

Budget Brief – Community Development Capital

NUMBER 8-06

SUMMARY

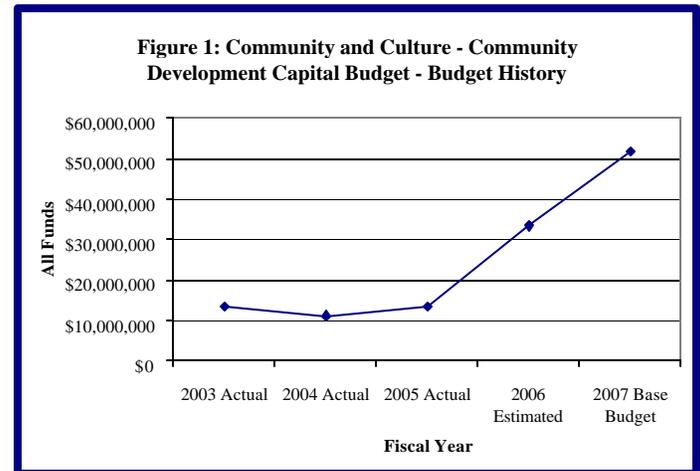
The Community Development Capital budget provides grants and/or loans to subdivisions of the State which are impacted directly or indirectly by mineral resource development on federal lands. The Permanent Community Impact Fund receives 32.5 percent of the mineral lease payments from the federal government. This funding is prioritized by the Community Impact Board which is administered in the Community Development line item. Additionally, a portion of the federal mineral lease flows directly to special service districts through the mineral lease distribution formula.

ISSUES AND RECOMMENDATIONS

The Analyst recommends appropriating \$51,800,000 base budget funding for the Community Development Capital Program. The Special Service Districts are allocated \$2,500,000 of the total with the Permanent Community Impact Fund receiving \$49,300,000. The program however, is authorized to spend the distribution that actually comes in.

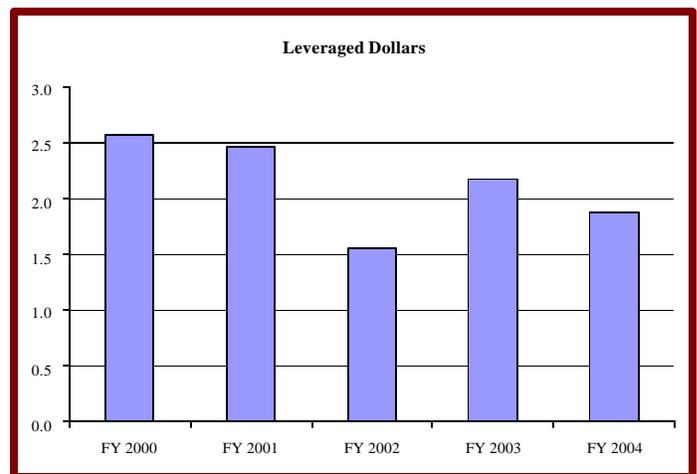
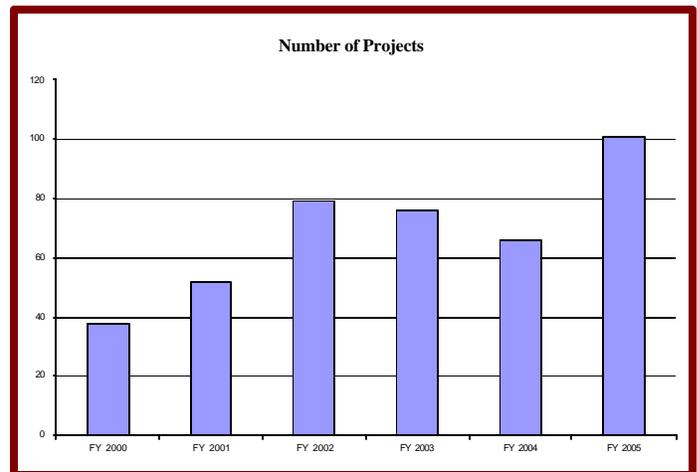
The Analyst recommends the committee adopt the addition growth in funding estimated as a building block in the amount of \$14,097,000. Funding will be distributed based on the statutory formula.

Community Development also administers other funds resulting from mineral lease development issues including the Uintah Basin Revitalization fund, the Navajo Revitalization fund, the Rural Development Fund, and the Rural Electronics Commerce and Communications System Fund.



ACCOUNTABILITY DETAIL

The program measures performance by tracking the number of projects approved and the grants or loans issued by the fund. The Grants and loans are then compared to the total project costs in order to determine the funding leveraged.



BUDGET DETAIL

Funding for the Community Development Capital Budget is from federal mineral lease revenue. The total funding amount is determined by a statutory formula found in UCA 58-21.

BUDGET DETAIL TABLE

Community and Culture - Community Development Capital Budget						
Sources of Finance	FY 2005 Actual	FY 2006 Appropriated	Changes	FY 2006 Revised	Changes	FY 2007* Base Budget
Federal Mineral Lease	4,184,500	2,500,000	0	2,500,000	0	2,500,000
Permanent Community Impact	9,400,000	49,300,000	(18,300,000)	31,000,000	0	31,000,000
Repayments	0	0	0	0	18,300,000	18,300,000
Total	\$13,584,500	\$51,800,000	(\$18,300,000)	\$33,500,000	\$18,300,000	\$51,800,000
Programs						
Permanent Community Impact Board	9,400,000	49,300,000	(18,300,000)	31,000,000	18,300,000	49,300,000
Special Service Districts	4,184,500	2,500,000	0	2,500,000	0	2,500,000
Total	\$13,584,500	\$51,800,000	(\$18,300,000)	\$33,500,000	\$18,300,000	\$51,800,000
Categories of Expenditure						
Other Charges/Pass Thru	13,584,500	51,800,000	(18,300,000)	33,500,000	18,300,000	51,800,000
Total	\$13,584,500	\$51,800,000	(\$18,300,000)	\$33,500,000	\$18,300,000	\$51,800,000

*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.

LEGISLATIVE ACTION

This section is a summary of which actions might be taken if the Legislature wishes to adopt the recommendations of this brief.

1. Adopt a base budget of \$51,800,000.
2. Adopt the estimated growth of \$14,097,000