i>Grant</i> | <i>Match</i> | <i>Total Cost</i> | <i>Acreage</i> |
| 1999 | 3 | \$1,057,050 | \$3,096,050 | \$4,153,100 | 496.56 |
| 2000 | 3 | \$812,500 | \$2,810,400 | \$3,622,900 | 5794.89 |
| 2001 | 6 | \$2,517,000 | \$17,521,132 | \$20,038,132 | 17155.24 |
| 2002 | 2 | \$285,200 | \$2,071,000 | \$2,356,200 | 1653.32 |
| Total Rural Funded: | | \$4,671,750 | \$25,498,582 | \$30,170,332 | 25,100.01 |
| Year | Total Projects | Grant | Match | Total Cost | Acreage |
| 1999 | 5 | \$1,979,050 | \$7,168,050 | \$9,147,100 | 7835.56 |
| 2000 | 11 | \$2,559,665 | \$11,342,290 | \$13,901,955 | 6665.375 |
| 2001 | 9 | \$3,366,096 | \$18,611,432 | \$21,977,528 | 17332.4 |
| 2002 | 6 | \$880,612 | \$6,250,942 | \$7,131,554 | 1719.43 |
| Total Funded: | | \$8,785,423 | \$43,372,714 | \$52,158,137 | 33,552.765 |

3.2 Utah Navajo Trust Fund – Annual Report

The Department of Administrative Services provides space and administrative support for the trust fund administration, but does not direct the activities of the office or the administration of the trust.

The trust fund revenues come from 37 1/2 percent of the net oil royalties from the Aneth Extension of the Navajo Nation. The fund is administered by a Board of Trustees composed of the State Treasurer, the Director of the Division of Finance and a state officer or employee appointed by the Governor with the advice and consent of the Senate.

The Board of Trustees reviews and approves the trust fund budget as prepared by the trust administrator. Utah Code Annotated 63-88-102 requires the State Auditor to conduct an annual audit and deliver the report to statutory committees, state offices and two federal offices.

Since the last report to the Legislature, the Board has acted on the following major items:

1. Committed \$400,000 of funding toward the construction of the Monument Valley Vendor Village. This is being matched with \$300,000 from the Navajo Nation Abandoned Mines and Lands funds, \$157,500 from 4CEC, \$150,000 from Navajo Nation Tourism Department and \$100,000 from the Navajo Revitalization Fund.
2. Provided educational grants and scholarships to Navajos amounting to \$443,940 in FY 2002 and an estimated \$595,000 in FY 2003.
3. Authorized matching funds for projects supported by the Navajo Nation and the Navajo Revitalization Fund of \$600,000 in FY 2002 and allocated \$500,000 in FY 2003. These funds are allocated to chapters by using actual population figures from UNTF's database.
4. Approved FY2003 allocations were made for the following:
 - \$10,000 for equipment purchase or repair
 - \$10,000 for Surplus Property
 - \$55,000 for Emergency Funds
 - \$21,500 for Navajo Community Fairs
 - \$169,500 for Health Facility Improvements
 - \$5,000 for Recreation Funding
 - \$10,000 for Home-site Archeological Clearances
 - \$10,000 for Adult Enrichment
 - \$150,000 in Veteran's Housing Funding
5. Placed Olympic Homes for 19 clients in 3 separate communities using funding from several different resources. Plan to place another 23 manufactured homes on the Navajo Reservation in all 7 communities within the next 6 months.

Beginning Fund balance on April 1, 1992 was \$9,648,585. The balance as of June 30, 2002 was \$20,610,265 un-audited.

4.0 Additional Information: Division of Finance - Mandated Expenditures

| | 2000 | 2001 | 2002 | 2003 | 2004 |
|--|--------------------|--------------------|--------------------|-------------------|------------------|
| Financing | Actual | Actual | Actual | Estimated* | Analyst |
| General Fund | 2,750,000 | 4,890,800 | 3,458,500 | 2,232,600 | 482,600 |
| General Fund, One-time | | | (200) | (1,750,000) | |
| Uniform School Fund | | | 37,200 | | |
| Transportation Fund | | | 500 | | |
| Transfers | | | (165,000) | | |
| Info Tech Svcs ISF | 1,656,000 | | | | |
| Beginning Nonlapsing | | 1,000,000 | 628,100 | | |
| Closing Nonlapsing | (1,000,000) | (628,000) | (207,300) | | |
| Lapsing Balance | | | (50,700) | | |
| Total | \$3,406,000 | \$5,262,800 | \$3,701,100 | \$482,600 | \$482,600 |
| Programs | | | | | |
| 800 MHz Conversion | | 1,740,800 | 1,663,000 | | |
| Information Technology Infrastructure In | 656,000 | 772,000 | | | |
| LeRay McAllister Critical Land Conserva | 2,750,000 | 2,750,000 | 2,037,200 | 482,600 | 482,600 |
| Annual Leave Conversion | | | 900 | | |
| Total | \$3,406,000 | \$5,262,800 | \$3,701,100 | \$482,600 | \$482,600 |
| Expenditures | | | | | |
| Current Expense | | 1,740,800 | 1,663,000 | | |
| DP Capital Outlay | 656,000 | 772,000 | | | |
| Other Charges/Pass Thru | 2,750,000 | 2,750,000 | 2,038,100 | 482,600 | 482,600 |
| Total | \$3,406,000 | \$5,262,800 | \$3,701,100 | \$482,600 | \$482,600 |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency.

1.0 Summary: Post Conviction Indigent Defense Fund

The Post Conviction Defense Fund pays attorney fees for the automatic appeals for individuals convicted of capital crimes. The program was managed by the Attorney General’s office for a period of time but was moved into finance to avoid the appearance of a conflict resulting from the AG prosecuting individuals while directly funding their defense. Funds are housed in the Division of Finance to ensure that prosecutors can not control the funds. Beginning with the 2001 Appropriations Act, this program appears as a separate line item.

| | Analyst FY 2004 Base | Analyst FY 2004 Changes | Analyst FY 2004 Total |
|---------------------------------------|-------------------------------------|--|--------------------------------------|
| Financing | | | |
| Beginning Nonlapsing | 396,400 | | 396,400 |
| Closing Nonlapsing | (322,400) | | (322,400) |
| Total | <u>\$74,000</u> | \$0 | <u>\$74,000</u> |
| Programs | | | |
| Post Conviction Indigent Defense Fund | 74,000 | | 74,000 |
| Total | <u>\$74,000</u> | \$0 | <u>\$74,000</u> |
| FTE/Other | | | |

2.0 Issues: Post Conviction Indigent Defense Fund

The *Post Conviction Indigent Defense Fund* provides a source of money for death row inmates to pay legal expenses. Attorneys may apply for reimbursement under an administrative rule that establishes appropriate fees for the program. In recognizing that the program averaged just over \$25,000 per year in expenditures, the Legislature redirected General Fund for this program to other needs. The program should be able to continue with carry-forward balances in FY 2004.

3.0 Programs: Post Conviction Indigent Defense Fund

| | 2002 | 2003 | 2004 | Est/Analyst |
|---|-----------------|-----------------|-----------------|-------------|
| | Actual | Estimated | Analyst | Difference |
| Financing | | | | |
| General Fund | 85,100 | | | |
| Beginning Nonlapsing | 412,700 | 470,400 | 396,400 | (74,000) |
| Closing Nonlapsing | (470,400) | (396,400) | (322,400) | 74,000 |
| Total | \$27,400 | \$74,000 | \$74,000 | \$0 |
| Expenditures | | | | |
| Current Expense | 27,400 | 74,000 | 74,000 | |
| Total | \$27,400 | \$74,000 | \$74,000 | \$0 |
| FTE/Other | | | | |
| *General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency | | | | |

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| Post Conviction Expenditures | |
|-------------------------------------|-------------------------|
| FY 1999 | \$17,000 |
| FY 2000 | 23,000 |
| FY 2001 | 22,300 |
| FY 2002 | 27,400 |
| FY 2003 (YTD) | <u>37,000</u> |
| Total | <u>\$126,700</u> |
| <i>Avg. Expenditure</i> | <i>\$25,340</i> |

Although the potential liability for current inmates on death row is over \$508,400, the nonlapsing balance in the program should be sufficient to meet FY 2003 and FY 2004 expenditures. However at some point in the future the program’s carry forward balance will run out, requiring additional funding for the program. For FY 2004, though, the Analyst recommends continuation of nonlapsing authority for the program

It is the intent of the Legislature that funds for the Indigent Inmate Defense Fund shall not lapse.

Other Inmate Funds

The Division manages two accounts that are similar to the Post Conviction fund. These programs are funded by participating counties with statutory language for legislative consideration of any shortfall.

The *Indigent Inmate Defense Fund* is for inmates convicted of crimes while in prison. Sanpete County uses the program for inmates accused of crimes committed at the state prison in Gunnison. No other counties participate in the program at this time.

The *Indigent Capital Defense Fund* provides money to defend indigents charged with capital crimes in participating counties. The Division of Finance assesses the twenty-four participating counties annually and will be able to manage the fund in FY 2004 without state assistance.

4.0 Additional Information: Post Conviction Indigent Defense Fund

| | 2000 | 2001 | 2002 | 2003 | 2004 |
|---------------------------------------|-----------------|-----------------|-----------------|-------------------|-----------------|
| Financing | Actual | Actual | Actual | Estimated* | Analyst |
| General Fund | 170,000 | 120,000 | 85,100 | | |
| Beginning Nonlapsing | 218,000 | 315,000 | 412,700 | 470,400 | 396,400 |
| Closing Nonlapsing | (315,000) | (412,700) | (470,400) | (396,400) | (322,400) |
| Total | \$73,000 | \$22,300 | \$27,400 | \$74,000 | \$74,000 |
| Programs | | | | | |
| Post Conviction Indigent Defense Fund | 73,000 | 22,300 | 27,400 | 74,000 | 74,000 |
| Total | \$73,000 | \$22,300 | \$27,400 | \$74,000 | \$74,000 |
| Expenditures | | | | | |
| Current Expense | 23,000 | 22,300 | 27,400 | 74,000 | 74,000 |
| Other Charges/Pass Thru | 50,000 | | | | |
| Total | \$73,000 | \$22,300 | \$27,400 | \$74,000 | \$74,000 |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency.