

2006 GENERAL SESSION

State Budget Overview

APPROPRIATION SUMMARY & BUDGET HIGHLIGHTS

BUDGET SUMMARY

Lawmakers entered the 2006 General Session facing difficult decisions presented by more than \$1 billion in projected tax revenue growth for fiscal years 2006 and 2007. From the start, Legislators clearly prioritized tax cuts, education, social services and infrastructure. \$98 million worth of growth in public education, Medicaid rolls, and building maintenance needs were the first additions to base budgets. On top of that, appropriators added more than \$240 million for public education, \$25 million for Higher Education, and \$43 million for health and human services. Capital investments fared well with \$193 million going toward new buildings and nearly \$300 million toward roads.

In addition to research and development initiatives like the Utah Science, Technology and Research (USTAR) initiative - which received \$65 million in funding - lawmakers stimulated the state economy with numerous tax cuts including reducing sales tax on food, removing the cap on water district share of sales tax revenue, and offering a number of tax incentives to businesses and manufacturers.

Finally, Legislators deposited \$25 million into the state's general rainy day fund. This brings the state's reserves back to pre-recession levels.

EMPLOYEE COMPENSATION

The Legislature appropriated a 3.5% cost of living allowance for state and higher education employees. Included in this allowance is an adjustment in health insurance benefits equivalent to a 0.5% cost of living allowance. Judges, elected officials, and state executives were provided a 3% cost of living adjustment with 0.5% of that adjustment coming from changes in health insurance benefits. In addition, increases in health insurance premiums, retirement rates, and post employment termination pools totaling nearly \$39.6 million were included in the compensation package. Finally, the Legislature provided market comparability adjustments for certain classifications within the Department of Corrections and the Utah Highway Patrol.

State funding for the compensation of teachers and other public education employees was part of a 6% increase in the weighted pupil unit (WPU). These funds will be allocated to school districts who in turn will negotiate with employees for their final compensation packages.

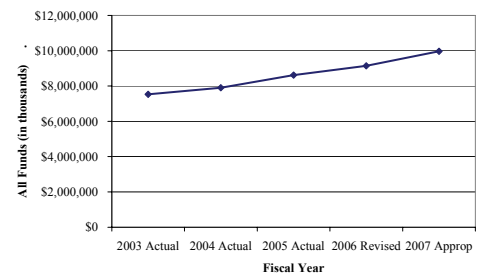
REVENUE IMPACTS

- Sales and Use Tax – Food and Food Ingredients (HB 109) Allows for a 2 percent reduction in sales tax on food.
- Property Tax – Circuit Breaker Qualifying Limits (HB 55) provides for a shift in brackets and increases in credits allowed under circuit breaker.
- Sales and Use Tax Exemption – Telecommunications (SB 29) Provides a sales tax exemption for the Telecommunications Industry.
- Sales and Use Tax – Manufacturing and Industry Exemptions Amendments (SB 31) Expands the Manufacturing Exemption.
- Gross Receipts Tax Amendments, Repeal and Public Utility Tariffs (SB 34) Provides a reduction in the Gross Receipts Tax paid by certain industries.
- Amendments to Sales and Use Tax Exemptions for Certain Vehicles, Boats, Boat Trailers, and Outboard Motors (SB 179) provides a sales tax exemption for certain purchase within the state for out of state use.
- Sales Tax Diversion for Water Projects and Water Financing (HB 47) - requires that certain state sales and use tax revenues be transferred to the Water Resources Conservation and Development Fund and used by the Division of Water Resources for preconstruction costs for certain water projects. Also, transfers funds to the Division of Water Rights for hiring staff.

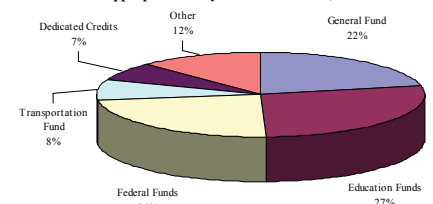
FY05 Actual	\$8,620,179,688
State Funds	3,987,916,261
FY06 Revised	\$9,141,664,617
State Funds	4,249,064,715
FY07 Appropriated	\$9,971,508,975
State Funds	4,942,541,645

% Change FY05/06	6.0
State Fund Increase/(Decrease)	6.5
% Change FY06/FY07	9.1
State Fund Increase/(Decrease)	16.3

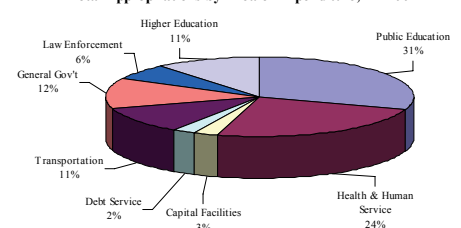
Budget History



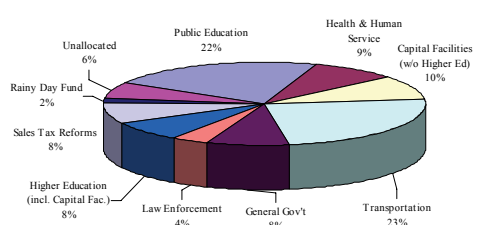
Total Appropriations by Revenue Source, FY 2007



Total Appropriations by Area of Expenditure, FY 2007



Allocation of Available Revenue (\$1.2 Billion)
2006 General Session



NOTE: All figures represented in this summary are preliminary. Final appropriation figures, including gubernatorial vetoes, will be reflected in the 2006 - 2007 Appropriations Report. 3/8/2006 3:25:00 PM

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2006 GENERAL SESSION

Capital Facilities & Administrative Services

APPROPRIATION SUMMARY & BUDGET HIGHLIGHTS

BUDGET SUMMARY

The subcommittee oversees the Capitol Preservation Board, Career Service Review Board, Department of Administrative Services, Department of Technology Services, Department of Human Resource Management, Capital Budget, and Debt Service. Operating budgets account for only 7% of the total state fund appropriation. Approximately 72% of the FY07 state fund appropriation will be used for capital facilities, 19% will be used for debt service, and 2% will be used to upgrade the state's tax computer system.

The subcommittee also approves budgets for statewide internal service funds. Internal service funds provide consolidated services to all agencies, higher education and some local governments. Revenues in the amount of \$240 million are anticipated to be collected by the internal service funds in FY07.

MAJOR FUNDING INITIATIVES

Authorized state funded capital projects will be financed with cash, including \$30 million in ongoing state funds. Legislative action provided the following increases:

- *State Funded Buildings* - \$196,662,000
- *Rainy Day Fund* - \$25,000,000
- *Tax System Modernization* - \$10,000,000
- *Capital Improvements (existing facilities)* - \$6,759,700
- *DFCM Administration (replaces project funds)* - \$1,092,000
- *O&M for New Buildings* - \$1,674,900
- *LeRay McAllister Critical Land Conservation* - \$1,000,000
- *Capitol Building Wireless Technology* - \$590,000
- *S.B. 57, Rural Telehealth Network* - \$500,000
- *High Definition Aerial Imagery* - \$500,000
- *Local Government Mapping* - \$400,000
- *Capitol Preservation Board (replaces project funds)* - \$100,000

FUNDING REALLOCATIONS

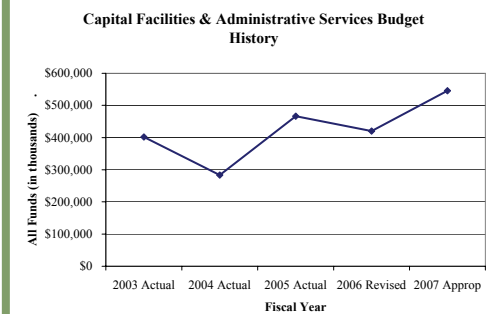
- *Capital Development Line Item* - \$13,200,000 returned to the General Fund to help finance other state needs.
- *Debt Service* - \$5,502,000 savings from reduced bonding reallocated to the Capital Development line item.
- *Risk Management* - \$2,500,000 in excess retained earnings reallocated to the Capital Improvements line item to mitigate life/safety hazards in existing buildings.
- *Contingency Reserve Fund* - \$1,500,000 reallocated to the Project Reserve Fund to help cover construction inflation.

BUDGET POLICY INITIATIVES

- *H.B. 269 Human Resource Management Amendments* - returns the agency to a department of state government rather than a division within DAS, and creates an internal service fund to provide field services to other agencies.
- *S.B. 75 USTAR Initiative* - includes \$110,000,000 in bond authorization and \$50,000,000 General Funds for construction of research institutions at the University of Utah and Utah State University.

FY05 Actual	\$466,535,900
State Funds	264,087,600
FY06 Revised	\$420,421,500
State Funds	219,849,200
FY07 Appropriated	\$547,577,600
State Funds	359,574,300

% Change FY05/06	(9.9)
State Fund Increase/(Decrease)	(16.8)
% Change FY06/FY07	30.2
State Fund Increase/(Decrease)	63.6



FY 07 BUDGET BY MAJOR AREA

Capitol Preservation Board	\$2,884,400
Career Service Review Board	\$217,800
Administrative Services	\$23,398,100
Technology Services	\$19,799,900
Human Resource Mgt	\$3,899,300
Capital Budget	\$260,783,300
Debt Service	\$236,594,800

CAPITAL PROJECTS STATE-FUNDED

Capital Improvements	\$62,921,300
State Capitol (Stage Three)	\$50,000,000
UVSC Digital Learning Center	\$46,750,000
UBATC/USU Vernal Bldg	\$9,942,000
DNR Midway Fish Hatchery	\$5,000,000
CUCF North Side Expansion	\$20,000,000
Courts St. George Property	\$3,620,000
USU Ag Campus Relocation	\$5,000,000
MATC N. Utah Co. Land	\$3,250,000
WSU Classrm/Chiller Plnt Design	\$2,000,000
CEU Energy Training Ctr	\$1,100,000
USTAR Buildings (S.B.75)*	\$50,000,000
Total State Funded	\$196,662,000

CAPITAL PROJECTS OTHER FUNDS

DABC Revenue Bonds	\$7,371,000
Bd. Regents Revenue Bonds	\$49,275,000
Donated Funds	\$102,110,000
Federal Funds	\$1,177,000
Transportation Funds	\$1,200,000
Total Other Funded	\$161,133,000

*Plus \$110,000,000 General Obligation Bond Authorization.



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2006 GENERAL SESSION

UTAH LEGISLATURE

MARCH 8, 2006

Commerce & Revenue

APPROPRIATION SUMMARY & BUDGET HIGHLIGHTS

BUDGET SUMMARY

The eight department budgets overseen by the Commerce and Revenue subcommittee make up the most diverse portfolio of any appropriations subcommittee: Alcoholic Beverage Control, Commerce, Financial Institutions, Insurance, Labor Commission, Public Service Commission, Tax Commission and Workforce Services. In addition to the amounts shown in the summary, about \$270,000,000 will be spent "off-budget" in Unemployment Insurance and Food Stamp Payments.

MAJOR FUNDING INITIATIVES

Alcoholic Beverage Control - \$2,669,800

- *Bond Payments* - \$812,400
- *Staffing* - \$226,100, provides 7 FTE to handle growth
- *S.B. 58* - \$1,631,300, to implement S.B. 58 "Eliminating Alcohol Sales to Youth"

Commerce - \$333,500

- *Staffing* - \$233,500, provides 3 FTE to handle growth
- *Filing System* - \$100,000, to rebuild the Uniform Commercial Code online filing system

Financial Institutions - \$524,000

- *Staffing* - \$524,000, provides 5 FTE to handle growth

Insurance - \$5,125,800

- *HIPUtah* - \$4,796,100, provides ongoing and one-time (\$1,000,000) funding for Comprehensive Health Insurance.
- *Staffing* - \$329,700, provides 3 FTE financial examiners and 2 FTE market conduct analysts

Labor Commission - \$885,600

- *Safety* - \$309,600, to increase Workplace Safety
- *Restorations* - \$576,000, to undo previous federal and state budget reductions

Tax Commission - \$7,150,000

- *Software System* - \$7,000,000, in one-time revenue to start the replacement of core software systems. Preliminary estimates indicate that the total project will take three years to complete and a total of \$30 million.
- *Leases* - \$150,000, to provide office leases in St. George and Richfield
- *H.B. 109 s 3* - the Commission will administer \$6,000,000 to implement the Sales and Use Tax - Food and Food Ingredients.

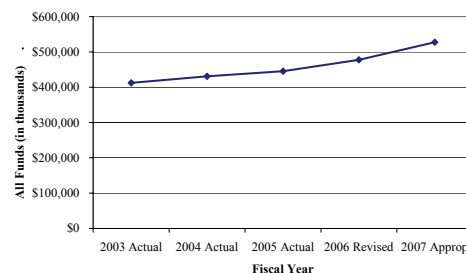
Workforce Services - \$13,232,600

- *General Assistance* - \$5,500,000 to provide additional General Assistance services
- *eRep* - \$4,085,000, combined with \$6,135,900 in federal Medicaid matching funds to complete the eREP program
- *Child Care* - \$2,702,400, combined with \$6,997,600 in additional federal fund draw-down to provide child care services
- *Food Stamps* - \$945,200, to increase Food Stamp administration

FY05 Actual	\$445,551,600
State Funds	125,102,200
FY06 Revised	\$477,696,300
State Funds	126,481,100
FY07 Appropriated	\$527,467,900
State Funds	143,671,600

% Change FY05/06	7.2
State Fund Increase/(Decrease)	1.1
% Change FY06/FY07	10.4
State Fund Increase/(Decrease)	13.6

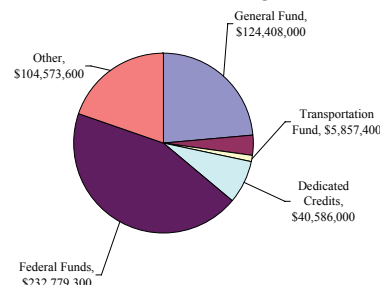
Commerce & Revenue Budget History



FY 2007 BUDGET BY MAJOR AREA

Alcoholic Beverage Control	\$24,600,000
Commerce	\$24,565,200
Financial Institutions	\$5,788,900
Insurance	\$48,192,600
Labor Commission	\$10,904,200
Public Service Commission	\$12,816,200
Tax Commission	\$73,995,000
Workforce Services	\$320,646,000

Commerce & Revenue FY 2007 Funding Mix



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2006 GENERAL SESSION

Economic Development

APPROPRIATION SUMMARY & BUDGET HIGHLIGHTS

BUDGET SUMMARY

The Committee oversees the budgets for the Department of Community and Culture and the Governor's Office of Economic Development. They also oversee funding for the USTAR Initiative. Total State funding allocated to the committee in FY 2007 was \$61,568,100.

MAJOR FUNDING INITIATIVES

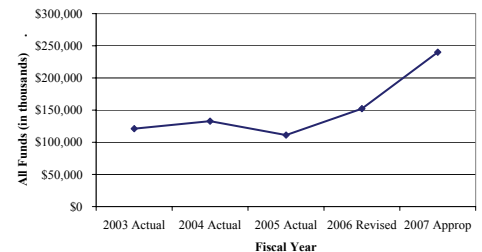
Legislative action provided for the following funding increases:

- *Pamela Atkinson Homeless Trust Fund* - \$500,000 one-time for the Homeless Committee to support local homeless service providers.
- *Olene Walker Housing Loan Fund* - \$1,000,000 one-time for the expansion of affordable housing.
- *Weatherization* - \$500,000 one-time to help with weatherization projects that will save energy costs in the long run.
- *Sports Commission* - \$200,000 one-time to provide grants to eligible events.
- *Industrial Assistance Fund* - \$3,479,400 supplemental appropriation to replenish the Industrial Assistance Fund.
- *Emergency Food Network* - \$100,000 one-time to increase services statewide.
- *Children's Museum* - \$400,000 one-time to contribute to the building of the Children's Museum.
- *Treehouse Museum* - \$400,000 one-time to contribute to the relocation of the Treehouse Museum in Ogden.
- *Eccles Ice Center* - \$250,000 one-time to contribute to the endowment fund of the Eccles Ice Center.
- *Davis County Conference Center* - \$500,000 one-time to help with the expansion of the Davis County Conference Center.
- *Individual Development Accounts* - \$50,000 ongoing to provide individual development account opportunities.
- *Museum Grants* - \$250,000 one-time to fund museum grants statewide.
- *Motion Picture Incentive Fund* - \$500,000 one-time and \$500,000 ongoing for an incentive program to bring film production into the state.
- *Utah Summer Games* - \$25,000 one-time added to the \$50,000 base funding for the Utah Summer Games.
- *Moab Music Festival* - \$50,000 one-time
- *Economic Development Zone Rebates* - \$1,528,000 one-time to fund the rebate commitment related to the Economic Development Zone rebates.
- *Utah Golf Association* - \$5,000 one-time
- *Save America's Treasures* - \$75,000 state match for a federal heritage grant.
- *Hill Field/UBIDS* - \$250,000 one-time to GOED Administration for the Hill Field/UBIDS program.
- *SB 187 Science and Technology Education Program* - \$100,000 ongoing to create a Science and Technology Education Program in the Governor's Office of Economic Development.
- *Business Development* - \$250,000 one-time for a business development opportunity.
- *Centers of Excellence and Business Resource Centers* - \$500,000 ongoing for each program was provided to the Governor's Office of Economic Development.
- *USTAR* - \$19,250,000 ongoing funding was provided for the USTAR initiative.
- *Lease increase for the Department of Community and Culture and the Governor's Office of Economic Development* - \$90,000 supplemental funding and \$180,000 ongoing funding for the contractual increase.

FY05 Actual	\$111,189,700
State Funds	44,336,900
FY06 Revised	\$152,399,200
State Funds	56,734,700
FY07 Appropriated	\$240,218,200
State Funds	61,068,100

% Change FY05/06	37.1
State Fund Increase/(Decrease)	28.0
% Change FY06/FY07	58.0
State Fund Increase/(Decrease)	8.5

Economic Development & Human Resources Budget History



FUNDING REALLOCATIONS

The Office of Museum Services and the Division of Fine Arts were combined into the Division of Arts and Museums. The Governor's Office of Economic Development line items were restructured to more closely align with their administration of the existing programs.

The Economic Development Subcommittee reallocated \$656,000 in remaining easement balances on a one-time basis to the following programs: \$200,000 Library Development Grants, \$100,000 for Art Restoration, \$50,000 for History Grants, \$20,000 to the Italians in Utah Project, \$95,500 for Museum Grants, \$95,500 for Art Grants, \$50,000 for Repatriation, and \$45,000 for Business Resource Center equipment purchases.

Ongoing funding of \$350,000 from remaining defense alliance allocations was reallocated as follows: \$150,000 Snow College Custom Fit Nursing Initiative, \$30,000 Emergency Food Network, \$100,000 Zoos, \$50,000 History Grants, and \$48,300 for the Pioneer Database.



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2006
GENERAL
SESSION

UTAH LEGISLATURE

MARCH 8, 2006

Executive Offices & Criminal Justice

APPROPRIATION SUMMARY & BUDGET HIGHLIGHTS

BUDGET SUMMARY

The subcommittee oversees nine state agencies—the Governor's Office, State Auditor, State Treasurer, Attorney General, Public Safety, Corrections, Board of Pardons, Juvenile Justice Services, and the Courts. The agencies employ over 6,400 employees. Over 69 percent of the subcommittee's \$711.9 million budget comes from General Fund.

MAJOR FUNDING INITIATIVES

- *Central Utah Correctional Facility* - \$4,106,000 ongoing and \$172,900 one-time GF for operations and maintenance funding for a new 288-bed pod.
- *Correctional Officer Salary Increase* - \$3,600,000 for a 5.5% salary increase for correctional officers.
- *Replacement of Federal Funds* - FY06 one-time funding of \$833,100 and FY07 one-time funding of \$1,666,200 to maintain Division of Juvenile Justice Services at current level.
- *Highway Patrol Overtime Funding* - \$800,000 ongoing GF and one-time \$1,300,000 GF for unexpected public emergencies.
- *Contract and Lease Increases* - Funding for lease increases: \$66,200 in FY06 supplemental funding, \$168,100 ongoing GF for Public Safety; and \$441,300 in ongoing GF for the Courts.
- *District Court Judge* - \$257,500 ongoing GF for judge and clerk support.
- *Board of Pardons Staff Increase* - \$198,100 ongoing GF for 2 hearing officers and 1 support staff.
- *Crime Lab* - \$150,000 in ongoing GF to fund equipment upgrades.
- *Prosecution of Child Pornography* - \$850,000 ongoing and \$1,400,000 one-time GF to implement legislation (HB 170).
- *Underage Drinking Prevention* - \$543,000 ongoing and \$1,600,000 one-time GF to implement legislation (SB 58).
- *Highway Patrol Salary Increase* - \$1,100,000 to eliminate compression with employees in the Patrol.
- *Highway Patrol Laptop Replacement* - One-time funding of \$400,000 to replace aging laptops.
- *Litigation Settlement Costs* - \$1,526,100 one-time GF for Attorney General's Office for recent litigation and settlement expenses.
- *Helicopter Engine Repair & Increased Service Coverage* - \$394,800 supplemental funding for the DPS Aero Bureau for engine repair and other expenses.
- *Jail Reimbursement* - \$710,000 one-time GF to fund estimated bed-day growth between FY06 and FY07.
- *Governor's Emergency Fund* - \$100,000 one-time GF to replenish the fund.
- *Drug Offender Reform Act (DORA)* - \$251,000 to the Department of Corrections for the pilot program.
- *Western States Primary* - \$850,000 one-time GF for state participation during the next presidential primary.

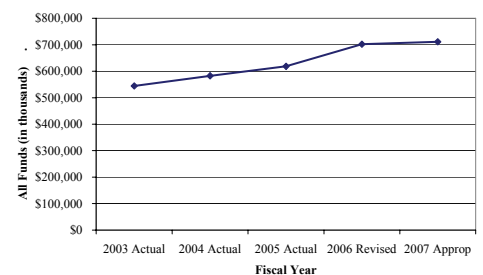
BUDGET POLICY INITIATIVES

- *Prison Population Management* - Funding of \$20 million was provided through Capital Facilities for 192 new beds at the Gunnison facility.
- *Salary Increases* - In addition to the 3.5% COLA, Correctional Officers received \$3.6 million for a 5.5% salary increase and Highway Patrol Officers received \$1.1 million to address salary compression issues.

FY05 Actual	\$618,377,000
State Funds	453,790,600
FY06 Revised	\$702,193,000
State Funds	461,765,900
FY07 Appropriated	\$711,889,200
State Funds	504,082,100

% Change FY05/06	13.5
State Fund Increase/(Decrease)	1.8
% Change FY06/FY07	1.3
State Fund Increase/(Decrease)	9.2

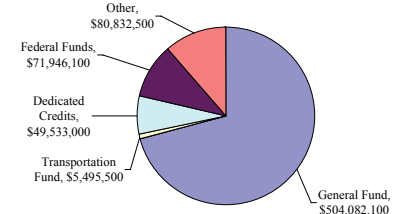
Executive Offices & Criminal Justice Budget History



FUNDING REALLOCATIONS

- Shifted \$994,500 from Corrections Programs and Operations to Corrections Medical Services.
- Transferred Youth Parole Authority line item (\$298,400) as a program under the Division of Juvenile Justice Services Programs and Operations line item.
- Increased restricted fund spending allocations by \$545,000 in the Courts Administration line item.
- Transferred Election Office line item to become part of Governor's Office line item.

Executive Offices & Criminal Justice FY 2007 Funding Mix



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2006 GENERAL SESSION

Health & Human Services Department of Health

APPROPRIATION SUMMARY & BUDGET HIGHLIGHTS

BUDGET SUMMARY

The mission of the Department of Health is to protect the public's health through preventing avoidable illness, injury, disability, and premature death; assuring access to affordable, quality health care; and promoting healthy lifestyles.

The Department administers the Medical Assistance Program (Medicaid) and the Children's Health Insurance Program (CHIP), both of which cover health and medical needs for specific populations who meet income criteria. Both are state-federal programs with the federal government providing the major portion of the funding. Medicaid is an entitlement program by federal law, which means that a person who is deemed eligible is entitled to the entire array of Medicaid services, which the State must fund. Historical data show significant and continual growth in the Medicaid program, which has been a driver for the entire department's budget. CHIP has been able to handle budget constraints with enrollment caps.

MAJOR FUNDING INITIATIVES

Medicaid continues to be the driver for the Department's budget. The following items were approved:

- **Federal Medical Assistance Percentage (FMAP) rate change** - required \$8,601,400 Federal Funds to be replaced with ongoing FY 2007 General Fund.
- **Medicaid Utilization and Caseload Growth** - \$53,554,600 (\$14,000,000 General Fund) to partially fund the FY 2007 estimated growth of those eligible for Medicaid. \$28,712,100 (\$10,263,700 General Fund) to fund the FY 2006 estimated caseload growth and make federal repayments.
- **Medicare Part D Implementation** - \$2,254,500 (\$1,100,000 General Fund) to partially fund the FY 2007 estimated caseload growth due to the new Medicare Part D. Funding of \$8,709,300 (\$4,249,300 General Fund) for FY 2006.
- **Medicaid Inflation** - \$34,462,600 (\$10,252,700 General Fund) to increase FY 2007 reimbursement rates an average of 2.5 percent to selected providers of Medicaid services.
- **Baby Watch/Early Intervention Program** - An increase of \$675,300 General Fund was allocated to address the caseload growth for services to disabled children 0-3 years old.
- **Primary Care Grants** - The Legislature provided \$457,300 (\$100,000 ongoing) for Primary Care Grants. This program provides grant funding to public and non-profit entities that offer primary health care services to medically underserved populations.
- **HIV/AIDS Drugs** - Lawmakers also approved one-time funding of \$180,000 to purchase drugs for individuals diagnosed with HIV or AIDS. This appropriation helps replace reduced federal funding.

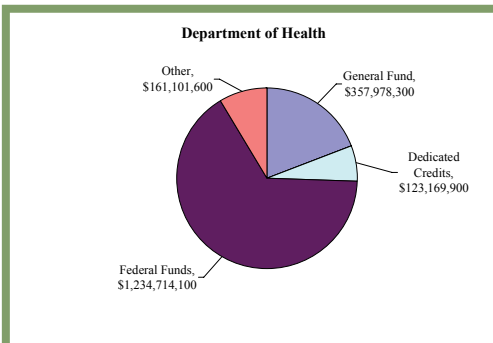
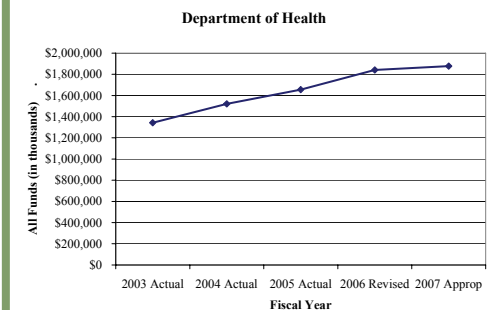
FUNDING REALLOCATIONS

- Unused FY 2006 funding of \$389,900 one-time General Fund was shifted from Medicaid Base Programs to fund the Medical Examiner shortfall and replacement laboratory equipment.

BUDGET POLICY INITIATIVES

- **HB 276 Medicaid Covered at Work Premium Subsidy** - funds \$890,000 (\$267,500 ongoing General Fund) to promote increased participation in employer sponsored health insurance as a means to increase health care coverage among the uninsured.
- **HB 288 Health Care Amendments for Foster Care** appropriates \$1,514,600 (\$450,000 one-time General Fund) to provide medical coverage to certain adolescents aging out of foster care.

FY05 Actual	\$1,656,093,500
State Funds	287,990,800
FY06 Revised	\$1,841,224,600
State Funds	338,491,900
FY07 Appropriated	\$1,876,963,900
State Funds	357,978,300
% Change FY05/06	11.2
State Fund Increase/(Decrease)	17.5
% Change FY06/FY07	1.9
State Fund Increase/(Decrease)	5.8



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2006 GENERAL SESSION

Health & Human Services Department of Human Services

APPROPRIATION SUMMARY & BUDGET HIGHLIGHTS

BUDGET SUMMARY

The Subcommittee oversees the budgets of all divisions in the Department of Human Services except the Division of Juvenile Justice Services. Overall, the FY 2007 appropriated budget is \$24.3 million over the FY 2006 revised budget which represents a 4.7 percent increase. State General Funds increased by \$2 million dollars or 10.7 percent.

MAJOR FUNDING INITIATIVES

Department of Human Services

- *Private Provider COLAs* - \$2.1 million (2.5 percent)
- *Federal Medical Assistance Rate Change* - \$1.7 million

People with Disabilities

- *Waiting Listing* - \$1.6 million to reduce the waiting list by about 285 people
- *DSPD Services* - \$1 million for waiting list and waiver services
- *Supported Employment* - \$150,000 to implement H.B. 31, "Pilot Program for the Provisions of Services for People with Disabilities" for supported employment

Substance Abuse

- *Drug Offenders Reform Act* - \$647,000 one-time General Funds
- *Drug Courts* - \$500,000 in General Funds (\$435,000 for Human Services & \$65,000 for Courts)

Mental Health

- *State Hospital* - \$1.55 million in General Funds for 30 adult beds for FY 2007 and a supplemental appropriation of \$358,700 in one-time General Funds for FY 2006
- *Non-Medicaid Mental Health* - \$1 million one-time General Funds
- *Children's Mental Health* - \$500,00 one-time General Funds
- *Veterans Counseling* - \$210,000 one-time General Funds to implement H.B. 407 "Counseling for Families of Veterans"

Aging and Adult Services

- *Aging Meal Programs* - \$115,000 General Funds
- *Aging Waivers* - \$300,000 one-time General Funds

Child and Family Services

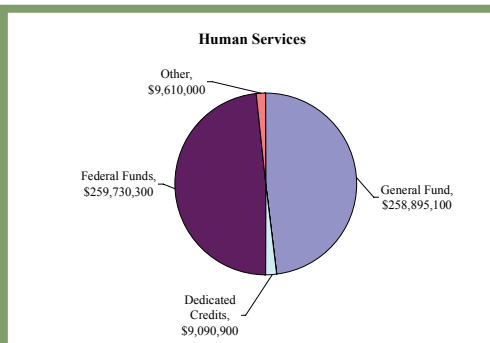
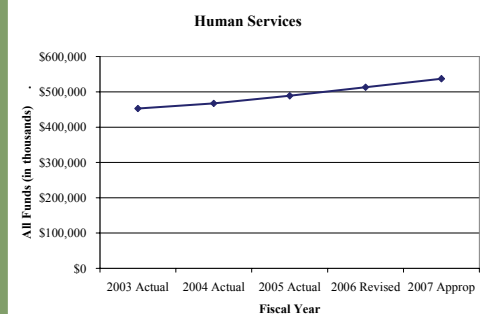
- *Caseload Growth* - \$1.5 million in General Funds for FY 2007 and a supplemental one-time General Fund appropriation of \$708,000 for FY 2006
- *David C. Lawsuit* - one-time General Funds of \$269,500 for the court monitor
- *Adoption Assistance* - \$500,000 in General Funds for monthly subsidies, medical assistance and legal fees
- *Replacement of Loss of Federal Funds* - \$17.8 million in General Funds for FY 2007 and one-time General Funds for FY 2006 of \$9.5 million
- *H.B. 21, "Child Welfare Revisions"* - General Funds of \$9,400 for additional training

Executive Director

- *Replacement of Loss of Federal Funds* - \$1.4 million in General Funds for FY 2007 and one-time General Funds for FY 2006 of \$736,700

FY05 Actual	\$488,939,800
State Funds	209,176,100
FY06 Revised	\$512,999,700
State Funds	233,919,300
FY07 Appropriated	\$53,326,300
State Funds	258,895,100

% Change FY05/06	4.9
State Fund Increase/(Decrease)	11.8
% Change FY06/FY07	4.7
State Fund Increase/(Decrease)	10.7



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2006 GENERAL SESSION

UTAH LEGISLATURE

MARCH 8, 2006

Higher Education

APPROPRIATION SUMMARY & BUDGET HIGHLIGHTS

SUMMARY

The Utah System of Higher Education (USHE) provides academic, career, and technical education 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 ten institutions and is governed by the State Board of Regents.

The Utah Education Network (UEN), a partnership of Utah's public and higher education institutions, delivers distance learning educational services statewide. UEN operates two public television stations providing closed circuit two-way video services through EDNET, and connects state agencies to each other and the Internet with UtahLINK.

The Utah Medical Education Program (UMEP) works closely with the healthcare industry, colleges & universities, and medical education programs. The UMEP also evaluates current and future workforce needs.

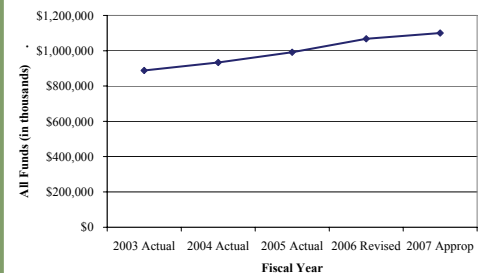
MAJOR FUNDING INITIATIVES

Legislative action provided the following increases:

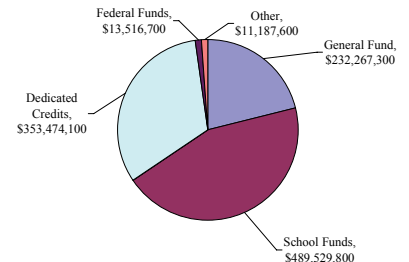
- **Operation and Maintenance** - \$4,193,700 (\$3,800,500 USHE/ \$393,200 UCAT) funds for new buildings at five USHE campuses and one UCAT campus. These new facilities were approved in the 2004, 2005, or the 2006 General Sessions.
- **Utility Rate Increase** - Because of increased utility costs, \$5,000,000 in both FY06 Supplemental funding and FY 07 funding for USHE institutions was approved. Three of the UCAT campuses will also receive \$76,000 for increased utility costs in FY 07.
- **Engineering and Computer Science Initiative** - \$1,200,000 (\$700,000 one-time) to increase the number of students who graduate with an engineering or computer science degree.
- **Nursing Initiative** - \$750,000 (\$500,000 one-time) to help alleviate the nursing shortage.
- **Student Financial Aid** - \$200,000 in FY 06 Supplemental funding for New Century Scholarships, \$210,300 for the match to receive federal aid, \$289,700 for New Century Scholarships, and \$2,250,000 (one-time) for Utah Centennial Opportunity Program for Education (UCOPE) need-based financial aid.
- **Jobs Now Initiative** - \$500,000 one-time funding to provide short-term training for businesses that have current job openings.
- **Information Technology** - \$900,000 for licensing and security software to serve the entire system, plus \$500,000 one-time funding for IT infrastructure equipment replacements at the institutions.
- **Prison Education** - a funding mechanism of surcharges collected from telephone calls made by inmates is expected to generate \$1 million in FY 2007. This funding is designated to support prison education.
- **Utah Science, Technology and Research (USTAR)** - SB 75 moves funding of \$4 million from the University of Utah and Utah State University to a newly created governing authority, beginning in FY 07.
- **UCAT Central Administration** - the one-time funding that the UCAT administration has been operating on was replaced, in part, by \$150,000 in ongoing funding in FY 07.
- **UCAT Student Information System** - \$330,000 to support a new data system to account for the instructional functions and students in the UCAT system. The system was developed by UCAT and will be expanded to all UCAT campuses with ongoing support for the new system.
- **UEN Network Infrastructure and IP Video** - \$1.3 million ongoing and \$1.5 million one-time were provided to continue improving computer networks for schools and universities. An additional \$1 million one-time will fund videoconferencing equipment to enhance distance education.

FY05 Actual	\$991,420,900
State Funds	651,569,600
FY06 Revised	\$1,067,809,600
State Funds	696,193,600
FY07 Appropriated	\$1,099,975,500
State Funds	721,797,100
% Change FY05/06	7.7
State Fund Increase/(Decrease)	6.8
% Change FY06/FY07	3.0
State Fund Increase/(Decrease)	3.7

Higher Education Budget History



Higher Education FY 2007 Funding Mix



OTHER FUNDED ITEMS

- **UCAT Enrollment Growth** - an anticipated increase of nearly 500,000 UCAT membership hours was funded with \$1.75 million and \$363,400 tuition.
- **UCAT Leases** - three of the campuses will receive funding for space leased to provide UCAT programs.
- **Range Creek** - \$80,000 (\$30,000 one-time) was approved for further documentation of this historic area.
- **USU Mudslide** - \$200,000 one-time to help correct this problem at Utah State University.
- **Facility Buy-outs** - \$1,487,000 one-time was provided to buy out the USU/Tooele lease (\$900,000) and Iron County's equity position in a SUU building (\$587,000).
- **Telehealth** - SB 57 provides an ongoing funding stream to the Utah Tele-Health Network of \$500,000 at the University of Utah.

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2006 GENERAL SESSION

UTAH LEGISLATURE

MARCH 8, 2006

Natural Resources

APPROPRIATION SUMMARY & BUDGET HIGHLIGHTS

BUDGET SUMMARY

The Subcommittee oversees the budgets for the Department of Agriculture and Food, Department of Natural Resources, the School and Institutional Trust Lands Administration, Utah State Fair, and the Public Lands Policy Coordinating Office. Subcommittee's priorities were funded by internal reallocation of base budgets, as well as by obtaining additional General Fund revenues.

MAJOR FUNDING INITIATIVES

The Legislature provided the following funding increases from the state General Funds:

- *Fire Suppression* - \$4,000,000
- *Parks Capital Facilities Improvements* - \$3,000,000
- *DWR Benefits* - \$2,220,700
- *This Is The Place Foundation* - \$2,000,000
- *Watershed Initiative* - \$2,000,000
- *Park Benefits* - \$510,600
- *Rangeland & Invasive Species* - \$400,000
- *Parks Trails* - \$250,000
- *Rangeland & Invasive Species* - \$150,000
- *Minerals Workload Expansion* - \$150,000
- *Groundwater Studies* - \$122,000

The non-General Fund increases appropriated by the Legislature were as follows:

- *SITLA Capital Development* - \$5,800,000
- *Parks Existing Operations* - \$600,000
- *Oil & Gas Biologist* - \$350,000
- *SITLA Construction Manager* - \$165,200
- *Oil & Gas Electronic Permitting System* - \$150,000
- *Saltair Sewer Replacement* - \$110,000

FUNDING REALLOCATIONS

The Legislature funded the following priorities through reallocating one-time General Funds from the Division of Forestry, Fire and State Lands, Utah Geological Survey, and Public Lands Office:

- *Reseeding After Fires* - \$1,000,000
- *Utah's Own Promotion* - \$400,000
- *Water Distribution Automation* - \$355,000
- *Conservation Districts Operation* - \$100,000
- *Wildlife Depredation* - \$100,000
- *Green River Golf Course Cart Path Improvement* - \$100,000
- *Stream Gauges* - \$78,000
- *OHV Right-Of-Way Purchases* - \$75,000

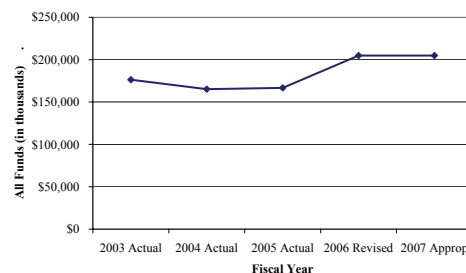
BUDGET POLICY INITIATIVES

- *Property Rights Ombudsman* - (SB 268) moves the Private Property Ombudsman's Office to the Department of Commerce.
- *Water Reuse Requirements* - (HB38) addresses requirements for water reuse projects.
- *Bear River Development Act* - (HB45) amends the Bear River Development Act allowing spending on preconstruction activities and making developed water available to Cache County.
- *Lake Powell Pipeline Development Act* - (SB 27) authorizes the Board of Water Resources to build the Lake Powell Pipeline.
- *Wildland Fire Suppression* - (SB 65) modifies a county's payment obligation for participating in the Wildland Fire Suppression Fund.

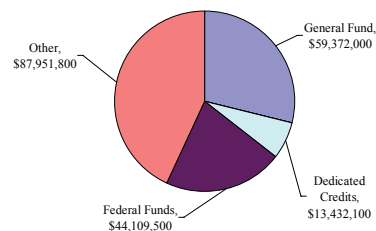
FY05 Actual	\$166,619,200
State Funds	47,927,600
FY06 Revised	\$204,913,500
State Funds	55,647,700
FY07 Appropriated	\$204,865,400
State Funds	59,372,000

% Change FY05/06	23.0
State Fund Increase/(Decrease)	16.1
% Change FY06/FY07	0
State Fund Increase/(Decrease)	6.7

Natural Resources Budget History



Natural Resources FY 2007 Funding Mix



FY 2007 BUDGET BY MAJOR AREA

Natural Resources	\$158,364,700
Agriculture	\$26,227,800
School & Institutional Trust Lands	\$17,539,600
Public Lands Office	\$2,733,300

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2006 GENERAL SESSION

UTAH LEGISLATURE

MARCH 8, 2006

Public Education

APPROPRIATION SUMMARY & BUDGET HIGHLIGHTS

BUDGET SUMMARY

The public education budget represents the largest expenditure category in the state budget. Public education expenditures total over \$3 billion, representing 9.8% increase over the FY 2006 revised budget. Legislators appropriated a total of \$2.1 billion in state revenue to public education, representing a 12.8 percent increase over the FY 2006 revised budget.

MAJOR FUNDING INITIATIVES

Minimum School Program

- *Weighted Pupil Unit* - \$132.6 million to provide a 6% increase in the value of the WPU and other associated costs
- *Enrollment Growth* - \$61.5 million to fund an additional 14,700 students anticipated for enrollment in fall 2006
- *Adult Education* - \$1 million ongoing funding to replace one-time funded provided over the past several years
- *Voted & Board Leeway* - \$20.6 million in new state and local revenue including \$9.6 million in state revenue to provide for a rate increases
- *Electronic High School* - \$300,000 to provide for additional student growth in the Electronic High School
- *Charter Schools* - \$8.9 million to provide for increased costs associated with student growth to the Local Replacement Funding Formula
- *Charter Schools* - \$11.4 million in one-time funding to support charter school start-up costs, administration, and student support
- *Library Books & Supplies* - \$2 million in one-time funding for school districts to improve library collections
- *Teacher Supplies & Materials* - \$7 million in one-time funding to help teachers with out-of-pocket instructional expenses
- *Concurrent Enrollment* - \$2.3 million to support increased student involvement in concurrent enrollment programs
- *Pupil Transportation* - \$5 million in one-time funding to support increased costs associated with transporting students
- *Enrollment Growth Program* - \$10 million in one-time funding to support capital expenditures in school districts experiencing significant student growth

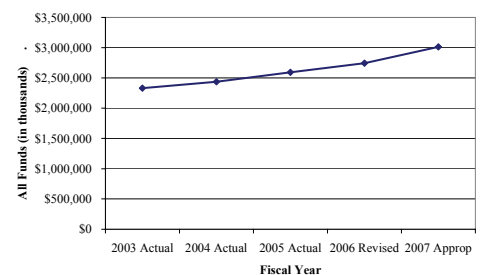
Education Agencies

- *Independent Living Centers* - \$350,000 to provide Nursing Home Diversion specialists at each of the 6 IL centers
- *Local Provider COLA* - \$32,500 to provide a 2.5% COLA increase for Independent Living Center employees
- *Utah Schools for the Deaf and Blind* - \$441,000 ongoing and \$745,600 one-time to support the incorporation of the Jean Massieu Charter School within USDB operations
- *Utah Schools for the Deaf and Blind* - \$406,900 to provide for statutory teacher salary increases, steps and lanes
- *Utah State Office of Rehabilitation* - \$500,000 in one-time funding to support Assistive Technology services
- *Utah State Office of Education* - \$234,000 in one-time revenue to support Alternative Route to Licensure for one year pending a review of regulatory fees for educator licensing
- *Fine Arts and Sciences* - \$1million to bifurcate the Fine Arts outreach program the Science outreach program
- *Highly Qualified Teachers* - \$500,000 one-time to support teachers become highly qualified as outlined in H.B. 285
- *Education Reform* - \$15 million to support the 4-6 math program and Utah Basic Skills Competency Test student remediation outlined in H.B. 181.

FY05 Actual	\$2,593,642,788
State Funds	1,815,334,711
FY06 Revised	\$2,744,660,877
State Funds	1,905,184,775
FY07 Appropriated	\$3,013,184,025
State Funds	2,148,309,745

% Change FY05/06	5.8
State Fund Increase/(Decrease)	4.9
% Change FY06/FY07	9.8
State Fund Increase/(Decrease)	12.8

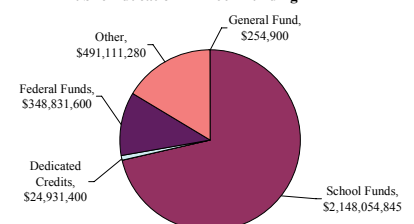
Public Education Budget History



FY 2007 BUDGET BY MAJOR AREA

Minimum School Program	\$2,503,224,225
Office of Education	\$250,736,400
Office of Rehabilitation	\$57,528,100
Schools for the Deaf and Blind	\$26,511,100
USDB Institutional Council	\$427,500
State Charter School Board	\$11,019,800
Child Nutrition Programs	\$118,614,200
Fine Arts Outreach	\$2,639,600
Science Outreach	\$1,339,400
Education Contracts	\$3,854,800

Public Education FY 2007 Funding Mix



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Transportation, Environmental Quality & National Guard

APPROPRIATION SUMMARY & BUDGET HIGHLIGHTS

MAJOR FUNDING INITIATIVES

Department of Transportation

Legislative action resulted in the following increases to the Department of Transportation budget:

- *Maintenance* - \$2,000,000 increase in Transportation Funds for Highway Maintenance.
- *Inflation for fuel increases* - \$1,200,000 from the Transportation Fund.
- *Centennial Highway Program* - An increase of \$101,000,000 one time General Funds commitment to eliminate the need to bond for Centennial Highway projects.
- A \$90,000,000 ongoing and \$100,000,000 one-time General Fund appropriations for Highway Construction projects.

Department of Environmental Quality

The Department of Environmental Quality budget received the following increases detailed below:

- *High Level Nuclear Waste Opposition* - \$250,000 one time General Funds appropriation to oppose High Level Nuclear Waste in Utah.
- *Hazardous Substance Mitigation Fund* - \$400,000 one time appropriation to the Hazardous Substance Mitigation Fund for cleanup of hazardous materials releases.
- *Underground Storage Tanks* - \$43,600 in one time Petroleum Storage Tank Funds approved for a part time attorney to recover Underground Storage Tank Cleanup Funds.
- Air Quality study of animal feeding operations was funded with a one time General Fund appropriation of \$200,000.

Department of Environmental Quality

Utah National Guard received the following budget changes:

- *Armory Maintenance* - \$243,500 from the General Fund for utility and property insurance increases.
- *Tuition Assistance* - \$750,000 one time from the General Fund for tuition assistance for National Guard personnel.
- Veterans' Affairs received a \$50,000 General Fund increase to increase the Veterans' Outreach efforts.

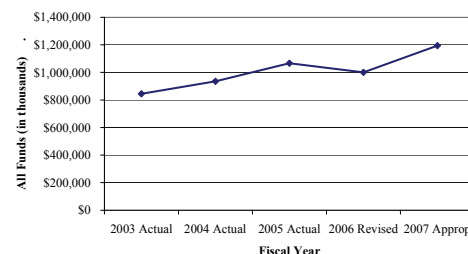
BUDGET POLICY INITIATIVES

The Legislature enacted legislation to earmark a portion of sales tax equal to \$149,595,700 that has been appropriated as ongoing funding for the Centennial Highway Program (HB 112).

FY05 Actual	\$1,066,809,300
State Funds	73,746,500
FY06 Revised	\$1,000,178,100
State Funds	137,893,200
FY07 Appropriated	\$1,194,593,500
State Funds	310,402,600

% Change FY05/06	(6.2)
State Fund Increase/(Decrease)	87.0
% Change FY06/FY07	19.4
State Fund Increase/(Decrease)	125.1

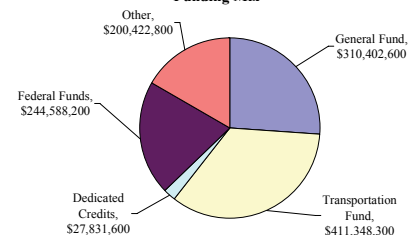
Transportation & Environmental Quality Budget History



FY 2007 BUDGET BY MAJOR AREA

Transportation	\$1,089,540,200
Environmental Quality	\$78,866,600
National Guard	\$26,186,700

Transportation & Environmental Quality FY 2007 Funding Mix



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