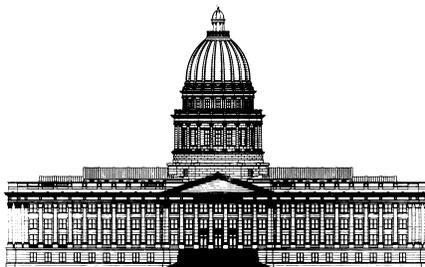

COMPENDIUM OF BUDGET INFORMATION
FOR THE
2007 GENERAL SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE FOR
COMMERCE & WORKFORCE SERVICES

OFFICE OF THE LEGISLATIVE FISCAL ANALYST
STAN ECKERSLEY
NOVEMBER 21, 2006

UTAH STATE LEGISLATURE
COMPENDIUM OF BUDGET INFORMATION
FOR THE
2007 GENERAL SESSION

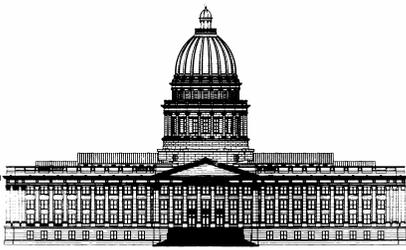


JOHN E. MASSEY, DIRECTOR

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PHONE: (801) 538-1034 • FAX: (801) 538-1692

November 21, 2006

Members of the Commerce and Workforce Services Subcommittee
House Building
Utah State Capitol Complex
Salt Lake City, UT 84114

Dear Legislators:

Please find attached the third edition of the Utah Legislature's Compendium of Budget Information (COBI). COBI is one part of a three-pronged approach to staff budget analysis. It is designed as a reference document from which you may garner details on Utah state government activities within your subcommittee's jurisdiction. It includes program descriptions, references to statutory authority, accountability information, and, of course, budget data. COBI sets a baseline against which you can evaluate budgets proposed during the 2007 General Session.

Parts two and three of the Legislature's budget analysis – Budget Briefs and Issue Briefs – will be available throughout the 2007 General Session beginning in January. Both are succinct, decision oriented papers that build on COBI, presenting future budget options rather than COBI's *status quo*. Budget Briefs follow the structure of state government documenting proposals for current year supplemental and future year budget action. Issue Briefs cut across "silos" to discuss subjects that impact state appropriations independent of program structure.

Detail on current state appropriations as they relate to your subcommittee are included in the "2007 Appropriated" column of the budget tables herein. Utah's total budget, by funding source, subcommittee, and category of expenditure, is summarized in the table on the following page.

If I or my staff can assist you further regarding this document or any other budget matter, please do not hesitate to contact me at (801) 538-1034.

Sincerely,

John E. Massey
Legislative Fiscal Analyst

Budget History - State of Utah

	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	1,795,120,600	1,745,496,800	1,768,306,150	1,910,800,000	1,781,898,100
General Fund, One-time	28,962,750	(241,600)	117,058,700	121,540,040	398,634,200
Uniform School Fund	1,684,266,694	1,734,161,174	1,815,156,111	1,917,934,675	2,115,252,445
Uniform School Fund, One-time	10,436,000	5,891,000	34,800,900	43,725,000	44,375,000
Education Fund	4,908,000	112,000,000	200,520,900	235,260,900	548,663,800
Education Fund, One-time	1,935,100	(23,200,000)	52,073,500	19,496,600	53,882,000
Transportation Fund	389,538,000	391,891,100	437,416,000	421,112,200	350,269,200
Transportation Fund, One-time	0	0	277,100	126,371,900	74,200,000
Centennial Highway Fund	103,848,200	117,531,900	145,772,200	126,393,400	128,607,800
Centennial Highway Fund, One-time	0	1,796,800	0	0	0
General Fund Restricted	132,317,200	154,215,300	171,101,700	213,939,261	208,690,600
Uniform School Fund Restricted	78,400	72,000	90,700	14,306,100	15,176,100
Transportation Fund Restricted	27,573,800	29,813,200	30,720,100	37,215,500	38,781,500
Federal Funds	1,942,099,062	2,174,694,678	2,264,204,145	2,294,817,646	2,354,240,500
Dedicated Credits	774,058,339	614,539,399	730,196,287	654,136,650	693,383,100
Land Grant	771,000	804,700	1,040,435	1,807,732	1,058,500
Federal Mineral Lease	43,612,900	64,176,600	64,785,719	98,278,950	84,756,500
Restricted Revenue	9,606,100	2,944,000	273,700	17,930,800	0
Trust and Agency Funds	377,644,015	406,862,037	380,298,477	668,393,202	914,827,380
Transfers	310,161,147	312,446,922	314,413,473	350,828,925	322,837,300
Repayments/Reimbursements	12,260,800	15,206,500	11,107,200	11,816,900	31,263,900
Other Financing Sources	0	0	0	233,722	0
Pass-through	69,500	994,900	1,503,200	1,081,300	473,300
Beginning Balance	478,431,169	508,727,141	325,904,493	270,267,852	130,364,690
Closing Balance	(508,804,742)	(408,249,298)	(347,917,902)	(284,772,991)	(53,558,640)
Lapsing Balance	(88,457,656)	(56,071,454)	(20,646,900)	(23,958,400)	(1,893,200)
Total	\$7,530,436,379	\$7,906,503,799	\$8,498,456,388	\$9,248,957,863	\$10,236,184,075
Subcommittees					
Executive Offices & Criminal Justice	544,478,400	582,590,000	618,377,000	650,467,161	712,137,300
Capital Facilities & Administrative Services	401,792,500	283,219,900	466,535,900	400,525,000	499,105,600
Commerce & Workforce Services	356,939,100	370,080,100	381,785,400	374,734,600	453,898,800
Economic Development and Revenue	176,396,500	193,681,700	174,955,900	250,681,500	370,173,200
Health & Human Services	1,796,226,868	1,988,592,616	2,145,033,300	2,307,382,500	2,414,290,200
Higher Education	888,515,400	934,067,900	991,420,900	1,058,618,425	1,099,975,500
Natural Resources	176,375,400	165,264,800	166,619,200	191,088,600	204,865,400
Public Education	2,330,739,161	2,438,357,683	2,593,642,788	2,771,942,577	3,012,993,025
Transportation & Environmental Quality	844,949,400	935,857,900	945,086,000	1,227,356,000	1,450,643,500
Legislature	14,023,650	14,791,200	15,000,000	16,161,500	18,101,550
Total	\$7,530,436,379	\$7,906,503,799	\$8,498,456,388	\$9,248,957,863	\$10,236,184,075
Categories of Expenditure					
Personal Services	1,736,353,103	1,807,342,994	1,898,810,498	1,997,989,080	2,228,961,150
In-State Travel	14,134,072	14,500,846	15,669,609	17,335,576	14,024,500
Out of State Travel	4,523,469	4,889,409	5,479,600	5,828,400	5,746,100
Current Expense	1,004,437,498	854,645,604	955,825,491	960,742,005	1,232,024,400
DP Current Expense	77,976,393	82,210,862	84,165,900	87,515,600	111,994,800
DP Capital Outlay	178,527,153	12,440,919	12,629,500	14,617,900	13,038,700
Capital Outlay	62,331,514	483,846,765	318,051,916	553,655,321	444,070,300
Other Charges/Pass Thru	4,452,009,276	4,646,415,100	5,077,535,174	5,494,801,881	6,184,767,725
Cost of Goods Sold	(299,600)	(129,500)	(135,800)	(813,200)	881,800
Cost Accounts	4,600	(24,500)	0	6,600	38,000
Operating Transfers	182,600	144,300	172,900	157,000	98,000
Trust & Agency Disbursements	256,300	221,000	130,251,600	117,121,700	538,600
Total	\$7,530,436,378	\$7,906,503,799	\$8,498,456,388	\$9,248,957,863	\$10,236,184,075
Other Data					
Budgeted FTE	32,789.7	33,066.0	33,462.5	33,965.5	35,792.6
Authorized Capital Outlay	21,594,700	25,731,100	20,812,900	20,904,000	41,049,400
Retained Earnings	15,795,336	16,314,149	17,763,119	27,740,867	17,518,307
Vehicles	11,255	10,701	9,386	9,299	9,319

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INTRODUCTION

Format

Staff budget analysis consists of three parts:

- Compendium of Budget Information (COBI). The document you are currently reading, the COBI provides comprehensive information on state agencies, institutions, and programs. It is a resource for decision-makers desiring further detail or background information beyond the summary provided in a Budget or Issue Brief. It is useful for reviewing base budgets, but does not contain staff recommendations.
- Issue Briefs. These relatively short documents (no more than a few pages) discuss issues that transcend line items or perhaps even departments. For example, if the Legislative Fiscal Analyst wishes to present a concern with law enforcement, an Issue Brief may be the best format. The analyst will prepare Issue Briefs just prior to the [2007](#) General Session.
- Budget Briefs. Another relatively short document, the budget brief is used to present issues, recommendations, performance measures, and line item-level budget tables. The purpose of this document is to bring budgets to the forefront and to discuss the analyst's recommendations. The analyst will prepare Budget Briefs just prior to the [2007](#) General Session.

Process

The Office of the Legislative Fiscal Analyst (LFA) – a non-partisan office – serves both chambers of the Legislature by making independent budget recommendations, determining the fiscal impact of proposed legislation, and preparing appropriations bills. Appropriations subcommittees review LFA's recommendations, vote upon, and report to the Executive Appropriations Committee proposed budgets for programs within their respective jurisdictions. The Executive Appropriations Committee, and ultimately the Legislature as a whole, considers multiple appropriation acts that, in turn, determine the final annual budget for each program of state government.

Timing

Utah does not budget on the calendar year, but on what is termed a Fiscal Year, which is the twelve-month period from July 1 to June 30 of the following year. A Fiscal Year is usually abbreviated FY, with the number follows "FY" designating the calendar year in which the second six months fall. The current fiscal year is [FY 2007](#), which will end [June 30, 2007](#). During the [2007](#) General Session, the Legislature can make supplemental changes to the already established budget for [FY 2007](#). The next fiscal year, for which the Legislature is determining a new budget, is [FY 2008](#). [FY 2008](#) includes the period of time from [July 1, 2007 to June 30, 2008](#).

Sources

In allocating resources for state government use, appropriations subcommittees may use funding from several sources. The following funding sources most commonly used by the subcommittees:

- General Fund
- School Funds
- Transportation Funds
- Federal Funds
- Dedicated Credits
- Restricted Funds
- Other Funds

A glossary of terms – included at the end of this document – defines these funding sources as well as other terms commonly used in Utah state budgeting.

COMMITTEE FUNDING SUMMARY

Budget History - Commerce & Workforce Services					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	64,879,900	72,396,900	86,694,500	71,286,700	80,037,700
General Fund, One-time	0	0	0	14,862,500	14,484,400
Federal Funds	218,729,900	220,549,300	222,773,400	209,988,900	232,345,300
Dedicated Credits Revenue	6,708,500	19,475,900	24,461,500	8,907,800	30,092,200
Restricted Revenue	9,565,100	2,944,000	0	17,581,800	0
GFR - Bail Bond Surety Admin	22,100	22,100	22,100	22,100	22,100
GFR - Commerce Service	12,802,600	13,530,100	14,783,400	15,320,900	17,316,700
GFR - CSF - PURF	4,297,300	1,451,900	5,923,000	6,113,100	6,333,300
GFR - Factory Built Housing Fees	104,400	0	0	104,700	0
GFR - Financial Institutions	4,286,900	4,476,000	4,789,100	5,093,100	5,788,900
GFR - Geologist Ed. & Enf.	10,000	0	0	10,000	0
GFR - Nurses Ed & Enf Fund	10,000	0	0	10,000	0
GFR - Pawnbroker Operations	0	0	0	45,000	0
GFR - Workplace Safety	731,600	759,300	805,100	990,400	1,571,300
Trust and Agency Funds	0	0	10,356,000	13,004,200	0
Employers' Reinsurance Fund	194,500	662,600	245,600	0	0
Liquor Control Fund	16,696,600	18,494,600	19,389,200	20,498,400	22,968,700
Real Estate Education and Recovery	185,100	190,100	0	0	0
Unemployment Compensation Trust	2,368,700	2,322,500	0	0	7,506,200
Uninsured Employers' Fund	872,000	367,100	794,900	1,318,200	1,164,600
Universal Public Telecom Service Fund	4,476,700	6,229,400	1,407,700	0	8,100,900
Transfers	3,011,700	4,131,900	4,986,800	6,005,000	16,993,100
Transfers - Medicaid	0	0	0	0	164,400
Transfers - Within Agency	0	(402,900)	(22,300)	(328,300)	0
Pass-through	37,800	22,400	0	27,200	0
Beginning Nonlapsing	24,506,500	15,811,200	14,491,100	24,356,900	26,160,000
Beginning Fund Balances - CSF	592,600	0	0	(317,800)	0
Closing Nonlapsing	(15,878,900)	(11,491,100)	(27,960,700)	(38,106,000)	(17,123,900)
Lapsing Balance	(2,272,500)	(1,863,200)	(2,155,000)	(2,060,200)	(27,100)
Total	\$356,939,100	\$370,080,100	\$381,785,400	\$374,734,600	\$453,898,800
Agencies					
Workforce Services	276,654,000	281,994,600	288,164,100	278,079,900	326,781,700
Alcoholic Beverage Control	16,676,100	18,437,900	19,311,900	20,408,200	24,600,000
Labor Commission	8,215,300	8,597,700	8,809,200	9,347,000	11,154,200
Commerce	16,922,100	18,172,700	18,577,600	19,612,600	24,565,200
Financial Institutions	4,073,500	4,263,800	4,644,900	4,760,200	5,788,900
Insurance	22,978,300	28,323,700	31,030,600	30,906,500	48,192,600
Public Service Commission	11,419,800	10,289,700	11,247,100	11,620,200	12,816,200
Total	\$356,939,100	\$370,080,100	\$381,785,400	\$374,734,600	\$453,898,800
Categories of Expenditure					
Personal Services	138,399,800	147,144,700	155,233,500	159,112,500	177,860,400
In-State Travel	808,700	735,700	729,800	692,600	977,500
Out of State Travel	604,100	702,200	851,200	639,900	826,800
Current Expense	69,668,500	75,931,900	78,890,400	76,791,100	116,037,400
DP Current Expense	18,763,500	20,110,800	21,727,200	19,318,900	26,644,400
DP Capital Outlay	999,900	1,937,600	1,542,500	866,800	2,519,400
Capital Outlay	11,684,500	9,796,800	5,266,400	6,227,600	16,402,200
Other Charges/Pass Thru	115,753,800	113,499,400	117,402,800	111,085,200	112,492,100
Trust & Agency Disbursements	256,300	221,000	141,600	0	138,600
Total	\$356,939,100	\$370,080,100	\$381,785,400	\$374,734,600	\$453,898,800
Other Data					
Budgeted FTE	2,697.6	2,884.0	2,891.0	2,667.0	2,898.0
Vehicles	215	218	224	226	226

Table 1

CHAPTER 1 ALCOHOLIC BEVERAGE CONTROL**Function**

Utah is one of eighteen liquor control states and one of two totally state run systems. The Department of Alcoholic Beverage Control (DABC) operates 35 State stores and approximately 77 package agencies. These state stores and package agencies are the exclusive retailers of liquor, wine and heavy beer (more than 4 percent alcohol by volume) in the Utah. The Department administers liquor laws and licenses on-premise businesses, manufacturers, wholesalers, warehouses, importers, and liquor representatives.

The Department regulates the manufacture, sale and use of alcoholic beverages to serve Utah citizens and tourists. Without promoting the sale or consumption of alcoholic beverages, the Department operates as a public business using sound management principles and practices generating revenue for state and local government programs. The Department licenses and regulates the sale of alcoholic beverages at prices that reasonably satisfy the public demand while also protecting the public interest.

Liquor sales provide a major source of income to the State's General Fund. Net profits are deposited in the General Fund and used to support state government operations. A special tax on liquor sales is used to support school lunch. A portion of the tax on beer goes to local governments to help cover their costs of liquor law enforcement.

Statutory Authority

Title 32A, Chapters 1 through 15a, have all the general agency provisions plus provisions for licensing, permits, distribution, criminal codes, liability, and nuisance.

Accountability

Monitoring state agencies through performance measures is a good way to hold agencies accountable to the people. The measure below shows staff efficiency for the whole department and shows steady improvement.

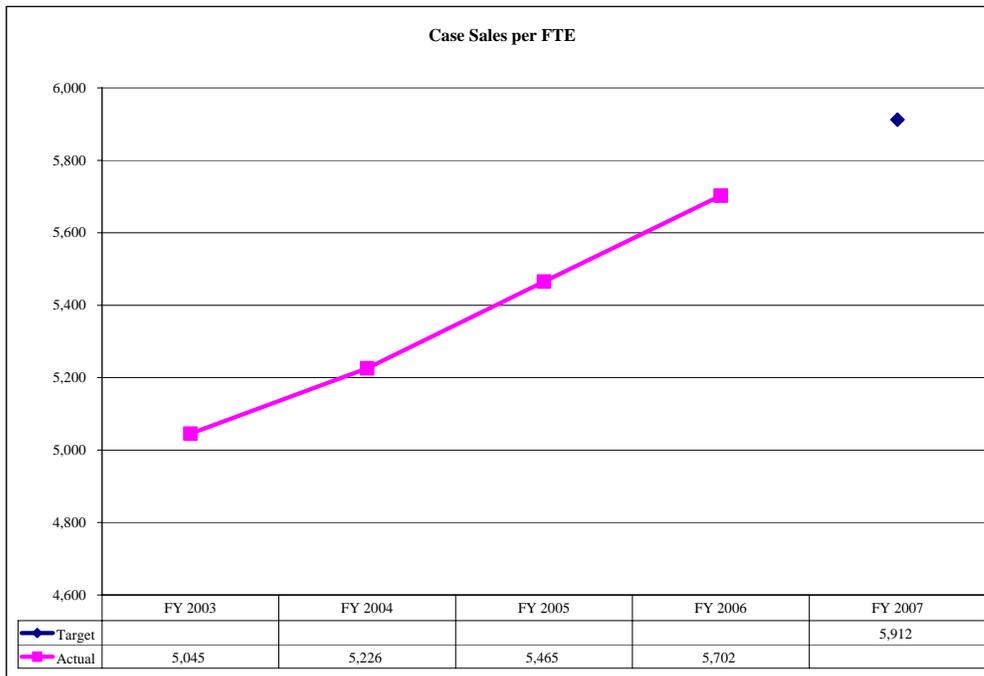


Table 2

Measure: This efficiency measure shows that average case sales per FTE are increasing annually.

Goal: Alcoholic Beverage Control is a difficult area to measure because the goal is not to maximize or minimize sales. The emphasis is not on dollar sales (which can be affected by inflation) but on employee productivity. The number should be increasing.

Methodology: The number comes from dividing the total number of cases sold by the total department FTE.

Measure Type: Efficiency.

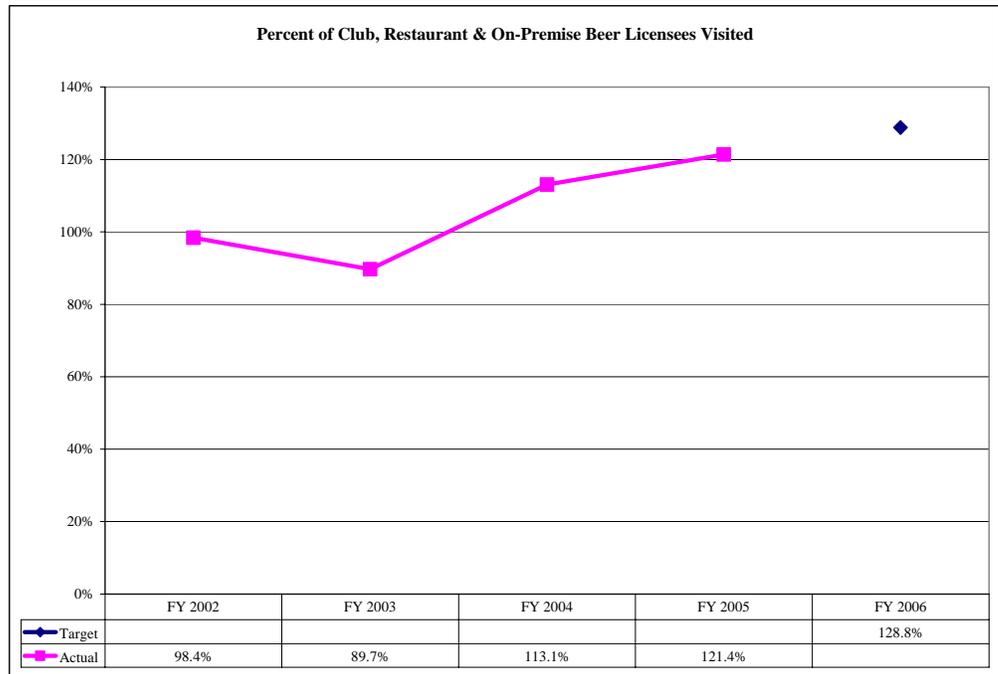


Table 3

Measure: Percent of Club, Restaurant, & On-Premise Beer Licensees Visited.

Goal: Insure that liquor is sold according to the laws of Utah and rules of the Department.

Methodology: This chart shows the percentage of liquor vendors visited annually.

Measure Type: Output.

Funding Detail

The additional \$1,631,300 in one-time General Fund shown in 2007 appropriated is to implement S. B. 58, “Alcoholic Beverage Amendments- Eliminating Alcohol Sales to Youth” and will fund a media campaign to reduce underage drinking.

Budget History - Department of Alcoholic Beverage Control					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund, One-time	0	0	0	0	1,631,300
Liquor Control Fund	16,696,600	18,494,600	19,389,200	20,498,400	22,968,700
Beginning Nonlapsing	800	0	0	0	0
Closing Nonlapsing	(21,300)	0	0	0	0
Lapsing Balance	0	(56,700)	(77,300)	(90,200)	0
Total	\$16,676,100	\$18,437,900	\$19,311,900	\$20,408,200	\$24,600,000
Line Items					
Alcoholic Beverage Control	16,676,100	18,437,900	19,311,900	20,408,200	24,600,000
Total	\$16,676,100	\$18,437,900	\$19,311,900	\$20,408,200	\$24,600,000
Categories of Expenditure					
Personal Services	10,867,900	11,176,900	11,909,800	12,425,200	14,372,900
In-State Travel	17,000	18,200	23,700	25,200	28,500
Out of State Travel	6,100	7,500	12,700	13,800	12,700
Current Expense	5,140,500	5,958,500	6,204,100	6,887,900	9,385,300
DP Current Expense	446,000	761,600	652,400	680,000	760,600
DP Capital Outlay	183,800	152,500	226,400	187,300	0
Capital Outlay	14,800	362,700	282,800	188,800	40,000
Total	\$16,676,100	\$18,437,900	\$19,311,900	\$20,408,200	\$24,600,000
Other Data					
Budgeted FTE	296.0	312.5	328.5	340.0	347.0
Vehicles	39	41	41	41	41

Table 4

Special Funding

Restricted Funds Summary - Alcoholic Beverage Control				
Fund/Account Name	Statutory Authority	Revenue Source	Prescribed Uses	FY 2006 Balance
Liquor Control Fund	UCA-32A-1-113	Liquor Sales	Department Operations	0

Table 5

Liquor Control Fund – UCA 32A-1-113. Revenues generated under this act go to the Liquor Control Fund and are used to fund the Department. Net profits are transferred to the General Fund within 90 days of the end of the year.

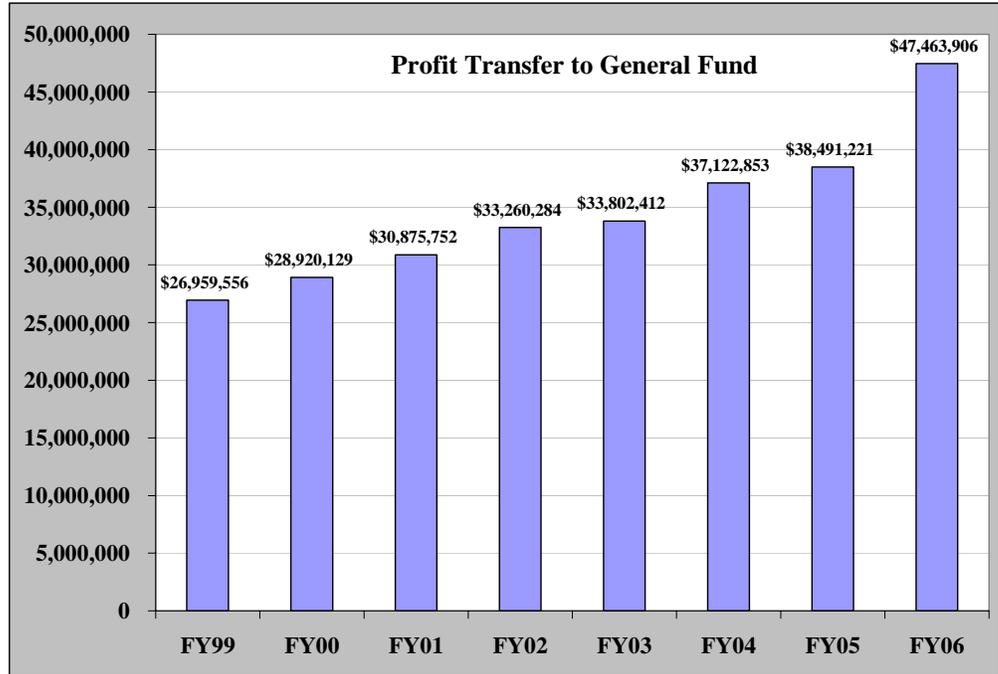


Table 6

The graph above shows the profit transferred to the General Fund but does not include revenue from sales tax or liquor tax. Adding those revenues to the profits gives the total contribution to state funds shown below.

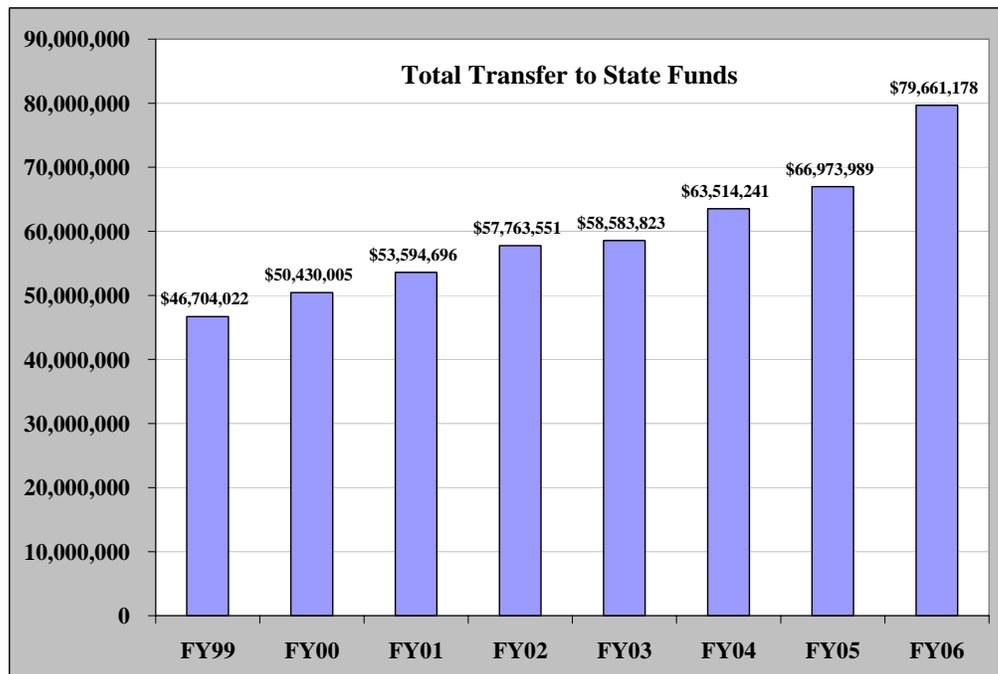


Table 7

EXECUTIVE DIRECTOR’S OFFICE - ABC

Function

The Executive Director’s Office sets Department policies and procedures. The Office provides information to the part-time Commission to decide where to locate liquor stores, product mark-up, and issuance of licenses and permits. Within this budget is funding for liquor license officers. They investigate compliance with Utah’s liquor laws and make recommendations regarding license applications, suspensions, and revocations.

The Department of Public Safety also has liquor enforcement officers who police the private clubs and restaurants. They are funded through another subcommittee.

Funding Detail

Budget History - Alcoholic Beverage Control - Executive Director					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund, One-time	0	0	0	0	1,631,300
Liquor Control Fund	938,400	1,156,000	1,427,700	1,482,600	1,583,800
Beginning Nonlapsing	800	0	0	0	0
Closing Nonlapsing	(21,300)	0	0	0	0
Lapsing Balance	0	(56,700)	(77,300)	(90,200)	0
Total	\$917,900	\$1,099,300	\$1,350,400	\$1,392,400	\$3,215,100
Categories of Expenditure					
Personal Services	899,400	1,042,000	1,226,400	1,290,500	1,387,900
In-State Travel	3,600	4,900	6,100	6,500	6,100
Out of State Travel	1,900	6,400	8,500	9,700	8,500
Current Expense	13,000	45,800	108,200	80,900	16,412,500
DP Current Expense	0	200	1,200	4,800	81,800
Total	\$917,900	\$1,099,300	\$1,350,400	\$1,392,400	\$17,896,800
Other Data					
Budgeted FTE	16.0	19.0	19.0	19.0	19.0

Table 8

ADMINISTRATION - ABC

Function

Administration provides centralized administrative services to other programs within the Department. This includes budgeting, accounting, and auditing stores and package agencies.

Funding Detail

Budget History - Alcoholic Beverage Control - Administration					
Sources of Finance	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Appropriated
Liquor Control Fund	889,900	875,700	932,700	997,000	982,000
Total	\$889,900	\$875,700	\$932,700	\$997,000	\$982,000
Categories of Expenditure					
Personal Services	424,800	396,700	495,500	485,300	561,100
In-State Travel	800	900	900	700	900
Current Expense	464,000	478,100	406,400	511,000	406,400
DP Current Expense	300	0	0	0	13,600
Capital Outlay	0	0	29,900	0	0
Total	\$889,900	\$875,700	\$932,700	\$997,000	\$982,000
Other Data					
Budgeted FTE	9.0	9.0	9.0	9.0	9.0
Vehicles	0	21	20	20	20

Table 9

OPERATIONS

Function

Operations provides data processing to the Department and manages the operation of the warehouse, delivery, stores and package agencies. All liquor from delivery to the warehouse, until it is sold to the consumer, is traceable by computer. This contributes to the low loss rate of less than 1/10th of one percent. The Department now delivers over 98 percent of the merchandise. Liquor is sold through several channels in the state: state stores, package agencies, private clubs, and restaurants.

Utah is one of eighteen liquor control states and one of only two that have totally state run systems. (Pennsylvania is the other state.) Utah buys from the manufacturer, stores, distributes and sells the product and collects the sales and excise taxes in state-run stores. The state sets the number of retail establishments by rule, based on population. The distribution of liquor outlets is:

Establishment	Ratio	Active Licenses
State Stores	1 : 48,000 people	36/36
Pkg Agencies	1 : 18,000 people	76/76
Restaurant	1 : 4,500 people	473/481
Private Clubs	1 : 7,000 people	299/309

The State operates 35 stores. These stores are located in large and medium-sized communities where the volume of business is high enough to support the costs of operating a store. The State owns 24 stores and leases the other 11. Employees working in the stores are state employees.

Package agencies are liquor outlets operated by private individuals or corporate entities under contract with the state for the purpose of selling packaged liquor, wine and beer to the general public for off premise

consumption. Package Agencies are located in communities too small to warrant the establishment of a state store, and in resorts and hotels where the outlets exist primarily for the benefit of their guests.

Funding Detail

Budget History - Alcoholic Beverage Control - Operations					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Liquor Control Fund	14,868,300	16,462,900	17,028,800	18,018,800	20,402,900
Total	\$14,868,300	\$16,462,900	\$17,028,800	\$18,018,800	\$20,402,900
Categories of Expenditure					
Personal Services	9,543,700	9,738,200	10,187,900	10,649,400	12,423,900
In-State Travel	178,300	149,100	283,700	18,000	311,000
Out of State Travel	4,200	191,500	106,600	4,100	44,200
Current Expense	4,497,800	5,297,900	5,422,500	6,296,000	6,958,600
DP Current Expense	445,700	761,400	651,200	675,200	665,200
DP Capital Outlay	198,600	324,800	376,900	187,300	0
Capital Outlay	0	0	0	188,800	0
Total	\$14,868,300	\$16,462,900	\$17,028,800	\$18,018,800	\$20,402,900
Other Data					
Budgeted FTE	271.0	285.0	301.0	312.0	319.0
Vehicles	21	21	21	21	21

Table 10

CHAPTER 2 DEPARTMENT OF COMMERCE

Function	<p>The Utah Department of Commerce is the licensing and registration agency for Utah’s professional and corporate community. Business registrations, professional licensing, consumer protection and education, oversight of public utilities and monitoring real estate and securities industries are all department responsibilities.</p> <p>Department funding is primarily from the Commerce Service Fund which is made up from fees collected by the Department. By statute, funds collected to the Commerce Service Fund over the amount appropriated to the Department are deposited in the General Fund. The Department also receives revenue from Dedicated Credits, Trust Funds, and Federal Funds.</p> <p>The Department also protects public interest by ensuring fair commercial and professional practices.</p> <p>The department expects to achieve its goals by:</p> <ul style="list-style-type: none"> ➤ Protecting the public and promoting commerce through reasonable and fair regulation, enforcement, advocacy and education. ➤ Improve customer service by providing online information, applications, renewals, registrations and filings. ➤ Meeting the challenge of restricted budgets by operating in a fiscally conservative manner. ➤ Improving timeliness and level of services with existing resources.
Statutory Authority	<p>Commerce and Trade sections are found in Title 13, chapters 1 through 38.</p> <p>Collection Agencies are found in Title 12.</p> <p>Corporations are in Title 16, chapters 4 though 15</p> <p>Notaries, Document Authentication, and Digital Signatures are in Title 46.</p> <p>Partnerships are in Title 48, chapters 1 through 2a.</p> <p>Bail Bond Recovery is in Title 53 (Public Safety), chapter 11.</p> <p>Public Utilities is in Title 54 chapters 2 though 16</p> <p>Real Estate Regulations are in Title 57, chapters 1 through 23.</p> <p>Occupations and Professions is in Title 58, chapters 1 though 76.</p> <p>Real Estate and Securities divisions are in Title 61, chapters 1 through 6.</p> <p>Trademarks & Trade Names are in Title 70, chapter 3a.</p> <p>Uniform Commercial Code is in Title 70A, chapters 1 through 11.</p>

INTENT LANGUAGE

From S.B. 4, 2006 General Session, Item 56:

The Legislature intends that at the end of the fiscal year, unused funds for the Committee on Consumer Services lapse to the Committee's Professional and Technical Services and that unused funds for Public Utilities lapse to Public Utilities Professional and Technical Services line item.

From S.B. 4, 2006 General Session, Item 57 (Public Utilities Professional & Technical Services):

The Legislature does not intend to lapse these funds.

From S.B. 4, 2006 General Session, Item 58 (Committee of Consumer Services Professional & Technical Services):

The Legislature does not intend to lapse these funds.

Supplemental intent from H.B. 1, 2006 General Session, Item 23:

Under the terms of Section 63-38-8.1 Utah Code Annotated, up to \$100,000 of Item 61 is non-lapsing for the purpose of rebuilding its Uniform Commercial Code Online Filing System.

Funding appropriated to implement Amendments Related to Pornographic and Harmful Materials (F. B. 260, 2005 General Session) is non-lapsing.

Funding Summary A summary of all Commerce line items.

Budget History - Department of Commerce					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	0	0	0	50,000	50,000
General Fund, One-time	0	0	0	100,000	20,000
Federal Funds	211,800	169,700	199,100	249,000	245,900
Dedicated Credits Revenue	803,200	1,230,700	1,483,700	1,557,100	1,727,600
Restricted Revenue	0	2,944,000	0	0	0
GFR - Commerce Service	12,802,600	13,530,100	14,783,400	15,320,900	17,316,700
GFR - CSF - PURF	4,297,300	1,451,900	4,361,300	4,504,400	4,624,300
GFR - Factory Built Housing Fees	104,400	0	0	104,700	0
GFR - Geologist Ed. & Enf.	10,000	0	0	10,000	0
GFR - Nurses Ed & Enf Fund	10,000	0	0	10,000	0
GFR - Pawnbroker Operations	0	0	0	45,000	0
Real Estate Education and Recovery	185,100	190,100	0	0	0
Transfers	0	403,000	22,300	328,300	0
Transfers - Within Agency	0	(402,900)	(22,300)	(328,300)	0
Pass-through	37,800	22,400	0	27,200	0
Beginning Nonlapsing	676,700	1,216,900	1,119,700	1,555,700	799,800
Beginning Fund Balances - CSF	592,600	0	0	(317,800)	0
Closing Nonlapsing	(1,216,800)	(1,119,700)	(1,555,700)	(2,212,900)	(192,000)
Lapsing Balance	(1,592,600)	(1,463,500)	(1,813,900)	(1,390,700)	(27,100)
Total	\$16,922,100	\$18,172,700	\$18,577,600	\$19,612,600	\$24,565,200
Line Items					
Commerce General Regulation	16,199,900	17,120,400	17,864,000	18,871,100	23,781,800
Real Estate Education	140,300	131,500	0	0	0
Public Utilities Professional & Technical S	21,500	136,000	97,200	59,600	125,000
Committee of Consumer Services Professio	560,400	784,800	616,400	681,900	658,400
Total	\$16,922,100	\$18,172,700	\$18,577,600	\$19,612,600	\$24,565,200
Categories of Expenditure					
Personal Services	12,831,200	13,059,200	13,840,500	14,777,900	17,907,400
In-State Travel	75,100	66,300	69,700	86,200	78,900
Out of State Travel	150,300	119,800	117,400	105,100	133,400
Current Expense	3,101,000	3,971,700	3,757,400	3,684,800	5,137,300
DP Current Expense	711,000	699,800	599,600	684,000	1,074,600
DP Capital Outlay	0	51,700	53,000	55,200	153,000
Capital Outlay	15,700	6,800	47,000	168,600	5,400
Other Charges/Pass Thru	37,800	197,400	93,000	50,800	75,200
Total	\$16,922,100	\$18,172,700	\$18,577,600	\$19,612,600	\$24,565,200
Other Data					
Budgeted FTE	245.0	260.0	262.0	256.0	272.0
Vehicles	34	34	34	36	36

Table 11

Special Funding

Restricted Funds Summary - Commerce Department				
Fund/Account Name	Statutory Authority	Revenue Source	Prescribed Uses	FY 2006 Balance
Commerce Service Fund	UCA 13-1-2(3)(c)(i-ii)	Department collections	Department appropriations	\$5,861,184
CSF Public Utility Reg. Fee	UCA 54-5-4.5(1-2)	Utility assessments	Utility regulatory costs	n/a
Factory Built Housing Fee	UCA 58-56-17.5(1-2)	Factory built housing fees	UBSA enforcement	\$205,506
Geologist Ed. & Enforce	UCA 58-76-103(1-3)	License surcharge & penal	Education & enforcement	\$23,280
Nurses Ed. & Enforce.	UCA 58-31b-103	Admin. Penalties	Education & enforcement	\$37,186
Real Estate Ed. & Enforce.	UCA 61-2a	Broker & agents surcharge	Reimbursed damages	\$668,310

Table 12

Commerce Service Fund

All collections by the Department are deposited in the Commerce Service Fund, a General Fund Restricted account. At the end of the year, remaining funds are transferred to the General Fund.

See UCA 13-1-2(3)(c)(i-ii)

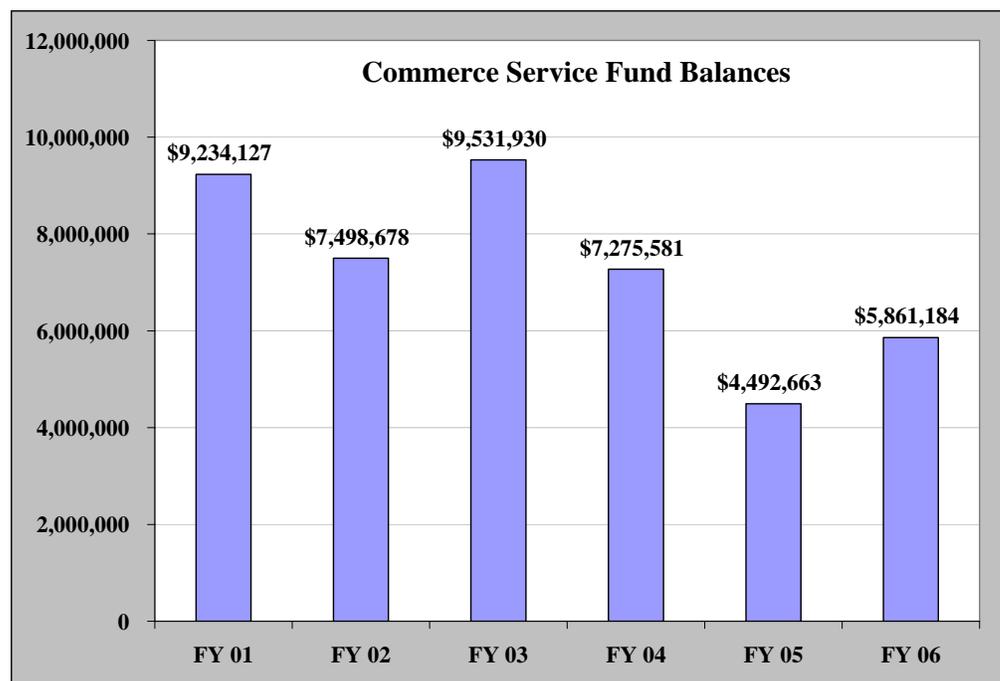


Table 13

Commerce Service Fund – Public Utility Regulatory Fee (PURF),

All public utilities under the jurisdiction of the Public Service Commission are assessed a fee to cover regulatory costs. Commerce’s Executive Director sets the assessment for Commerce’s costs and the Chair of the Public Service Commission sets the assessment for the Public Service Commission’s costs. The fee is assessed as a uniform percentage of gross operating revenue.

See UCA 54-5-1.5 (1-2)

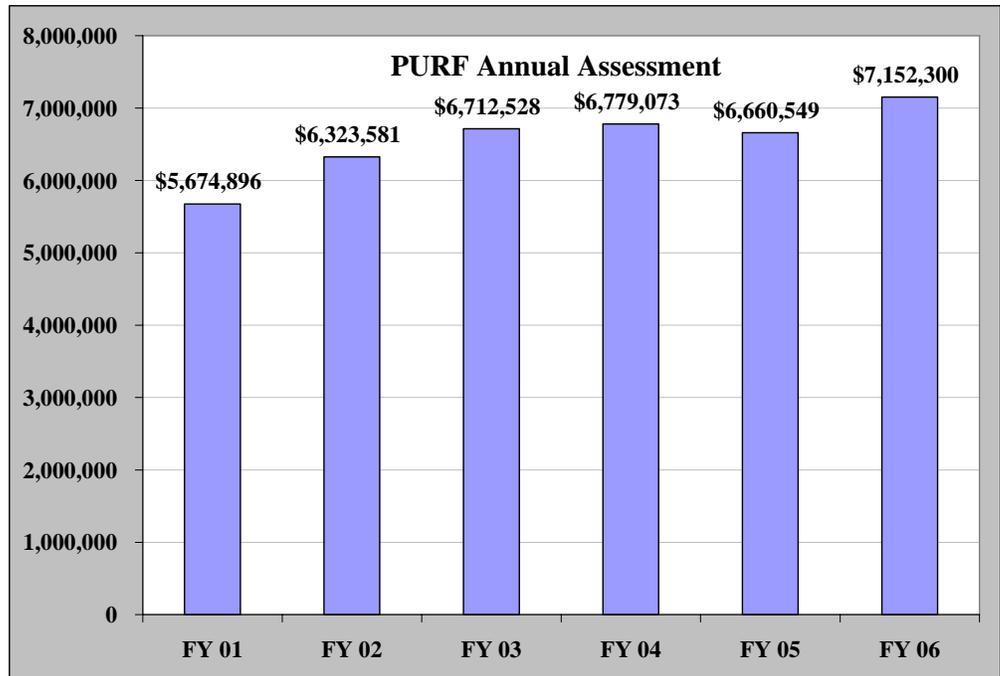


Table 14

General Fund Restricted – Factory Built Housing Fees

This General Fund Restricted Account is filled from dealer collected fees that are used for education and enforcement of the Uniform Building Standards Act.

See UCA 58-56-17.5 (1-2)

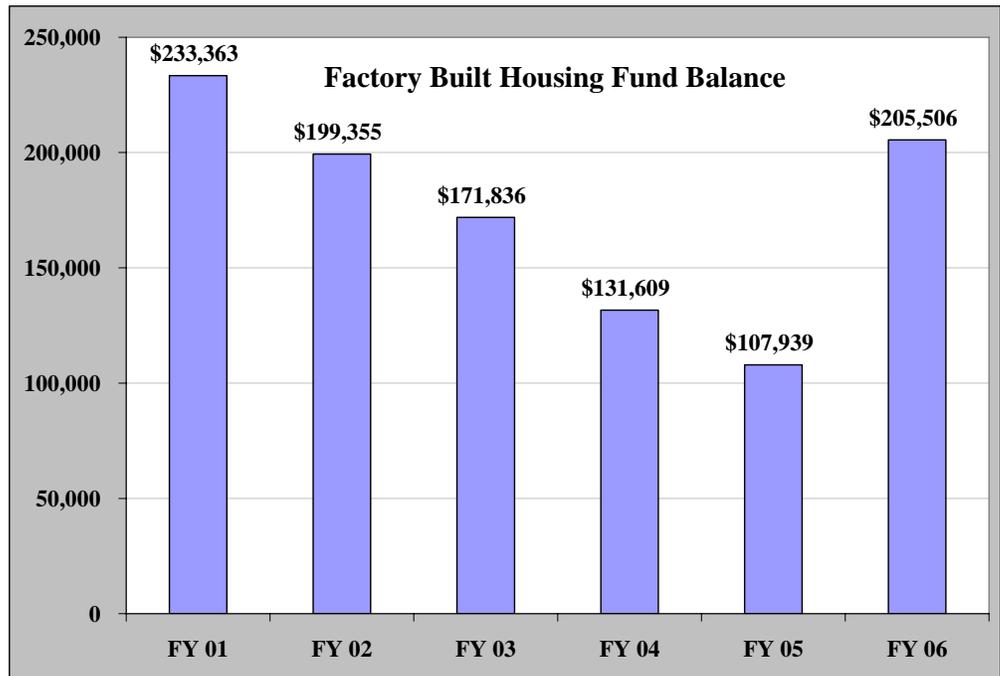


Table 15

General Fund Restricted – Geologist Education and Enforcement Fund

This General Fund Restricted Account is filled from a surcharge on Geologists licensing and is used for education, training, and enforcement.

See UCA 58-76-103 (1-3)

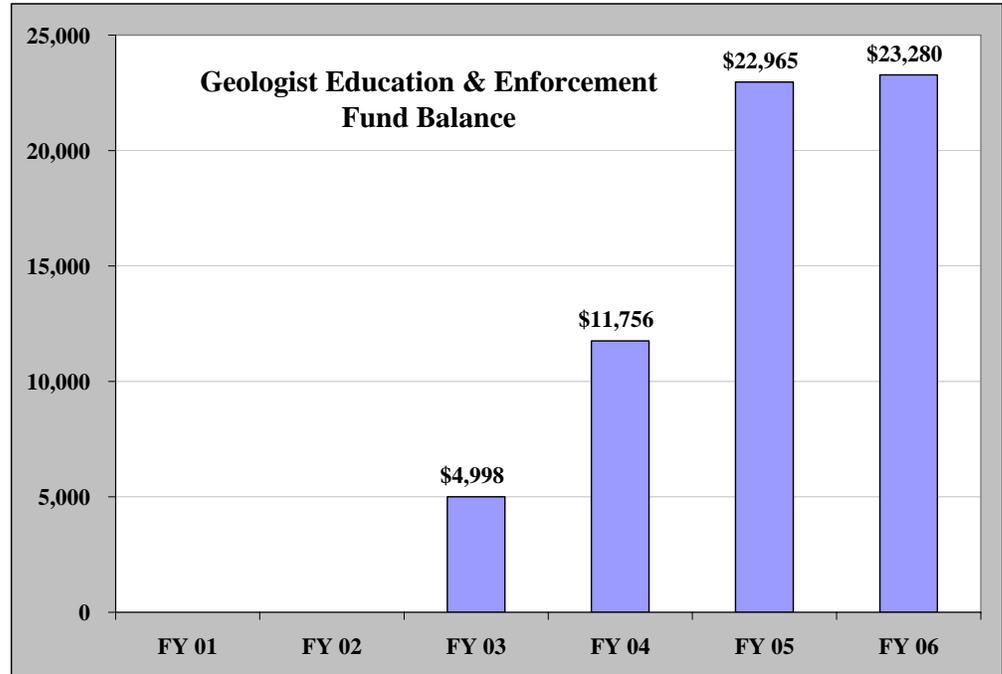


Table 16

General Fund Restricted – Nurses Education and Enforcement Fund

This General Fund Restricted Account is filled from administrative penalties under UCA 58-31b-402 and may be used for education, training, and enforcement

See UCA 58-31b-103

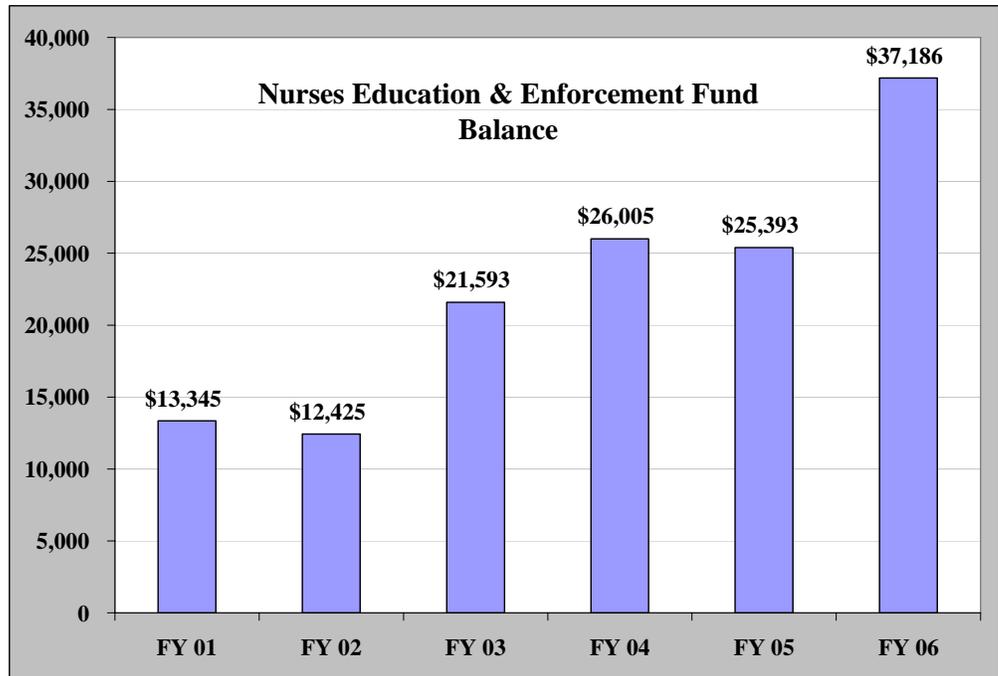


Table 17

Real Estate Education and Recovery Fund

The fund reimburses the public for damages up to \$10,000, which are incurred by real estate licensees. A balance of \$100,000 is to remain in the fund to satisfy claims. The Fund can also be appropriated "... to provide revenue for improving the real estate profession through education and research with the goal of making real estate salespeople more responsible to the public." The Real Estate Education Program is funded from the balance in the restricted account in excess of the \$100,000.

See UCA 61-2a

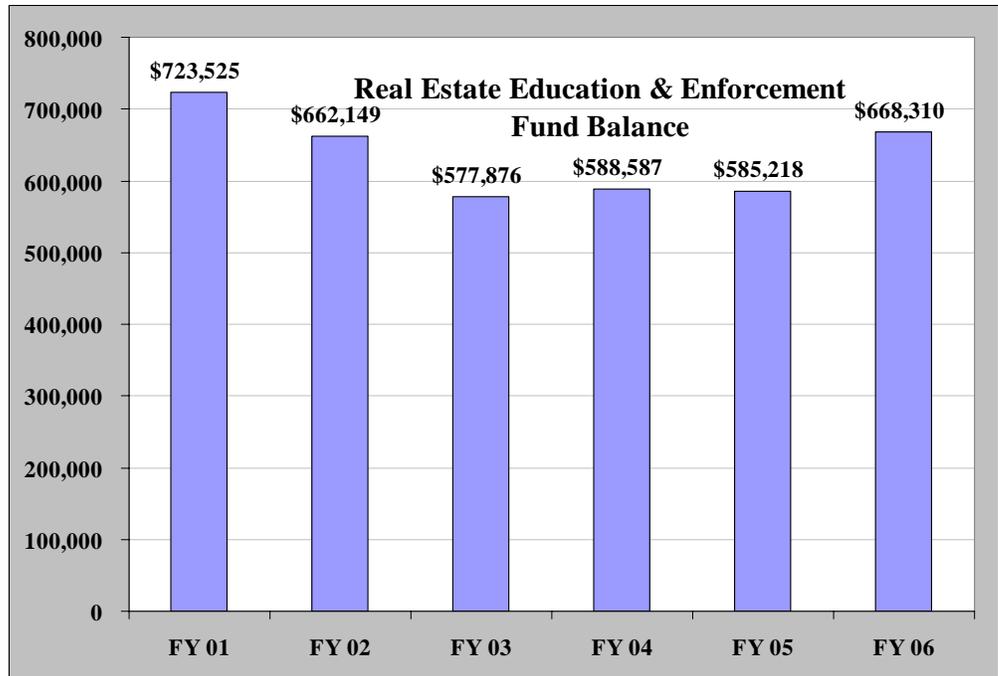


Table 18

COMMERCE GENERAL REGULATION

Commerce’s Executive Director administers several line items. The main appropriation for the department is called “Commerce General Regulation” and includes the programs shown in the center of the table below. Additional line items are: Real Estate Education, Public Utilities Professional & Technical, and the Committee of Consumer Services Professional & Technical.

ADMINISTRATION - COMMERCE

Function

Administration oversees and manages the department. Administration includes centralized accounting, payroll, personnel, and budget functions.

Funding Detail

Budget History - Commerce - Administration					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Dedicated Credits Revenue	20,800	414,500	582,600	595,900	235,200
GFR - Commerce Service	1,944,000	2,007,900	2,538,000	1,981,100	2,713,700
GFR - Pawnbroker Operations	0	0	0	45,000	0
Transfers	0	884,700	22,300	872,100	0
Beginning Nonlapsing	0	101,500	248,700	524,500	200,000
Beginning Fund Balances - CSF	492,100	0	0	0	0
Closing Nonlapsing	(101,500)	(248,700)	(524,500)	(801,200)	0
Lapsing Balance	(82,200)	(810,200)	(9,700)	(66,100)	0
Total	\$2,273,200	\$2,349,700	\$2,857,400	\$3,151,300	\$3,148,900
Categories of Expenditure					
Personal Services	1,316,100	1,388,700	1,655,200	1,754,600	2,322,100
In-State Travel	5,500	5,400	4,300	7,900	4,400
Out of State Travel	23,800	5,100	4,600	4,700	4,600
Current Expense	221,700	217,700	505,900	548,900	621,000
DP Current Expense	706,100	676,800	568,400	623,700	138,400
DP Capital Outlay	0	51,700	53,000	55,200	53,000
Capital Outlay	0	0	5,400	156,300	5,400
Other Charges/Pass Thru	0	4,300	60,600	0	0
Total	\$2,273,200	\$2,349,700	\$2,857,400	\$3,151,300	\$3,148,900
Other Data					
Budgeted FTE	21.0	21.0	21.5	14.5	26.0

Table 19

OCCUPATIONAL & PROFESSIONAL LICENSING

Function

The Division of Occupational and Professional Licensing (DOPL) is responsible for licensing and regulating approximately fifty-seven occupations and professions with 303 subcategories. Licensing an occupation or profession is established by law.

The division establishes minimum requirements for licensing, investigates unlawful or unprofessional conduct, and conducts administrative proceedings against individuals who allegedly engage in unlawful or unprofessional conduct.

The division oversees the Medical Malpractice Pre-litigation Hearing Program, the Uniform Building Code Act, the Residence Lien Recovery Fund, and Construction Standards for Manufactured Housing.

Funding Detail

Budget History - Commerce - Commerce General Regulation - Occupational & Professional Licensing					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Dedicated Credits Revenue	515,600	558,100	644,200	755,300	1,242,400
GFR - Commerce Service	5,699,900	6,092,000	6,420,000	6,831,400	7,557,300
GFR - Factory Built Housing Fees	104,400	0	0	104,700	0
GFR - Geologist Ed. & Enf.	10,000	0	0	10,000	0
GFR - Nurses Ed & Enf Fund	10,000	0	0	10,000	0
Transfers - Within Agency	0	(402,900)	(22,300)	(328,300)	0
Beginning Nonlapsing	128,800	208,800	324,100	495,600	266,500
Closing Nonlapsing	(208,800)	(324,100)	(495,600)	(763,500)	(42,100)
Lapsing Balance	(650,600)	(259,000)	(548,200)	(529,300)	(27,100)
Total	\$5,609,300	\$5,872,900	\$6,322,200	\$6,585,900	\$8,997,000
Categories of Expenditure					
Personal Services	4,364,500	4,437,200	4,857,300	5,179,300	6,056,600
In-State Travel	40,200	37,900	48,300	54,800	50,000
Out of State Travel	29,400	32,700	34,300	29,700	36,400
Current Expense	1,175,100	1,348,900	1,337,500	1,277,300	2,523,600
DP Current Expense	100	16,200	12,100	44,800	330,400
Capital Outlay	0	0	32,700	0	0
Total	\$5,609,300	\$5,872,900	\$6,322,200	\$6,585,900	\$8,997,000
Other Data					
Budgeted FTE	93.0	97.0	99.0	96.0	101.0
Vehicles	26	26	26	27	27

Table 20

Accountability

The following workload measure helps legislators understand how busy an agency is, a useful consideration if an agency is asking for additional FTE or technology to help cope with increasing workload.

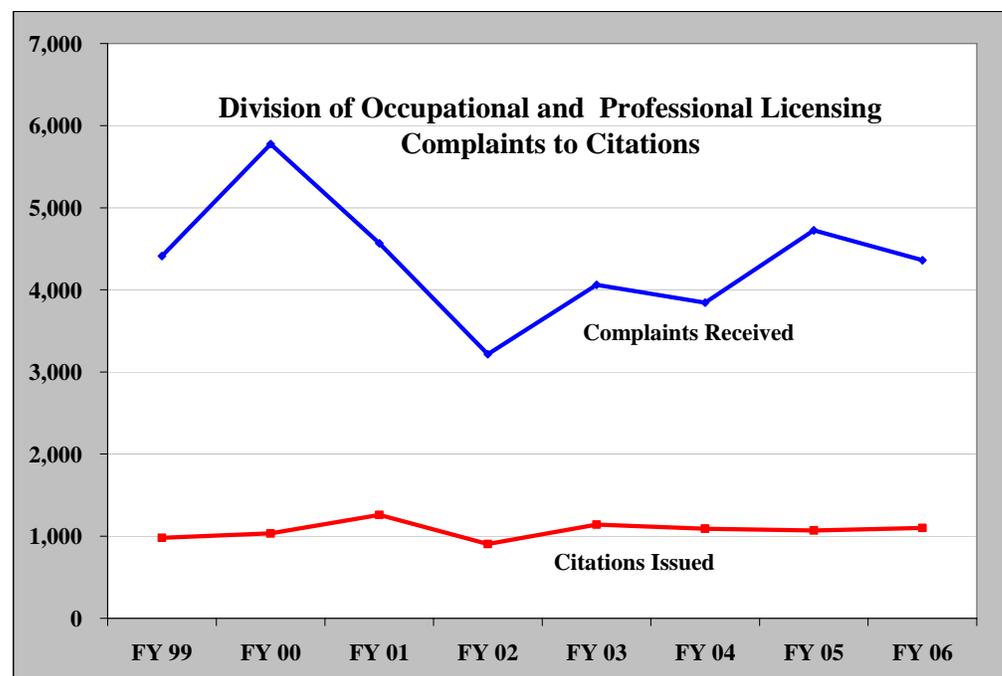


Table 21

Measure: DOPL Complaints Received vs. Citations.

Goal: To investigate legitimate complaints and issue a citation where applicable. Citations is one of the tools used to reduce complaints.

Methodology: This is a simple count of complaints received and citations issued by the Division of Professional Licensing.

Measure Type: Complaints are a workload measure while citations are an output measure.

SECURITIES

Function

The Division of Securities administers and enforces the Utah Uniform Securities Act. It licenses broker-dealers, agents, investment advisors, investment adviser representatives, and certified dealers. It audits registration and exemption filings made by businesses issuing securities. The Division investigates securities violations and initiates administrative actions to deny, revoke or suspend licenses or registrations to stop unlawful activities. It also brings civil injunctive actions and refers investigations to state or local prosecutors for criminal prosecution.

Funding Detail

Budget History - Commerce - Securities					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Dedicated Credits Revenue	0	0	0	4,100	0
GFR - Commerce Service	1,262,500	1,331,100	1,417,200	1,540,300	1,652,800
Transfers	0	(55,900)	0	(43,000)	0
Closing Nonlapsing	0	0	0	(4,100)	0
Lapsing Balance	(83,600)	(34,600)	(91,100)	(72,800)	0
Total	\$1,178,900	\$1,240,600	\$1,326,100	\$1,424,500	\$1,652,800
Categories of Expenditure					
Personal Services	1,106,400	1,155,800	1,249,200	1,362,200	1,514,600
In-State Travel	200	600	100	200	1,000
Out of State Travel	7,200	8,200	1,800	1,400	7,000
Current Expense	64,900	68,500	74,700	60,500	75,000
DP Current Expense	200	700	300	200	55,200
Capital Outlay	0	6,800	0	0	0
Total	\$1,178,900	\$1,240,600	\$1,326,100	\$1,424,500	\$1,652,800
Other Data					
Budgeted FTE	20.0	22.0	22.0	22.0	22.0
Vehicles	2	2	2	2	2

Table 22

Accountability

This graph helps legislators see if operating expenses are increasing faster than workload. The agency is holding expenses below 20% of revenues.

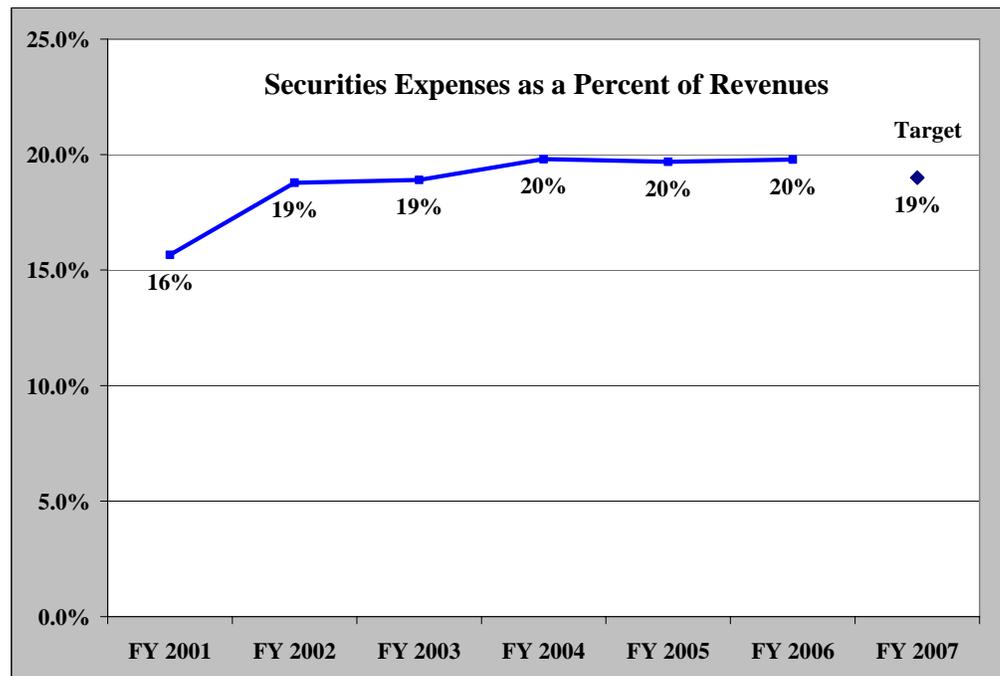


Table 23

Measure: Operating expenses as a percent of revenue generated.

Goal: Maximize revenues while operating at minimal expense.

Methodology: Divide division operating expenses by revenues generated.

Measure Type: Efficiency.

The Division has kept expenses less than 20% of total revenues for the last six years.

CONSUMER PROTECTION

Function

The Division of Consumer Protection helps consumers and businesses deal with dishonest commercial practices. It enforces thirteen consumer protection statutes. It responds to consumer complaints, prevents and corrects unfair and deceptive business practices, provides consumer relief and promotes consumer education programs. Its goal is to balance the need to provide a regulatory environment that is firm, reasonable, and fair against the need to protect consumers and encourage business growth.

Funding Detail

Budget History - Commerce - Commerce General Regulation - Consumer Protection					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	0	0	0	50,000	50,000
General Fund, One-time	0	0	0	100,000	20,000
GFR - Commerce Service	752,300	858,100	964,300	1,047,300	1,122,900
Transfers	0	(32,900)	0	(40,900)	0
Closing Nonlapsing	0	0	0	(150,000)	0
Lapsing Balance	(57,000)	(40,600)	(41,900)	(23,000)	0
Total	\$695,300	\$784,600	\$922,400	\$983,400	\$1,192,900
Categories of Expenditure					
Personal Services	663,600	747,400	878,800	941,300	1,005,700
In-State Travel	200	0	0	0	500
Out of State Travel	600	0	0	0	500
Current Expense	30,300	37,200	42,200	41,900	145,300
DP Current Expense	600	0	1,400	200	40,900
Total	\$695,300	\$784,600	\$922,400	\$983,400	\$1,192,900
Other Data					
Budgeted FTE	13.0	16.0	17.5	18.5	18.0
Vehicles	1	1	1	2	2

Table 24

Accountability

This graph shows that the division is closing cases about as fast as they are assigned. It does not show how long it takes to close a case.

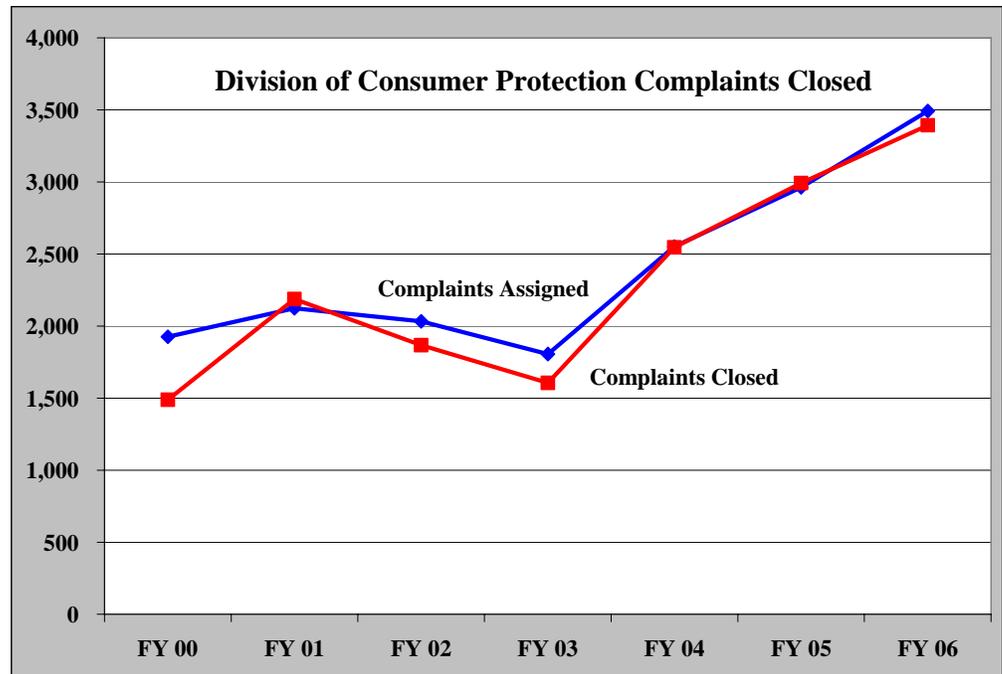


Table 25

Measure: Consumer protection complaints handled.

Goal: Investigate legitimate complaints and close cases effectively in proportion.

Methodology: This is a straight count of complaints assigned and complaints closed. It does not address the backlog or time to close a complaint.

Measure Type: Workload and efficiency.

CORPORATIONS & COMMERCIAL CODE

Function

This is the State’s filing office for all corporations, commercial code, business registration, limited partnerships, limited liability companies, notaries public, collection agencies, trademarks, and agricultural liens. The Division registers businesses and provides information, expedites customer needs and makes available its records and data collections for public research

Through online web applications, the Division of Corporations provides customers with accessible, convenient and responsive service to business name searches, annual business renewals, Uniform Commercial Code (UCC) and agricultural lien filings and searches. It has downloadable forms.

Funding Detail

Budget History - Commerce - Commerce General Regulation - Corporations and Commercial Code					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
GFR - Commerce Service	1,826,900	1,961,900	1,889,700	2,248,700	2,479,400
Transfers	0	(226,000)	0	(288,000)	0
Closing Nonlapsing	0	0	0	(100,000)	0
Lapsing Balance	(144,200)	0	(146,200)	(132,800)	0
Total	\$1,682,700	\$1,735,900	\$1,743,500	\$1,727,900	\$2,479,400
Categories of Expenditure					
Personal Services	1,380,600	1,403,400	1,522,100	1,498,600	1,802,400
In-State Travel	800	200	100	700	500
Out of State Travel	3,700	4,500	6,500	9,000	5,000
Current Expense	297,300	327,800	212,300	218,100	260,000
DP Current Expense	300	0	2,500	1,500	311,500
DP Capital Outlay	0	0	0	0	100,000
Total	\$1,682,700	\$1,735,900	\$1,743,500	\$1,727,900	\$2,479,400
Other Data					
Budgeted FTE	35.0	38.0	38.0	39.0	40.0

Table 26

Accountability

Online renewals are implemented and increasing.

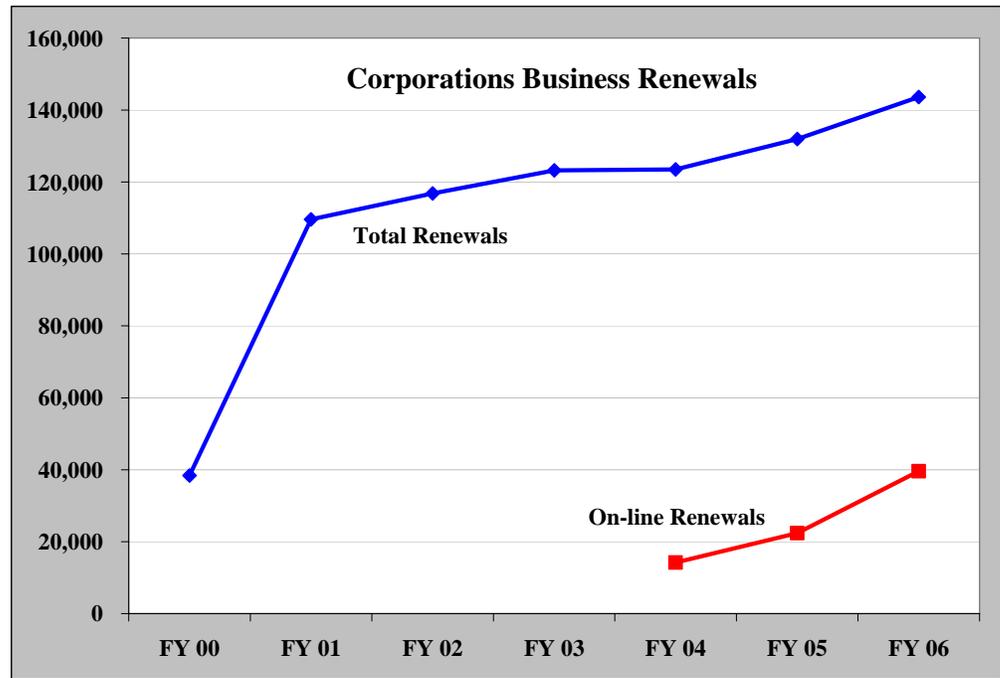


Table 27

Measure: Division of Corporations Business Renewals

Goal: Make business renewals less burdensome on citizens and reduce the need to add FTE to cover growth.

Methodology: This is a straight count of total business renewals with a breakout of the number of online renewals

Measure Type: Workload and output.

REAL ESTATE

Function

The Division of Real Estate regulates Utah’s real estate industry. It protects the public through education and licensing. The Division licenses all real estate brokers, sales agents, and appraisers. It investigates, and when necessary, conducts disciplinary proceedings. The Division screens all subdivided lands and time-share projects and insures full disclosure in offerings. The Division audits broker trust accounts, and monitors sales and appraisals to insure they are fair and reasonable. The Division also administers the Utah Residential Mortgage Practices Act and registers residential mortgage professionals and companies not affiliated with financial institutions

Funding Detail

Budget History - Commerce -Real Estate					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Dedicated Credits Revenue	266,800	258,100	256,900	201,800	250,000
GFR - Commerce Service	1,099,400	1,047,800	1,220,200	1,438,800	1,559,300
Transfers	0	(19,600)	0	(63,100)	0
Pass-through	37,800	22,400	0	27,200	0
Lapsing Balance	(200,300)	0	(197,700)	(119,600)	0
Total	\$1,203,700	\$1,308,700	\$1,279,400	\$1,485,100	\$1,809,300
Categories of Expenditure					
Personal Services	820,100	748,500	788,500	998,100	1,302,000
In-State Travel	10,600	6,100	4,300	10,600	5,000
Out of State Travel	12,700	11,000	12,200	15,600	14,000
Current Expense	322,200	520,400	432,400	421,100	350,000
DP Current Expense	300	0	700	3,900	63,100
Capital Outlay	0	0	8,900	0	0
Other Charges/Pass Thru	37,800	22,700	32,400	35,800	75,200
Total	\$1,203,700	\$1,308,700	\$1,279,400	\$1,485,100	\$1,809,300
Other Data					
Budgeted FTE	16.0	18.0	18.0	20.0	19.0
Vehicles	1	1	1	1	1

Table 28

Accountability

This measure shows that the division is closing more cases than ever. It does not show the relationship between cases filed and cases closed or the time it takes to close a case.



Table 29

Measure: Real Estate investigations closed.

Goal: To investigate legitimate complaints and close cases in a timely manner.

Methodology: This is a count of the number of investigations closed.

Measure Type: Output.

PUBLIC UTILITIES - COMMERCE

Function

The Division of Public Utilities administers rules and orders of the Public Service Commission and state public utility laws. The Division has quasi-judicial and rule making roles. The Division’s regulations substitute for economic competition among non-competing businesses. The rulings must balance utilities financial health while representing rate payer interests. There are approximately 163 public utilities operating in Utah.

Funding Detail

Budget History - Commerce - Public Utilities					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Federal Funds	211,800	169,700	199,100	249,000	245,900
Restricted Revenue	0	2,944,000	0	0	0
GFR - Commerce Service	0	0	100,700	0	0
GFR - CSF - PURF	2,884,300	0	2,942,200	3,027,300	3,107,300
Transfers	0	(108,800)	0	(108,800)	0
Lapsing Balance	(374,700)	(138,100)	(763,400)	(431,400)	0
Total	\$2,721,400	\$2,866,800	\$2,478,600	\$2,736,100	\$3,353,200
Categories of Expenditure					
Personal Services	2,533,100	2,515,400	2,329,800	2,542,200	3,168,900
In-State Travel	14,400	12,700	9,500	10,100	14,000
Out of State Travel	32,000	26,000	18,800	28,000	27,000
Current Expense	123,000	142,100	119,000	118,900	140,000
DP Current Expense	3,200	200	1,500	9,600	109,600
Capital Outlay	15,700	0	0	12,300	0
Other Charges/Pass Thru	0	170,400	0	15,000	0
Total	\$2,721,400	\$2,866,800	\$2,478,600	\$2,736,100	\$3,459,500
Other Data					
Budgeted FTE	35.0	36.0	36.0	36.0	36.0
Vehicles	4	4	4	4	4

Table 30

Accountability

This measure shows that fewer and fewer complaints are being handled. It does not show the relationship between complaints filed and handled or the time it takes to handle a complaint.

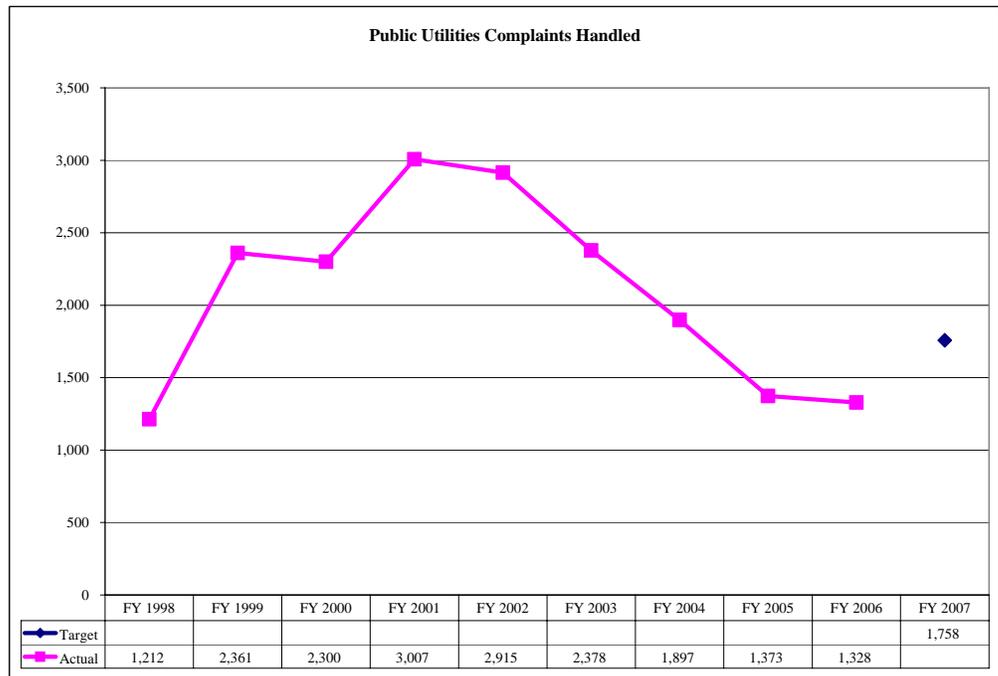


Table 31

Measure: Public Utilities Complaints Handled

Goal: To improve service levels and decrease the overall number of customer complaints.

Methodology: This is simple count of the number of complaints handled by the Public Utilities division.

Measure Type: Output.

COMMITTEE OF CONSUMER SERVICES

Function

The Committee is a policy board that represents the interests of residential, small business and agricultural rate payers before the Public Service Commission. It represents consumers who might not otherwise have an effective voice before the Commission. The Committee has nine staff members and one Assistant Attorney General.

Funding Detail

Budget History - Commerce - Committee of Consumer Services					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
GFR - CSF - PURF	813,000	851,900	819,100	877,100	917,000
Transfers	(100,500)	(38,500)	0	0	0
Beginning Fund Balances - CSF	100,500	0	0	(317,800)	0
Closing Nonlapsing	(195,200)	(69,800)	(102,300)	0	0
Total	\$617,800	\$743,600	\$716,800	\$559,300	\$917,000
Categories of Expenditure					
Personal Services	546,400	555,700	532,100	433,200	841,400
In-State Travel	2,200	3,400	3,100	1,900	3,500
Out of State Travel	29,300	25,700	30,300	6,400	30,000
Current Expense	39,700	152,900	138,600	117,700	16,600
DP Current Expense	200	5,900	12,700	100	25,500
Total	\$617,800	\$743,600	\$716,800	\$559,300	\$917,000
Other Data					
Budgeted FTE	10.0	10.0	10.0	10.0	10.0

Table 32

BUILDING OPERATIONS & MAINTENANCE - COMMERCE

Function

The Department of Commerce is primarily located at the Heber M. Wells Building off of 300 South and 100 East in Salt Lake City. The building is owned and operated by the Department of Administrative Services, Division of Facilities and Construction Management (DFCM).

Funding Detail

Budget History - Commerce - Building Operations and Maintenance					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
GFR - Commerce Service	217,600	231,300	233,300	233,300	231,300
Real Estate Education and Recovery	0	2,000	0	0	0
Lapsing Balance	0	(15,700)	(15,700)	(15,700)	0
Total	\$217,600	\$217,600	\$217,600	\$217,600	\$231,300
Categories of Expenditure					
Current Expense	217,600	217,600	217,600	217,600	231,300
Total	\$217,600	\$217,600	\$217,600	\$217,600	\$231,300

Table 33

PUBLIC UTILITIES PROFESSIONAL & TECHNICAL – COMMERCE

Function

The Division of Public Utilities hires expert witnesses to perform special studies and appears in rate cases before the Public Service Commission. These funds have traditionally been non-lapsing and have been appropriated in a separate line item.

Funding Detail

Budget History - Commerce - Public Utilities Professional & Technical Services					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
GFR - CSF - PURF	100,000	100,000	100,000	100,000	100,000
Beginning Nonlapsing	84,800	163,300	127,300	130,100	105,100
Closing Nonlapsing	(163,300)	(127,300)	(130,100)	(170,500)	(80,100)
Total	\$21,500	\$136,000	\$97,200	\$59,600	\$125,000
Categories of Expenditure					
Current Expense	21,500	136,000	97,200	59,600	125,000
Total	\$21,500	\$136,000	\$97,200	\$59,600	\$125,000

Table 34

COMMITTEE OF CONSUMER SERVICES – PROFESSIONAL & TECHNICAL

Function

The Committee of Consumer Services hires expert witnesses to appear in rate cases before the Public Service Commission. These funds have traditionally been non-lapsing and have been appropriated in a separate line item.

Funding Detail

Budget History - Commerce - Committee of Consumer Services Professional and Technical					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
GFR - CSF - PURF	500,000	500,000	500,000	500,000	500,000
Transfers	100,500	0	0	0	0
Beginning Nonlapsing	399,200	634,600	419,600	405,500	228,200
Closing Nonlapsing	(439,300)	(349,800)	(303,200)	(223,600)	(69,800)
Total	\$560,400	\$784,800	\$616,400	\$681,900	\$658,400
Categories of Expenditure					
Personal Services	0	0	27,500	68,400	0
Out of State Travel	11,200	6,600	8,900	10,300	8,900
Current Expense	549,200	778,200	580,000	603,200	649,500
Total	\$560,400	\$784,800	\$616,400	\$681,900	\$658,400

Table 35

CHAPTER 3 FINANCIAL INSTITUTIONS**Function**

The Department of Financial Institutions regulates state-chartered deposit taking institutions including banks, savings and loan associations, credit unions, and industrial loan corporations. It also regulates third-party payment providers, independent escrow companies, check cashers, payday lenders, and mortgage loan servicers operating in Utah.

The Department of Financial Institutions promotes the availability of sound financial services through chartering, regulating, and supervising. The Department is open to establishing new and enhancing existing financial products.

Financial Institutions regulates 141 institutions including, 27 banks, 64 credit unions, 35 industrial loan companies, and 2 trust companies. It also regulates 28 travelers check or money order issuers, 8 independent escrow companies, 101 check cashers/payday lenders, and 256 residential first mortgage loan servicers. The Department employs 55.

Two primary Department goals are: 1) to do the number of examinations required to maintain the health of the State-chartered banking and credit union systems in Utah; and 2) to be accredited by the financial institution peers in an interstate banking environment.

The Department's primary activity is the examination of depository institutions for financial strength and solvency. In the case of depository institutions, its statutory charge is to charter, regulate, supervise and safeguard the interest of shareholders, members, depositors, and borrowers, through on site examinations and remedial action orders.

For persons or entities that provide public financial services, the Department's statutory requirement is that consumer credit terms be lawful and easily understood.

Statutory Authority

From the Utah Code Annotated:

General provisions for regulating banks, trusts, savings and loans, industrial loan corporations, and credit unions are found in Title 7, chapters 1 through 24

Fiduciary and trust authorizations are found in Title 22, chapters 1 through 6.

Negotiable Securities general provisions are in Title 43, chapter 1.

The **Utah Consumer Credit Code** is found in Title 70C, chapters 1 through 8.

Mortgage Financing regulations are found in Title 70D, chapter 1.

Funding Detail

Budget History - Financial Institutions					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
GFR - Financial Institutions	4,286,900	4,476,000	4,789,100	5,093,100	5,788,900
Beginning Nonlapsing	0	0	30,000	0	0
Closing Nonlapsing	0	(30,000)	0	0	0
Lapsing Balance	(213,400)	(182,200)	(174,200)	(332,900)	0
Total	\$4,073,500	\$4,263,800	\$4,644,900	\$4,760,200	\$5,788,900
Line Items					
Financial Institutions Administration	4,073,500	4,263,800	4,644,900	4,760,200	5,788,900
Total	\$4,073,500	\$4,263,800	\$4,644,900	\$4,760,200	\$5,788,900
Categories of Expenditure					
Personal Services	3,486,000	3,698,700	3,864,900	4,079,100	5,117,900
In-State Travel	82,500	100,300	83,300	95,100	105,000
Out of State Travel	114,500	163,200	247,100	113,600	175,500
Current Expense	367,900	265,100	377,800	340,300	365,400
DP Current Expense	22,600	36,500	59,000	132,100	25,100
DP Capital Outlay	0	0	12,800	0	0
Total	\$4,073,500	\$4,263,800	\$4,644,900	\$4,760,200	\$5,788,900
Other Data					
Budgeted FTE	50.0	50.0	50.0	54.0	54.0

Table 36

Restricted Funds Summary - Financial Institutions				
Fund/Account Name	Statutory Authority	Revenue Source	Prescribed Uses	FY 2006 Balance
Financial Institutions	UCA 7-1-401 to 403	Fees	Financial instit. Regulation	\$813,232

Table 37

Special Funding

General Fund Restricted – Financial Institutions

Funding for the Department is from a General Fund Restricted Account for Financial Institutions. Fees are collected on assets under supervision and on some examinations. These funds are used solely for the regulation of financial institutions. Funds remaining at the end of the year lapse back to the restricted account.

See (UCA 7-1-401,402, 403).

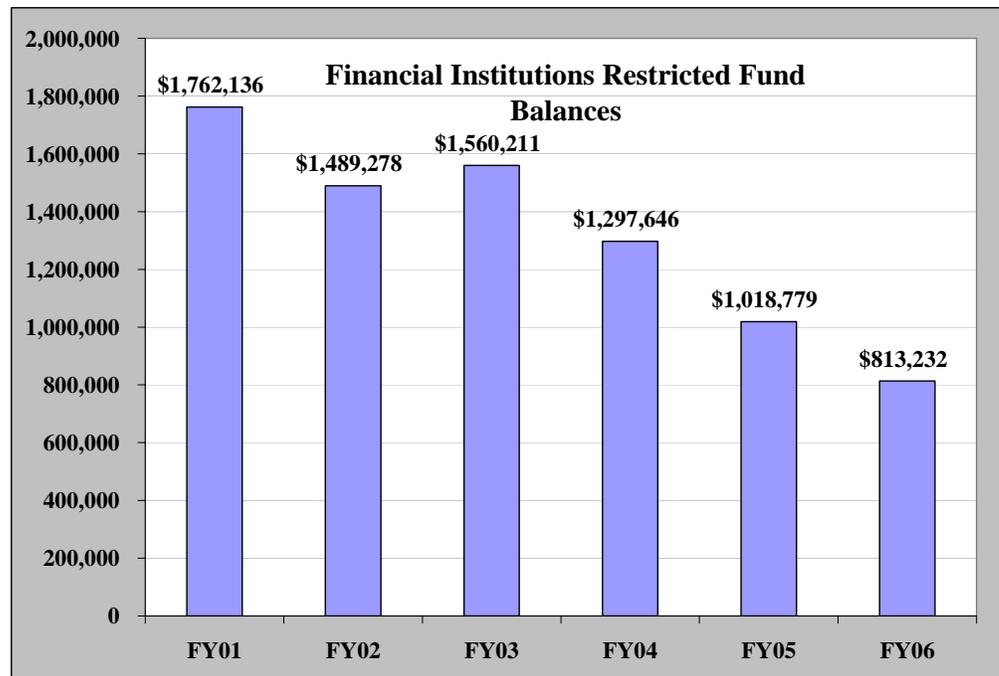


Table 38

FINANCIAL INSTITUTIONS ADMINISTRATION

Function

Financial Institutions only has two programs: Administration which includes everything the Department does; and Building Operations and Maintenance which separates rent from everyday operations.

Funding Detail

Budget History - Financial Institutions - Financial Institutions Administration - Administration					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
GFR - Financial Institutions	4,181,600	4,361,200	4,674,300	4,898,100	5,593,900
Beginning Nonlapsing	0	0	30,000	0	0
Closing Nonlapsing	0	(30,000)	0	0	0
Lapsing Balance	(213,400)	(173,900)	(167,600)	(289,400)	0
Total	\$3,968,200	\$4,157,300	\$4,536,700	\$4,608,700	\$5,593,900
Categories of Expenditure					
Personal Services	3,486,000	3,698,700	3,864,900	4,079,100	5,117,900
In-State Travel	82,500	100,300	83,300	95,100	105,000
Out of State Travel	114,500	163,200	247,100	113,600	175,500
Current Expense	262,600	158,600	269,600	188,800	170,400
DP Current Expense	22,600	36,500	59,000	132,100	25,100
DP Capital Outlay	0	0	12,800	0	0
Total	\$3,968,200	\$4,157,300	\$4,536,700	\$4,608,700	\$5,593,900
Other Data					
Budgeted FTE	50.0	50.0	50.0	54.0	54.0

Table 39

Accountability

This output measure shows the increase in assets under supervision for the department on a per examiner basis.



Table 40

Measure: Total Assets Under Supervision Per Examiner

Goal: Maintain examiner assets under supervision at a level that allows adequate examination.

Methodology: Divide total assets by the number of examiners.

Measure Type: Workload.

BUILDING OPERATIONS & MAINTENANCE – FINANCIAL INSTITUTIONS

Function

The Department of Financial Institutions is located at 324 South State Street on the second floor. This downtown Salt Lake City office space is located in an area of escalating lease expenses. Parking is provided by third party vendors. The Department’s lease is well within the acceptable range established by the Division of Facilities and Construction Management (DFCM).

Funding Detail

Budget History - Financial Institutions - Building Operations and Maintenance					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
GFR - Financial Institutions	105,300	114,800	114,800	195,000	195,000
Lapsing Balance	0	(8,300)	(6,600)	(43,500)	0
Total	\$105,300	\$106,500	\$108,200	\$151,500	\$195,000
Categories of Expenditure					
Current Expense	105,300	106,500	108,200	151,500	195,000
Total	\$105,300	\$106,500	\$108,200	\$151,500	\$195,000

Table 41

CHAPTER 4 INSURANCE DEPARTMENT

Function The Insurance Department protects the public by regulating insurance companies and individual agents to assure equitable and competitive business practices.

The Department is divided into seven work sections and is funded from the General Fund. The Department reorganized its work processes along lines of insurance. Activity, function and structure have been regrouped to reduce processing time, improve department efficiency, and enhance customer service. Traditionally, the department has been considered one budget. The department's appropriation is offset by fees collected by the department and which are deposited into the General Fund. Fees are collected for a variety of activities in addition to licensing of agents and brokers.

Statutory Authority The general and specific authority to regulate all aspects of the insurance industry in Utah are found in Title 31A, chapters 1 through 37.

Intent Language Supplemental intent from H.B. 1, 2006 General Session, Item 24:

Under the terms of Section 63-38-8.1 Utah Code Annotated, up to \$130,000 of Item 65 of H. B. 1, Annual Appropriations Act 2005 General Session, is made non-lapsing. Of that amount, \$120,000 is for computer equipment and software and \$10,000 is for employee training.

Funding Detail

Budget History - Insurance Department					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	6,967,300	11,106,700	20,607,100	10,858,500	15,324,400
General Fund, One-time	0	0	0	10,000,000	987,200
Federal Funds	0	0	52,600	1,395,400	0
Dedicated Credits Revenue	1,435,500	14,264,400	18,251,500	3,051,200	23,613,900
Restricted Revenue	9,565,100	0	0	17,581,800	0
GFR - Bail Bond Surety Admin	22,100	22,100	22,100	22,100	22,100
Beginning Nonlapsing	10,520,900	5,403,500	2,452,100	9,763,400	16,206,700
Closing Nonlapsing	(5,450,000)	(2,452,100)	(10,317,200)	(21,764,500)	(7,961,700)
Lapsing Balance	(82,600)	(20,900)	(37,600)	(1,400)	0
Total	\$22,978,300	\$28,323,700	\$31,030,600	\$30,906,500	\$48,192,600
Line Items					
Insurance Department Administration	5,582,000	5,673,400	6,885,600	6,932,800	8,389,000
Comprehensive Health Insurance Pool	17,319,300	22,604,200	24,069,900	23,891,000	39,709,500
Bail Bond Program	1,700	1,200	18,000	20,700	22,100
Title Insurance Program	75,300	44,900	57,100	62,000	72,000
Total	\$22,978,300	\$28,323,700	\$31,030,600	\$30,906,500	\$48,192,600
Categories of Expenditure					
Personal Services	4,433,400	4,222,600	4,493,000	4,688,100	5,712,600
In-State Travel	7,400	12,100	10,200	13,300	21,600
Out of State Travel	53,300	61,500	74,600	117,200	86,200
Current Expense	17,910,300	22,873,400	26,049,000	25,436,200	36,970,500
DP Current Expense	131,400	246,400	296,000	354,700	5,195,300
DP Capital Outlay	268,200	175,400	203,800	157,500	206,400
Capital Outlay	0	0	19,100	19,000	0
Other Charges/Pass Thru	174,300	732,300	(115,100)	120,500	0
Total	\$22,978,300	\$28,323,700	\$31,030,600	\$30,906,500	\$48,192,600
Other Data					
Budgeted FTE	80.3	82.0	82.0	81.0	89.0
Vehicles	8	9	9	9	9

Table 42

Restricted Funds Summary - Insurance Department				
Fund/Account Name	Statutory Authority	Revenue Source	Prescribed Uses	FY 2006 Balance
Bail Bond Surety Admin.	UCA 31A-35-407	Fees	Admin Bail Bond Chapter	\$50,349

Table 43

Special Funding

General Fund Restricted – Bail Bond Surety Administration

The department collects fees from the bail bond industry which it deposits in the Bail Bond Surety Administration Account which is a General Fund Restricted account. These funds are used by the department to administer the Bail Bond chapter

See UCA 31A-35-407.

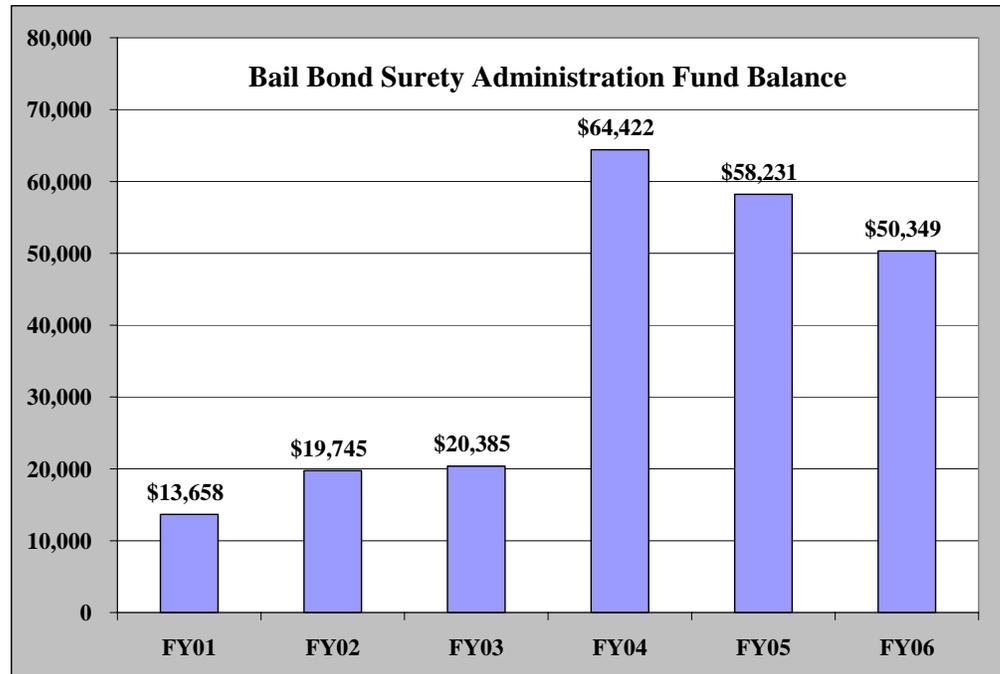


Table 44

INSURANCE ADMINISTRATION

Funding

Administration manages other programs within the Department and is responsible for budgeting, financial tracking, personnel, actuarial services, and managerial statistics.

Producer Services is responsible for the issuance and renewal of licenses to all Utah insurance agents and agencies. Licensees qualify through examination.

Financial Examination and Company Licensing/Solvency Division licenses about 1,500 insurance companies to do business in Utah. It also monitors financial strength and solvency. The division is responsible for the financial examination of insurers according to statute. Because not all of the companies are headquartered in Utah, the examiners may spend their time out of state. The Insurance Department is reimbursed by the insurer being examined for all costs incurred during the examination, which includes examiners salaries and benefits. These reimbursements are deposited into the General Fund.

Property and Casualty, Health, and Life Divisions function by line of insurance. These divisions handle telephone and walk-in complaints and inquiries from the public. They review and analyze policy forms and rates filed by insurance companies, and investigate and resolve alleged insurance code and rules violations.

Funding Detail

Budget History - Insurance - Administration					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	4,051,100	4,190,500	4,403,200	4,650,100	5,319,700
General Fund, One-time	0	0	0	0	(12,800)
Dedicated Credits Revenue	273,700	343,100	72,400	81,200	60,000
Beginning Nonlapsing	302,800	237,200	99,600	198,100	31,800
Closing Nonlapsing	(237,300)	(498,600)	(198,100)	(211,900)	0
Lapsing Balance	(62,200)	0	(33,500)	0	0
Total	\$4,328,100	\$4,272,200	\$4,343,600	\$4,717,500	\$5,398,700
Categories of Expenditure					
Personal Services	3,778,800	3,514,300	3,731,100	3,954,600	4,731,100
In-State Travel	2,200	2,900	4,000	4,300	4,100
Out of State Travel	40,100	48,700	41,000	60,500	54,200
Current Expense	204,100	311,400	305,200	339,500	332,800
DP Current Expense	118,600	219,500	154,900	257,100	191,500
DP Capital Outlay	184,300	175,400	82,500	82,500	85,000
Capital Outlay	0	0	19,100	19,000	0
Other Charges/Pass Thru	0	0	5,800	0	0
Total	\$4,328,100	\$4,272,200	\$4,343,600	\$4,717,500	\$5,398,700
Other Data					
Budgeted FTE	69.0	71.0	71.0	69.0	78.0

Table 45

BAIL BOND ADMINISTRATION

Function

The Insurance Department regulates the bail bond surety industry and bail bond agents operating in Utah (Title 31A-23-35). This requires it to ensure that all bail bond sureties and bail bond agents demonstrate adequate preparation, competency, and practice honesty and integrity. The Department ensures that Utah has a strong bail bond surety insurance market that actively supports the needs of our citizens, judiciary, and law enforcement organizations for reliable bail bond sureties, bail bond agents, and bail bonds at competitive prices. Assistance is provided to the public through information and education. The Department investigates and prosecutes unprofessional conduct by bail bond sureties or bail bond agents. Staff is provided to the Bail Bond Surety Oversight Board who reviews new licensing applications and reviews complaints.

Funding Detail

Budget History - Insurance - Bail Bond Program					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
GFR - Bail Bond Surety Admin	22,100	22,100	22,100	22,100	22,100
Lapsing Balance	(20,400)	(20,900)	(4,100)	(1,400)	0
Total	\$1,700	\$1,200	\$18,000	\$20,700	\$22,100
Categories of Expenditure					
Personal Services	1,000	700	16,900	20,000	20,600
Current Expense	700	500	1,100	700	1,500
Total	\$1,700	\$1,200	\$18,000	\$20,700	\$22,100
Other Data					
Budgeted FTE	0.3	0.0	0.0	0.0	0.0

Table 46

Accountability

This graph shows the number of bail bond complaints is very low and declining

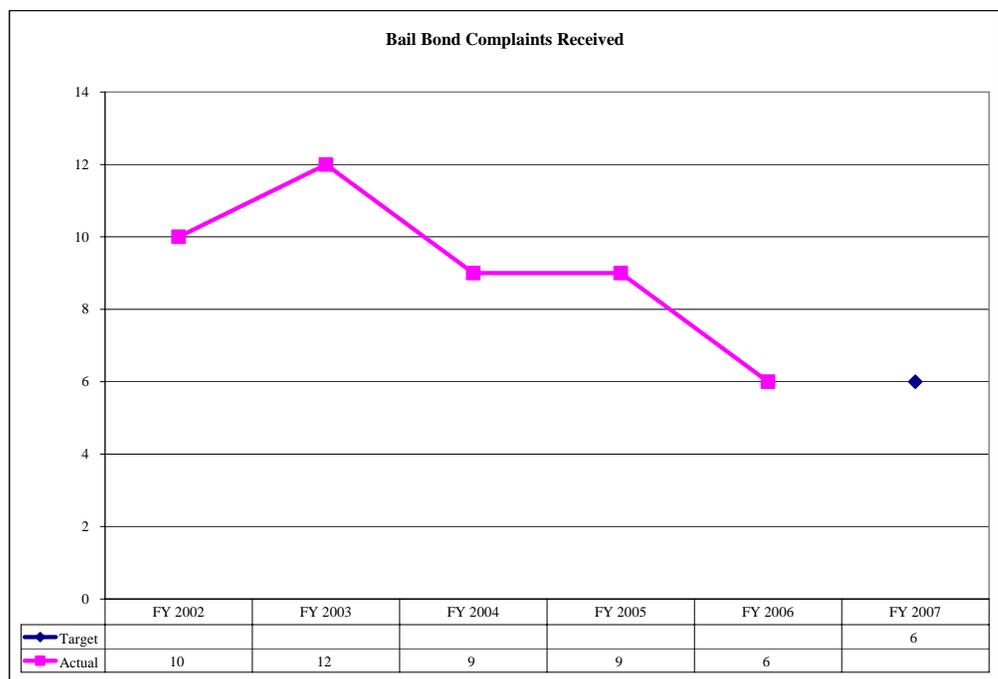


Table 47

Measure: Bail Bond Complaints Received.

Goal: Measure Bail Bond workload.

Methodology: Simple complaint count.

Measure Type: Workload.

RELATIVE VALUE STUDY

Function

Under UCA 31A-22-307, the Relative Value Study is to determine the reasonable value of medical expenses. It is funded by a 0.01 percent tax on

motor vehicle liability, uninsured motorist, and personal injury protection insurance premiums. Its funds are collected by the Tax Commission as Dedicated Credits and are made non-lapsing in the Utah Code. The study is produced by Relative Value Studies, Inc. of Denver. The contract to do the study is re-bid every three years. The Department charges \$10 per copy.

Funding Detail

Budget History - Insurance - Relative Value Study					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Dedicated Credits Revenue	76,700	85,500	85,000	91,400	90,000
Beginning Nonlapsing	190,000	122,000	187,200	232,800	312,800
Closing Nonlapsing	(122,000)	(187,200)	(232,800)	(299,100)	(140,800)
Total	\$144,700	\$20,300	\$39,400	\$25,100	\$262,000
Categories of Expenditure					
Current Expense	75,400	20,300	39,400	25,100	262,000
DP Capital Outlay	69,300	0	0	0	0
Total	\$144,700	\$20,300	\$39,400	\$25,100	\$262,000

Table 48

INSURANCE FRAUD

Function

The 1994 Legislature created the Insurance Fraud Act (UCA 31A-31-101 through 108) and the Department created the Insurance Fraud Division. It conducts criminal investigations and prosecutes insurance fraud violators. Nationwide, insurance fraud is estimated at over \$3 billion. The program is funded by assessments made on insurers according to the amount of business they do in Utah:

Total Utah Premiums	Assessment
\$1,000,000 or less	\$150
\$1,000,000 to \$2,500,000	\$400
\$2,500,000 to \$5,000,000	\$700
\$5,000,000 to \$10,000,000	\$1,350
\$10,000,000 to \$50,000,000	\$5,150
More than \$50,000,000	\$12,350

These funds are collected as Dedicated Credits that are designated non-lapsing in the Utah Code.

Funding Detail

Budget History - Insurance - Insurance Department Administration - Insurance Fraud Program					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Dedicated Credits Revenue	1,016,900	1,398,000	2,187,700	1,977,300	2,228,300
Beginning Nonlapsing	133,300	41,000	58,100	180,800	73,200
Closing Nonlapsing	(41,000)	(58,100)	(180,800)	(374,800)	(73,200)
Total	\$1,109,200	\$1,380,900	\$2,065,000	\$1,783,300	\$2,228,300
Categories of Expenditure					
Personal Services	589,800	665,900	691,500	657,100	822,600
In-State Travel	3,100	7,800	5,200	6,400	8,000
Out of State Travel	8,500	10,500	17,500	23,600	20,000
Current Expense	488,100	669,800	1,331,500	1,065,200	1,352,100
DP Current Expense	12,800	26,900	19,300	31,000	25,600
DP Capital Outlay	6,900	0	0	0	0
Total	\$1,109,200	\$1,380,900	\$2,065,000	\$1,783,300	\$2,228,300
Other Data					
Budgeted FTE	10.0	10.0	10.0	10.0	10.0
Vehicles	8	9	9	9	9

Table 49

Accountability

This measure shows the relationship between cases opened and closed. The goal should be to close as many cases as are opened.

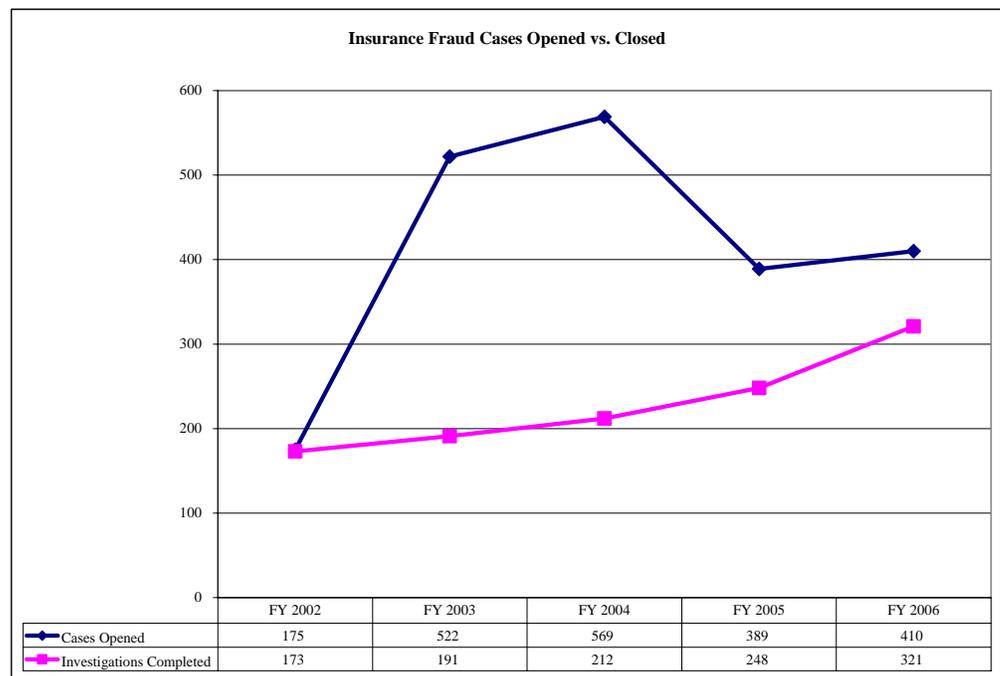


Table 50

Measure: Fraud Cases Opened vs. Cases Completed

Goal: Reduce case backlog.

Methodology: Compare Cases Opened with Cases Completed.

Measure Type: Output.

TITLE INSURANCE

Function

The 1998 Legislature passed House Bill 265, Title Insurance Amendments, which created Utah Code 31A-23-315. The new law allows an assessment on title insurance companies and agencies to pay for any cost or expense incurred by the Insurance Department in administration, investigation and enforcement of code provisions as related to the marketing of title insurance. The need to regulate the marketing of title insurance has been realized by the title insurance industry and the department. This program provides an additional qualified person who will respond to industry complaints.

Accountability

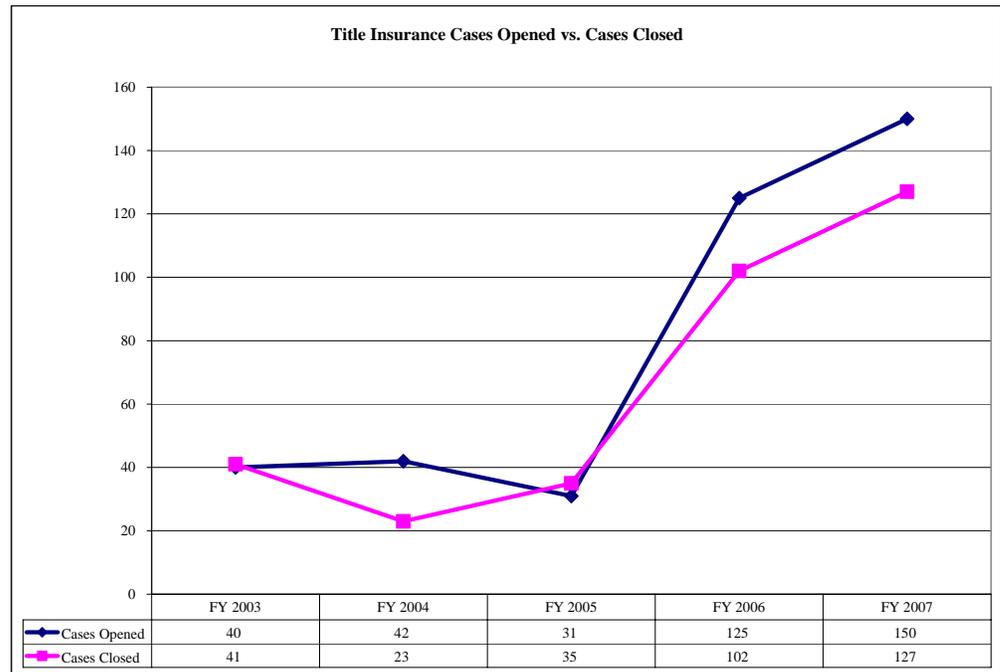


Table 51

Measure: Title Insurance Cases Opened vs. Cases Closed.

Goal: Reduce case backlog. This makes the division more responsive to the public.

Methodology: Compare the number of cases opened to the number of cases closed.

Measure Type: Output.

Funding Detail

Budget History - Insurance - Insurance Department Administration - Insurance Fraud Program					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Dedicated Credits Revenue	1,016,900	1,398,000	2,187,700	1,977,300	2,228,300
Beginning Nonlapsing	133,300	41,000	58,100	180,800	73,200
Closing Nonlapsing	(41,000)	(58,100)	(180,800)	(374,800)	(73,200)
Total	\$1,109,200	\$1,380,900	\$2,065,000	\$1,783,300	\$2,228,300
Categories of Expenditure					
Personal Services	589,800	665,900	691,500	657,100	822,600
In-State Travel	3,100	7,800	5,200	6,400	8,000
Out of State Travel	8,500	10,500	17,500	23,600	20,000
Current Expense	488,100	669,800	1,331,500	1,065,200	1,352,100
DP Current Expense	12,800	26,900	19,300	31,000	25,600
DP Capital Outlay	6,900	0	0	0	0
Total	\$1,109,200	\$1,380,900	\$2,065,000	\$1,783,300	\$2,228,300
Other Data					
Budgeted FTE	10.0	10.0	10.0	10.0	10.0
Vehicles	8	9	9	9	9

Table 52

COMPREHENSIVE HEALTH INSURANCE POOL (HIPUTAH)

Function

Created in 1991, the Utah Comprehensive Health Insurance Pool (CHIP, now called HIPUtah to avoid confusion with the Health Department’s Children’s Health Insurance Program CHIP) provides access to health insurance coverage to people who are considered uninsurable. The Pool is funded by appropriations from the Legislature, premiums by those insured and by employers, and interest and dividends.

The Health Insurance Portability & Accountability Act of 1996 (HIPPA) is a federal law that guarantees health insurance for groups 2-50 in the private market. Individuals losing coverage because their conditions are uninsurable are guaranteed coverage by the law. In Utah, those individuals are insured through HIPUtah. All other individuals have access to coverage through private individual insurance.

S.B. 60, 1997 General Session, Open Enrollment Amendments, mandates access to individual coverage for Utah Residents who are not eligible for public programs or private group insurance. Coverage comes through HIPUtah for individuals with uninsurable medical conditions. These people would otherwise seek coverage from private insurance companies which might cause companies to discontinue offering individual insurance coverage. To avoid this, the Legislature agreed to increase HIPUtah funding and provide coverage for individuals with an average medical risk of 200% or higher

The HIPUtah board will cap funding rather than allow the fund to go insolvent. If the board caps enrollment, private individual insurers would then be forced to guarantee coverage to those with uninsurable medical conditions. These private insurers may then face the option of going out of the individual

coverage business or becoming unprofitable. A decision to get out of the business would leave thousands uninsured.

Health Insurance Program Utah (HIPUtah) is funded from a separate line item.

Funding Detail

Budget History - Insurance - Comprehensive Health Insurance Pool					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	2,916,200	6,916,200	16,203,900	6,203,900	10,000,000
General Fund, One-time	0	0	0	10,000,000	1,000,000
Federal Funds	0	0	52,600	1,395,400	0
Dedicated Credits Revenue	0	12,379,600	15,490,300	250,000	20,681,900
Restricted Revenue	9,565,100	0	0	17,581,800	0
Beginning Nonlapsing	9,842,400	4,958,000	1,649,600	8,772,700	15,753,100
Closing Nonlapsing	(5,004,400)	(1,649,600)	(9,326,500)	(20,312,800)	(7,725,500)
Total	\$17,319,300	\$22,604,200	\$24,069,900	\$23,891,000	\$39,709,500
Categories of Expenditure					
Out of State Travel	4,000	1,900	3,500	3,100	5,000
Current Expense	17,141,000	21,870,000	24,187,100	23,767,400	34,908,100
DP Current Expense	0	0	200	0	4,796,400
Other Charges/Pass Thru	174,300	732,300	(120,900)	120,500	0
Total	\$17,319,300	\$22,604,200	\$24,069,900	\$23,891,000	\$39,709,500

Table 53

Accountability

This graph show the increase in the number of enrolled people.

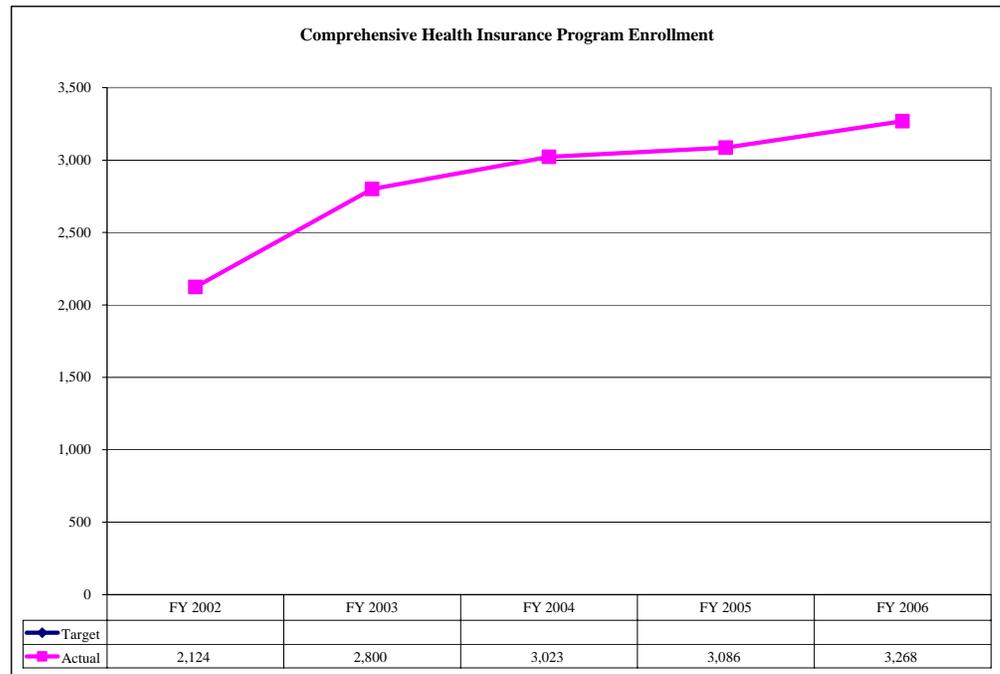


Table 54

Measure: Number of Uninsurable Individuals Enrolled.

Goal: Measure HIPUtah's workload.

Methodology: Count the number of individuals insured through HIPUtah.

Measure Type: Output.

CHAPTER 5 LABOR COMMISSION

Function The Utah Labor Commission serves the people by assuring a safe, healthful, fair, non-discriminatory work environment; assuring fair housing practices; and promoting employee and employer general welfare without needless interference.

Mission Statement: To serve the people of the state by assuring a safe, healthful, fair, non-discriminatory work environment; to assure fair housing practices; and to promote the general welfare of the state’s employees and employers.

Statutory Authority From the Utah Code Annotated:

Title 34, chapters 19 through 43 are devoted to general labor laws as they apply to businesses and employees. These provisions cover such things as labor disputes, collective bargaining, fire fighters’ negotiations, employment of minors, blacklisting, etc.

Title 34A, chapters 1 through 11 cover the regulatory authorizations of the Labor Commission and include the Labor Commission Act, Workers’ Compensation Act, Utah Occupational Disease Act, Hospital and Medical Service for disabled Miners, Utah Antidiscrimination Act, Utah Occupational Safety and Health Act, Safety, etc.

Intent Language From S.B. 4, 2006 General Session, Item 55:

The Legislature intends that fees collected from sponsoring and holding seminars shall be non-lapsing.

Supplemental intent from H.B. 1, 2006 General Session, Item 62:

Under the terms of Section 63-38-8.1 Utah Code Annotated, Item 60 of H. B. 1 2005 General Session, is made non-lapsing with the use of any non-lapsing funds limited to the following: \$50,000 for computer equipment and software.

Funding Detail

Budget History - Labor Commission					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	4,348,400	4,437,900	4,711,100	4,978,200	5,931,300
General Fund, One-time	0	0	0	0	(14,600)
Federal Funds	2,445,700	2,510,700	2,279,500	2,330,200	2,476,600
GFR - Workplace Safety	731,600	759,300	805,100	990,400	1,571,300
Employers' Reinsurance Fund	194,500	662,600	245,600	0	0
Uninsured Employers' Fund	872,000	367,100	794,900	1,318,200	1,164,600
Transfers	0	0	25,000	25,000	25,000
Beginning Nonlapsing	0	0	0	(50,000)	0
Lapsing Balance	(376,900)	(139,900)	(52,000)	(245,000)	0
Total	\$8,215,300	\$8,597,700	\$8,809,200	\$9,347,000	\$11,154,200
Line Items					
Labor Commission	8,215,300	8,597,700	8,809,200	9,347,000	11,154,200
Total	\$8,215,300	\$8,597,700	\$8,809,200	\$9,347,000	\$11,154,200
Categories of Expenditure					
Personal Services	6,818,500	7,008,500	7,434,800	7,754,500	8,878,000
In-State Travel	44,300	46,000	47,000	47,800	38,800
Out of State Travel	50,200	61,900	49,800	53,000	48,500
Current Expense	840,200	890,600	798,300	906,700	1,328,800
DP Current Expense	131,100	238,200	214,500	219,700	231,900
DP Capital Outlay	9,000	16,800	10,800	0	0
Other Charges/Pass Thru	322,000	335,700	254,000	365,300	628,200
Total	\$8,215,300	\$8,597,700	\$8,809,200	\$9,347,000	\$11,154,200
Other Data					
Budgeted FTE	119.3	120.0	118.5	122.8	121.0
Vehicles	29	29	29	29	29

Table 55

Special Funding

Restricted Funds Summary - Labor Commission				
Fund/Account Name	Statutory Authority	Revenue Source	Prescribed Uses	FY 2006 Balance
Workplace Safety	UCA 34A-2-701	Workers' Comp surcharge	Promote workplace safety	\$2,338,793
Employers' Reinsurance	UCA 34A-2-702	Workers' Comp surcharge	Occup. Accidents & disease	(\$168,755,164)
Uninsured Employers'	UCA 34A-2-704	Workers' Comp surcharge	Workers' Comp benefits	\$6,429,125

Table 56

General Fund Restricted – Workplace Safety

Creates in the General Fund a restricted account known as the Workplace Safety Account and is to promote workplace safety through safety consultations with Utah employers and advertising to promote workplace safety.

Revenue comes from 0.25% of the premium income remitted to the state treasurer pursuant to Subsection 59-9-101(2)(c) (Workers' Compensation Insurance). Funds may not be used for administrative costs unrelated to the restricted account.

See UCA 34A-2-701.

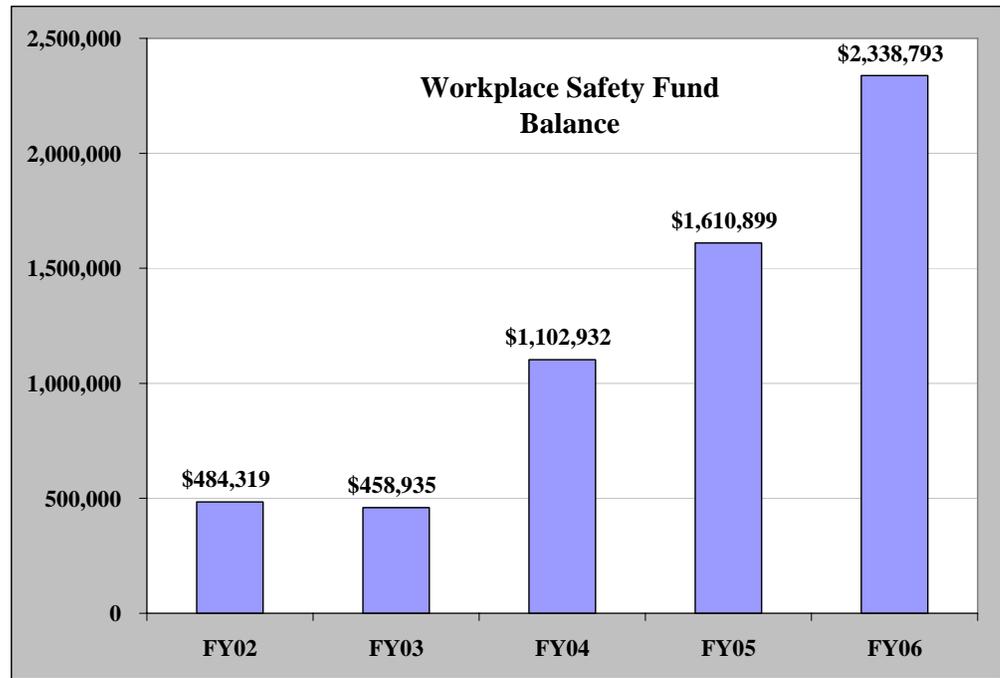


Table 57

Employers’ Reinsurance Fund

The Employers’ Reinsurance Fund makes payments for industrial accidents or occupational diseases occurring on or before June 30, 1994. Administrative costs may be paid from the fund, but unrelated expenses are not allowed.

Revenues come from Workers’ Compensation premium assessments collected by the State Tax Commission.

See UCA 34A-2-702

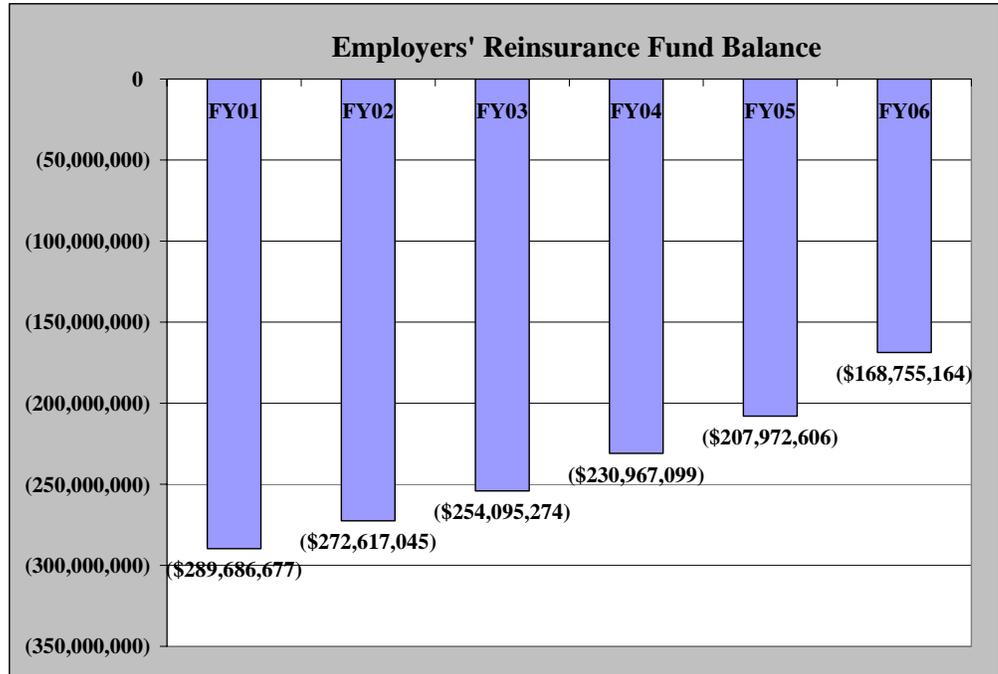


Table 58

Uninsured Employers' Fund

The Uninsured Employers' Fund assists in the payment of worker's compensation benefits to eligible persons where their employer has become insolvent. Reasonable administrative costs may be paid from the fund.

Revenues come from Workers' Compensation premium assessments collected by the State Tax Commission.

See UCA 34A-2-704

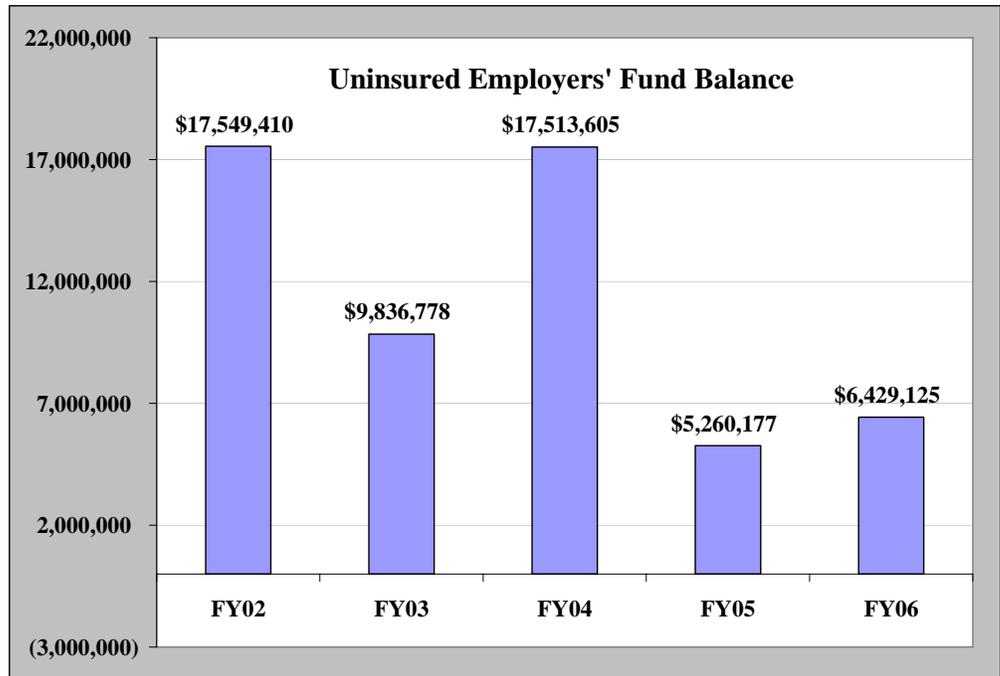


Table 59

LABOR COMMISSION ADMINISTRATION

Function

The Administration provides overall management and oversight to the Labor Commission. Centralized accounting, payroll, personnel, and budgeting are included in this program.

Funding Detail

Budget History - Labor Commission - Administration					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	1,337,800	1,337,800	1,426,300	1,498,700	1,747,600
General Fund, One-time	0	0	0	0	(4,200)
Federal Funds	139,600	123,200	0	0	0
GFR - Workplace Safety	0	0	0	0	3,300
Uninsured Employers' Fund	231,700	137,300	112,400	112,700	118,600
Transfers	0	0	25,000	25,000	25,000
Lapsing Balance	(72,400)	(38,600)	0	(4,300)	0
Total	\$1,636,700	\$1,559,700	\$1,563,700	\$1,632,100	\$1,890,300
Categories of Expenditure					
Personal Services	1,424,500	1,261,900	1,310,200	1,366,600	1,674,800
In-State Travel	1,600	2,600	1,800	3,000	2,000
Out of State Travel	(1,500)	300	5,600	2,900	5,000
Current Expense	96,900	106,800	134,300	117,700	106,000
DP Current Expense	48,100	88,800	101,000	111,900	102,500
DP Capital Outlay	0	16,800	10,800	0	0
Other Charges/Pass Thru	67,100	82,500	0	30,000	0
Total	\$1,636,700	\$1,559,700	\$1,563,700	\$1,632,100	\$1,890,300
Other Data					
Budgeted FTE	18.0	16.3	15.5	7.0	16.0
Vehicles	1	1	29	1	29

Table 60

INDUSTRIAL ACCIDENTS

Function

The Division investigates allegations of noncompliance and, through a series of methods, attempts to bring firms into compliance with State workers' compensation laws. It assesses penalties for non-compliance. It monitors injury reporting, injured employee return to work, carrier payment compliance, and informally resolving workers' compensation compliance disputes.

Funding Detail

Budget History - Labor Commission - Industrial Accidents					
Sources of Finance	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Appropriated
General Fund	0	0	0	0	256,000
Federal Funds	18,700	15,500	0	0	0
GFR - Workplace Safety	227,700	229,800	239,900	0	0
Employers' Reinsurance Fund	194,500	662,600	245,600	0	0
Uninsured Employers' Fund	640,300	229,800	682,500	1,205,500	1,046,000
Lapsing Balance	(136,400)	(49,400)	0	(6,000)	0
Total	\$944,800	\$1,088,300	\$1,168,000	\$1,199,500	\$1,302,000
Categories of Expenditure					
Personal Services	868,200	995,500	1,071,200	1,109,600	1,194,000
In-State Travel	3,900	4,300	4,800	5,300	4,900
Out of State Travel	5,600	8,200	7,500	4,300	7,700
Current Expense	39,300	64,300	58,100	65,300	72,500
DP Current Expense	18,800	16,000	26,400	15,000	22,900
DP Capital Outlay	9,000	0	0	0	0
Total	\$944,800	\$1,088,300	\$1,168,000	\$1,199,500	\$1,302,000
Other Data					
Budgeted FTE	18.3	19.3	19.0	18.5	19.0

Table 61

Accountability

The goal of the program is to insure that employees are covered by workers' compensation coverage.

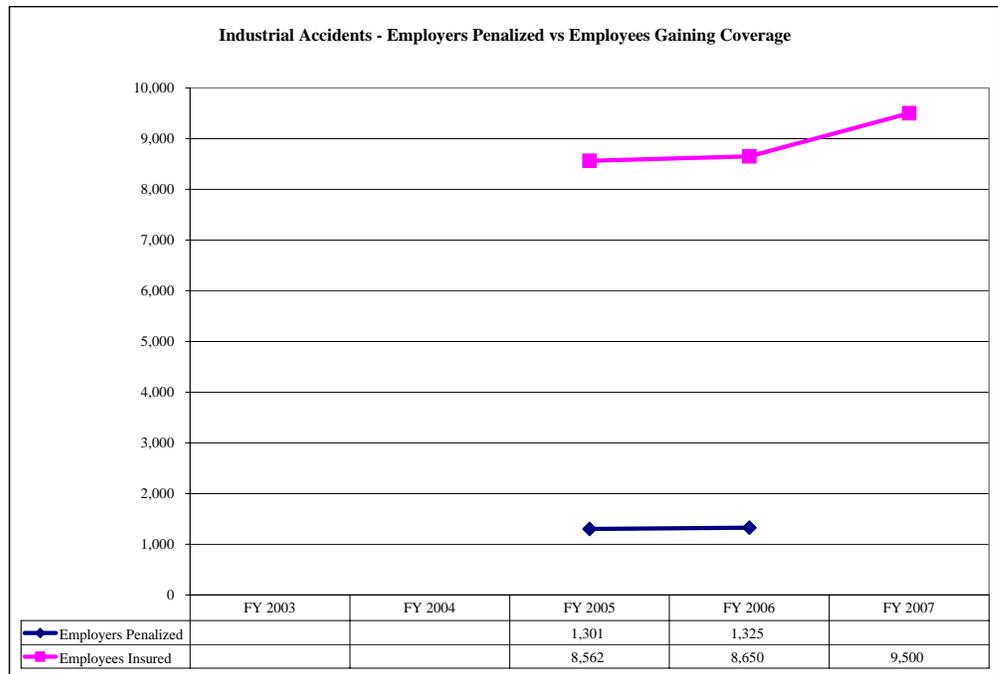


Table 62

Measure: Employees Gaining Workers' Compensation Coverage

Goal: Ensure that all eligible workers are covered by Workers Compensation Insurance.

Methodology: Count the number of workers gaining insurance due to agency actions. Also shown is the number of employers penalized.

Measure Type: Outcome.

Accountability

This shows that the number of claims resolved informally is increasing while the number of mediated resolutions is holding steady.

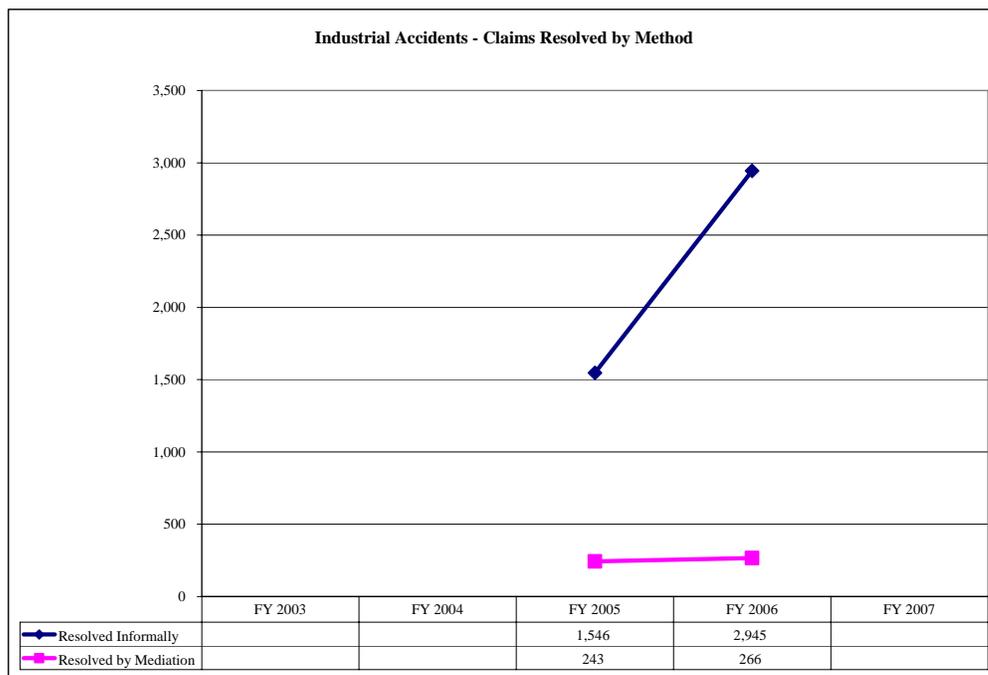


Table 63

Measure: Claims resolved by method.

Goal: Increase the number of claims resolved informally and decrease the number resolved by Mediation.

Methodology: Count the number of resolved by mediation and informally.

Measure Type: Output.

APPEALS BOARD

Function

The Appeals Board reviews applications for appeal if requested. There are two avenues for appeal, one is the Appeals Board and the other is the Labor Commissioner. Most appeals go to the Labor Commissioner.

Funding Detail

Budget History - Labor Commission - Appeals Board					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	12,600	14,600	14,500	11,800	14,600
Lapsing Balance	(2,000)	0	0	0	0
Total	\$10,600	\$14,600	\$14,500	\$11,800	\$14,600
Categories of Expenditure					
Personal Services	9,700	14,100	14,100	11,200	14,200
Current Expense	900	500	400	600	400
Total	\$10,600	\$14,600	\$14,500	\$11,800	\$14,600

Table 64

ADJUDICATION

Function

Adjudication conducts administrative hearings regarding employment relations. This includes issues related to workers' compensation, anti-discrimination, wage and hour, labor relations, occupational safety and health, and boiler and elevator safety.

Funding Detail

Budget History - Labor Commission - Adjudication					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	715,800	725,300	789,200	863,400	925,100
General Fund, One-time	0	0	0	0	(2,800)
Total	\$715,800	\$725,300	\$789,200	\$863,400	\$922,300
Categories of Expenditure					
Personal Services	659,000	671,500	723,200	809,800	888,600
In-State Travel	4,600	5,700	5,700	6,200	3,300
Out of State Travel	800	0	0	0	0
Current Expense	41,900	40,100	49,600	40,200	22,500
DP Current Expense	9,500	8,000	10,700	7,200	7,900
Total	\$715,800	\$725,300	\$789,200	\$863,400	\$922,300
Other Data					
Budgeted FTE	10.0	11.0	11.0	12.8	11.0

Table 65

SAFETY DIVISION

Function

The Division of Safety is responsible for safety inspections of boilers, pressure vessels and elevators. On average, over 500 new boilers and 250 new elevators are being installed in Utah each year. All of the inspectors generate revenue from fees paid by the companies for the inspections.

Funding Detail

Budget History - Labor Commission - Division of Safety					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	1,015,000	936,900	1,006,500	1,040,800	1,171,600
General Fund, One-time	0	0	0	0	(3,200)
Lapsing Balance	(46,700)	0	0	0	0
Total	\$968,300	\$936,900	\$1,006,500	\$1,040,800	\$1,168,400
Categories of Expenditure					
Personal Services	852,500	819,800	881,200	922,500	1,039,800
In-State Travel	11,500	7,000	9,400	6,200	5,700
Out of State Travel	3,600	3,400	3,300	2,500	3,900
Current Expense	94,800	96,600	104,400	92,300	109,000
DP Current Expense	5,900	10,100	8,200	17,300	10,000
Total	\$968,300	\$936,900	\$1,006,500	\$1,040,800	\$1,168,400
Other Data					
Budgeted FTE	14.0	14.0	14.0	13.0	14.0
Vehicles	12	12	0	12	0

Table 66

Accountability

This shows that the division is close to 100% of inspecting boilers that need inspection.

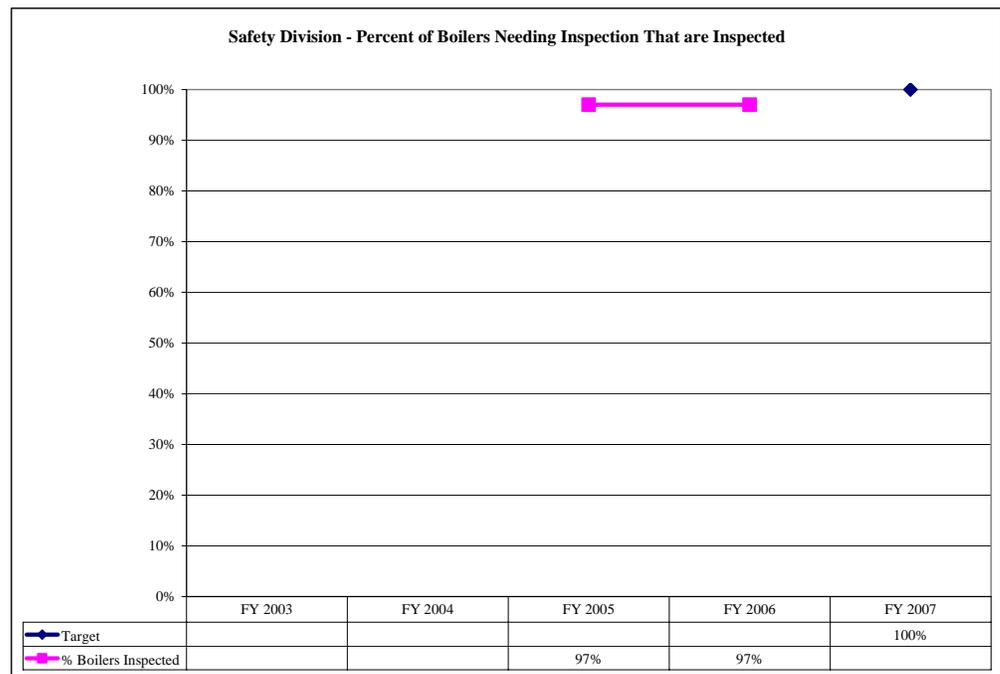


Table 67

Measure: Percent of boilers needing inspection that are inspected.

Goal: Inspect all boilers in a timely manner.

Methodology: Number of boilers inspected divided by the number of boilers needing inspection.

Measure Type: Output.

The number of elevators overdue for inspection has not improved from last year. There is no indication of workload.

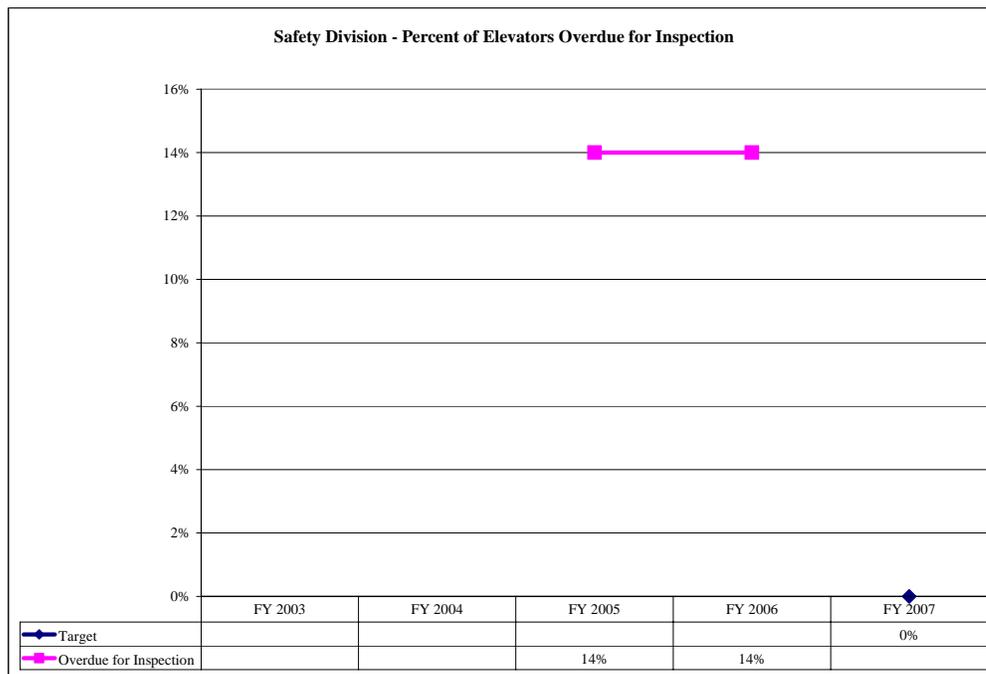


Table 68

Measure: Percent of elevators overdue for inspection.

Goal: Inspect all elevators in a timely fashion.

Methodology: Number of elevators overdue for inspection divided by the number of elevators needing inspection.

Measure Type: Output.

WORKPLACE SAFETY

Function

The Workplace Safety program was established in 1996 to provide free safety consultation services and promote workplaces safety. Grants are available to local employers to upgrade their safety programs. The fund has initiated a media campaign through television and radio ads.

Funding Detail

Budget History - Labor Commission - Workplace Safety					
Sources of Finance	2003	2004	2005	2006	2007
	Actual	Actual	Actual	Actual	Appropriated
General Fund	0	0	0	0	2,000
GFR - Workplace Safety	474,100	489,200	506,100	830,400	1,507,000
Beginning Nonlapsing	0	0	0	(50,000)	0
Lapsing Balance	(53,200)	(51,900)	(52,000)	(234,700)	0
Total	\$420,900	\$437,300	\$454,100	\$545,700	\$1,509,000
Categories of Expenditure					
Personal Services	119,100	136,900	157,600	166,700	293,500
In-State Travel	700	700	200	900	700
Out of State Travel	500	1,400	500	(200)	1,000
Current Expense	44,200	40,100	40,100	39,500	578,800
DP Current Expense	1,500	5,000	1,700	3,500	6,800
Other Charges/Pass Thru	254,900	253,200	254,000	335,300	628,200
Total	\$420,900	\$437,300	\$454,100	\$545,700	\$1,509,000
Other Data					
Budgeted FTE	2.0	2.0	2.0	3.0	4.0
Vehicles	1	1	0	1	0

Table 69

UTAH ANTI-DISCRIMINATION & LABOR

Function

The Utah Anti-Discrimination and Labor Division (UALD) has three separate missions. Employment Standards Bureau administers labor laws for wage payment, employment of minors, and minimum wage. Fair Housing investigates, mediates and resolves complaints of housing discrimination. Employment Discrimination investigates, mediates, and resolves employment discrimination

Additionally, the Division conducts training for the public at large in order to encourage voluntary compliance with the laws it enforces.

Funding Detail

Budget History - Labor Commission - Anti-Discrimination					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	522,000	613,800	688,100	748,100	765,100
General Fund, One-time	0	0	0	0	(2,300)
Federal Funds	618,400	566,700	582,300	559,900	559,100
Lapsing Balance	(36,400)	0	0	0	0
Total	\$1,104,000	\$1,180,500	\$1,270,400	\$1,308,000	\$1,321,900
Categories of Expenditure					
Personal Services	1,003,500	1,060,600	1,175,800	1,202,700	1,241,500
In-State Travel	3,100	3,700	4,100	3,800	2,200
Out of State Travel	13,400	23,000	9,700	27,900	11,400
Current Expense	70,200	76,900	68,000	60,300	44,800
DP Current Expense	13,800	16,300	12,800	13,300	22,000
Total	\$1,104,000	\$1,180,500	\$1,270,400	\$1,308,000	\$1,321,900
Other Data					
Budgeted FTE	22.0	22.0	22.0	22.0	22.0

Table 70

Accountability

This graph shows that more claims are being filed and fewer are being resolved.

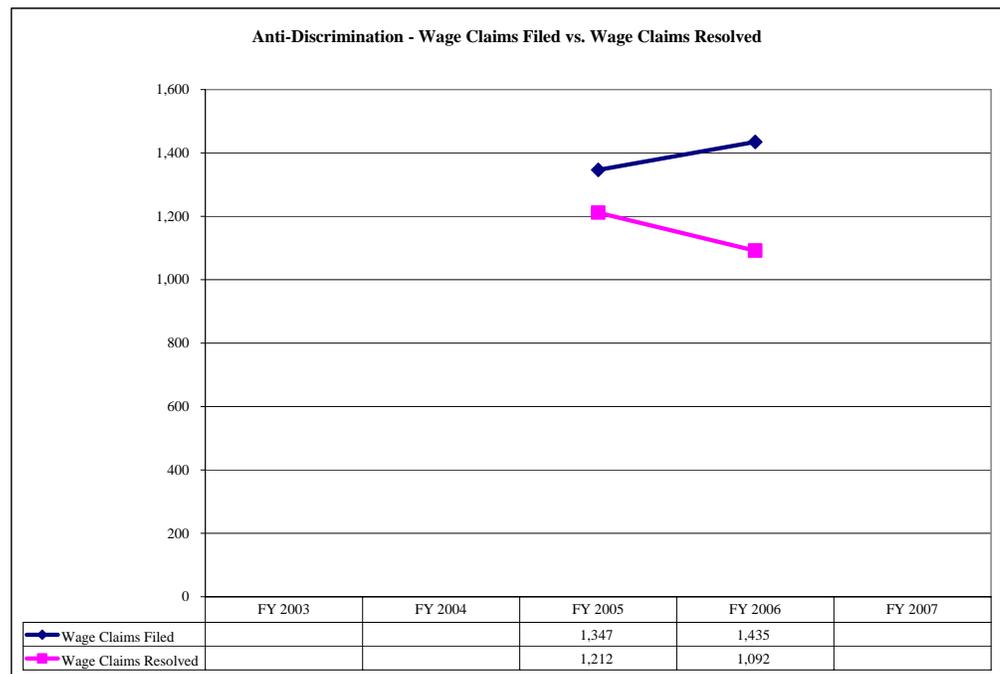


Table 71

Measure: Wage Claims Filed vs. Wage Claims Resolved.

Goal: Resolve wage claims in a timely manner.

Methodology: Compare the number of wage claims filed with the number of wage claims resolved.

Measure Type: Output.

OCCUPATIONAL SAFETY AND HEALTH

Function

The Utah Occupational Safety and Health (UOSH) Act is almost identical to the federal OSHA. The main differences are that UOSH has jurisdiction over state and local government employers.

UOSH inspects work places for compliance with workplace safety and health standards. It requires employers in violation of standards to make corrections in a timely manner. Inspections include sampling suspected hazardous materials for laboratory testing.

Employers may request from UOSH a penalty free consultation inspection to identify any safety or health deficiencies to assist them in making a safe and healthy workplace. The program trains workers and employers to understand safety standards.

The drug-free workplace program is included in this budget.

Inspectors also check to assure that businesses carry workers' compensation insurance.

Federal funding provides for consulting, compliance inspections and development of labor safety statistics.

Funding Detail

Budget History - Labor Commission - Utah Occupational Safety and Health					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	605,900	670,200	647,200	676,100	910,000
General Fund, One-time	0	0	0	0	(2,100)
Federal Funds	1,669,000	1,805,300	1,697,200	1,770,300	1,917,500
GFR - Workplace Safety	29,800	40,300	59,100	160,000	61,000
Lapsing Balance	(29,800)	0	0	0	0
Total	\$2,274,900	\$2,515,800	\$2,403,500	\$2,606,400	\$2,886,400
Categories of Expenditure					
Personal Services	1,882,000	2,048,200	2,101,500	2,165,400	2,531,600
In-State Travel	18,900	22,000	21,000	22,400	20,000
Out of State Travel	27,800	25,600	23,200	15,600	19,500
Current Expense	312,700	326,000	204,100	351,500	255,500
DP Current Expense	33,500	94,000	53,700	51,500	59,800
Total	\$2,274,900	\$2,515,800	\$2,403,500	\$2,606,400	\$2,886,400
Other Data					
Budgeted FTE	35.0	35.5	35.0	36.5	35.0
Vehicles	15	15	15	15	15

Table 72

Accountability

Workplace fatalities are being reduced at an increasing rate. Things are getting better.

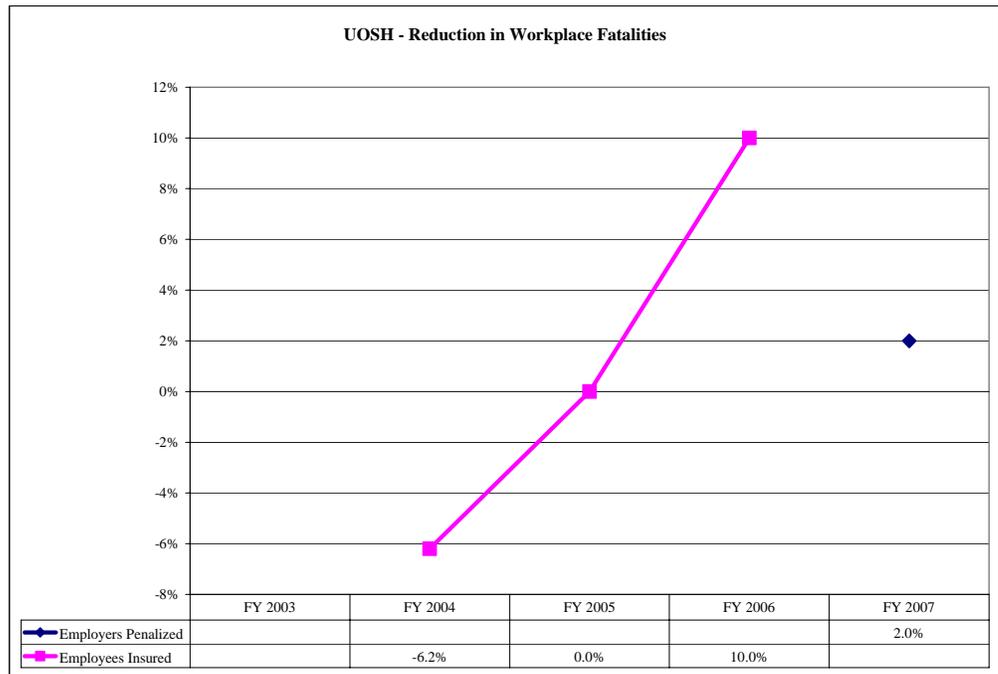


Table 73

Measure: Rate of Workplace Fatalities

Goal: Reduce the number of workplace fatalities.

Methodology: Divide the number of current year’s workplace fatalities by the number of previous year’s workplace fatalities.

Measure Type: Outcome

The rate of improvement for injuries is declining. Things are still getting better but not as fast as in previous years.

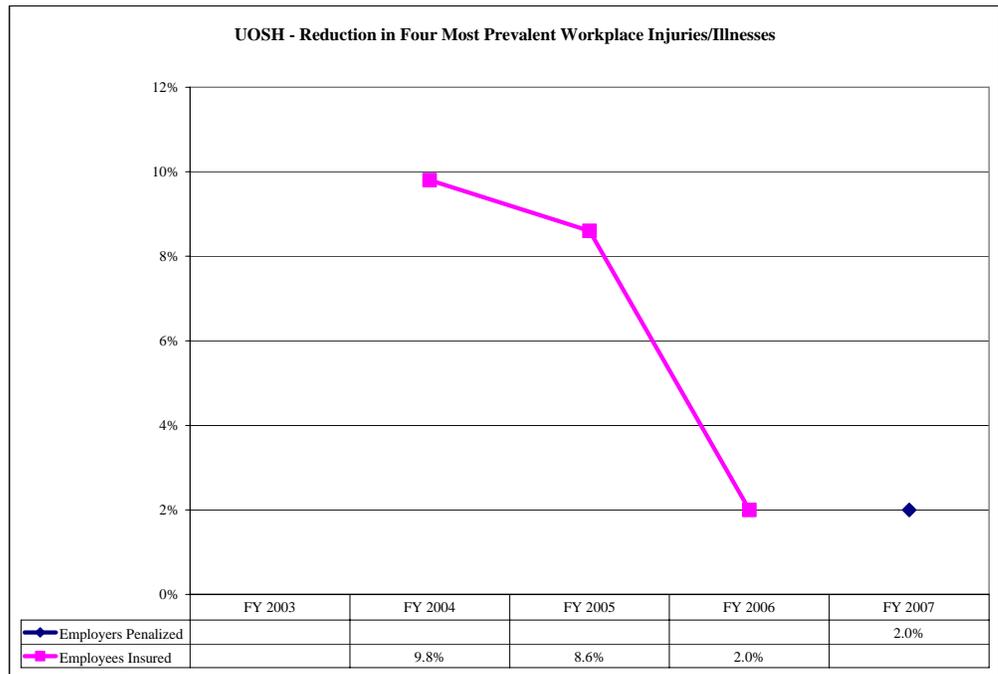


Table 74

Measure: Reduction in Four Most Prevalent Workplace Injuries/Illnesses

Goal: Reduce the most prevalent workplace injuries or illnesses.

Methodology: Divide this year’s number of workplace caused injuries/illnesses by the number of last years workplace caused injuries/illnesses.

Measure Type: Outcome

Things are getting better, but not as rapidly as the last two years.

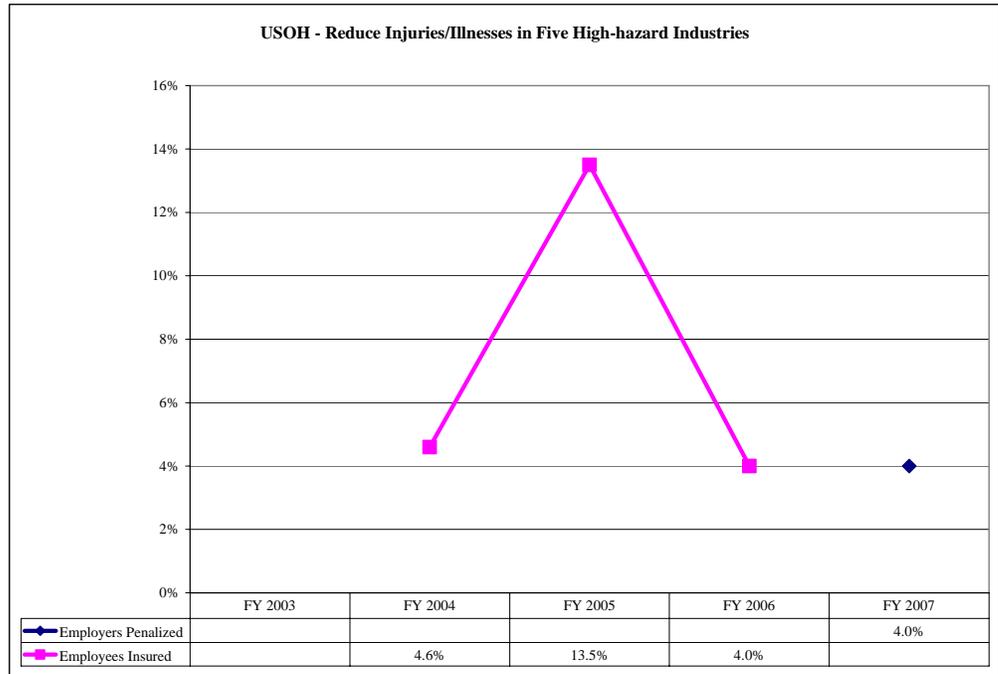


Table 75

Measure: Accident Rate in High Hazard Industries

Goal: Reduce the number of high hazard workplace caused injuries.

Methodology: Divide the number of this years high hazard workplace caused injuries by the number of last years high hazard workplace caused injuries.

Measure Type: Outcome

BUILDING OPERATIONS & MAINTENANCE – LABOR COMMISSION

Function

This program shows the amount allocated to pay the office rent. The Labor Commission is primarily located at the Heber M. Wells Building off of 300 South and 100 East in Salt Lake City. The building is owned by the State and operated by the Division of Facilities and Construction Management (DFCM).

Funding Detail

Budget History - Labor Commission - Building Operations and Maintenance					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	139,300	139,300	139,300	139,300	139,300
Total	\$139,300	\$139,300	\$139,300	\$139,300	\$139,300
Categories of Expenditure					
Current Expense	139,300	139,300	139,300	139,300	139,300
Total	\$139,300	\$139,300	\$139,300	\$139,300	\$139,300

Table 76

CHAPTER 6 PUBLIC SERVICE COMMISSION

Function The Commission ensures safe, reliable and adequate utility service. It conducts hearings and investigations of utility company operations in order to determine just and reasonable rates for service. The Commission’s goals for regulation are efficient, reliable, reasonably-priced utility service for customers, and maintenance of financially healthy utility companies. These goals are generally attained through the regulatory decisions the Commission makes in each formal case.

Statutory Authority Title 54, chapters 1 through 15, establish the Commission and authorizes it to regulate utilities.

INTENT LANGUAGE From S.B. 4, 2006 General Session, Item 62:

The Legislature does not intend to lapse these funds.

Funding Detail

Budget History - Public Service Commission					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	1,427,400	1,520,300	0	0	0
Dedicated Credits Revenue	1,405,400	1,238,500	1,366,200	1,510,900	1,857,700
GFR - CSF - PURF	0	0	1,561,700	1,608,700	1,709,000
Trust and Agency Funds	0	0	8,196,000	10,489,600	0
Universal Public Telecom Service Fund	4,476,700	6,229,400	1,407,700	0	8,100,900
Beginning Nonlapsing	13,308,100	9,190,800	7,889,300	9,173,800	8,218,800
Closing Nonlapsing	(9,190,800)	(7,889,300)	(9,173,800)	(11,162,800)	(7,070,200)
Lapsing Balance	(7,000)	0	0	0	0
Total	\$11,419,800	\$10,289,700	\$11,247,100	\$11,620,200	\$12,816,200
Line Items					
Public Service Commission	1,409,100	1,512,500	1,597,500	1,618,900	2,220,800
Research and Analysis	59,300	43,800	51,400	78,100	60,000
Speech and Hearing Impaired	1,366,800	1,521,100	1,266,700	1,476,500	2,266,900
Universal Telecommunications Support Fu	8,584,600	7,212,300	8,331,500	8,446,700	8,268,500
Total	\$11,419,800	\$10,289,700	\$11,247,100	\$11,620,200	\$12,816,200
Categories of Expenditure					
Personal Services	1,247,100	1,273,700	1,327,100	1,335,900	1,574,800
In-State Travel	1,200	3,100	9,800	10,000	9,800
Out of State Travel	26,600	34,600	35,100	35,900	35,100
Current Expense	1,529,100	1,714,700	1,501,800	1,506,600	1,910,200
DP Current Expense	24,100	34,000	31,800	22,900	20,100
Capital Outlay	0	0	12,300	0	0
Other Charges/Pass Thru	8,335,400	7,008,600	8,187,600	8,708,900	9,127,600
Trust & Agency Disbursements	256,300	221,000	141,600	0	138,600
Total	\$11,419,800	\$10,289,700	\$11,247,100	\$11,620,200	\$12,816,200
Other Data					
Budgeted FTE	17.0	17.0	17.0	17.0	17.0

Table 77

Special Funds

Restricted Funds Summary - Public Service Commission				
Fund/Account Name	Statutory Authority	Revenue Source	Prescribed Uses	FY 2006 Balance
CSF Public Utility Reg. Fee	UCA 54-5-1.5(1-2)	Utility assessments	Utility regulatory costs	n/a
Universal Public Telecom	UCA 54-8b-15	Fee on interstate commun.	Affordable telecommun.	\$7,119,194

Table 78

Commerce Service Fund – Public Utility Regulatory Fee

This is a special fee imposed upon all public utilities regulated by the Public Service Commission to defray the cost of regulation.

The executive director of the Department of Commerce determines the special fee for the Department of Commerce, and the chair of the Public Service Commission determines the special fee for the Public Service Commission

The fee is assessed as a uniform percentage of the gross operating revenue for the preceding calendar year

See UCA 54-5-1.5.

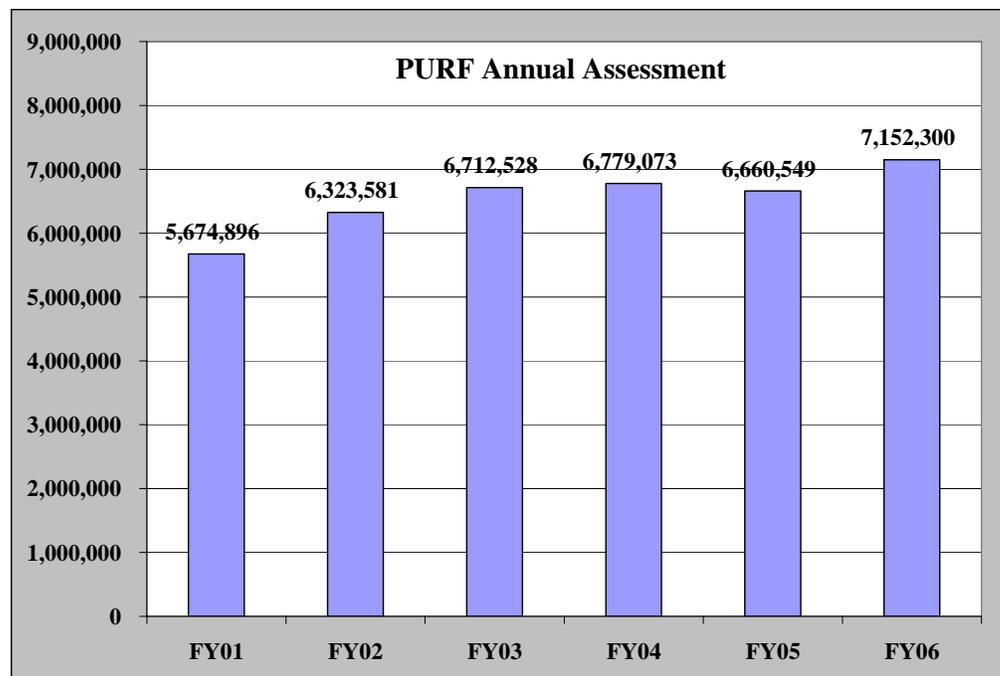


Table 79

Universal Public Telecom Service Fund

This restricted fund was created by the Legislature to insure the all citizens have access to affordable telecommunications. It does so by subsidizing costs in rural areas where costs would otherwise be prohibitive

Revenues come from a fee imposed by the commission on all corporations that provide intrastate telecommunication

See UCA 54-8b-15.

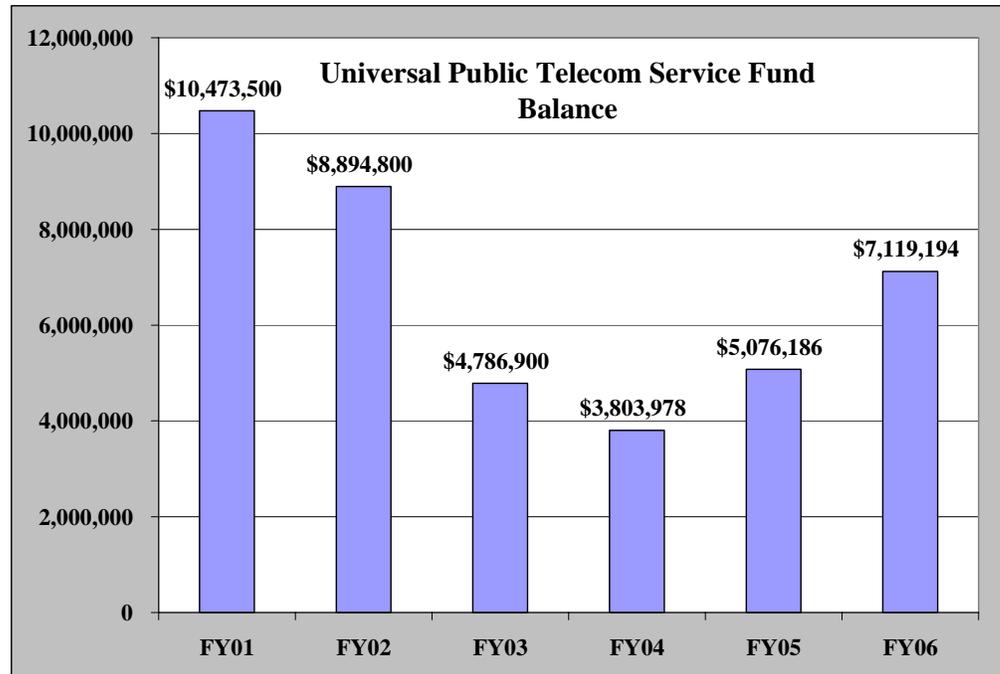


Table 80

PSC ADMINISTRATION

Function

The Public Service Commission is a quasi-judicial body that regulates all privately owned electricity, natural gas, and water public utilities. The Commission works to insure that rates, terms, and conditions of utility service are “just and reasonable,” to meet the public interest defined by statute and case law. Recent changes in State and federal law recognize the influence of competition on these industries, which have traditionally been regulated monopolies. The transition from monopoly to competition must be done fairly to protect the public interest to assure that services remain reliable, and reasonably priced. Although many aspects of traditional regulation are still an important part of the Commission’s workload, the transition to competition is significant.

With the Division of Public Utilities (Department of Commerce), the Commission initiates investigations into situations where utilities may be in violation of the law or are not operating in the public interest.

Funding Detail

Budget History - Public Service Commission					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	1,401,100	1,495,300	0	0	0
Dedicated Credits Revenue	1,200	1,700	2,300	3,300	61,800
GFR - CSF - PURF	0	0	1,536,700	1,583,700	1,684,000
Beginning Nonlapsing	163,500	176,000	185,500	152,000	0
Closing Nonlapsing	(174,700)	(185,500)	(152,000)	(218,700)	0
Lapsing Balance	(7,000)	0	0	0	0
Total	\$1,384,100	\$1,487,500	\$1,572,500	\$1,520,300	\$1,745,800
Categories of Expenditure					
Personal Services	1,247,100	1,273,700	1,327,100	1,335,900	1,574,800
In-State Travel	800	2,800	4,300	1,400	4,300
Out of State Travel	26,500	31,900	32,100	33,900	32,100
Current Expense	85,600	145,100	164,900	126,200	114,500
DP Current Expense	24,100	34,000	31,800	22,900	20,100
Capital Outlay	0	0	12,300	0	0
Total	\$1,384,100	\$1,487,500	\$1,572,500	\$1,520,300	\$1,745,800
Other Data					
Budgeted FTE	17.0	17.0	17.0	17.0	17.0

Table 81

Accountability

Accountability for the Public Service Commission is very difficult to measure. The following graphs show Residential Gas Rates and Residential Electric Rates. These rates are affected much more by factors out of the control of the Commission than by the work they do. Difficulties of measurement aside, the Commission’s actions affect these outcomes.

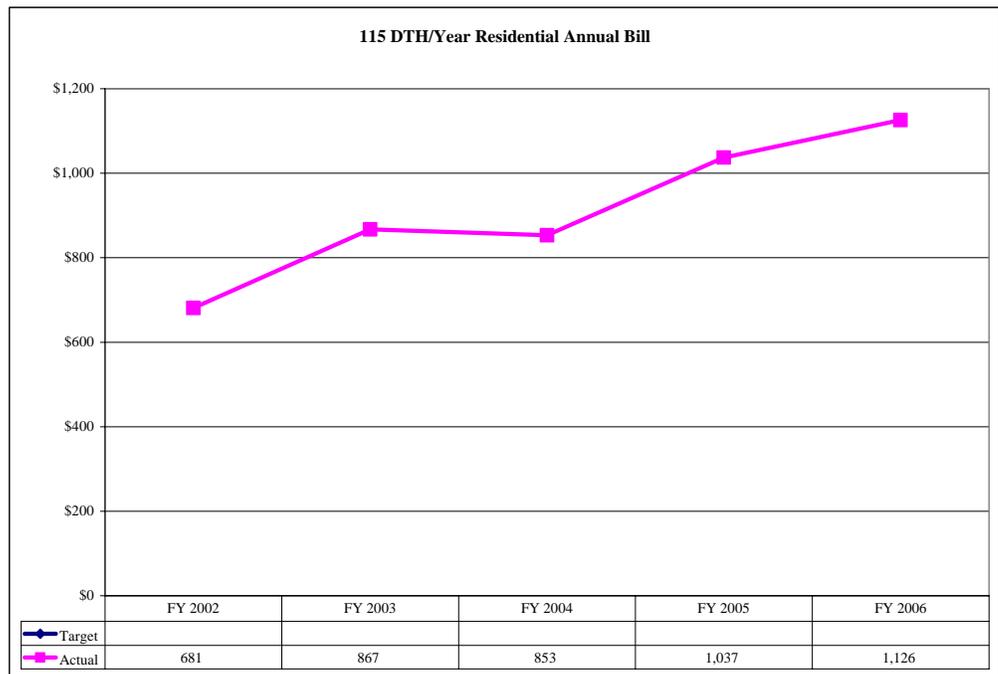


Table 82

Measure: 115 decatherm per year residential gas bill.

Goal: Issue rulings that keep natural gas cost low and insure healthy markets for providers.

Methodology: This graph shows the cost for an average (115 DTH/year) household of natural gas as determined by the first ruling of the year.

Measure Type: Outcome.

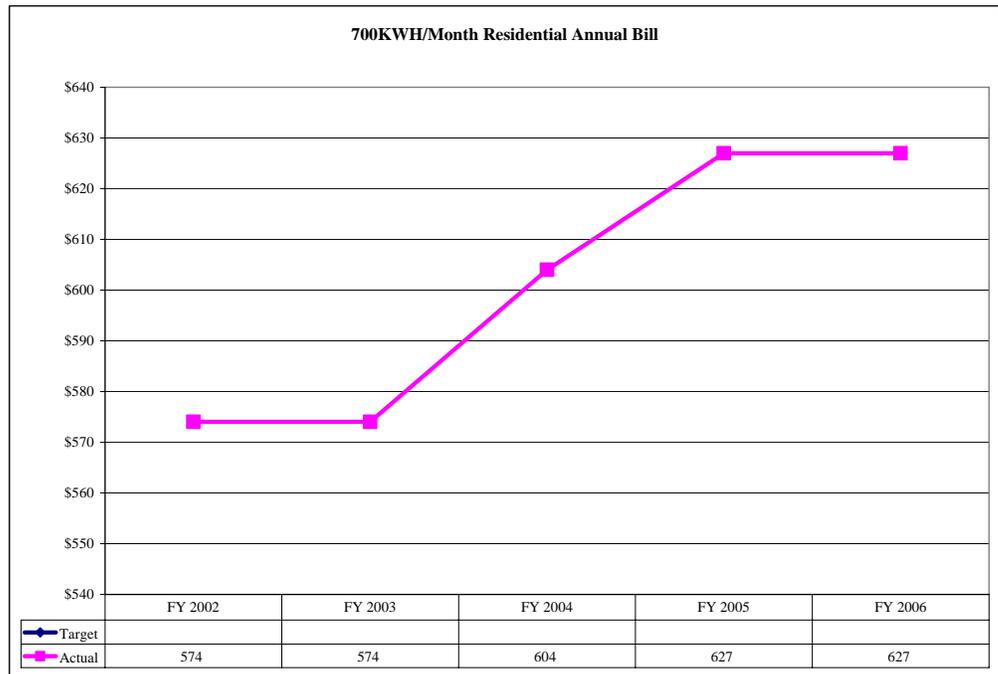


Table 83

Measure: 700 kilowatt per month residential annual electric bill.

Goal: Issue rulings that keep electrical cost low and insure healthy markets for providers.

Methodology: Cost for an average (700 kilowatt hours per month) household annual electric bill.

Measure Type: Outcome.

BUILDING OPERATION & MAINTENANCE - PSC

Function

This is a separate accounting of the amounts appropriated and budgeted to pay for office rent. The Public Service Commission is located at the Heber M. Wells Building off of 300 South and 100 East in Salt Lake City. The building is owned and operated by the Department of Administrative Services, Division of Facilities and Construction Management (DFCM).

Funding Detail

Budget History - Public Service Commission - Building Operations and Maintenance					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	26,300	25,000	0	0	0
GFR - CSF - PURF	0	0	25,000	25,000	25,000
Closing Nonlapsing	(1,300)	0	0	0	0
Total	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Categories of Expenditure					
Current Expense	25,000	25,000	25,000	25,000	25,000
Total	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000

Table 84

ENERGY INDEPENDENT EVALUATOR

Function

S. B. 26, 2005 General Session, "Public Utility Amendments", establishes The Energy Resource Procurement Act which governs electric utility solicitations for significant energy resources. The Commission is required to hire an independent evaluator to review and monitor significant PacifiCorp resource procurements.

Funding Detail

Budget History - Public Service Commission - Energy Independent Evaluator					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Dedicated Credits Revenue	0	0	0	73,600	450,000
Total	\$0	\$0	\$0	\$73,600	\$450,000
Categories of Expenditure					
Current Expense	0	0	0	73,600	450,000
Total	\$0	\$0	\$0	\$73,600	\$450,000

Table 50

PSC RESEARCH & ANALYSIS

Function

The Wexpro Stipulation and Agreement was approved by the Public Service Commission in 1981 and affirmed by the Supreme Court of Utah in 1983. Under the Agreement, Wexpro operates natural gas and oil properties for the benefit of the customers of Wexpro Gas Company (formerly Mountain Fuel Supply Company). The Agreement calls for Wexpro to pay up to \$60,000 annually for outside consultants to monitor the operations to make sure activities are done in conformance with the agreement. The Monitors operate under the direction of the Division of Public Utilities. The Public Service Commission receives the invoices from the consultants, requests the appropriate payments from Wexpro, and then pays the consultants. There are no funds coming from the general fund or from the Public Utility Regulatory Fee (PURF) to operate this program.

Funding Detail

Budget History - Public Service Commission - Research and Analysis					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Dedicated Credits Revenue	59,300	43,800	51,400	78,100	60,000
Total	\$59,300	\$43,800	\$51,400	\$78,100	\$60,000
Categories of Expenditure					
Current Expense	59,300	43,800	51,400	78,100	60,000
Total	\$59,300	\$43,800	\$51,400	\$78,100	\$60,000

Table 51

SPEECH & HEARING IMPAIRED

Function

The Speech and Hearing Impaired Program provides telecommunication access twenty-four hours a day to hearing or speech impaired persons through Relay Utah. The services are now contracted through SPRINT. SPRINT employs people who use a computer to receive text telephone messages from a TTY (text telephone) and relay the information to the called party.

The Commission loans specialized telecommunications equipment to individuals who have hearing or speech barriers. The Commission has an advertising campaign to educate not only the deaf and the hearing public about 7-1-1 and the telecommunication relay service.

Funds collected and carried over from the previous year are used to fund the complete program.

The major activity of this budget is telephone calls and demand is increasing. With the implementation of two-way pagers, there is a shift nationally in the way deaf people communicate. The FCC is encouraging states to implement Video Relay Service which would complement the services already provided by Relay Utah.

Funding Detail

Budget History - Public Service Commission - Speech and Hearing Impaired					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Dedicated Credits Revenue	1,344,900	1,193,000	1,312,500	1,355,900	1,285,900
Beginning Nonlapsing	4,249,800	4,227,900	3,899,800	3,945,500	3,250,500
Closing Nonlapsing	(4,227,900)	(3,899,800)	(3,945,600)	(3,824,900)	(2,269,500)
Total	\$1,366,800	\$1,521,100	\$1,266,700	\$1,476,500	\$2,266,900
Categories of Expenditure					
In-State Travel	400	300	5,500	8,600	5,500
Out of State Travel	100	2,700	3,000	2,000	3,000
Current Expense	1,353,100	1,500,800	1,258,200	1,203,700	1,258,400
Other Charges/Pass Thru	13,200	17,300	0	262,200	1,000,000
Total	\$1,366,800	\$1,521,100	\$1,266,700	\$1,476,500	\$2,266,900

Table 52

UNIVERSAL PUBLIC TELECOMMUNICATION SERVICE SUPPORT FUND

Function

The funding mechanism for the Universal Public Telecommunications Service Support Fund (previously the Universal Service Trust Fund) account is a 1/3 percent surcharge on intra-state telecommunications retail revenue. The fund is intended to subsidize eligible telephone exchange customers whose costs are much higher to operate than the state-wide average for providing local exchange and switched access service.

According to serving companies' data and statistics obtained by the Federal Communications Commission, the telephone subscription rate in rural Utah remains nearly equal to the Wasatch Front.

Funding Detail

Budget History - Public Service Commission - Universal Telecommunications Support Fund					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Trust and Agency Funds	0	0	8,196,000	10,489,600	0
Universal Public Telecom Service Fund	4,476,700	6,229,400	1,407,700	0	8,100,900
Beginning Nonlapsing	8,894,800	4,786,900	3,804,000	5,076,300	4,968,300
Closing Nonlapsing	(4,786,900)	(3,804,000)	(5,076,200)	(7,119,200)	(4,800,700)
Total	\$8,584,600	\$7,212,300	\$8,331,500	\$8,446,700	\$8,268,500
Categories of Expenditure					
Current Expense	6,100	0	2,300	0	2,300
Other Charges/Pass Thru	8,322,200	6,991,300	8,187,600	8,446,700	8,127,600
Trust & Agency Disbursements	256,300	221,000	141,600	0	138,600
Total	\$8,584,600	\$7,212,300	\$8,331,500	\$8,446,700	\$8,268,500

Table 53

Accountability

This workload measure shows that the number of subsidized lines is increasing.

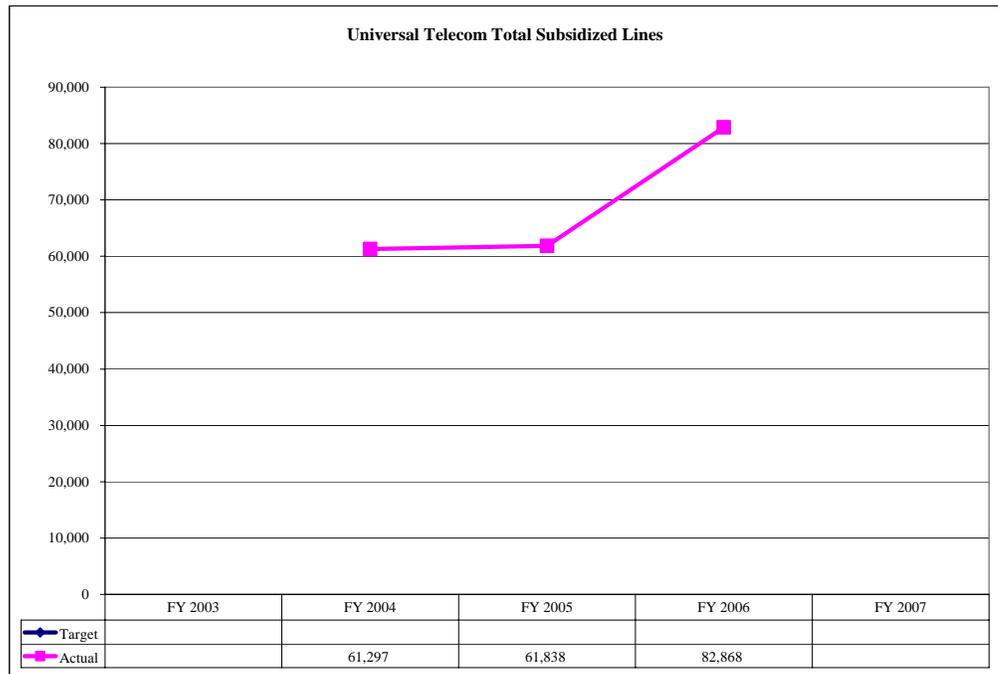


Table 85

Measure: Total independent subsidized lines

Goal: Ensure that Utah citizens have access to affordable telecommunications services.

Methodology: Count the number of subsidized lines.

Measure Type: Output

CHAPTER 7 WORKFORCE SERVICES

Function	<p>Created in 1998, the Department of Workforce Services, integrates job placement, job training, welfare, child care, food stamps, unemployment insurance and labor market information. Utah’s integrated services and one-stop centers are national and international models.</p> <p>The state is divided into five service regions and eight planning districts. The Department started with 106 locations. After integrating services, it has 51 locations, including 37 one-stop employment centers.</p> <p>The Department has a federal maintenance-of-effort requirement to keep a specific level of General Fund in the budget. Any reduction below the specified amount could result in a total loss of federal funds. There are two General Fund programs not involved in maintenance of effort: General Assistance and Child Care.</p> <p>Mission Statement: “The mission of the Utah Department of Workforce Services is to provide quality, accessible, and comprehensive, employment-related and supportive services responsive to the needs of employers, job seekers, and the community.” (Department of Workforce Services)</p> <p>Vision Statement: “We will set the national standard of a high-quality workforce by being the employment connecting point for employers, job seekers, and the community.” (Department of Workforce Services)</p>
Statutory Authority	<p>Utah Workforce Services Code</p> <p>Title 35A creates the Department of Workforce Services, regional workforce service areas, and employment and apprenticeship programs.</p>
Intent Language	<p>From S.B. 4, 2006 General Session, Item 53:</p> <p style="padding-left: 40px;"><i>The Legislature does not intend to lapse these funds.</i></p> <p style="padding-left: 40px;"><i>The Legislature intends that \$2,160,000 in funds from the March 13, 2002 Reed Act distribution of Unemployment Compensation Trust be used for employment service administration, consistent with Section 903(d) of the Federal Social Security Act.</i></p> <p style="padding-left: 40px;"><i>The Legislature intends that \$4,344,000 in funds appropriated from the Unemployment Compensation Trust come from the October 1999 (\$878,518), October 2000 (\$891,084), October 2001 (\$924,887), and March 2002 (2,849,511) Reed Act Distributions, and that they be used for Unemployment Insurance Automation projects, consistent with section 903(d) of the Federal Social Security Act.</i></p>

Funding Detail

Budget History - Department of Workforce Services					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	52,136,800	55,332,000	61,376,300	55,400,000	58,732,000
General Fund, One-time	0	0	0	4,762,500	11,860,500
Federal Funds	216,072,400	217,868,900	220,242,200	206,014,300	229,622,800
Dedicated Credits Revenue	3,064,400	2,742,300	3,360,100	2,788,600	2,893,000
Trust and Agency Funds	0	0	2,160,000	2,514,600	0
Unemployment Compensation Trust	2,368,700	2,322,500	0	0	7,506,200
Transfers	3,011,700	3,728,900	4,939,500	5,651,700	16,968,100
Transfers - Medicaid	0	0	0	0	164,400
Beginning Nonlapsing	0	0	3,000,000	3,914,000	934,700
Closing Nonlapsing	0	0	(6,914,000)	(2,965,800)	(1,900,000)
Total	\$276,654,000	\$281,994,600	\$288,164,100	\$278,079,900	\$326,781,700
Line Items					
Workforce Services	276,654,000	281,994,600	288,164,100	278,079,900	326,781,700
Total	\$276,654,000	\$281,994,600	\$288,164,100	\$278,079,900	\$326,781,700
Categories of Expenditure					
Personal Services	98,715,700	106,705,100	112,363,400	114,051,800	125,242,000
In-State Travel	581,200	489,700	486,100	415,000	694,900
Out of State Travel	203,100	253,700	314,500	201,300	335,400
Current Expense	40,779,500	40,257,900	40,202,000	38,028,600	59,994,900
DP Current Expense	17,297,300	18,094,300	19,873,900	17,225,500	19,336,800
DP Capital Outlay	538,900	1,541,200	1,035,700	466,800	2,160,000
Capital Outlay	11,654,000	9,427,300	4,905,200	5,851,200	16,356,800
Other Charges/Pass Thru	106,884,300	105,225,400	108,983,300	101,839,700	102,661,100
Total	\$276,654,000	\$281,994,600	\$288,164,100	\$278,079,900	\$326,781,900
Other Data					
Budgeted FTE	1,890.0	2,042.5	2,033.0	1,806.3	1,998.0
Vehicles	105	105	111	111	111

Table 86

Cost Allocation Methodology

The Department of Workforce Services (DWS) uses an integrated service delivery system to administer programs. This system consists of local one-stop employment centers, staffed with employment counselors and eligibility specialists. The system is integrated at the individual worker level which means that each worker can help a customer access all department employment, training, and financial assistance programs in a seamless service delivery environment.

Although service delivery appears seamless to the customer, because the majority of the programs offered by DWS are federally funded and are targeted toward select groups of eligible individuals, workers' time (and employment center costs) must be charged to the different programs and funding sources based on the profiles of each of the customers being served. It would be unduly burdensome to require workers to direct charge their time in 15 minute increments to the programs they work with, based on each customer they serve. Instead DWS pools workers' time and costs, and spreads

these to benefiting programs using a statistical method called Random Moment Time Sampling (RMTS).

RMTS involves making about 5,000 contacts per quarter at randomly selected times and days to randomly selected front line workers to determine what function they are performing, and what program/funding source the customer they are serving is eligible for. The contacts may be via a phone call, e-mail, or face-to-face. The statistical result is then applied to the total pooled operating costs of DWS' employment centers.

Economic and market conditions, and customer needs drive DWS' funding needs. How much funding is needed from each source for each program depends on the mix of customers who access DWS' employment centers, and the amount of time it takes to serve each. This mix of customers, and their needs, changes constantly. As a result DWS must continually monitor customer types and service delivery trends and adjust pathways and service delivery methods to stay within available funding sources.

Typical budgeting and accounting by program do not apply well to DWS operations because of this cost allocation method. As a result, DWS' budget is best viewed as an integrated Employment Center operations budget, funded by a variety of funding sources/programs, based on a changing mix of customers.

TANF FAMILY EMPLOYMENT PROGRAM (FEP)

Function

The Family Employment Program (FEP) helps families become self sufficient by helping clients find a job, and providing financial support to eligible parents (with children residing in the home). They may also help with child care, and/or disability benefits. Working with a case manager, parents develop an employment plan that leads to self sufficiency. To remain eligible, parents must follow the plan. Funding is from the federal Temporary Assistance to Needy Families (TANF) grant and state matching funds.

The key principles of FEP are:

1. It is employment focused rather than benefit based.
2. Benefits are time limited. (Most states follow the federal 5-year limit. Utah's limit is 3 years.)
3. Participants work with only one counselor for both self-sufficiency and benefits.
4. States are required to meet federal standards for the number of participants working.

Utah has the flexibility to design its own assistance programs. Utah can use both the federal block grant and state Maintenance of Effort (MOE) money on anything that accomplishes the broad purposes of TANF:

1. End welfare dependence;
2. Promote employment;

- 3. Encourage two-parent families; and
- 4. Reduce out-of-wedlock pregnancies.

Resources must be spent on eligible families.

Funding Detail

The Random Moment Time Sampling method of allocating costs is different than other state programs and makes the standard table not applicable. The following table shows the expected funding level for the current year:

Temporary Assistance to Needy Families TANF	
Sources of Finance	FY 2007 Authorized
General Fund	\$20,414,000
Federal Funds	79,663,100
Total	\$100,077,100

Table 87

Accountability

This shows the number of clients working or participating in other qualifying activities. 50% participation is the federal goal and is enforced with financial penalties.

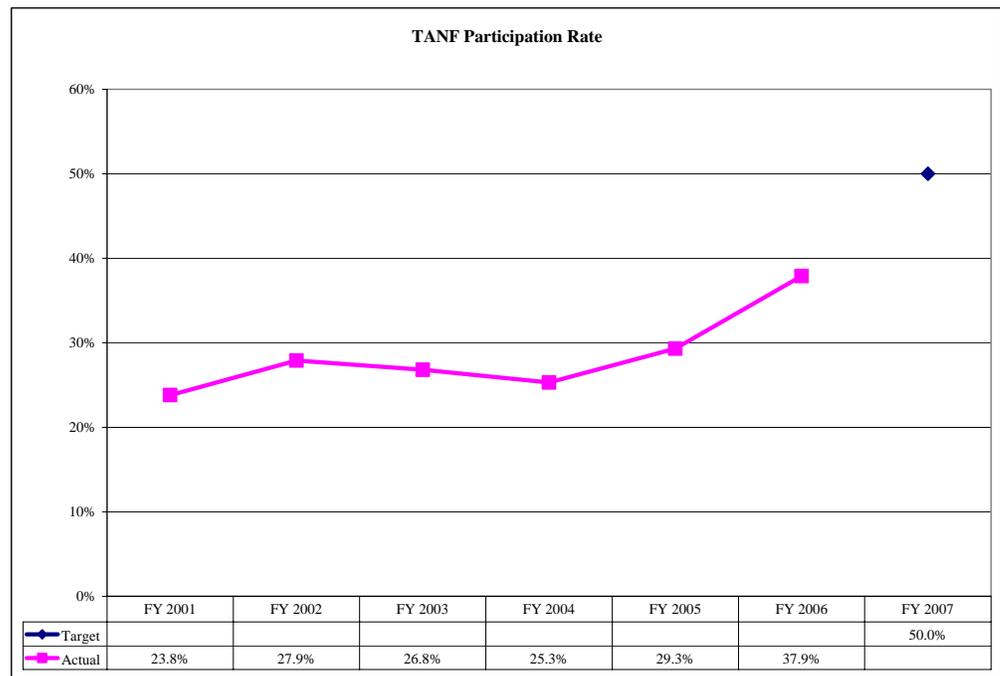


Table 88

Measure: TANF – Participation Rate

Goal: Comply with federal guidelines and qualify for bonus money.

Methodology: Percent of participants meeting federal guidelines. The federal goal is 50% participation and includes federal credits (based on caseload reductions) towards compliance.

Measure Type: Output.

This is the number of TANF clients getting a job.



Table 89

Measure: TANF Employment Rate

Goal: Help people receiving TANF benefits become independent.

Methodology: The number of TANF clients earning an income while getting benefits.

Measure Type: Output.

FOOD STAMPS

Function

This federal program helps eligible individuals buy food. Actual stamps are no longer used; payments are made through debit cards. Food stamps cannot buy tobacco, alcoholic beverages, items that cannot be eaten, or already prepared foods. They can buy vegetable seeds and plants. Items purchased with food stamps are not subject to sales tax.

Food Stamp administration is funded with federal funds and a 50/50 state match. Benefits are 100% federally funded and are not shown in the budget. For FY 07, food stamp benefit payments are expected to be \$134 million.

Funding Detail

The Random Moment Time Sampling method of allocating costs is different than other state programs and makes the standard table not applicable. The following table shows the expected funding level for the current year:

Food Stamps	
	FY 2007
Sources of Finance	Authorized
General Fund	\$25,693,300
Federal Funds	25,693,300
Total	\$51,386,600

Table 90

Accountability

This shows the eligibility accuracy for the food stamp program. Performance is enforced by federal financial penalties. The required level of performance is based on performance by the states and is a floating number.

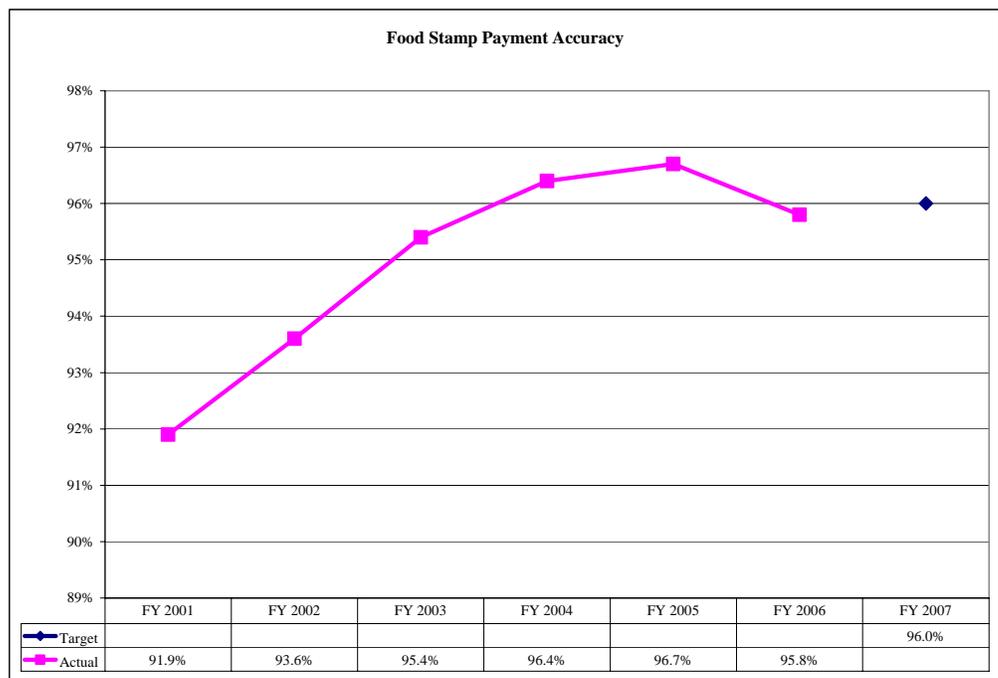


Table 91

Measure: Food Stamp Payment Accuracy

Goal: Give out Food Stamp benefits accurately.

Methodology: Federal auditors pull a sample of cases to determine if food stamps were issued accurately. Accuracy is based on dollar amount, not case numbers.

Measure Type: Output.

The federal timeliness approval standard is 30 days.



Table 92

Measure: Food Stamp Approval Timeliness

Goal: Give out Food Stamp benefits quickly.

Methodology: Counting the number of clients getting food stamps within 30 days divided by the number of clients qualified for benefits.

Measure Type: Output.

This shows that Food Stamp workload is increasing.

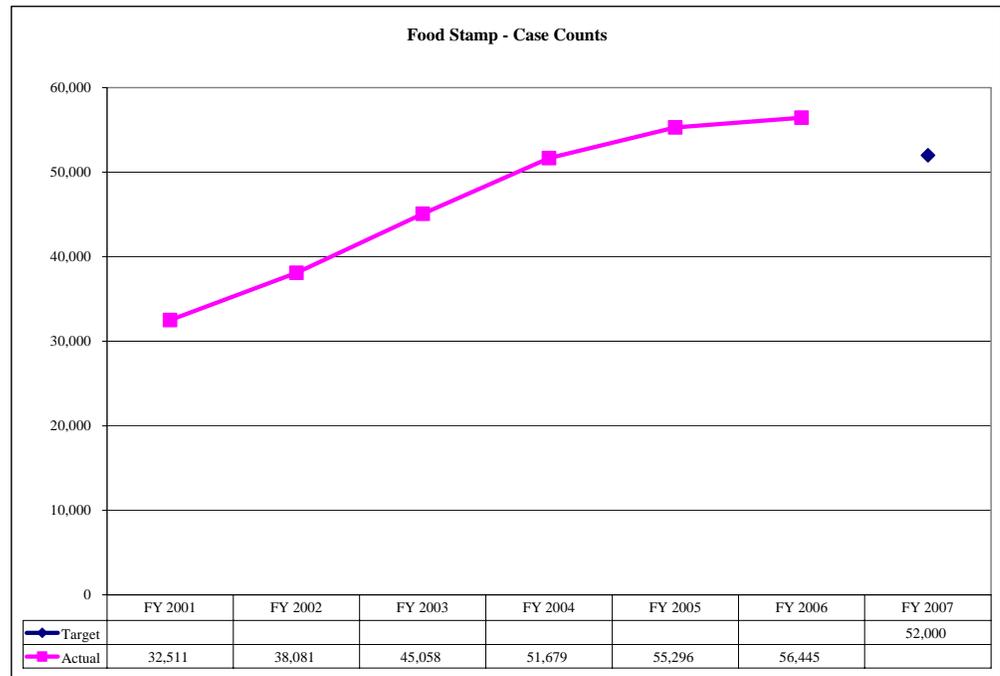


Table 93

Measure: Food Stamp Case Counts.

Goal: Monitor Food Stamp workload. No goal is appropriate.

Methodology: Count the number of clients

Measure Type: Workload.

GENERAL ASSISTANCE

Function

This is a state funded program providing financial assistance to eligible single people and couples who do not qualify for the Family Employment Program (FEP). To be eligible, recipients must be unable to earn more than \$500 per month due to physical illness or mental disability.

People receiving General Assistance are required to register with Vocational Rehabilitation if their disability can be overcome. Some participate in the Work Experience and Training Program. People waiting to qualify for Federal Supplemental Security Income are temporarily helped through General Assistance. Cash assistance is limited to 24 of 60 months while customers are receiving treatment. The monthly assistance is \$261 for single individuals or \$362 for a household of two. The Federal Government reimburses the State for payments made to those who become Supplemental Security Income eligible (about 60% of the total General Assistance budget.)

The General Assistance program includes financial assistance, employable skills building/worksites training, and one-time emergency assistance to enhance employability of Utah’s most vulnerable customers.

Funding Detail

The Random Moment Time Sampling method of allocating costs is different than other state programs and makes the standard table not applicable. The following table shows the expected funding level for the current year:

General Assistance	
Sources of Finance	FY 2007 Authorized
General Fund	\$10,400,000
Total	\$10,400,000

Table 94

Accountability

This shows General Assistance workload levels declining after a long rise.

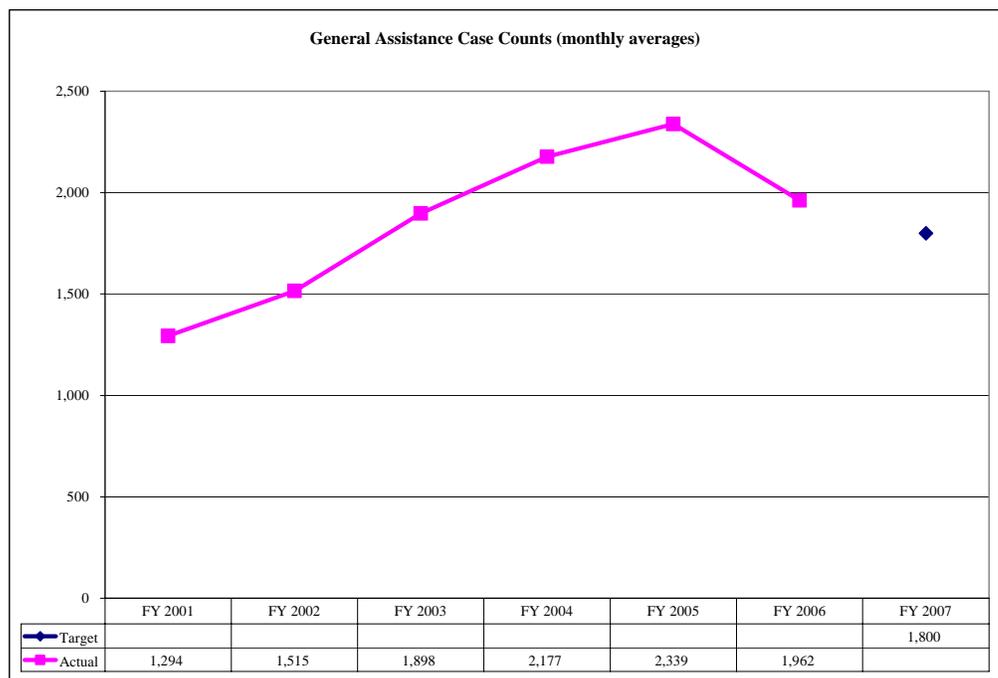


Table 95

Measure: General Assistance Case Counts

Goal: Monitor General Assistance workload.

Methodology: Count the number of clients.

Measure Type: Output

This shows the percentage of people on General Assistance getting a job.

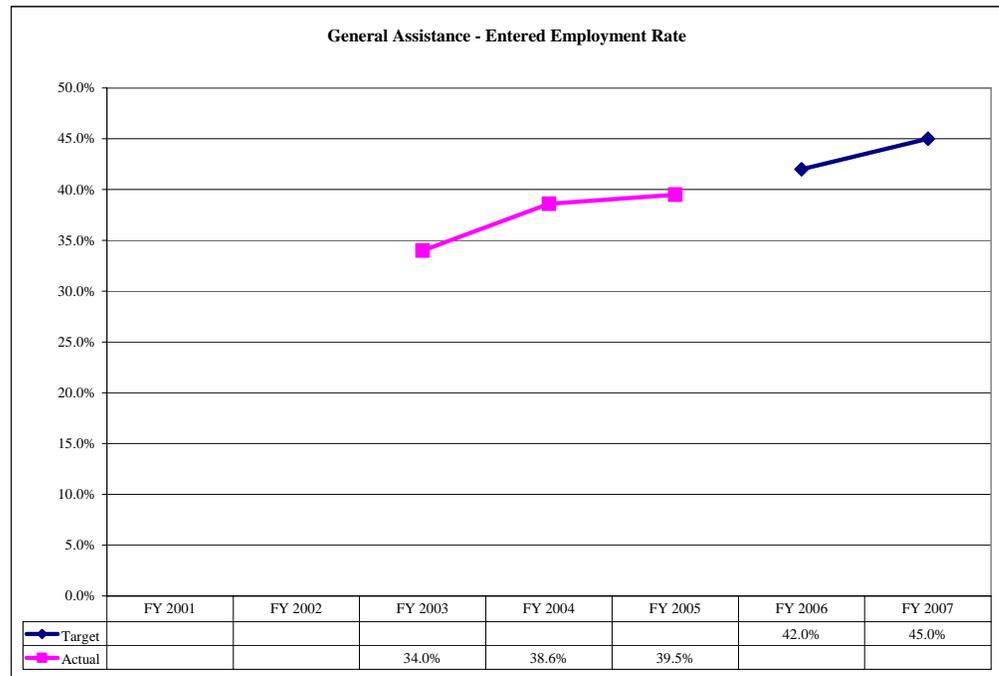


Table 96

Measure: General assistance entered employment rate

Goal: Help eligible clients to independence by helping them get a job.

Methodology: The number of former customers that have a job in the quarter following benefits.

Measure Type: Output.

CHILD CARE

Function

This program helps qualified working parents with child care subsidies. It helps parents find child care and works to improve child care quality.

Funding Detail

The Random Moment Time Sampling method of allocating costs is different than other state programs and makes the standard table not applicable. The following table shows the expected funding level for the current year:

Child Care	
	FY 2007 Authorized
Sources of Finance	
General Fund	\$7,507,000
Federal Funds	45,236,200
Total	\$52,743,200

Table 97

Accountability

This workload measure show the number of children served increasing.



Table 98

Measure: Child case children served

Goal: Monitor Child Care workload.

Methodology: Count the number of children served.

Measure Type: Output.

This shows that the program is getting better at processing applications on time.

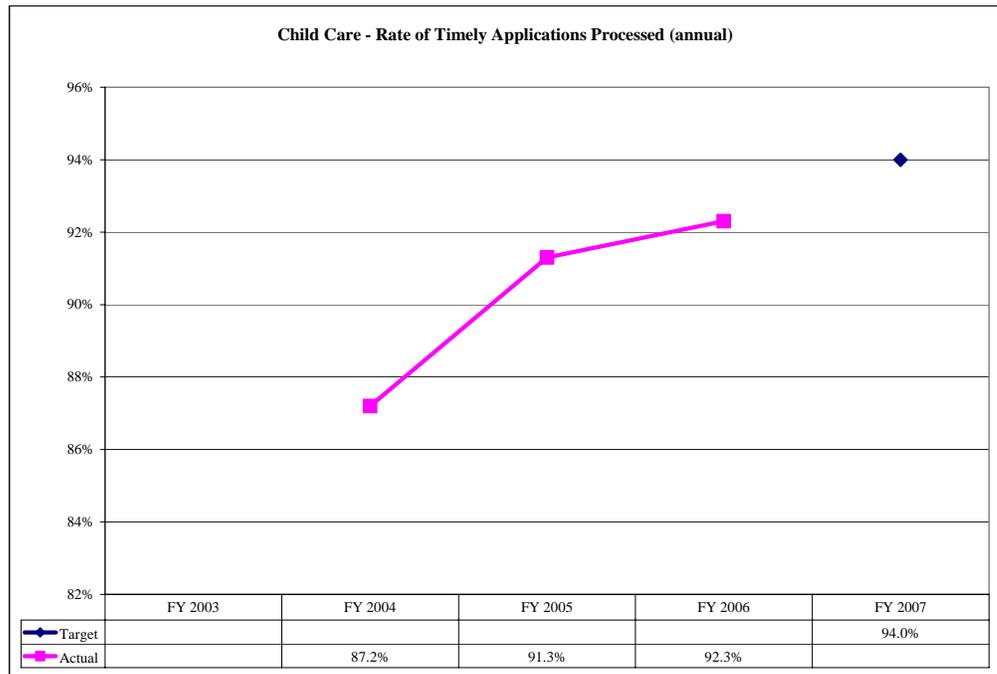


Table 99

Measure: Child Care Applications Processed On Time

Goal: Process child care applications in a timely fashion.

Methodology: This means processed within 30 days.

Measure Type: Output.

The “Payment-to-Parent” Assisted Child Care Program provides funding for child care to low-income parents who are employed, or are employed and attending school or training. A subsidy is available for families whose household income is at or below 56% of the state median income (currently \$2,672 per month for a family of four).

Limited Future Availability of TANF Funds for Child Care

WORKFORCE INVESTMENT ACT (WIA)

Function

This federally funded program prepares low-income youth and adults, the long-term unemployed, dislocated workers, and persons with other barriers, for jobs in private industry. It makes funding available to eligible job seekers for vocational training, education, and other support services, and for help in finding a job.

Funding Detail

The Random Moment Time Sampling method of allocating costs is different than other state programs and makes the standard table not applicable. The following table shows the expected funding level for the current year:

Workforce Investment Act (WIA)	
Sources of Finance	FY 2007 Authorized
Federal Funds	\$11,752,300
Total	\$11,752,300

Table 100

Accountability

This shows the number of WIA clients getting and keeping a job.



Table 101

Measure: WIA Adult Entered Employment and Retention

Goal: Help WIA clients get and keep a job.

Methodology: Employed in the first quarter after receiving benefits. Retention shows the percentage of participants who stayed on the job for six months.

Measure Type: Output.

This graph shows the number of Disabled Worker clients getting and keeping a job.

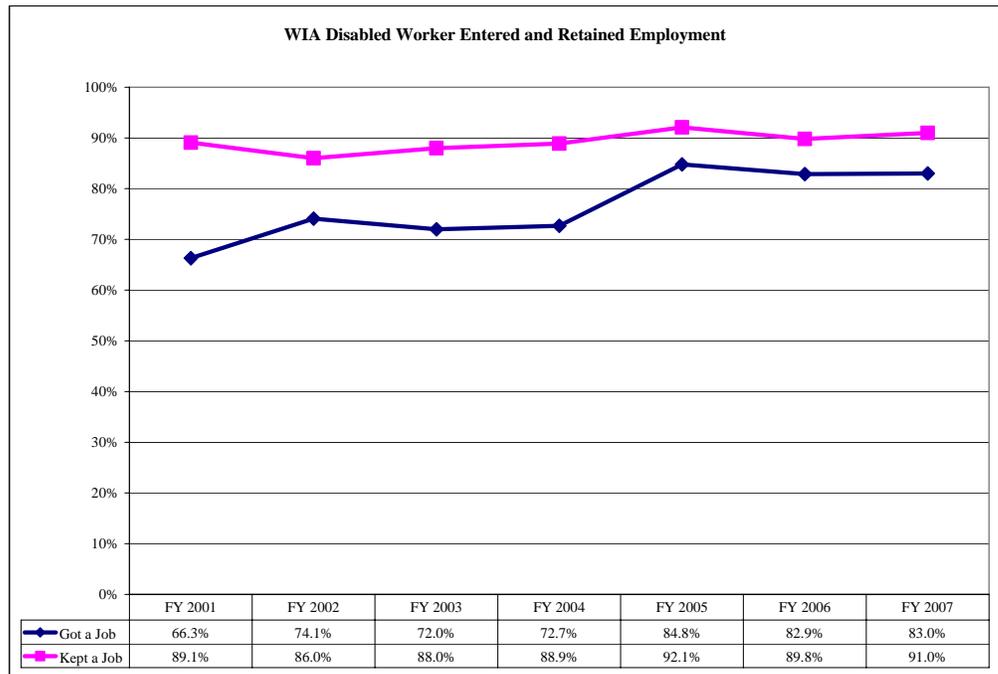


Table 102

Measure: WIA Disabled Worker Entered Employment and Retention

Goal: Help WIA clients get and keep a job.

Methodology: Employed in the first quarter after receiving benefits. Retention shows the percentage of participants who stayed on the job for six months.

Measure Type: Output.

This graph shows the number of Older Youth getting and keeping a job.

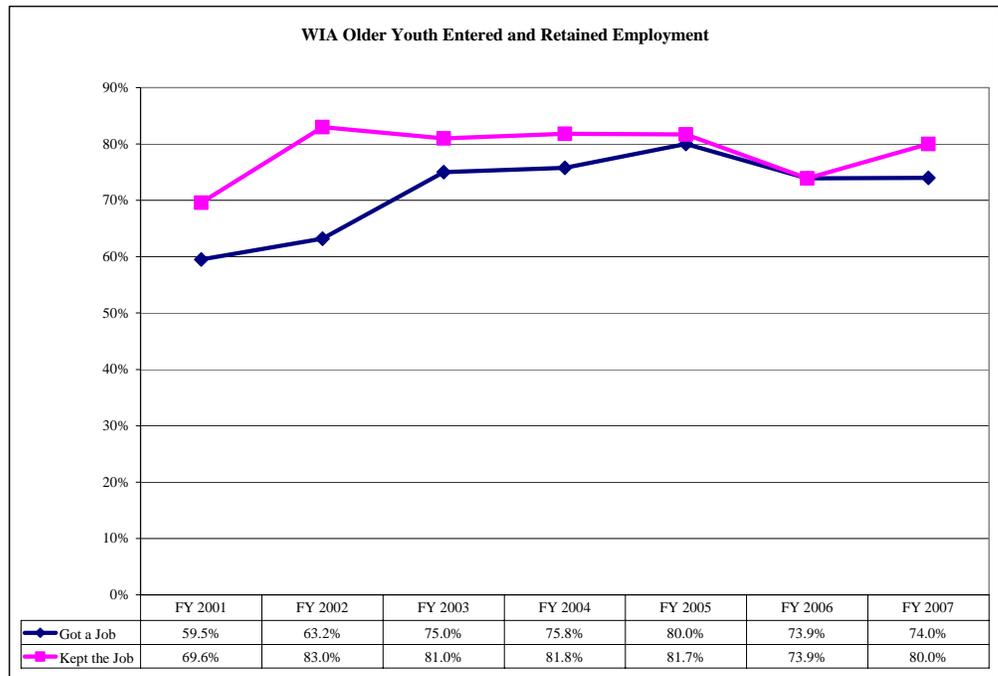


Table 103

Measure: WIA Older Youth Employment and Retention

Goal: Help WIA clients get and keep a job.

Methodology: Employed in the first quarter after receiving benefits. Retention shows the percentage of participants who stayed on the job for six months.

Measure Type: Output.

This shows the number of Younger Youth clients getting a skill or a diploma.

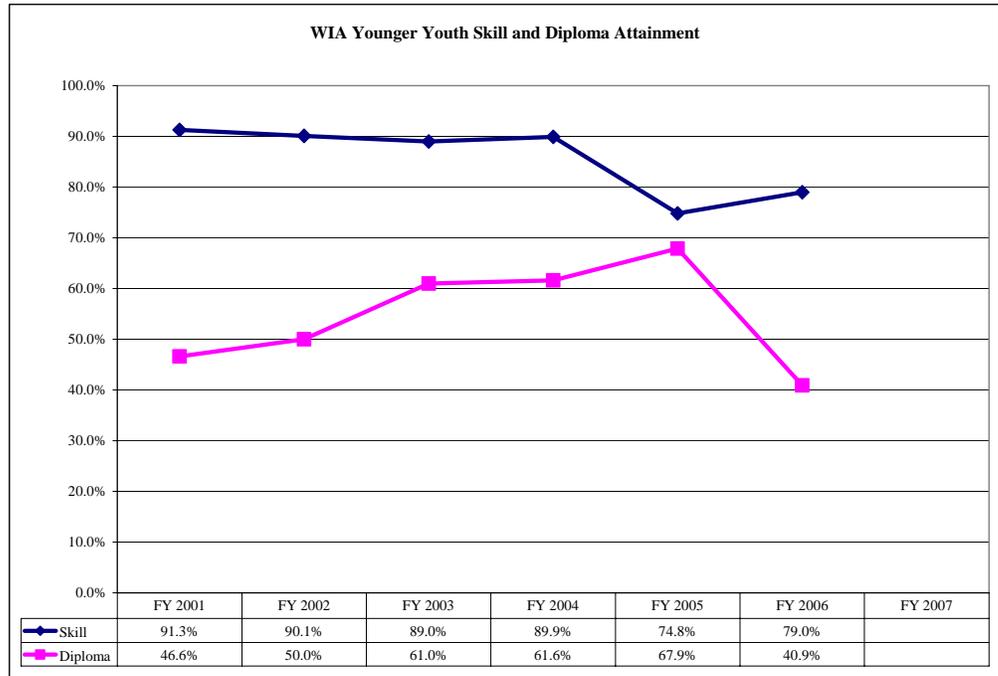


Table 104

Measure: WIA Younger Youth Skill and Diploma Attainment

Goal: Help WIA clients get the skills necessary for a job and independence.

Methodology: Younger youth may still be in school and a degree may not yet be appropriate. The skill may be a literacy or welding certificate.

Measure Type: Output.

This shows WIA employer clients and job seeker client satisfaction levels.

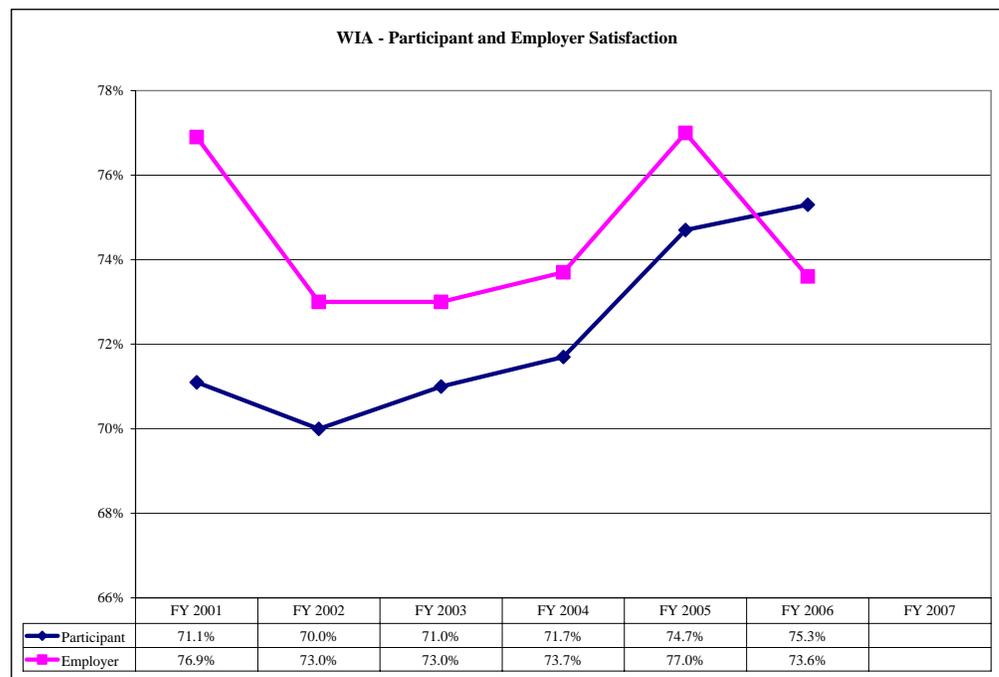


Table 105

Measure: WIA Participant and Employer Satisfaction

Goal: Ensure that participants and employers are satisfied with program performance.

Methodology: Perceptive survey to measure satisfaction with DWS programs and services related to WIA and Wagner-Peyser.

Measure Type: Output.

WAGNER-PEYSER (EMPLOYMENT EXCHANGE)

Function

This federally funded program:

- Helps employers hire the most qualified worker for the job.
- Helps job seekers identify their skills and abilities so that they will make the right job and career decisions.

Funding Detail

The Random Moment Time Sampling method of allocating costs is different than other state programs and makes the standard table not applicable. The following table shows the expected funding level for the current year:

Wagner Peyser	
Sources of Finance	FY 2007 Authorized
Federal Funds	\$10,840,700
Total	\$10,840,700

Table 106

Accountability

This graph shows that the number of job orders is steadily increasing.



Table 107

Measure: WIA Younger Youth Skill and Diploma Attainment

Goal: Help WIA clients get the skills necessary for a job and independence.

Methodology: Younger youth may still be in school and a degree may not yet be appropriate. The skill may be a literacy or welding certificate.

Measure Type: Output.

This shows the number of employers increasing since 2003.

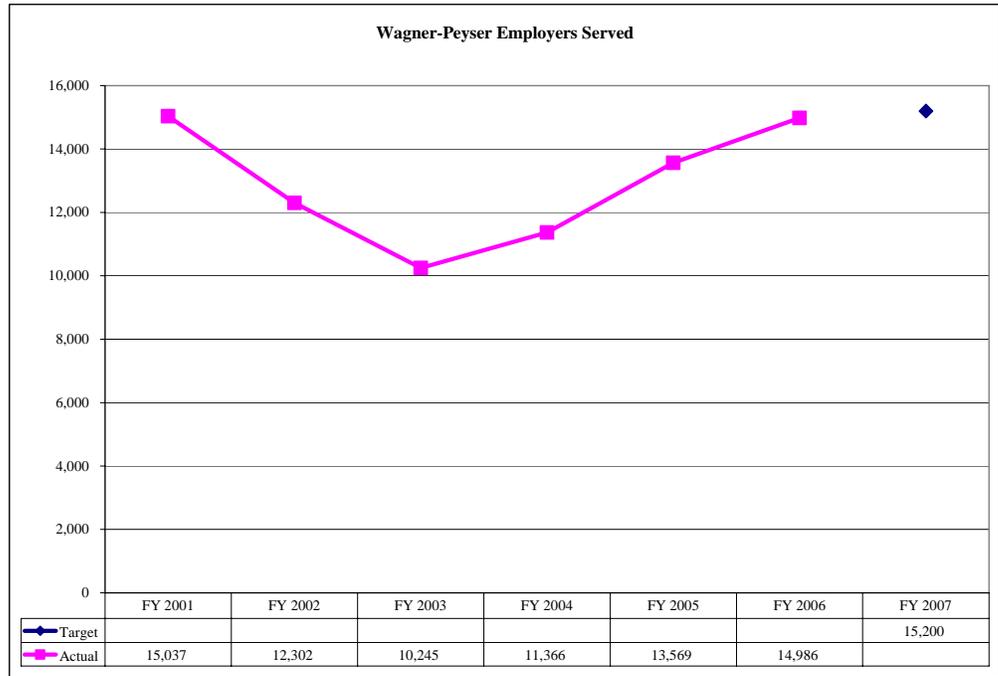


Table 108

Measure: Employers Served

Goal: Be of service to as many employers as is practical.

Methodology: This is a straight count.

Measure Type: Output.

This graph shows the number of job seekers served declining.



Table 109

Measure: Job Seekers Served

Goal: Be of service to as many job seekers as is practical.

Methodology: This is a straight count.

Measure Type: Output.

UNEMPLOYMENT INSURANCE

Function

Unemployment Insurance collects employer contributions to the trust, determines eligibility and pays weekly benefits to unemployed workers

This federally funded program will spend about \$27 million on operations. The benefit portion of the program is not part of the budget but will amount to about \$113 million in FY 07.

The Department opened jobs.utah.gov, the nation’s first complete unemployment insurance web site. The Department believes that it is the most forward looking, comprehensive state unemployment system in the country. After logging on, eligible job seekers can file unemployment insurance claims and employers can conduct all of their business (registering as a new employer, accessing unemployment insurance tax rates, researching unemployment tax laws and regulations, downloading unemployment tax forms and publications, etc.) Representatives from other states have already visited Utah to get additional information about the system from the developers and more are planning trips to get information that will allow them to copy Utah’s system.

Another part of the website is a job matching function. Three years in the making, the service allows employers to search for qualified employees from a database of more than 65,000 job seekers, and job seekers will be able to search and apply online for thousands of Utah jobs.

Funding Detail

The Random Moment Time Sampling method of allocating costs is different than other state programs and makes the standard table not applicable. The following table shows the expected funding level for the current year:

Unemployment Insurance	
Sources of Finance	FY 2007 Authorized
Federal Funds	\$22,474,400
Total	\$22,474,400

Table 110

Accountability

This shows that the number of average monthly claims is declining.



Table 111

Measure: Unemployment Insurance Average Monthly Claims

Goal: Monitor Unemployment Insurance workloads.

Methodology: This is a straight count.

Measure Type: Output.

People are on unemployment for fewer weeks.



Table 112

Measure: Average Claim Duration in weeks

Goal: Monitor Unemployment Insurance claim duration

Methodology: This is a straight count.

Measure Type: Output.

The timeliness of the first unemployment payment is declining.

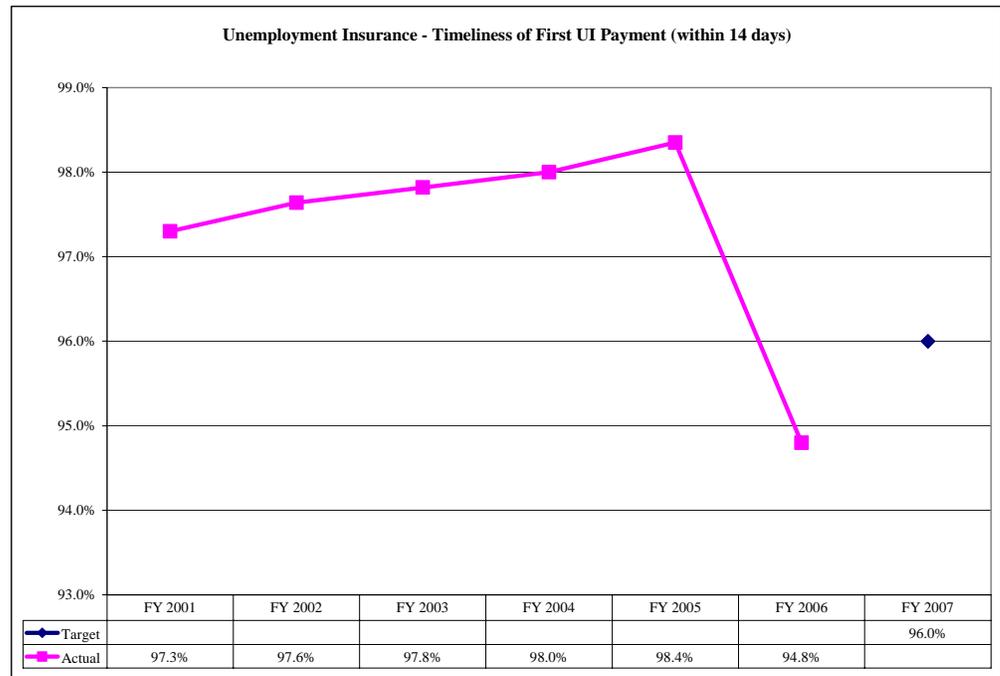


Table 113

Measure: Timeliness of First UI Payment

Goal: Get benefits to clients on a timely basis

Methodology: This is a 14 day measure (after a one week wait). This is a straight count

Measure Type: Output.

OTHER PROGRAMS & SERVICES

Function

The Department has centralized services to the regions and their Employment Centers. All case managers are now classified as “employment counselors”.

Services include oversight of job training, employment development, and support services, adjudication and auditing, labor market information, and data processing. The Division contracts with the federal government to provide information and specific services to them. There are some quality control responsibilities to assure compliance with federal guidelines.

Six major program systems are currently being managed:

1. Public Assistance Case Management Information System (PACMIS) - Determines eligibility and payments for financial assistance, Medicaid and food stamps;
2. Unemployment Payment System (GUIDE) - Used for unemployment payments, adjudication decisions, over-payments, charge backs and accounting records.

3. Contributions Automated Tax System (CATS) - Collects and manages the unemployment taxes paid by employers. System will also gather wage information to be entered into a data base via scanners, tape, diskette, and modem transmission to a bulletin board.
4. New Hire Registry - Federal welfare reform requires states to implement a new hire registry to help locate those with delinquent child support obligations. This system is being developed with funds transferred from the Office of Recovery Services.
5. UWORKS - is currently in development. The project is a “one-stop” operating and case management system, being developed to implement the requirements of the Workforce Investment Act.
6. eRep –is the integrated eligibility determination system being built with TANF funds to replace the Public Assistance Case Management Information System (PACMIS), a program that is old and only serving 50% of the Department’s needs. PACMIS is also used by Human Services and Health. The Department is using residual TANF funds to build a rule based program that will serve TANF and Child Care. The Department will integrate Food Stamps, Medicaid, General Assistance, Foster Care, and Adoption, into the eRep system.

GLOSSARY

Finance categories used by the state are:

General Fund revenues come primarily from sales taxes. General Fund may be spent as the Legislature pleases. The receiving agency may not spend more than is appropriated.

Education Fund revenues come primarily from personal income taxes and corporate franchise taxes. Funds are constitutionally restricted to public and higher education. The Tax Commission uses these funds to cover the costs of collection.

Transportation Funds are derived primarily from the gas tax and are constitutionally restricted to road and highway related issues. The Tax Commission uses these funds to cover some of the costs of collection.

Federal Funds. These funds come from the federal government for use in partnership with the state to pursue common goals. Generally, federal funds have requirements limiting what they can be spent on and matching requirements. The Legislature must review and approve most federal grants before state agencies may receive them. The appropriated amount is an estimate and agencies may spend more with the governor's approval.

Dedicated Credits are funds that are paid to an agency for specific services and are dedicated to financing that service. For example, fees collected by an internal service fund agency from another state agency are dedicated credits. By law, these funds must be spent before other appropriated state funds are spent. The amount in the appropriation is an estimate and they may spend up to 125% of the appropriated amount.

Restricted funds are statutorily restricted to designated purposes. The agency may not spend more than the appropriation.

Lapsing funds. At the end of the year, unspent funds lapse, or go back to the fund from which they were appropriated.

Non-lapsing. Those exceptions include funds that are setup as non-lapsing in their enabling legislation, or appropriations designated non-lapsing by annual intent language per UCA 63-38-8.1. In these cases, left over funds do not lapse back to the state, but remain with the agency in a special non-lapsing balance, for use in the next fiscal year. In the budgets, the Beginning Non-lapsing balance is the balance on July 1, while the balance on the next June 30 is termed the Closing Non-lapsing balance. The Closing Non-lapsing balance from one fiscal year becomes the Beginning Non-lapsing balance of the following fiscal year. The reasoning behind non-lapsing funds is that a specific task may take an indeterminate amount of time, or span more than one fiscal year. By allowing departments to keep their unexpended funds, the state not only eliminates the rush to spend money at the end of a fiscal year, but also encourages managers to save money.

Other funds are discussed in detail as the budgets are presented.

Expenditure categories used by the state are:

Personal Services includes employee compensation and benefits such as health insurance, retirement, and employer taxes.

Travel is divided into In-state and Out of State travel.

Current Expense includes general expenses such as utilities, subscriptions, communications, postage, professional and technical services, maintenance, laundry, office supplies, small tools, etc. that cost less than \$5,000 or are consumed in less than one year.

Data Processing Current Expense includes items such as small computer hardware and software, port charges, programming, training, supplies, etc.

Data Processing Capital Expense is for expenditures greater than \$5,000.

Capital Expenditures includes items that cost over \$5,000 and have a useful life greater than one year.

Pass Through includes funds passed on to other non-state entities for use by those entities, such as grants to local governments.

Other budgeting terms and concepts:

Performance Measures. Making government accountable to the people has been given new emphasis by the Legislature. **Input measures** track the resources applied to a project. **Output measures** track agency workloads. **Outcome measures** tell if the efforts of the agency are making a difference.

Intent language may be added to an appropriation bill to explain or put conditions on the use of the funds in the line item. Intent language may restrict usage, require reporting, or impose other conditions within the item of appropriation. However, intent language cannot contradict or change statutory language.

Supplemental Appropriation. The current legislative session is determining appropriations for the following fiscal year. However, the legislature may decide to change the appropriation made in the last session for the current year. These changes to previous appropriations are called supplemental appropriations, or sometimes just supplementals.

FTE is an abbreviation for Full Time Equivalent. This method of standardizing personnel counts considers any combination of 40 hours per week equal to one FTE. One person working 40 hours or four employees each working ten hours per week would both count as 1 FTE.

Line Item. In an appropriations bill, a line number identifies each appropriated sum. A line item may contain several programs. Once the appropriation becomes law, the money may be moved from program to program within the line item, but cannot be moved to another line item.

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