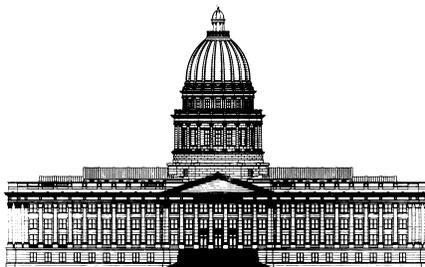

COMPENDIUM OF BUDGET INFORMATION
FOR THE
2007 GENERAL SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE FOR
ECONOMIC DEVELOPMENT AND REVENUE

OFFICE OF THE LEGISLATIVE FISCAL ANALYST
ANDREA WILKO
JULIETTE TENNERT
NOVEMBER 21, 2006

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

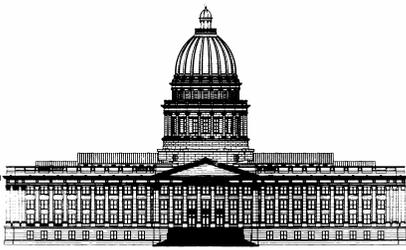


JOHN E. MASSEY, DIRECTOR

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November 21, 2006

Members of the Economic Development and Revenue 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 2006 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 past and 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	1,781,897,300
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	210,414,900	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	37,081,700	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	270,268,052	130,364,690
Closing Balance	(508,804,742)	(408,249,298)	(347,917,902)	(284,773,191)	(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	\$9,245,299,702	\$10,236,183,275
Subcommittees					
Executive Offices & Criminal Justice	544,478,400	582,590,000	618,377,000	646,809,000	712,136,500
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	\$9,245,299,702	\$10,236,183,275
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	957,083,844	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	6,184,766,925
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	\$9,245,299,702	\$10,236,183,275
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

- Education Fund
- 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.

CHAPTER 1 DEPARTMENT OF COMMUNITY AND CULTURE

Function	The Department of Community and Culture is responsible for community and cultural development within the state. The Department was restructured in the 2005 General Session. Department divisions and programs include: Administration, the Division of Indian Affairs, the Division of State History the Division of Arts and Museums, and the Division of Housing and Community Development. The Department also administers the Office of Ethnic Affairs, a Community Development Capital Budget and pass through funding for the Zoos.
Statutory Authority	Statutory Authority for the Department of Community and Culture is found in UCA Title 9. The statute makes the Department responsible for community and cultural development within the state including the planning and administering of any program that promotes community and cultural development.

Funding Detail

Funding for the Department is detailed below. The largest funding sources are the Permanent Community Impact Fund, Federal Funds, and the General Fund.

Budget History - Department of Community and Culture					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	16,127,200	15,717,800	18,624,400	16,537,900	17,425,100
General Fund, One-time	0	2,000,000	0	2,615,100	2,456,100
Federal Funds	29,976,800	35,222,900	35,047,000	34,194,500	39,453,600
Dedicated Credits Revenue	3,729,600	3,082,700	2,653,400	3,037,100	4,604,500
Federal Mineral Lease	2,024,900	3,173,700	4,184,500	6,325,700	4,500,000
GFR - Homeless Trust	150,000	550,000	650,000	850,000	850,000
GFR - Industrial Assistance	13,900	0	0	0	0
Permanent Community Impact	21,065,900	37,103,100	10,286,300	10,244,100	42,878,800
Transfers	2,677,900	4,241,400	72,400	836,600	148,000
Transfers - Community and Economic Devt	(130,900)	0	0	0	0
Pass-through	0	0	377,500	0	0
Repayments	0	0	0	0	19,447,000
Beginning Nonlapsing	1,311,300	1,371,000	1,207,800	2,200,400	656,000
Closing Nonlapsing	(1,371,000)	(1,207,900)	(2,200,400)	(2,490,200)	0
Lapsing Balance	(7,117,800)	(26,811,900)	(239,000)	0	0
Total	\$68,457,800	\$74,442,800	\$70,663,900	\$74,351,200	\$132,419,100
Line Items					
Administration	2,351,400	2,373,800	3,383,000	2,193,900	2,213,800
Historical Society	189,900	174,600	179,200	104,700	302,500
State History	2,548,100	2,316,100	2,410,900	2,647,900	3,279,000
Arts and Museums	3,050,700	3,186,600	3,643,300	3,851,000	3,870,500
Arts and Museums - Museum Services	0	0	0	0	1,456,000
State Library	7,034,300	7,349,200	7,282,000	8,380,400	8,717,100
Indian Affairs	280,500	260,600	220,700	209,500	243,200
Housing and Community Development	38,272,700	46,157,500	38,489,000	39,839,400	44,941,300
Community Development Capital Budget	13,406,500	11,225,700	13,584,500	15,725,700	65,897,000
Zoos	1,323,700	1,398,700	1,471,300	1,398,700	1,498,700
Total	\$68,457,800	\$74,442,800	\$70,663,900	\$74,351,200	\$132,419,100
Categories of Expenditure					
Personal Services	10,863,800	11,163,800	11,756,100	12,127,600	13,606,000
In-State Travel	181,000	174,900	187,600	206,100	173,900
Out of State Travel	130,000	141,400	141,600	166,500	150,000
Current Expense	4,813,600	5,131,200	5,292,200	5,240,100	6,632,700
DP Current Expense	427,400	512,100	529,800	730,400	667,900
DP Capital Outlay	121,400	489,000	23,400	2,763,000	3,400
Capital Outlay	118,400	0	148,700	140,400	18,500
Other Charges/Pass Thru	51,766,400	56,736,200	52,488,500	52,874,700	111,068,700
Operating Transfers	35,800	94,200	96,000	102,400	98,000
Total	\$68,457,800	\$74,442,800	\$70,663,900	\$74,351,200	\$132,419,100
Other Data					
Budgeted FTE	205.2	206.0	203.0	203.0	203.0
Vehicles	36	36	36	37	35

Table 1

ADMINISTRATION

Function

The Administration Program is responsible for helping department divisions by providing professional support and administrative services. The Administration includes: finance, budgeting, research, planning, auditing, and communication functions.

Funding Detail

Operational funding for the Administration Program is appropriated from the General Fund. Occasionally the Administration Program is used to house legislative pass-through to various entities.

Budget History - Community and Culture - Administration					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	2,371,900	2,374,000	4,362,600	2,261,800	2,218,700
General Fund, One-time	0	0	0	(151,600)	(660,900)
Beginning Nonlapsing	125,700	37,900	38,100	1,017,000	656,000
Closing Nonlapsing	(37,900)	(38,100)	(1,017,000)	(933,300)	0
Lapsing Balance	(108,300)	0	(700)	0	0
Total	\$2,351,400	\$2,373,800	\$3,383,000	\$2,193,900	\$2,213,800
Programs					
Executive Director	484,000	456,600	1,452,400	815,600	683,200
Information Technology	806,600	828,100	817,900	633,700	721,100
Administrative Services	1,060,800	1,089,100	1,112,700	744,600	809,500
Total	\$2,351,400	\$2,373,800	\$3,383,000	\$2,193,900	\$2,213,800
Categories of Expenditure					
Personal Services	1,534,300	1,614,600	1,656,300	1,217,000	1,349,300
In-State Travel	2,800	3,200	2,600	4,500	5,300
Out of State Travel	7,000	11,900	12,900	2,600	16,600
Current Expense	528,900	511,600	446,900	428,000	618,400
DP Current Expense	157,000	232,500	220,300	171,000	224,200
DP Capital Outlay	121,400	0	9,900	0	0
Other Charges/Pass Thru	0	0	1,034,100	370,800	0
Total	\$2,351,400	\$2,373,800	\$3,383,000	\$2,193,900	\$2,213,800
Other Data					
Budgeted FTE	27.0	25.0	22.0	22.0	22.0
Vehicles	10	10	10	10	10

Table 2

EXECUTIVE DIRECTOR

Function

The director and his staff lead and coordinate the Department’s work with the Governor and other state agencies. The Executive Section coordinates the efforts of the various divisions of the Department in communicating the Utah message. Responsibility for the Administration program is divided between the Executive Director and the Deputy Director. The Department Executive Director is responsible for the vision, policy and communications functions while the Deputy is responsible for operations, management and administration.

Funding Detail

A five year history of program funding is presented in the following table.

Budget History - Community and Culture - Administration - Executive Director					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	484,700	452,600	2,440,100	400,500	684,700
General Fund, One-time	0	0	0	90,000	(657,500)
Beginning Nonlapsing	0	700	30,000	1,017,000	656,000
Closing Nonlapsing	(700)	3,300	(1,017,000)	(691,900)	0
Lapsing Balance	0	0	(700)	0	0
Total	\$484,000	\$456,600	\$1,452,400	\$815,600	\$683,200
Categories of Expenditure					
Personal Services	435,300	411,900	476,800	389,900	453,500
In-State Travel	3,000	2,400	1,800	1,700	4,000
Out of State Travel	5,500	7,100	3,700	2,500	8,000
Current Expense	34,000	31,600	(34,900)	44,100	206,000
DP Current Expense	6,200	3,600	11,700	6,600	11,700
DP Capital Outlay	0	0	9,900	0	0
Other Charges/Pass Thru	0	0	983,400	370,800	0
Total	\$484,000	\$456,600	\$1,452,400	\$815,600	\$683,200
Other Data					
Budgeted FTE	6.0	6.0	5.0	5.0	5.0

Table 3

INFORMATION TECHNOLOGY

Function

The Information Technology section, now part of the Department of Technology Services, is responsible for information technology systems and programs within the Department. The section is divided into two functions, operations and e-solutions. Resources provided include: network services; application development and delivery; internet and web services and customer desk top support.

Responsibilities include: maintenance and support of all computer room backend services, LAN and WAN connectivity; web services and delivery; database support and maintenance; application development and support and email services.

Funding Detail

Funding for Information Technology is appropriated from the General Fund. Funds are used to support staff and data processing costs.

Budget History - Community and Culture - Administration - Information Technology					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	707,500	824,900	809,800	879,100	723,300
General Fund, One-time	0	0	0	(193,700)	(2,200)
Beginning Nonlapsing	125,700	26,600	8,100	0	0
Closing Nonlapsing	(26,600)	(23,400)	0	(51,700)	0
Total	\$806,600	\$828,100	\$817,900	\$633,700	\$721,100
Categories of Expenditure					
Personal Services	518,900	559,100	570,600	458,000	452,600
In-State Travel	0	200	0	1,300	500
Out of State Travel	100	1,500	1,400	0	1,600
Current Expense	20,800	45,500	44,000	28,100	60,600
DP Current Expense	145,400	221,800	201,900	146,300	205,800
DP Capital Outlay	121,400	0	0	0	0
Total	\$806,600	\$828,100	\$817,900	\$633,700	\$721,100
Other Data					
Budgeted FTE	10.0	10.0	9.0	9.0	9.0

Table 4

ADMINISTRATIVE SERVICES

Function

Administrative Services coordinates and facilitates the business functions of the department. The Administrative team provides the department’s public relations, budgeting, accounting, internal auditing, and planning services.

The Internal Auditor ensures effectiveness of controls and reliability of data. She also evaluates Department adherence to plans, policies, procedures and laws and coordinates with outside auditors conducting audits of Department Agencies.

The DCC Public Information Officer provides the public relations function for the Department. She works closely with the Governor’s Office and division directors to ensure the Department maximizes media opportunities.

Funding Detail

A five year history of Administrative Service funding is presented in the following table.

Budget History - Community and Culture - Administration - Administrative Services					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	1,179,700	1,096,500	1,112,700	982,200	810,700
General Fund, One-time	0	0	0	(47,900)	(1,200)
Beginning Nonlapsing	0	10,600	0	0	0
Closing Nonlapsing	(10,600)	(18,000)	0	(189,700)	0
Lapsing Balance	(108,300)	0	0	0	0
Total	\$1,060,800	\$1,089,100	\$1,112,700	\$744,600	\$809,500
Categories of Expenditure					
Personal Services	580,100	643,600	608,900	369,100	443,200
In-State Travel	(200)	600	800	1,500	800
Out of State Travel	1,400	3,300	7,800	100	7,000
Current Expense	474,100	434,500	437,800	355,800	351,800
DP Current Expense	5,400	7,100	6,700	18,100	6,700
Other Charges/Pass Thru	0	0	50,700	0	0
Total	\$1,060,800	\$1,089,100	\$1,112,700	\$744,600	\$809,500
Other Data					
Budgeted FTE	11.0	9.0	8.0	8.0	8.0
Vehicles	10	10	10	10	10

Table 5

THE UTAH STATE HISTORICAL SOCIETY

Function As the fundraising arm of the Division of State History, the Utah State Historical Society solicits and receives donations and membership dues. It provides to its members division publications, for which members pay the extra printing, publication and distribution costs. The Historical Society receives gifts, bequests, and donations for the benefit of the history of the state.

Statutory Authority UCA 9-8-207 provides statutory authority for the Utah State Historical Society.

Funding Detail Funding for the Historical Society comes mainly from dedicated credit revenues as shown in the following table.

Budget History - Community and Culture - Historical Society					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Federal Funds	158,200	42,500	24,100	0	21,600
Dedicated Credits Revenue	171,200	114,200	166,200	92,700	280,900
Transfers - Community and Economic Dev	(130,900)	0	0	0	0
Beginning Nonlapsing	184,400	193,000	175,100	186,200	0
Closing Nonlapsing	(193,000)	(175,100)	(186,200)	(174,200)	0
Total	\$189,900	\$174,600	\$179,200	\$104,700	\$302,500
Programs					
State Historical Society	189,900	174,600	179,200	104,700	302,500
Total	\$189,900	\$174,600	\$179,200	\$104,700	\$302,500
Categories of Expenditure					
Personal Services	(1,200)	25,000	18,300	0	76,500
In-State Travel	500	200	0	0	0
Out of State Travel	0	600	700	0	700
Current Expense	146,000	123,500	104,500	0	200,300
DP Current Expense	2,500	600	600	82,600	5,000
DP Capital Outlay	0	0	0	4,600	0
Other Charges/Pass Thru	42,100	24,700	55,100	17,500	20,000
Total	\$189,900	\$174,600	\$179,200	\$104,700	\$302,500
Other Data					
Budgeted FTE	2.0	1.0	1.0	0.0	1.0

Table 6

THE DIVISION OF STATE HISTORY**Function**

The Division of State History was created to be the “authority for state history,” including archaeology and historic preservation. Its mission is “Preserving and sharing Utah’s past for the present and future.”¹

Statutory Authority

Statutory authority for the Division of State History is provided in UCA 9-8. The Division has responsibility over:

- preserving and interpreting historical and prehistoric resources;
- stimulating research, study, and activities on Utah’s history and prehistory;
- public interaction with resources, including a research library and publications;
- grants to heritage organizations;
- state and federal preservation laws and programs;
- cooperation with local, state, and federal entities related to history, prehistory, and preservation; and
- historic preservation for the state and acts as a state agency for the National Historic Preservation Program.

¹ DCC 2006 Annual Report

Funding Detail

Division of State History funding comes from General Fund and federal funds, with a small portion coming from dedicated credit revenues.

Budget History - Community and Culture - State History					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	1,775,400	1,733,600	1,838,600	1,870,900	2,074,100
General Fund, One-time	0	0	0	0	188,500
Federal Funds	689,700	482,500	514,000	672,600	693,000
Dedicated Credits Revenue	0	13,400	26,800	100,200	323,400
Beginning Nonlapsing	216,800	133,800	47,200	15,700	0
Closing Nonlapsing	(133,800)	(47,200)	(15,700)	(11,500)	0
Total	\$2,548,100	\$2,316,100	\$2,410,900	\$2,647,900	\$3,279,000
Programs					
Administration	542,200	535,800	614,700	599,700	332,300
Libraries and Collections	382,600	317,200	391,400	415,200	603,900
Public History and Education	305,500	301,100	312,900	342,500	391,800
Office of Preservation	1,071,700	1,043,000	1,018,100	1,231,400	1,701,100
History Projects and Grants	246,100	119,000	73,800	59,100	249,900
Total	\$2,548,100	\$2,316,100	\$2,410,900	\$2,647,900	\$3,279,000
Categories of Expenditure					
Personal Services	1,700,000	1,639,300	1,805,400	1,869,100	2,155,100
In-State Travel	12,400	11,800	16,300	17,200	13,400
Out of State Travel	24,000	19,800	21,600	25,400	13,900
Current Expense	402,100	366,800	413,400	512,600	659,100
DP Current Expense	39,100	36,900	23,300	35,900	86,600
DP Capital Outlay	0	0	0	5,900	0
Capital Outlay	0	0	0	10,200	0
Other Charges/Pass Thru	370,500	241,500	130,900	171,600	350,900
Total	\$2,548,100	\$2,316,100	\$2,410,900	\$2,647,900	\$3,279,000
Other Data					
Budgeted FTE	30.0	30.0	31.0	31.0	31.0
Vehicles	3	3	3	3	3

Table 7

ADMINISTRATION

Function

The Administration Program provides the organizational infrastructure that supports the Division of State History and the Utah State Historical Society. The Administration provides leadership, organizational and human resource management, fiscal and budgetary management, and planning.

Funding Detail

Administration funding is appropriated from the General Fund as shown in the table below.

Budget History - Community and Culture - State History - Administration					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	542,200	535,800	614,700	599,700	333,100
General Fund, One-time	0	0	0	0	(800)
Total	\$542,200	\$535,800	\$614,700	\$599,700	\$332,300
Categories of Expenditure					
Personal Services	206,900	215,800	248,600	261,700	259,200
In-State Travel	4,300	2,500	6,800	5,200	4,000
Out of State Travel	3,500	500	2,200	1,100	2,000
Current Expense	297,500	291,500	333,000	310,900	63,500
DP Current Expense	29,900	25,500	24,500	20,500	3,600
Other Charges/Pass Thru	100	0	(400)	300	0
Total	\$542,200	\$535,800	\$614,700	\$599,700	\$332,300
Other Data					
Budgeted FTE	4.0	4.0	3.0	3.0	3.0
Vehicles	3	3	3	3	3

Table 8

RESEARCH LIBRARY AND COLLECTIONS

Function

Research Library and Collections cares for historic documentary materials and artifacts held in trust for the citizens of Utah. The new Utah History Research Center, jointly operated by State History and State Archives, provides public access to more than one million photos and documents, including State Archives records. The Research Center serves 12,000 patrons annually via customer walk-in visits, phone, mail, and e-mail requests.

Increasingly, the program serves the public through the Internet. Thousands of photos are now online. The Cemeteries and Burials database receives millions of visits from historians and genealogists. The Markers and Monuments database is a vital repository of information on historic sites.

By preserving and sharing resources in a variety of ways, this program helps citizens of all ages learn about study, and research Utah history.

Accountability

Success is measured by increased access to historical documents. The increase in the number of records digitized is shown in the following figure.



Figure 1

Funding Detail

The Research Library and Collections Program is funded by the General Fund with resources mainly earmarked for staffing.

	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Appropriated
Sources of Finance					
General Fund	382,600	316,900	364,600	378,500	512,700
General Fund, One-time	0	0	0	0	(1,300)
Dedicated Credits Revenue	0	300	26,800	36,700	92,500
Total	\$382,600	\$317,200	\$391,400	\$415,200	\$603,900
Categories of Expenditure					
Personal Services	359,100	298,900	358,200	356,800	427,900
In-State Travel	100	0	0	600	500
Out of State Travel	0	0	500	1,000	0
Current Expense	18,600	12,300	24,600	39,100	159,900
DP Current Expense	4,800	6,000	8,100	7,500	15,600
Capital Outlay	0	0	0	10,200	0
Total	\$382,600	\$317,200	\$391,400	\$415,200	\$603,900
Other Data					
Budgeted FTE	6.0	6.0	7.0	7.0	7.0

Table 9

PUBLIC HISTORY, EDUCATION, AND COMMUNICATIONS

Functions

The Public History, Education, and Communications Program has two components. Public History provides public education facilitates and documents research and publication of public history; produces and publishes *Utah Historical Quarterly*; and distributes the award-winning *Preservation Magazine*. In addition, the program provides history outreach, including assisting local historical groups with the gathering and dissemination of

Utah’s written and oral history. The program also provides grants and technical assistance.

The Communications Program promotes public awareness about the diverse programs of the Division and communicates and educates about Utah history. It manages three large web sites and research aids, online collections, a “kids” page, and general Utah history and archaeology site. The program also produces the widely distributed *History Currents* newsletter, press releases, reports, brochures, etc.

Funding Detail

Funding for Public History, Education and Communications comes mainly from the General Fund. Most of the appropriation is used for staff support as shown by the table below.

Budget History - Community and Culture - State History - Public History and Education					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	305,500	301,100	312,900	339,900	357,800
General Fund, One-time	0	0	0	0	(1,000)
Federal Funds	0	0	0	2,600	35,000
Total	\$305,500	\$301,100	\$312,900	\$342,500	\$391,800
Categories of Expenditure					
Personal Services	282,200	280,000	293,900	308,300	339,300
In-State Travel	800	600	1,000	1,500	800
Out of State Travel	2,600	1,400	2,200	1,400	0
Current Expense	19,900	18,800	15,700	29,000	51,700
DP Current Expense	0	300	100	2,300	0
Total	\$305,500	\$301,100	\$312,900	\$342,500	\$391,800
Other Data					
Budgeted FTE	5.0	5.0	5.0	5.0	5.0

Table 10

HISTORIC PRESERVATION AND ANTIQUITIES

Functions

The Historic Preservation and Antiquities Program is responsible for the following:

- Overseeing federal and state laws and monitoring archaeological permits, consulting with agencies and other parties regarding historic and archaeological protection, and monitoring other work related to historic preservation and antiquities in the state.
- Assisting property owners and providing technical assistance with nominations to the National Register of Historic Places and with federal and state tax projects.
- Working with state and federal agencies and local governments; consulting regarding historical and archaeological sites, areas, and remains; and managing a strong Certified Local Government program.
- Educating Citizens about Utah’s cultural resources with magazines, posters, public events, and workshops, and supporting citizen involvement in site rehabilitation, protection, and research.
- Maintaining site and survey records of historical and archaeological sites/areas on state-of-the-art databases. The data include location,

descriptive information, reports, and associated records. By law, all agencies and individuals must check this data before conducting development projects on state and federal lands.

Accountability

This program measures success by increased Heritage Area development, number of archaeological records accessioned and sites and projects digitized in Geographic Information Systems; and leveraging of Certified Local Government grant funds to stimulate historic preservation activities.

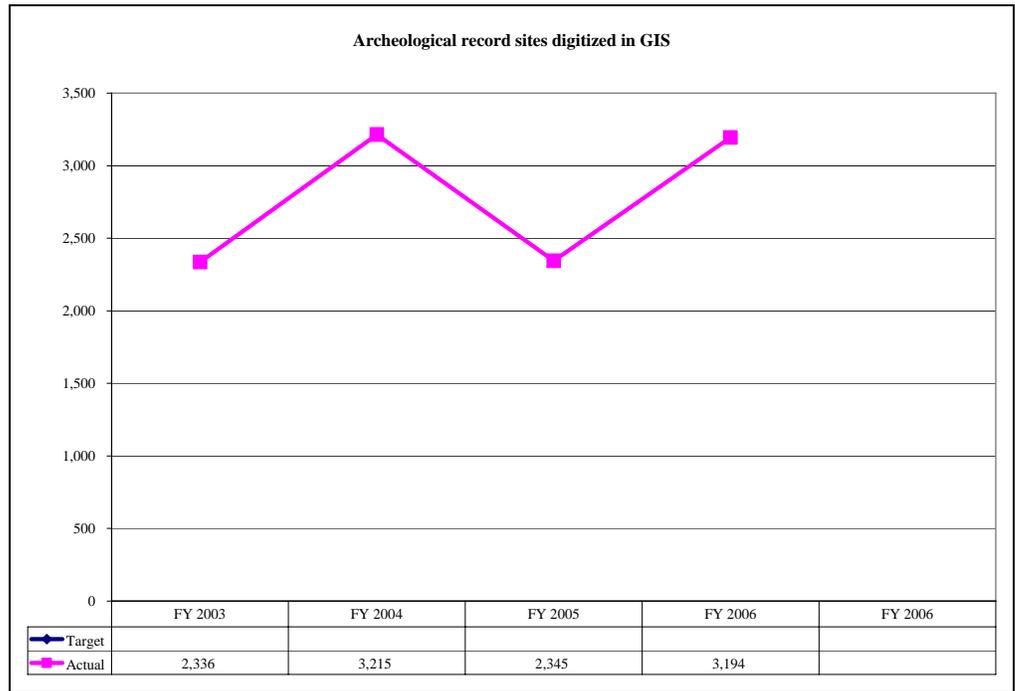


Figure 2

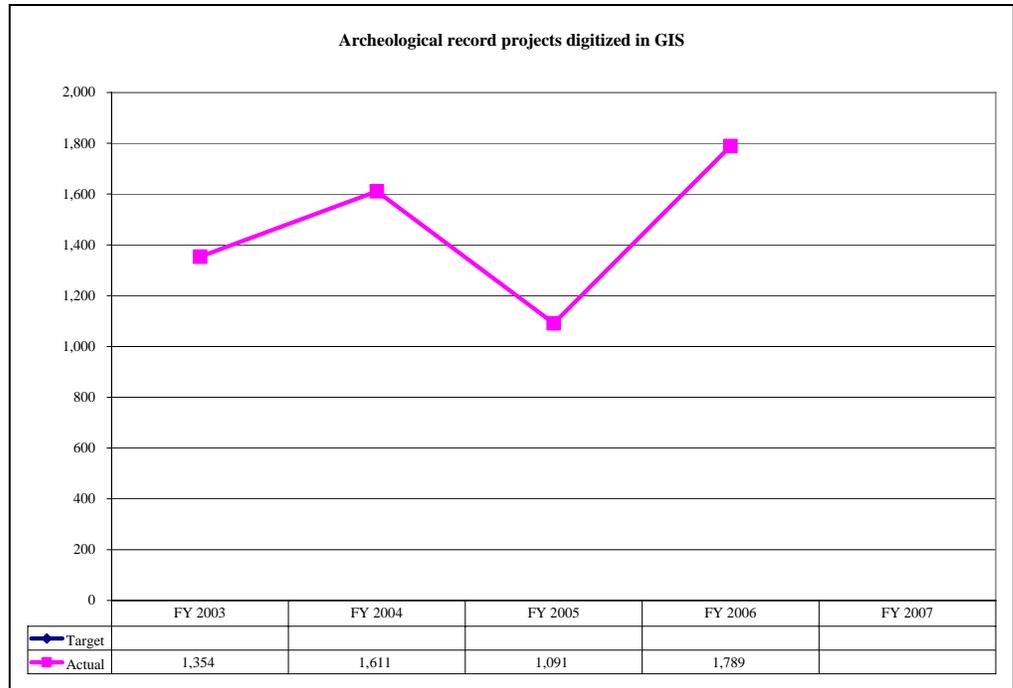


Figure 3

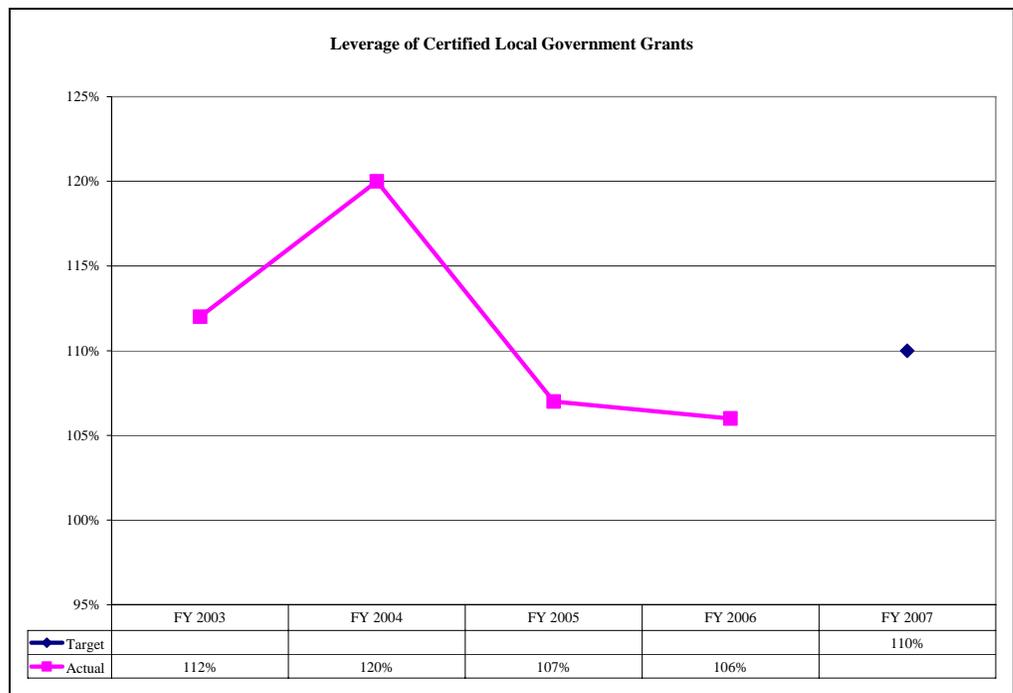


Figure 4

Funding Detail

Funding for preservation is from the General Fund and federal funds. Most of the funding for this program is utilized for staff support as shown below.

Budget History - Community and Culture - State History - Office of Preservation					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	477,500	559,900	504,100	497,900	765,600
General Fund, One-time	0	0	0	0	46,600
Federal Funds	594,200	470,000	514,000	670,000	658,000
Dedicated Credits Revenue	0	13,100	0	63,500	230,900
Total	\$1,071,700	\$1,043,000	\$1,018,100	\$1,231,400	\$1,701,100
Categories of Expenditure					
Personal Services	851,800	844,600	904,700	942,300	1,128,700
In-State Travel	7,200	8,700	8,500	9,900	8,100
Out of State Travel	17,900	17,900	16,700	21,900	11,900
Current Expense	65,600	44,200	40,100	131,900	384,000
DP Current Expense	4,400	5,100	0	5,600	67,400
DP Capital Outlay	0	0	0	5,900	0
Other Charges/Pass Thru	124,800	122,500	48,100	113,900	101,000
Total	\$1,071,700	\$1,043,000	\$1,018,100	\$1,231,400	\$1,701,100
Other Data					
Budgeted FTE	15.0	15.0	16.0	16.0	16.0

Table 11

HISTORY PROJECTS

Function

The History Projects Program administers state-funded grants to various organizations, including cemeteries and local history, preservation, and archaeological organizations. Heritage organizations statewide use and leverage the grants to do projects that benefit Utah citizens and enhance communities economically and culturally.

Projects include preservation, education, cemetery digitization, oral histories, archaeological study, public programs, and the Utah History Fair.

Funding Detail

Funding for this program is passed through to eligible organizations. A history is provided below.

Budget History - Community and Culture - State History - History Projects and Grants					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	67,600	19,900	42,300	54,900	104,900
General Fund, One-time	0	0	0	0	145,000
Federal Funds	95,500	12,500	0	0	0
Beginning Nonlapsing	216,800	133,800	47,200	15,700	0
Closing Nonlapsing	(133,800)	(47,200)	(15,700)	(11,500)	0
Total	\$246,100	\$119,000	\$73,800	\$59,100	\$249,900
Categories of Expenditure					
Current Expense	500	0	0	1,700	0
DP Current Expense	0	0	(9,400)	0	0
Other Charges/Pass Thru	245,600	119,000	83,200	57,400	249,900
Total	\$246,100	\$119,000	\$73,800	\$59,100	\$249,900

Table 12

THE UTAH DIVISION OF ARTS AND MUSEUMS

Function The Division was originally organized in 1899 and was the first state arts agency in the nation. In fulfilling its mission the division broadens the availability and increases involvement in the arts by securing and distributing funds, providing training and development and providing education programs statewide.

Statutory Authority Statutory authority for the Utah Division of Fine Arts is provided in UCA 9-6. The statute authorizes the Council to “advance the interests of the arts, in all their phases, within the state of Utah.” Responsibilities include developing arts in education, involving the private sector, utilizing the power of the press, and cooperating with other governmental organization to promote the arts in the state. In 2006, the Division was renamed the Division of Arts and Museums.

Accountability The Division of Arts and Museums measures success by the leveraging of state competitive grants funding by arts organizations in general. The following figures show leverage of competitive grants dollars by arts organizations and in-kind donations for the program.

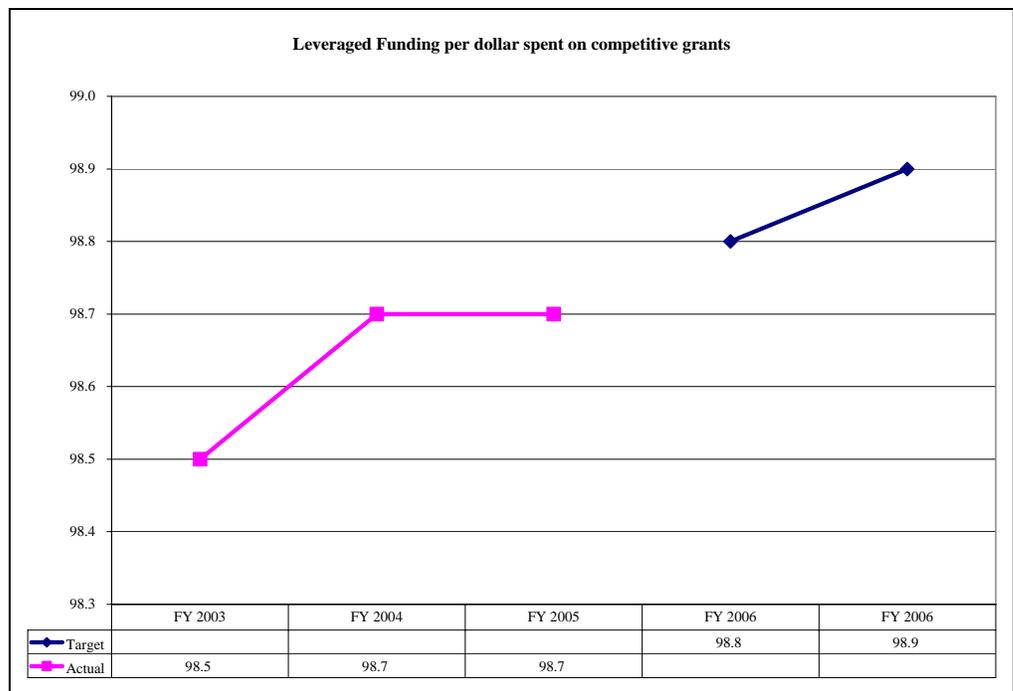


Figure 5

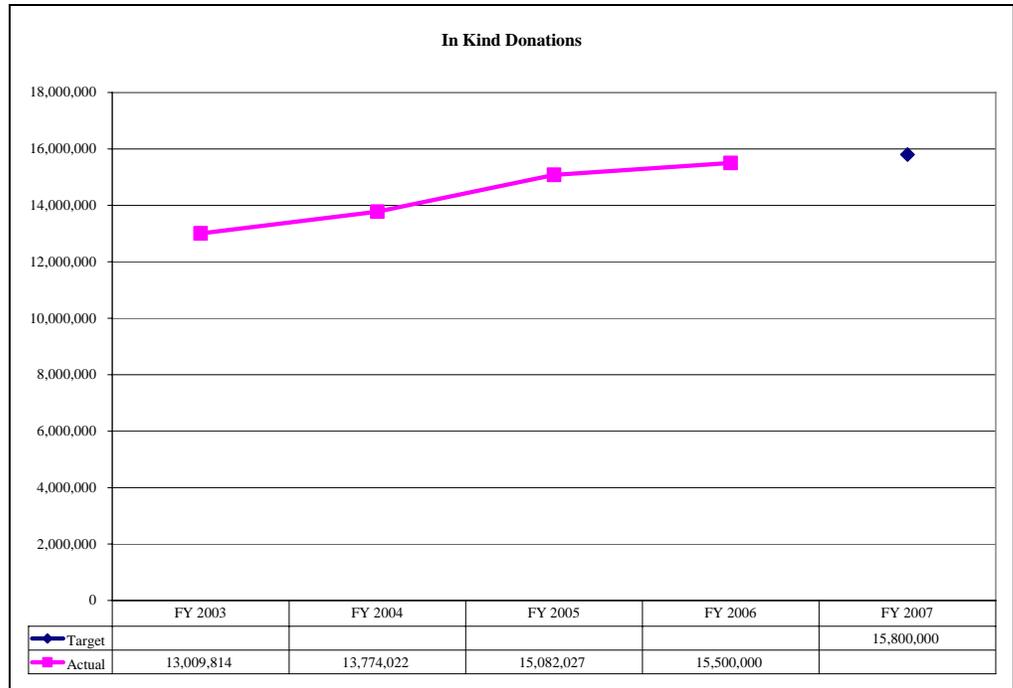


Figure 6

Funding Detail

The Division of Fine Arts utilizes funding from both the General Fund and federal funds. Most of the federal funding comes from the National Endowment for the Arts. Funding is used for staff support and arts grants. The Division provides grants to over 200 organizations annually.

Budget History - Community and Culture - Arts and Museums					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	2,468,300	2,484,800	2,564,700	2,655,400	2,777,600
General Fund, One-time	0	0	0	50,000	250,600
Federal Funds	501,600	489,500	739,500	450,000	690,400
Dedicated Credits Revenue	116,300	93,600	84,800	83,900	151,900
GFR - Industrial Assistance	13,900	0	0	0	0
Transfers	0	610,400	0	836,600	0
Pass-through	0	0	377,500	0	0
Beginning Nonlapsing	290,800	340,200	831,900	955,100	0
Closing Nonlapsing	(340,200)	(831,900)	(955,100)	(1,180,000)	0
Total	\$3,050,700	\$3,186,600	\$3,643,300	\$3,851,000	\$3,870,500
Programs					
Administration	652,200	512,100	567,500	596,600	605,000
Grants to Non-profits	1,096,500	960,200	1,076,700	1,334,400	1,276,500
Community Arts Outreach	1,302,000	1,714,300	1,999,100	1,920,000	1,989,000
Total	\$3,050,700	\$3,186,600	\$3,643,300	\$3,851,000	\$3,870,500
Categories of Expenditure					
Personal Services	1,095,700	1,152,700	1,245,000	1,378,100	1,479,400
In-State Travel	48,200	34,700	47,000	57,300	3,500
Out of State Travel	5,900	25,600	22,400	27,900	4,500
Current Expense	746,000	983,600	1,208,100	1,016,800	1,064,600
DP Current Expense	27,700	29,800	34,300	36,500	42,000
Other Charges/Pass Thru	1,127,200	960,200	1,086,500	1,334,400	1,276,500
Total	\$3,050,700	\$3,186,600	\$3,643,300	\$3,851,000	\$3,870,500
Other Data					
Budgeted FTE	20.5	21.4	22.0	22.0	22.0
Vehicles	1	1	1	3	0

Table 13

ADMINISTRATION

Function

The Utah Arts Council (UAC) was established as the first state-supported arts organization in the country in 1899. The Administration budget provides for 6-staff members, and the travel costs for the nearly 100-member advisory panels and the 13-member board. This program covers current expense costs and provides operating supplies and maintenance to the various UAC facilities including the Rio Grande Depot, Art House, Chase Home, and Glendinning Office.

The Administration works with the board and staff to develop and respond to goals. The Administration also works on other arts related initiatives including the Zoo, Arts and Parks Initiative, the Museum of Utah Arts and History, and the Utah Cultural Alliance. Staff attempts to increase public awareness by coordinating communication, and providing technical assistance to several groups.

Funding Detail

Administration uses its funding for staff support and other administrative operations. The program history is detailed below.

Budget History - Community and Culture - Arts and Museums - Administration					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	652,800	450,000	507,600	527,000	574,900
General Fund, One-time	0	0	0	0	8,200
Federal Funds	0	63,500	59,900	21,300	21,900
Closing Nonlapsing	(600)	(1,400)	0	48,300	0
Total	\$652,200	\$512,100	\$567,500	\$596,600	\$605,000
Categories of Expenditure					
Personal Services	310,000	359,500	378,300	408,100	446,100
In-State Travel	10,700	2,300	3,600	7,400	3,500
Out of State Travel	(600)	10,500	4,900	11,100	4,500
Current Expense	277,500	121,200	160,500	137,700	114,400
DP Current Expense	23,900	18,600	20,200	32,300	36,500
Other Charges/Pass Thru	30,700	0	0	0	0
Total	\$652,200	\$512,100	\$567,500	\$596,600	\$605,000
Other Data					
Budgeted FTE	5.5	5.8	6.0	6.0	6.0

Table 14

GRANTS PROGRAM

Function

The Utah Division of Fine Arts Grants Program provides funding to more than 200 nonprofit organizations each year. Activities are planned and carried out by grantees themselves and state money is always fully matched. The Grants Program assures the availability of quality affordable arts experiences for all Utahns. The Utah Division of Fine Arts grants also act as a catalyst for private, business and other government contributions to arts projects and arts organizations. The Grants Program attempts to make arts available to everyone.

Funding Detail

Grant funding is passed through to local arts and cultural organizations. Funding comes from both Federal Funds and General Fund revenues.

Budget History - Community and Culture - Arts and Museums - Grants to Non-profits					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	936,200	902,800	876,100	865,400	865,400
General Fund, One-time	0	0	0	50,000	145,500
Federal Funds	191,000	163,000	265,600	265,600	265,600
GFR - Industrial Assistance	13,900	0	0	0	0
Beginning Nonlapsing	3,400	20,100	125,700	182,600	0
Closing Nonlapsing	(48,000)	(125,700)	(190,700)	(29,200)	0
Total	\$1,096,500	\$960,200	\$1,076,700	\$1,334,400	\$1,276,500
Categories of Expenditure					
Other Charges/Pass Thru	1,096,500	960,200	1,076,700	1,334,400	1,276,500
Total	\$1,096,500	\$960,200	\$1,076,700	\$1,334,400	\$1,276,500

Table 15

ARTS OUTREACH

Function

The Outreach Program provides support to the various Utah Arts Council Community Outreach Programs (Arts Education, Community/State Partnerships, Folk Arts, Visual Arts, Traveling Exhibits, Literature, Individual Artist Endowments, and Public Art). Programmers design and respond to specific needs of communities. Program staff also administers the one-percent for the arts program and coordinates the public arts projects funded by the Division of Facilities and Construction Management. There are long-running state programs in this area such as the annual Original Writing Competition now in its 47th year, and the Statewide Annual Exhibition which has been held since 1899. These programs serve artists, school children, and urban area residents. They also direct special attention towards ethnic and rural communities, as well as underserved populations.

This program partners with various community representatives. Community co-sponsors provide matching funds and assist in carrying out programs. Services provided to co-sponsors may include technical assistance in helping a community organize a local arts council or helping to arrange a traveling exhibit in a community setting.

Arts Education

Arts Education responds to the legislative mandate of 1899 to “advance the arts in all their phases.”² Arts Education mandate is to “embody and facilitate life-long learning in the arts for all Utahns.” The program partners with the Utah PTA, the Utah State Office of Education, Ririe-Woodbury Dance Company, Children’s Dance Theatre, and many other organizations that provide professional development for teachers.

Community/State Partnerships

As a partner and a resource, the Community/State Partnership Program provides a link between non-profit arts organizations and the state. Arts and

² UCA 9-6

cultural organizations need ongoing training and resource development to maintain the health of their organizations. These organizations are then better equipped to deal with changes in the environment. The Community/State Partnership Program offers professional and community development training, board retreats, strategic planning, conflict resolution and other technical assistance to these organizations. A component of this program, The Utah Performing Arts Tour, offers nonprofit, local, regional, and national artists at affordable prices to communities throughout the state. The Tour encourages and supports professional artistic activities that otherwise might not take place. Artists are required to become a resident of the community for a day and provide the community with outreach activities as well as a full concert performance.

Folk Arts

The Folks Arts Program documents the traditional arts of Utah's cultural communities, and promotes public understanding of these traditions through the production of events and educational products. The program also administers grants that encourage the preservation of folk arts skills for future generations. This program exists to assist Utah's cultural communities in perpetuating their own artistic traditions and maintaining their unique identities by offering programs, opportunities and activities that nurture and celebrate traditional artists and art forms. Included among these artists and forms are rural cowboys and farmers, Native American, and other ethnic groups. The program identifies and documents artists and their work and protects the resulting photographs and recordings. Folk Art produces exhibits, audio-visual materials and publications; presents performances, demonstrations, workshops, lectures, radio shows and festivals. They also recognize master traditional artists through the purchase of folk art for the State Arts Collection; encourage perpetuation of traditional skills through apprenticeship grants; assist communities in developing and sharing their arts through Ethnic Arts Grants; and offer consultations and other forms of technical assistance to individuals and groups.

Visual Arts

The purpose of the Visual Arts Program is to foster and support visual artists statewide through fellowships, exhibitions, competitions, professional development workshops and information listing opportunities available to artists. The fellowship competition awards two fellowships per year to visual artists of exceptional ability. The artist's resource center provides information for opportunities and workshops on professional development to all artists. Two exhibit spaces (the Glendinning and Rio galleries) display artwork by Utah artists. All projects are available for Utah artists. The State Fine Art Collection consists of over 1,700 works of art that have been collected since the late 1800's. These works are recorded, conserved and displayed by the Visual Arts Program in state owned buildings. The program produces a quarterly publication listing all opportunities available to individual artists. The visual arts program is Utah's largest artistic discipline in numbers of practitioners.

Traveling Exhibition

The Traveling Exhibition Program makes available professionally produced and presented art exhibits to non-profit educational institutions around the State of Utah. Each year twenty-one different exhibits are taken to approximately eighty locations throughout the state. Each exhibit has an educational component to help teachers explain various art forms. This program is especially useful in rural communities. Exhibits are delivered and installed and remain on location for an average of four weeks. Many communities around the state do not have access to museums or galleries and this is the only opportunity to view professional art. The program also provides Utah artists with a chance to market themselves and exhibit their work.

Literature Program

The Literature Program provides support and services to Utah's creative writing community. Literature is one of the artistic disciplines specified in the original legislation authorizing the Utah Arts Council 1899. The Literature Program sponsors contest, readings, workshops, and the publication of works by Utah authors. It also manages Utah's Poet Laureate program and arranges poetry readings for official state functions and communities throughout the state.

Public Art

Utah's Public Art Program came into existence in 1985 with passage of the Utah Percent-for-Art Act (Senate Bill 73). This legislation allocates 1 percent of construction costs for new or remodeled State buildings with sufficient public use, for the commissioning of public art specific to the facility and the agency housed in that facility. The legislation defines the mission of the Public Art Program to administer the appropriation set aside for public art, enhance the quality of life for Utahns by placing art of the highest quality in public spaces to be seen by the general public, promote and preserve appreciation for and exposure to the arts, foster cultural development in the State, and encourage the creativity and talents of Utah's artists and craftspeople. Utah's public art includes a variety of media, from architectural enhancing elements or landscape design to sculptures or paintings. Since the inception of the program and with the support of the Utah State Legislature for fifteen years, the Public Art Program has commissioned over 200 works of art in, on or around seventy facilities throughout the State. The wide variety in the collection ranges from sites in Blanding, St. George, Logan, Vernal and Tooele.

Individual Artist Endowment

The Individual Artist Endowment was funded in 1991 by the National Endowment for the Arts "with earned interest being paid to the Utah Arts Council to provide grants, fellowships and services for individual artist through a competitive application and jurying process." About 20 artist grants are awarded each year, determined by peer review and volunteer panels in all

disciplines. In addition the program co-edits a quarterly listing of opportunities for artists, ArtOps; provides regular professional development workshops for artists; helps maintain the Artist Resource Center at the Rio Grande Depot and assists in the formation of artist organizations. An annual exhibition of Artist Grantees and a biannual Benefit Performance of Artist Grantees showcases excellent work.

Funding Detail

The Outreach Program is the largest component of the Utah Arts Council budget. Historical funding is split between the General Fund, federal funds, and dedicated credit revenues.

Budget History - Community and Culture - Arts and Museums - Community Arts Outreach					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	879,300	1,132,000	1,181,000	1,263,000	1,337,300
General Fund, One-time	0	0	0	0	96,900
Federal Funds	310,600	263,000	414,000	163,100	402,900
Dedicated Credits Revenue	116,300	93,600	84,800	83,900	151,900
Transfers	0	610,400	0	836,600	0
Pass-through	0	0	377,500	0	0
Beginning Nonlapsing	287,400	320,100	706,200	772,500	0
Closing Nonlapsing	(291,600)	(704,800)	(764,400)	(1,199,100)	0
Total	\$1,302,000	\$1,714,300	\$1,999,100	\$1,920,000	\$1,989,000
Categories of Expenditure					
Personal Services	785,700	793,200	866,700	970,000	1,033,300
In-State Travel	37,500	32,400	43,400	49,900	0
Out of State Travel	6,500	15,100	17,500	16,800	0
Current Expense	468,500	862,400	1,047,600	879,100	950,200
DP Current Expense	3,800	11,200	14,100	4,200	5,500
Other Charges/Pass Thru	0	0	9,800	0	0
Total	\$1,302,000	\$1,714,300	\$1,999,100	\$1,920,000	\$1,989,000
Other Data					
Budgeted FTE	15.0	15.6	16.0	16.0	16.0
Vehicles	1	1	1	3	0

Table 16

MUSEUM SERVICES

Function

The 2006 General Session moved the Utah Office of Museum Services to the Division of Arts and Museums. The mission of the Office of Museum Services is to promote Utah museums and the role they play in the state as sources of community pride, centers of public education, and institutions that encourage economic development and tourism. The Office assists Utah museums in improving their ability to:

- care for and manage collections;
- develop quality educational resources;
- provide access to collections for research; and
- identify and successfully compete for financial resources.

Funding Detail

Museum Services is funded through the General Fund with most of the allocated resources being used for personal service costs, technical assistance and pass-through to local museums. Prior to FY 2007 the Office of Museum Services was located in Housing and Community Development the history of the program can be found under that section.

Budget History - Community and Culture - Arts and Museums - Museum Services - Office of Museum Services					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	0	0	0	0	310,900
General Fund, One-time	0	0	0	0	1,145,100
Total	\$0	\$0	\$0	\$0	\$1,456,000
Categories of Expenditure					
Personal Services	0	0	0	0	139,600
In-State Travel	0	0	0	0	2,900
Out of State Travel	0	0	0	0	2,600
Current Expense	0	0	0	0	18,800
DP Current Expense	0	0	0	0	1,600
Other Charges/Pass Thru	0	0	0	0	1,290,500
Total	\$0	\$0	\$0	\$0	\$1,456,000
Other Data					
Budgeted FTE	0.0	0.0	0.0	0.0	2.0

Table 17

THE UTAH STATE LIBRARY DIVISION

Function The mission of the State Library is to “develop, advance, and promote library services and access to information.”³

Statutory Authority Statutory authority for the Utah State Library is provided in UCA 9-7. The statute provides the Division with the ability to function as the library authority for the state. It also gives them responsibility for “general library services, extension services, the preservation, distribution and exchange of state publications, legislative reference, and other services considered proper for a state library.”⁴

Funding Detail The Utah State Library Division utilizes funding from the General Fund, federal funds, and dedicated credit revenues.

Budget History - Community and Culture - State Library					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	4,012,800	4,002,100	4,139,600	4,396,200	4,767,500
General Fund, One-time	0	0	0	200,000	188,600
Federal Funds	1,282,800	1,434,400	1,255,100	1,675,200	1,572,400
Dedicated Credits Revenue	1,750,300	1,900,400	1,876,900	2,125,900	2,188,600
Transfers	0	0	0	0	0
Beginning Nonlapsing	11,100	22,700	10,400	0	0
Closing Nonlapsing	(22,700)	(10,400)	0	(16,900)	0
Total	\$7,034,300	\$7,349,200	\$7,282,000	\$8,380,400	\$8,717,100
Programs					
Administration	1,459,400	1,456,300	1,536,800	1,635,900	1,815,400
Blind and Physically Handicapped	1,315,300	1,419,100	1,427,200	1,560,900	1,580,400
Library Development	3,138,100	3,265,100	895,100	265,900	1,219,200
Library Resources	1,121,500	1,208,700	3,422,900	4,917,700	4,102,100
Total	\$7,034,300	\$7,349,200	\$7,282,000	\$8,380,400	\$8,717,100
Categories of Expenditure					
Personal Services	3,495,900	3,565,600	3,609,700	3,845,500	4,414,100
In-State Travel	33,200	47,100	48,100	45,300	56,900
Out of State Travel	18,200	19,300	28,200	39,800	32,200
Current Expense	2,156,700	2,297,900	2,395,700	2,775,100	2,771,200
DP Current Expense	96,500	146,200	166,000	221,700	168,800
DP Capital Outlay	0	84,900	13,500	29,300	3,400
Capital Outlay	118,400	0	148,700	130,200	18,500
Other Charges/Pass Thru	1,115,400	1,094,000	776,100	1,191,100	1,154,000
Operating Transfers	0	94,200	96,000	102,400	98,000
Total	\$7,034,300	\$7,349,200	\$7,282,000	\$8,380,400	\$8,717,100
Other Data					
Budgeted FTE	73.6	73.0	72.0	72.0	72.0
Vehicles	22	22	22	20	22

Table 18

ADMINISTRATION

Function The Administration Program provides general leadership and management for the State Library Division. The program works with state officials, advisory groups, boards, and professional associations to assure the accountability and responsiveness of the Divisions programs and services. It coordinates planning for the improvement of library services in Utah, and monitors

³ Utah State Library Board

⁴ UCA 9-7

legislation affecting libraries. The program’s functions include: leadership, planning, personnel, management, external relations; budgeting, accounting, purchasing. They also provide other organizational support functions like risk management and facilities and utilities control.

Funding Detail

The majority of the Administration funding is General Fund with a small portion appropriated from dedicated credit revenues. Most of the appropriation is used for staff support and the bond payment on the library building.

Budget History - Community and Culture - State Library - Administration					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	1,240,400	1,221,100	1,336,700	1,375,400	1,546,600
General Fund, One-time	0	0	0	0	(1,400)
Federal Funds	15,000	15,000	19,000	15,000	15,500
Dedicated Credits Revenue	210,700	217,600	206,200	262,400	254,700
Transfers	(6,700)	0	(35,500)	0	0
Beginning Nonlapsing	0	0	10,400	0	0
Closing Nonlapsing	0	2,600	0	(16,900)	0
Total	\$1,459,400	\$1,456,300	\$1,536,800	\$1,635,900	\$1,815,400
Categories of Expenditure					
Personal Services	355,500	336,400	377,700	413,900	521,400
In-State Travel	800	4,500	1,500	2,500	3,500
Out of State Travel	5,400	8,600	7,900	14,300	9,300
Current Expense	1,051,300	1,059,900	1,084,300	1,171,900	1,246,600
DP Current Expense	46,400	46,900	42,000	33,300	34,600
Capital Outlay	0	0	23,400	0	0
Total	\$1,459,400	\$1,456,300	\$1,536,800	\$1,635,900	\$1,815,400
Other Data					
Budgeted FTE	6.0	6.0	5.0	5.0	5.0

Table 19

BLIND AND DISABLED

Function

The State Library Division, Program for the Blind and Disabled serves the blind, learning and physically disabled of the entire state, assuring all appropriate public, non-public, or non-profit libraries are provided an opportunity to participate in the program. The purpose of the Library for the Blind and Disabled is to provide special library services to the targeted population by circulating library materials in alternative formats including Braille, large print, and recorded cassettes. The program also provides radio reading services. Approximately 1.4 percent of Utah’s population is blind or physically handicapped. Presently 32 percent of the target population is receiving service from the blind and physically disabled program.

Accountability

The major division objective is to “develop information resources and services and improve skills among Utah’s library directors and staffs, board members and government information providers.”⁵ The Blind and Disabled program uses the number of books and magazines circulated as a measure and the number of patrons served.

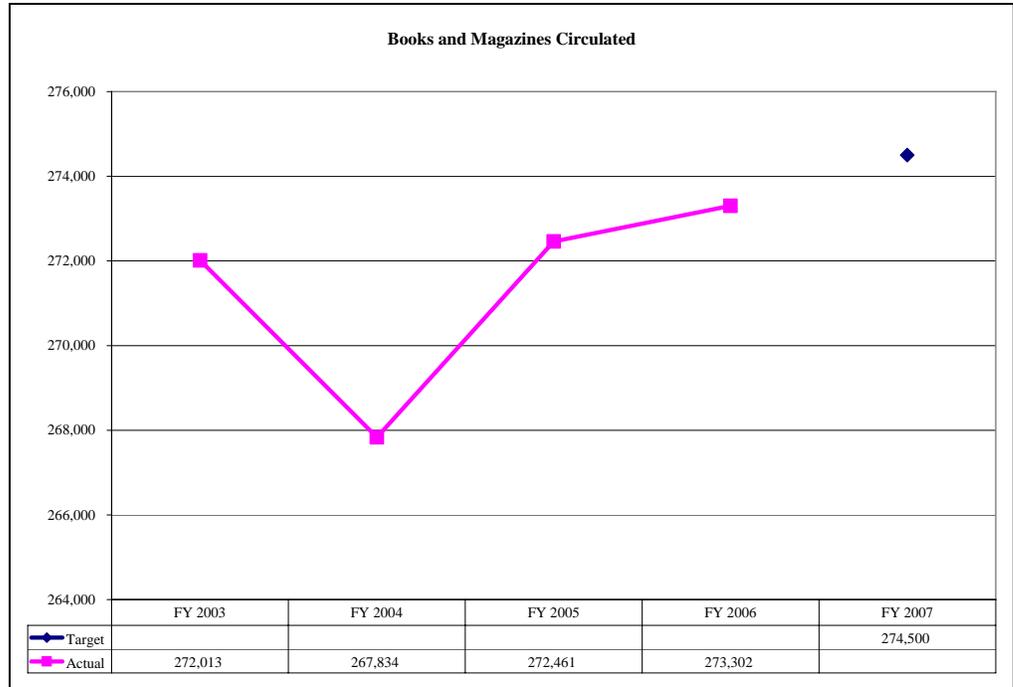


Figure 7



Figure 8

⁵ Strategic Plan for the Utah State Library 2005-2009

Funding Detail

Major funding for the Blind and Physically Handicapped comes from the General Fund, federal funds and dedicated credit revenues. Expenditures are targeted mainly for staff support.

Budget History - Community and Culture - State Library - Blind and Physically Handicapped					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	701,400	717,400	791,600	777,800	865,700
General Fund, One-time	0	0	0	0	(2,400)
Federal Funds	111,000	99,600	106,500	202,200	111,000
Dedicated Credits Revenue	504,000	598,500	493,600	580,900	651,100
Transfers	(1,100)	0	35,500	0	(45,000)
Closing Nonlapsing	0	3,600	0	0	0
Total	\$1,315,300	\$1,419,100	\$1,427,200	\$1,560,900	\$1,580,400
Categories of Expenditure					
Personal Services	1,145,800	1,181,100	1,165,700	1,234,800	1,335,900
In-State Travel	300	500	1,100	2,400	3,100
Out of State Travel	5,400	4,700	7,500	6,100	8,800
Current Expense	136,500	155,400	158,500	190,200	150,900
DP Current Expense	27,300	67,400	59,800	78,600	59,800
DP Capital Outlay	0	10,000	13,500	29,300	3,400
Capital Outlay	0	0	21,100	19,500	18,500
Total	\$1,315,300	\$1,419,100	\$1,427,200	\$1,560,900	\$1,580,400
Other Data					
Budgeted FTE	26.0	26.0	26.0	26.0	26.0

Table 20

LIBRARY DEVELOPMENT

Function

The Library Development Program supports library services in all areas of the state’s library community. There is a particular focus on public library services provided by Utah’s cities and counties. This program helps ensure that local communities across Utah have access to the information resources and tools residents need to fully participate in the emerging 21st Century culture and economy.

The program administers and coordinates consulting services, a children’s summer reading program, library service standards, planning, state funded library development grants, competitive federal grants and library management information. Staff helps library directors and trustees solve problems, assess needs, make plans, set policies and find resources.

Accountability

Another objective of the Division is “advance library services and access to information for all of Utah’s residents through funding, technology, outreach, partnerships, and by effectively administering the Utah State Library.”⁶ The Library Development program is focused on this measure. Two success measures they are currently using are the percent of population 5-14 years being served by the summer reading program and the number of libraries offering summer reading programs.

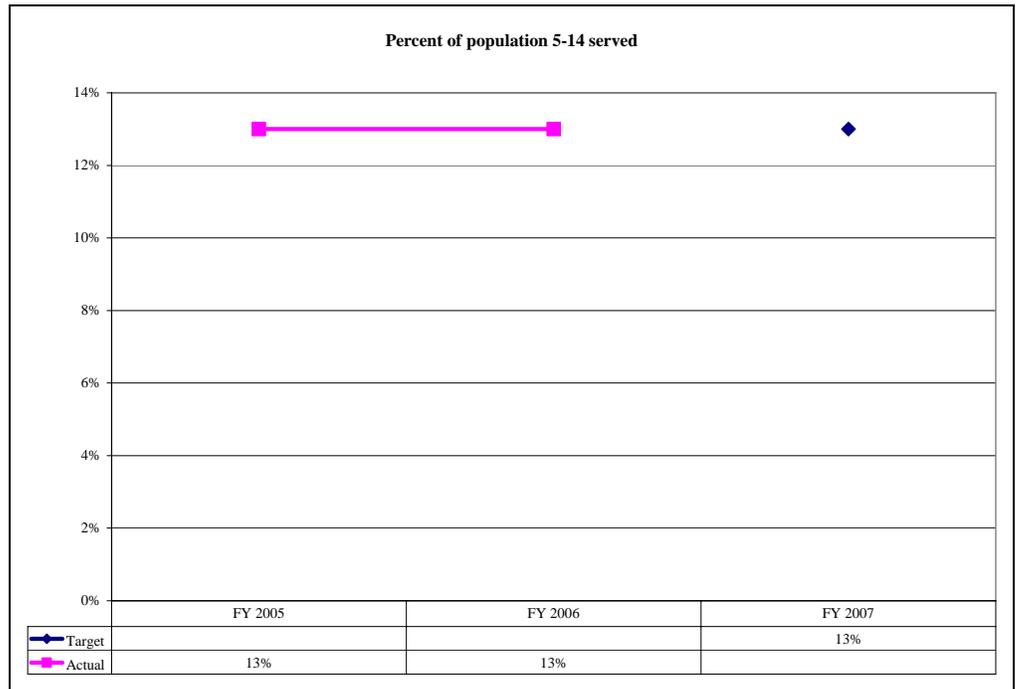


Figure 9

⁶ Strategic Plan for the Utah State Library 2005-2009

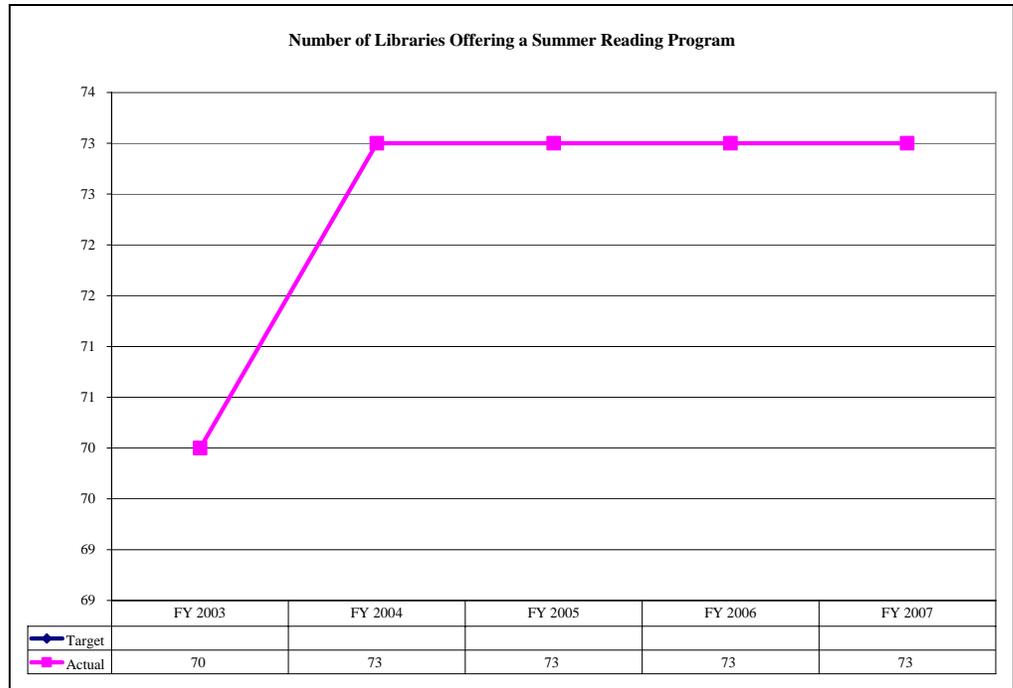


Figure 10

Funding Detail

Significant funding for Library Development comes from the General Fund and federal funds. Most of the funding for the program is used for staff support. Funding for the bookmobile program was shifted to the Library Resource section beginning in FY 2005.

	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Appropriated
Sources of Finance					
General Fund	1,300,800	1,282,900	392,900	200,700	274,700
General Fund, One-time	0	0	0	0	199,100
Federal Funds	805,500	860,100	502,200	65,200	745,400
Dedicated Credits Revenue	1,035,600	1,084,300	0	0	0
Transfers	7,800	0	0	0	0
Beginning Nonlapsing	11,100	22,700	0	0	0
Closing Nonlapsing	(22,700)	15,100	0	0	0
Total	\$3,138,100	\$3,265,100	\$895,100	\$265,900	\$1,219,200
Categories of Expenditure					
Personal Services	1,473,700	1,527,800	434,300	216,600	291,900
In-State Travel	32,100	41,900	3,700	2,600	5,700
Out of State Travel	5,700	4,400	5,500	2,500	6,100
Current Expense	377,400	408,000	24,500	26,200	99,500
DP Current Expense	15,400	19,900	9,000	18,000	16,000
DP Capital Outlay	0	74,900	0	0	0
Capital Outlay	118,400	0	0	0	0
Other Charges/Pass Thru	1,115,400	1,094,000	418,100	0	800,000
Operating Transfers	0	94,200	0	0	0
Total	\$3,138,100	\$3,265,100	\$895,100	\$265,900	\$1,219,200
Other Data					
Budgeted FTE	31.6	31.0	32.0	0.0	32.0
Vehicles	22	22	22	4	22

Table 21

LIBRARY RESOURCES

Function

The Library Resources Program administers and coordinates programs and activities that support libraries and state agencies. The program provides reference and interlibrary loan services for libraries and agencies statewide, giving particular support to the state’s rural public library jurisdictions. Staff collect, catalog and distribute Utah state government publications to depository libraries and is creating a digital repository for state publications. The program provides a complete range of training for public library staffs across the state. Lender support within the program offers assistance to all types of libraries in Utah to encourage sharing of resources with other Utah libraries.

The program provides a wide variety of internet resources through Public Pioneer that are not available on the “free internet” including full-text magazines, newspapers, genealogy resources, auto repair, and business information. Under service agreements with 21 counties statewide, the program also organizes and coordinates county bookmobile library services. Program staff members help library directors and trustees solve problems, assess needs, make plans, set policies, and find resources.

Accountability

The Division is in the process of performing a qualitative evaluation of Public Pioneer. From this evaluation they will create benchmarks relative to ease of use, quality of information and frequency of use. This information will be reported next year.

Funding Detail

Funding for Library Resources is from General Fund, federal funds and dedicated credit revenues. Overall funding is used for staff support, database purchase and maintenance and is also used to fund the bookmobile program.

Budget History - Community and Culture - State Library - Library Resources					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	770,200	780,700	1,618,400	2,042,300	2,080,500
General Fund, One-time	0	0	0	200,000	(6,700)
Federal Funds	351,300	459,700	627,400	1,392,800	700,500
Dedicated Credits Revenue	0	0	1,177,100	1,282,600	1,282,800
Transfers	0	0	0	0	45,000
Closing Nonlapsing	0	(31,700)	0	0	0
Total	\$1,121,500	\$1,208,700	\$3,422,900	\$4,917,700	\$4,102,100
Categories of Expenditure					
Personal Services	520,900	520,300	1,632,000	1,980,200	2,264,900
In-State Travel	0	200	41,800	37,800	44,600
Out of State Travel	1,700	1,600	7,300	16,900	8,000
Current Expense	591,500	674,600	1,128,400	1,386,800	1,274,200
DP Current Expense	7,400	12,000	55,200	91,800	58,400
Capital Outlay	0	0	104,200	110,700	0
Other Charges/Pass Thru	0	0	358,000	1,191,100	354,000
Operating Transfers	0	0	96,000	102,400	98,000
Total	\$1,121,500	\$1,208,700	\$3,422,900	\$4,917,700	\$4,102,100
Other Data					
Budgeted FTE	10.0	10.0	9.0	9.0	9.0
Vehicles	0	0	0	16	0

Table 22

DIVISION OF INDIAN AFFAIRS

Function The Utah Division of Indian Affairs (UDIA) was created in 1953. They serve as the Indian Affairs authority for the State of Utah. The Division exists to enhance intergovernmental relations leading to growth and prosperity for tribes and American Indian citizens. The Division functions as a liaison between State, Tribal, federal and local governmental entities.

Statutory Authority Statutory authority for the Division of Indian Affairs is provided in UCA 9-9-103. Responsibilities established in statute are listed below.

- Develop programs that will allow Indian citizens residing on or off reservations an opportunity to share in the progress of Utah;
- Promote an atmosphere in which Indian citizens are provided alternatives so that individual citizens may choose for themselves the kinds of lives they will live, both socially and economically;
- Promote programs to help the tribes and Indian communities find and implement solutions to their community problems; and
- Promote government-to-government relations between the state and tribal governments.

Funding Detail The Indian Affairs budget provides funding for three staff and support for the staff. Most of the funding is from the General Fund however, a small allocation is from dedicated credit revenues.

Budget History - Community and Culture - Indian Affairs					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	202,000	205,200	210,500	254,300	238,700
General Fund, One-time	0	0	0	0	(500)
Federal Funds	84,600	24,100	1,400	0	0
Dedicated Credits Revenue	1,100	12,600	0	8,100	5,000
Transfers	0	25,000	0	0	0
Beginning Nonlapsing	0	7,200	13,500	0	0
Closing Nonlapsing	(7,200)	(13,500)	0	(52,900)	0
Lapsing Balance	0	0	(4,700)	0	0
Total	\$280,500	\$260,600	\$220,700	\$209,500	\$243,200
Categories of Expenditure					
Personal Services	155,500	172,200	167,000	168,000	181,400
In-State Travel	5,800	5,100	4,500	7,200	4,400
Out of State Travel	4,300	4,000	4,200	2,800	4,100
Current Expense	102,300	77,200	35,500	25,000	43,800
DP Current Expense	2,600	1,700	1,800	4,100	1,800
Other Charges/Pass Thru	10,000	400	7,700	2,400	7,700
Total	\$280,500	\$260,600	\$220,700	\$209,500	\$243,200
Other Data					
Budgeted FTE	3.0	3.0	3.0	3.0	3.0

Table 23

THE DIVISION OF HOUSING AND COMMUNITY DEVELOPMENT

Function	<p>The Division enhances quality of life for Utah citizens through the development of community infrastructure, affordable housing and assistance programs.</p> <p>The Division manages a capital budget and provides administrative support and programmatic oversight to the various boards and committees.</p>
Statutory Authority	<p>Statutory authority for the Division of Housing and Community Development is provided in UCA 9-4. Division responsibilities are identified below.</p> <ul style="list-style-type: none">➤ Assist local government and citizens develop and maintain community infrastructure.➤ Cooperate with and provide technical assistance to groups related to housing and community development.➤ Coordinate development projects with the Governor and state agencies.➤ Serve as a clearinghouse for data needed for state, local and federal development projects.➤ Study and make recommendations related to community development projects.➤ Assist in developing affordable housing and help in addressing the problems of homelessness.➤ Provide grants, loans and other forms of public assistance.➤ Assist local efforts related to community action programs, planning, development, home weatherization, energy efficiency and anti-poverty projects.➤ Support volunteer efforts in the state.
Accountability	<p>Success of the Division of Housing and Community Development is measured by increases in affordable housing and decreases in the chronically homeless and poverty-ridden populations, providing technical and financial assistance in housing, homeless, community development and other projects, and enhancing the quality of life for Utah citizens.</p>

Funding Detail

Most of the funding for Housing and Community Development is from federal funds. The General Fund is the second largest funding source. A history of the program is presented below.

Budget History - Community and Culture - Housing and Community Development					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	3,973,100	3,519,400	3,909,700	3,700,600	3,538,900
General Fund, One-time	0	2,000,000	0	2,516,700	1,344,700
Federal Funds	27,259,900	32,749,900	32,512,900	31,396,700	36,476,200
Dedicated Credits Revenue	1,690,700	948,500	498,700	626,300	1,654,700
GFR - Homeless Trust	150,000	550,000	650,000	850,000	850,000
Permanent Community Impact	2,775,100	2,262,200	886,300	844,100	928,800
Transfers	2,677,900	3,606,000	72,400	0	148,000
Beginning Nonlapsing	449,500	636,200	91,600	26,400	0
Closing Nonlapsing	(636,200)	(91,700)	(26,400)	(121,400)	0
Lapsing Balance	(67,300)	(23,000)	(106,200)	0	0
Total	\$38,272,700	\$46,157,500	\$38,489,000	\$39,839,400	\$44,941,300
Programs					
Community Development Administration	434,300	850,600	491,100	531,800	582,300
Ethnic Office	556,700	659,800	762,900	780,300	940,300
Museum Services	474,900	295,800	376,200	2,718,000	0
Community Assistance	8,726,800	12,839,700	8,426,800	6,789,300	10,345,200
Housing Development	1,705,100	1,741,200	1,172,200	717,100	1,112,500
Special Housing	186,200	320,300	202,800	171,200	230,200
Homeless Committee	2,361,500	2,918,200	2,984,800	3,299,700	3,394,400
HEAT	12,272,400	15,335,900	12,387,400	14,813,700	15,444,700
Weatherization Assistance	5,544,100	6,209,100	5,932,100	4,781,300	6,844,200
Community Services	3,402,800	3,342,000	3,574,000	2,911,700	3,593,500
Commission on Volunteers	2,474,400	1,466,600	1,964,400	2,024,300	2,140,800
Emergency Food Network	133,500	178,300	214,300	301,000	313,200
Total	\$38,272,700	\$46,157,500	\$38,489,000	\$39,839,400	\$44,941,300
Categories of Expenditure					
Personal Services	2,883,600	2,994,400	3,254,400	3,649,900	3,810,600
In-State Travel	78,100	72,800	69,100	74,600	87,500
Out of State Travel	70,600	60,200	51,600	68,000	75,400
Current Expense	731,600	770,600	688,100	482,600	1,256,500
DP Current Expense	102,000	64,400	83,500	178,600	137,900
DP Capital Outlay	0	404,100	0	2,723,200	0
Other Charges/Pass Thru	34,371,000	41,791,000	34,342,300	32,662,500	39,573,400
Operating Transfers	35,800	0	0	0	0
Total	\$38,272,700	\$46,157,500	\$38,489,000	\$39,839,400	\$44,941,300
Other Data					
Budgeted FTE	49.1	52.6	52.0	52.0	50.0
Vehicles	0	0	0	1	0

Table 24

ADMINISTRATION

Function

Administration provides leadership to and financial management of division programs.

Funding Detail

Funding for the Administration Program is mainly from General Fund and the Permanent Community Impact Fund.

Budget History - Community and Culture - HCD - Community Development Administration					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	504,600	107,900	115,300	122,000	163,500
General Fund, One-time	0	0	0	0	(1,700)
Permanent Community Impact	365,900	350,200	363,900	415,400	420,500
Beginning Nonlapsing	4,500	408,200	15,600	0	0
Closing Nonlapsing	(408,200)	(15,700)	0	(5,600)	0
Lapsing Balance	(32,500)	0	(3,700)	0	0
Total	\$434,300	\$850,600	\$491,100	\$531,800	\$582,300
Categories of Expenditure					
Personal Services	506,000	497,900	571,800	556,200	615,100
In-State Travel	1,700	3,000	1,800	1,700	3,500
Out of State Travel	6,500	9,100	3,700	4,900	8,500
Current Expense	(131,000)	(68,700)	(92,000)	(52,400)	76,400
DP Current Expense	32,600	5,600	5,800	21,400	26,000
DP Capital Outlay	0	403,700	0	0	0
Other Charges/Pass Thru	18,500	0	0	0	(147,200)
Total	\$434,300	\$850,600	\$491,100	\$531,800	\$582,300
Other Data					
Budgeted FTE	8.8	8.0	6.0	6.0	6.0

Table 25

OFFICE OF ETHNIC AFFAIRS

Function

The Office of Ethnic Affairs began as separate state entities representing four of the state’s ethnic minority populations. They were established by executive order by the Governor of the State of Utah in 1996. In 2005, the four offices, along with the Martin Luther King Human Rights Commission were combined into one managerial entity, the Office of Ethnic Affairs. The office has specific representation from the four ethnic minority populations: Asian, Black, Hispanic/Latino and Pacific Islanders.

The Governor appoints a director to oversee the Office of Ethnic Affairs and a representative for each ethnic minority community. The expectations of the program are outlined in the executive order:

1. that state government should be responsive to all citizens;
2. that close communications between these citizens and the Governor is necessary to maintain a responsive government; and,
3. state government should advocate and promote cooperation and understanding between government agencies and ethnic citizens.⁷

⁷ Utah Executive Order August 20, 1996 – Governor Leavitt

To ensure that these needs are met, the Offices are mandated with the following:

- to meet with respective Advisory Councils on a regular basis to address the council’s findings and recommendations regarding the state government’s responsiveness;
- to review state policy, agencies, programs, and projects to determine their impact on the community;
- to inform and recommend state agencies and other entities how they can increase or improve their responsiveness and to serve as a resource for state government in this regard;
- to develop a work plan that addresses identified state issues and set monitoring strategies;
- to inform each respective community about state resources; and
- to report to the Governor’s Office on an annual basis about the state government’s responsiveness to the communities of Utah and also other issues impacting these citizens.

Funding Detail

Funding for the Office of Ethnic Affairs is appropriated from the General Fund and dedicated credit revenues. The increased funding in FY 2006 was due to a shift from the administration budget.

Budget History - Community and Culture - Housing and Community Development - Ethnic Office					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	545,300	582,400	608,100	848,600	839,700
General Fund, One-time	0	0	0	(23,300)	(2,400)
Dedicated Credits Revenue	66,700	55,300	115,700	0	103,000
Beginning Nonlapsing	5,900	61,200	39,100	0	0
Closing Nonlapsing	(61,200)	(39,100)	0	(45,000)	0
Total	\$556,700	\$659,800	\$762,900	\$780,300	\$940,300
Categories of Expenditure					
Personal Services	436,000	496,300	521,700	690,500	715,700
In-State Travel	3,800	6,300	4,300	5,100	8,800
Out of State Travel	10,200	13,600	5,900	6,200	9,700
Current Expense	73,000	109,400	195,300	73,800	195,000
DP Current Expense	8,900	5,000	8,100	4,600	11,100
DP Capital Outlay	0	400	0	0	0
Other Charges/Pass Thru	24,800	28,800	27,600	100	0
Total	\$556,700	\$659,800	\$762,900	\$780,300	\$940,300
Other Data					
Budgeted FTE	8.3	10.3	13.0	13.0	13.0

Table 26

COMMUNITY ASSISTANCE

Function

The Community Assistance program administers the federal Community Development Block Grant (CDBG). It also provides staff leadership for and financial management of the Permanent Community Impact Fund, the Navajo Revitalization Fund, the Uintah Basin Revitalization Fund, the Rural Development Fund the Rural Electronic Commerce Communications System Fund, and the Private Activity Bond.

The Community Development Block Grant

The Community Development Block Grant program provides funds in the state's non-entitlement communities for public facilities, infrastructure housing and economic development opportunities. (Non-entitlement communities are defined as those cities or counties with populations of less than 50,000 or 200,000 people respectively. Entitlement communities get their CDBG funds directly from the U.S. Department of Housing and Urban Development.) The Community Development Block Grant Policy Committee is made up of elected officials from each of the seven Association of Government offices and provides oversight of the program.

The Community Development Block Grant Program is a federal program funded through the Department of Housing and Urban Development. It is authorized by Executive Order dated November 1, 1985. The program is primarily a tool for community development to create and maintain a suitable living environment. However, the program also has a significant economic development component. CDBG has capitalized six regional revolving loan funds in the state and also offers interim loans to eligible businesses. In the past three years three very successful loans have been made that created over 200 new jobs.

The Permanent Community Impact Fund

The Permanent Community Impact Fund is defined in the Community Development Capital Program. Administrative funding and costs for staff support and board expenses as well as staff time spent on Federal Mineral Lease and Exchanged Land Mineral Lease receipt analysis for the state are included in the Community Assistance program.

Navajo Revitalization Fund Board and the Uintah Basin Revitalization fund Board

The Navajo Revitalization Fund Board and the Uintah Basin Revitalization Fund Board are authorized in statute to maximize the long-term benefit of state severance taxes paid on oil and natural gas production. Revenue from these taxes fund grants and loans to agencies of the state, county or tribal government in San Juan County for the benefit of the Navajo Nation members and for Ute Indian Tribe members of the Uintah and Ouray Reservation in Duchesne and Uintah counties. Administrative costs for staff support are included in the Community Assistance program.

Rural Development Fund Board

The Rural Development Fund Board assists south-central Utah communities in the development of capital facilities and infrastructure to mitigate the impact of state and federal land exchanges associated with the creation of the Grand Staircase-Escalante National Monument. Administrative costs for staff support are included in the Community Assistance program.

Rural Electronics Commerce Communications Systems Fund Board

The Rural Electronics Commerce Communications Systems Fund Board assists rural communities in the preservation and promotion of communications systems such as broadcast television. Administrative costs for staff support are included in the Community Assistance program.

The Private Activity Bond (PAB)

The Private Activity Bond (PAB) is Utah’s tax-exempt bonding authority creating a lower cost, long-term source of capital under the Federal Tax Act of 1986. Administrative costs for staff support are included in the Community Assistance program.

Funding Detail

Most of the funding for the Community Development Block Grant comes from the federal government. The resources are then used to pass on to local communities.

Budget History - Community and Culture - Housing and Community Development - Community Assistance					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	166,000	139,000	233,900	138,900	190,000
General Fund, One-time	0	2,000,000	0	0	750,000
Federal Funds	6,151,600	8,788,700	7,670,500	6,185,000	8,696,900
Dedicated Credits Revenue	0	0	0	36,700	200,000
Permanent Community Impact	2,409,200	1,912,000	522,400	428,700	508,300
Total	\$8,726,800	\$12,839,700	\$8,426,800	\$6,789,300	\$10,345,200
Categories of Expenditure					
Personal Services	497,000	420,600	439,500	590,200	666,200
In-State Travel	35,400	30,800	28,300	34,300	36,000
Out of State Travel	12,100	4,600	2,200	3,100	8,600
Current Expense	298,200	304,600	173,600	129,000	405,900
DP Current Expense	4,000	3,500	2,900	13,200	3,700
Other Charges/Pass Thru	7,880,100	12,075,600	7,780,300	6,019,500	9,224,800
Total	\$8,726,800	\$12,839,700	\$8,426,800	\$6,789,300	\$10,345,200
Other Data					
Budgeted FTE	9.2	7.8	7.0	7.0	7.0

Table 27

HOUSING DEVELOPMENT

Function

The purpose of the Olene Walker Housing Loan Fund (OWHLF) is to provide funding for acquisition, rehabilitation, or new construction of the highest quality housing possible at a reasonable cost to insure that all low and moderate income residents of the state have access to affordable, safe, decent and sanitary housing. Loans and other financial assistance are made for multiple family rental properties, single family rehabilitation and down-payment assistance and for special needs housing for the homeless. These and other activities assist in improving the availability and quality of housing for low income persons statewide.

Statutory Authority

The Olene Walker Housing Loan Fund (OWHLF) was established by statute 9-4-701 to 708 in 1987 and amended in 2000.

Accountability

The success of Housing Development is measured by the new affordable housing units created.

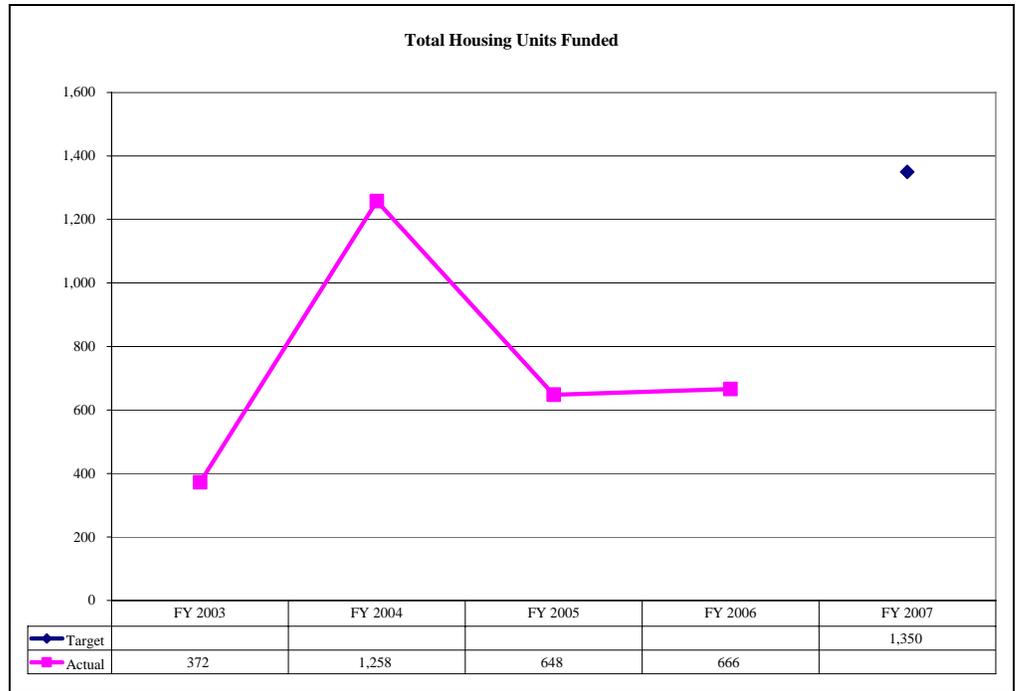


Figure 11

Funding Detail

Funding for housing development is from the federal government and General Fund.

Budget History - Community and Culture - Housing and Community Development - Housing Development					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	414,800	415,700	531,700	271,300	289,800
General Fund, One-time	0	0	0	0	(800)
Federal Funds	496,600	1,144,000	616,500	455,800	823,500
Dedicated Credits Revenue	718,300	165,600	0	0	0
Transfers	25,000	0	0	0	0
Beginning Nonlapsing	90,300	39,900	24,000	0	0
Closing Nonlapsing	(39,900)	(24,000)	0	(10,000)	0
Total	\$1,705,100	\$1,741,200	\$1,172,200	\$717,100	\$1,112,500
Categories of Expenditure					
Personal Services	382,400	430,700	584,700	587,800	599,700
In-State Travel	6,500	7,000	7,300	11,500	9,000
Out of State Travel	11,600	10,900	6,000	12,900	10,400
Current Expense	140,800	88,300	92,200	(69,400)	138,600
DP Current Expense	3,000	3,200	4,500	4,900	5,000
Other Charges/Pass Thru	1,160,800	1,201,100	477,500	169,400	349,800
Total	\$1,705,100	\$1,741,200	\$1,172,200	\$717,100	\$1,112,500
Other Data					
Budgeted FTE	5.5	6.6	7.0	7.0	7.0

Table 28

SPECIAL HOUSING

Function

The Special Housing program pays for utilities, building renovations and leased space for the homeless. It also provides housing for the chronically mentally ill, disabled homeless and AIDS victims. All resources are federal funds but only one program, Housing Opportunities for Persons with AIDS (HOPWA), is a formula grant. All other funding, including the Shelter Plus Care Program and Rural Development, are competitive grants.

Funding Detail

Funding for Special Housing comes from federal funds and is passed through to eligible entities.

Budget History - Community and Culture - Housing and Community Development - Special Housing					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Federal Funds	186,200	320,300	202,800	171,200	230,200
Total	\$186,200	\$320,300	\$202,800	\$171,200	\$230,200
Categories of Expenditure					
Personal Services	0	1,700	3,200	1,800	3,900
Out of State Travel	0	0	0	1,200	0
Current Expense	0	200	400	400	0
Other Charges/Pass Thru	186,200	318,400	199,200	167,800	226,300
Total	\$186,200	\$320,300	\$202,800	\$171,200	\$230,200
Other Data					
Budgeted FTE	0.0	0.1	0.0	0.0	0.0

Table 29

HOMELESS PROGRAMS/PAMELA ATKINSON HOMELESS TRUST FUND**Function**

The Pamela Atkinson Homeless Trust Fund was created in 1983. It is administered by the State Community Services Office under the direction of the State Homeless Coordinating Committee (SHCC). Programs include Critical Needs Housing, Emergency Shelter Grants and the Pamela Atkinson Homeless Trust Fund. They provide statewide funding to social service agencies related to homeless services.

The SHCC was established to facilitate a better understanding of the concept of homelessness in the community and to assist in the allocation of homeless funds received from the state and federal government. Funds are disbursed in a competitive process to private and public non-profit providers of homeless services, local housing authorities, and associations of governments to support efforts to create affordable housing, shelter and support services to homeless individuals and families and victims of domestic violence.

The SHCC provides funds through the Pamela Atkinson Homeless Trust Fund and other programs to public and non-profit entities that provide services to the homeless, poor, and victims of domestic violence across the state. More than 80 agencies provide services that assist these families and individuals to become self-sufficient. Methods used include, but are not limited to, rental assistance, temporary shelter, transitional housing, case management and mental health services.

The SHCC also coordinates the State's 10-Year Plan to end chronic homelessness. In concert with the Housing First model the program coordinates permanent supportive housing with comprehensive integrated services such as mental health counseling, substance abuse counseling, social security issues, veteran's issues etc. The 10-Year Plan was drafted in 2004 and local implementation continues. Plans are in place to coordinate faith and community-based initiatives.

Accountability

The program measures the number of homeless moved to self-sufficiency, shelter nights provided, and other assistance provided to gauge their success. In addition, success is measured by the increase in permanent supportive housing for the homeless, participation in a statewide information service to measure client progress and identify gaps in services to individuals and families, and increased collaboration and access to services by the chronically homeless. Actual data for these measures is available through the Homeless Management Information System (HMIS), a database and information collection program funded by HUD.

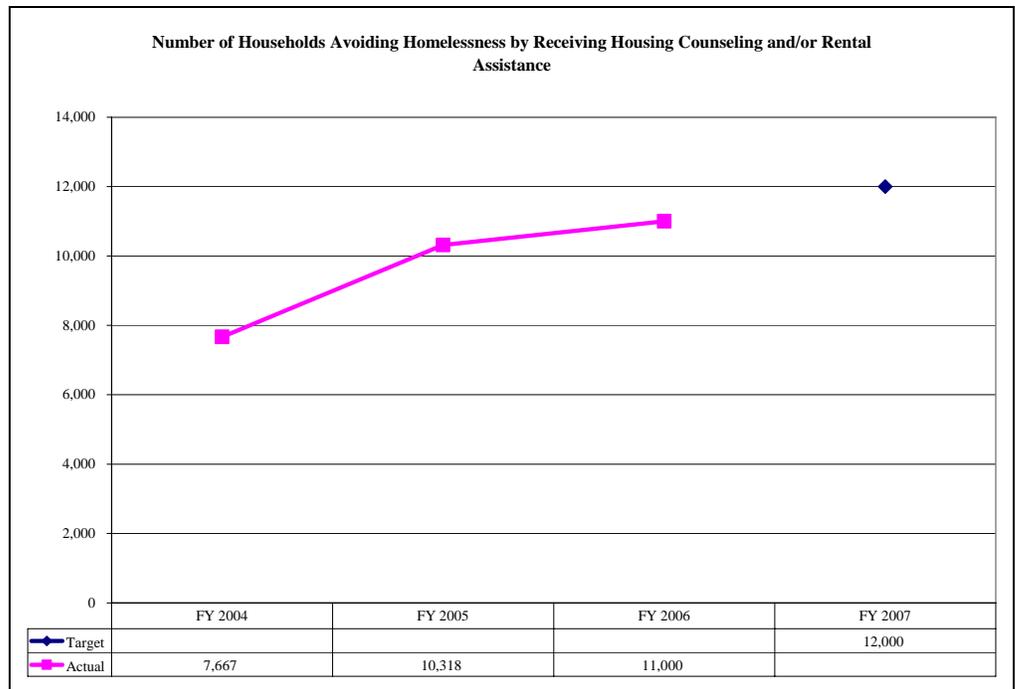


Figure 12

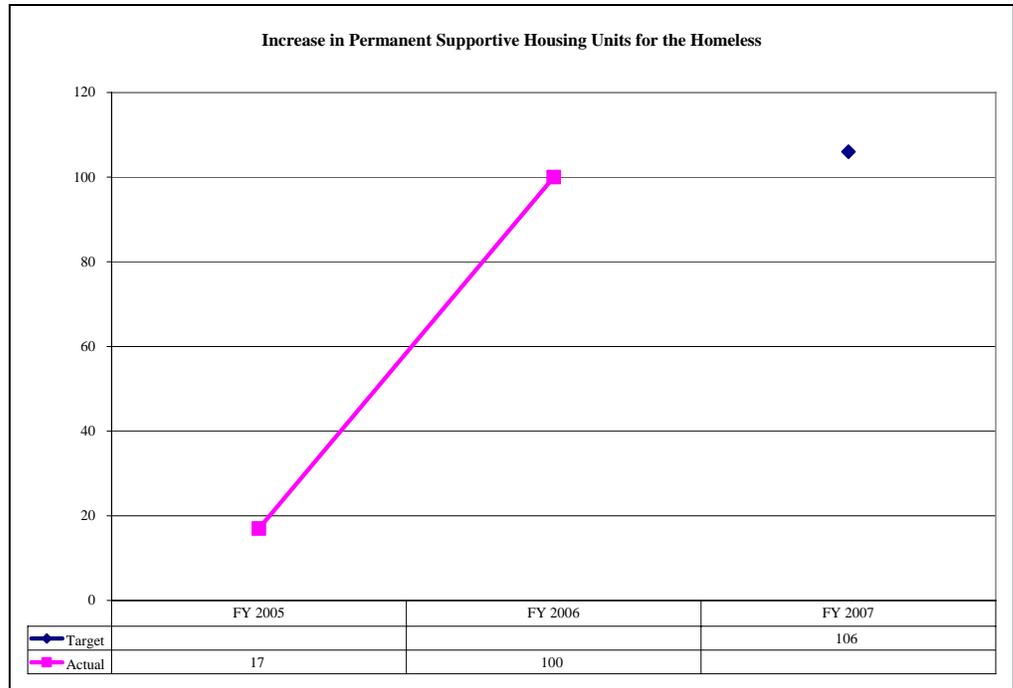


Figure 13

Funding Detail

Funding from the Homeless Committee comes from the General Fund, federal funds, and dedicated credit revenues. Most of the funding is passed through to homeless providers in the state.

	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Appropriated
Sources of Finance					
General Fund	1,659,900	1,659,900	1,660,400	1,666,100	1,672,700
General Fund, One-time	0	0	0	0	(300)
Federal Funds	554,900	731,300	776,900	818,500	872,000
GFR - Homeless Trust	150,000	550,000	650,000	850,000	850,000
Closing Nonlapsing	0	0	0	(34,900)	0
Lapsing Balance	(3,300)	(23,000)	(102,500)	0	0
Total	\$2,361,500	\$2,918,200	\$2,984,800	\$3,299,700	\$3,394,400
Categories of Expenditure					
Personal Services	49,200	108,300	113,900	153,300	126,900
In-State Travel	1,000	1,600	1,500	3,900	1,500
Out of State Travel	500	800	5,800	9,800	5,000
Current Expense	51,100	15,100	36,200	54,200	28,900
DP Current Expense	300	800	1,400	1,500	1,400
Other Charges/Pass Thru	2,259,400	2,791,600	2,826,000	3,077,000	3,230,700
Total	\$2,361,500	\$2,918,200	\$2,984,800	\$3,299,700	\$3,394,400
Other Data					
Budgeted FTE	0.7	1.0	2.0	2.0	2.0

Table 30

Fund/Account Name	Statutory Authority	Revenue Source	Prescribed Uses	FY 2006 Balance
Pamela Atkinson Homeless Trust Account	9-4-803	General Fund	To provide homeless services statewide.	\$270,567

Table 31

LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP/HEAT)/UTAH TELEPHONE ASSISTANCE PROGRAM (UTAP)**Function**

The federal Low-Income Home Energy Assistance Program (LIHEAP), which also operates under the state title of Home Energy Assistance Target (HEAT) Program, is a 100 percent federally-funded block grant program used to provide utility assistance to low-income households during the winter months. This program is administered in partnership with local agencies such as the Associations of Government (AOGs) and non-profit agencies.

The HEAT program provides the following services:

1. home heating assistance during the winter to low-income, elderly, and disabled households;
2. home weatherization to improve energy efficiency and decrease utility costs for low-income, elderly, and disabled households;
3. utility crisis intervention assistance to low-income, elderly and disabled households to prevent utility services from being disconnected;
4. administration and coordination of the utility moratorium program;
5. certification of eligibility for the Home Electric Lifeline Program (HELP).

Benefit funds that are unused at the end of the heat season (typically, November through March), can be sub-awarded for home weatherization activity (between 15-25 percent of the total original award).

The Utah Telephone Assistance Program (UTAP) provides low-income families at 135 percent below the poverty level and/or families receiving public assistance with a discount on their monthly telephone bill and/or and installation rebate.

Accountability

The HEAT program tracks the applications process to measure the number of families served.

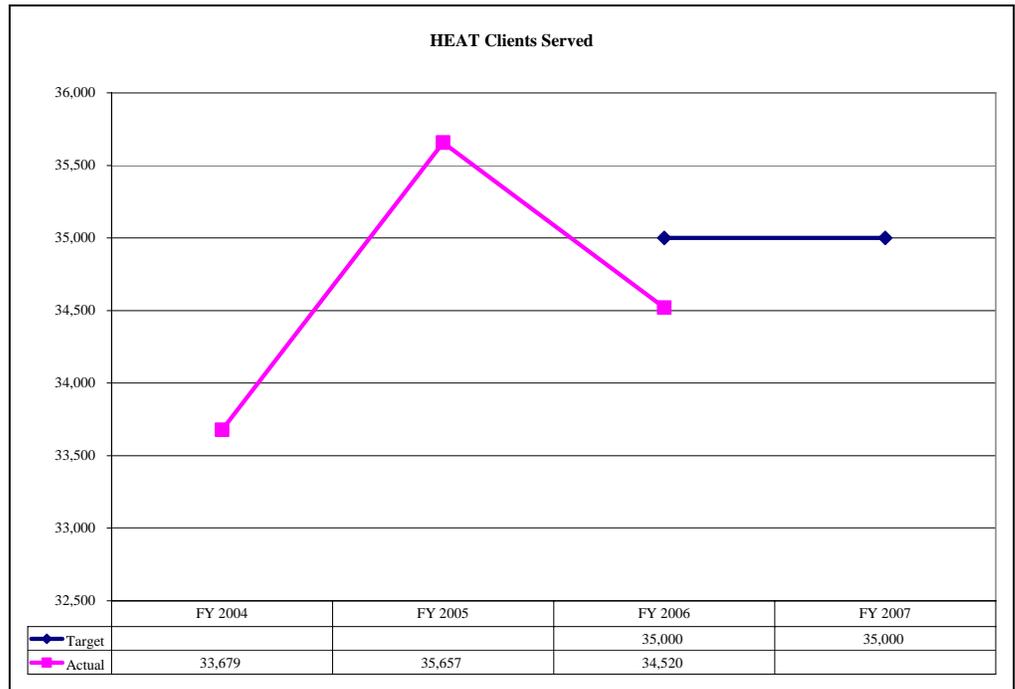


Figure 14

Funding Detail

Funding for the HEAT program is federal funds; funding for UTAP and HELP are provided through dedicated credit revenues.

	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Federal Funds	12,259,100	15,304,800	12,354,000	14,624,100	15,193,000
Dedicated Credits Revenue	13,300	31,100	33,400	189,600	251,700
Total	\$12,272,400	\$15,335,900	\$12,387,400	\$14,813,700	\$15,444,700
Categories of Expenditure					
Personal Services	167,600	206,400	213,000	251,800	302,800
In-State Travel	1,700	3,500	4,700	3,300	6,200
Out of State Travel	3,800	6,200	3,100	6,900	3,900
Current Expense	104,000	108,500	122,600	161,100	154,600
DP Current Expense	44,400	40,600	50,200	121,700	83,300
Other Charges/Pass Thru	11,950,900	14,970,700	11,993,800	14,268,900	14,893,900
Total	\$12,272,400	\$15,335,900	\$12,387,400	\$14,813,700	\$15,444,700
Other Data					
Budgeted FTE	3.1	4.4	4.0	4.0	4.0

Table 32

WEATHERIZATION ASSISTANCE

Functions

The Weatherization Assistance program helps reduce energy consumption and utility bills for low-income households. Priority is given to the elderly, disabled, families with pre-school age children, those with very high heating bills, and other at-risk households. Utah residents who are below 125 percent of the federal poverty guidelines are eligible for a one-time non-cash grant to make energy efficient improvements to their homes. In addition to energy efficiency, the program seeks to increase health and safety through heating

system improvements and to increase the overall comfort of the occupants. Another goal of the program is to help preserve existing affordable housing and prevent homelessness.

The Division administers the program through local government and non-profit agencies. Primary funding is made available through the U.S. Department of Energy (DOE). Local agencies conduct a computerized energy audit on each home to identify the most cost effective improvements to make. They then implement a wide variety of improvements including: insulation air leakage testing and sealing, comprehensive heating system evaluations and tune-ups, client education, and electrical base load reduction measures. As a result of weatherization, participating households realize an average annual savings in excess of 25 percent. The Utah Weatherization Program has been very successful in leveraging its appropriation of State funding to gain large amounts of federal, private and utility funding. Utah Power, Questar Gas and the Utah Public Service Commission have responded positively, becoming contributing financial partners in the funding of the Weatherization Program.

Funding Detail

Most of the funding for Weatherization is allocated from federal funds and dedicated credit revenues. The \$16,000 provides the state match for the federal appropriation. In FY 2007 the Legislature appropriated \$500,000 one-time to enhance the program. The bulk of the appropriation is passed through to eligible entities.

Budget History - Community and Culture - Housing and Community Development - Weatherization Assistance					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	16,000	16,000	16,000	16,000	16,000
General Fund, One-time	0	0	0	0	500,000
Federal Funds	2,043,400	1,912,900	5,566,500	4,538,700	5,228,200
Dedicated Credits Revenue	826,600	571,200	349,600	226,600	1,100,000
Transfers	2,652,900	3,606,000	0	0	0
Beginning Nonlapsing	108,200	103,000	0	0	0
Closing Nonlapsing	(103,000)	0	0	0	0
Total	\$5,544,100	\$6,209,100	\$5,932,100	\$4,781,300	\$6,844,200
Categories of Expenditure					
Personal Services	182,900	181,200	196,000	202,100	240,400
In-State Travel	4,800	2,900	3,200	3,100	3,500
Out of State Travel	4,500	2,200	6,200	4,900	7,900
Current Expense	51,200	61,800	58,100	32,000	52,100
DP Current Expense	1,400	3,900	1,700	1,400	1,800
Other Charges/Pass Thru	5,299,300	5,957,100	5,666,900	4,537,800	6,538,500
Total	\$5,544,100	\$6,209,100	\$5,932,100	\$4,781,300	\$6,844,200
Other Data					
Budgeted FTE	3.2	3.5	3.0	3.0	3.0
Vehicles	0	0	0	1	0

Table 33

COMMUNITY SERVICES BLOCK GRANT

Function

The Community Services Block Grant (CSBG) program is a federal formula-based appropriation administered by the State Community Services Office for community action program (CAPs) across the state. The community action programs provide local leadership and support to combat the causes, as well as the effects of poverty.

There are nine community action programs serving all 29 counties in Utah. Community action programs implement the self-help philosophy through a process of innovative, practical and timely programs and services that emphasize self-sufficiency while addressing the immediate financial crisis needs of low-income people. Community action programs serve as a catalyst to coordinate efforts, to mobilize resources and to encourage other organizations to deliver needed services.

Accountability

The Community Services Block Grant uses the federal “Results Oriented Management and Accountability (ROMA) System” to measure success. This system measures seven goals using over fifty indicators of success, including the number of households avoiding homelessness or receiving housing counseling/rental assistance, the number of individuals receiving training and services in support of obtaining and retaining employment, and the amount of federal and private funds leveraged for anti-poverty programs.

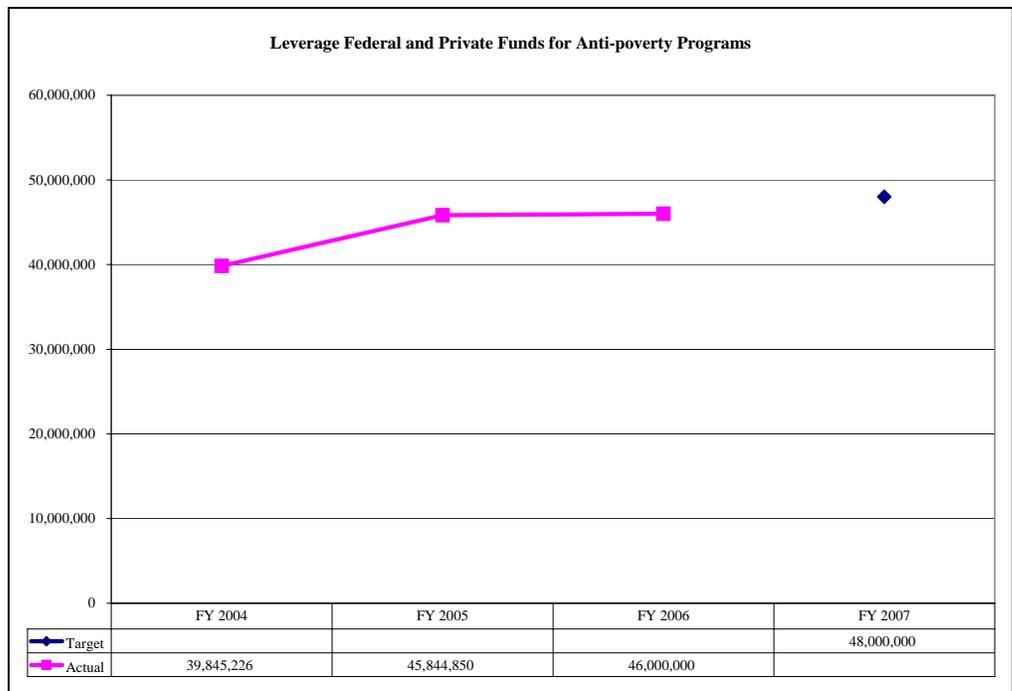


Figure 15

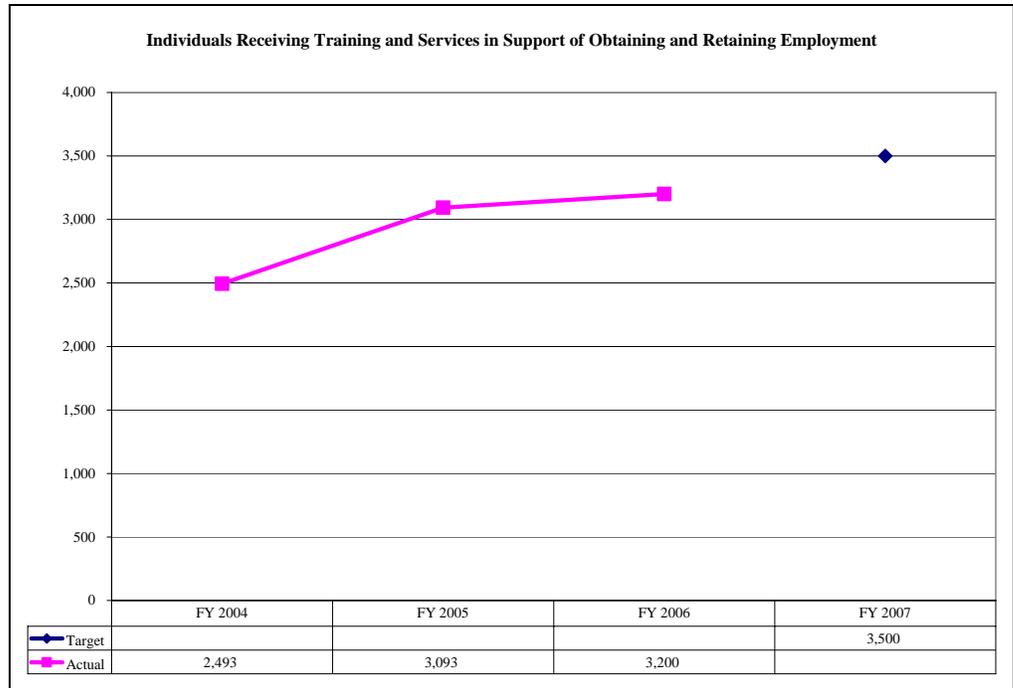


Figure 16

Funding Detail

Community Services primarily uses federal funds and some state revenues to provide services to eligible populations.

	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	44,000	42,300	49,300	55,500	55,400
Federal Funds	3,358,800	3,299,700	3,524,700	2,856,200	3,538,100
Total	\$3,402,800	\$3,342,000	\$3,574,000	\$2,911,700	\$3,593,500
Categories of Expenditure					
Personal Services	178,000	168,000	149,200	154,000	194,000
In-State Travel	2,800	2,800	2,100	2,500	2,000
Out of State Travel	11,200	6,800	7,700	5,100	8,000
Current Expense	53,900	34,400	33,200	25,600	33,500
DP Current Expense	1,500	1,700	1,200	1,300	1,600
DP Capital Outlay	0	0	0	2,723,200	0
Other Charges/Pass Thru	3,155,400	3,128,300	3,380,600	0	3,354,400
Total	\$3,402,800	\$3,342,000	\$3,574,000	\$2,911,700	\$3,593,500
Other Data					
Budgeted FTE	2.3	3.0	3.0	3.0	3.0

Table 34

UTAH COMMISSION ON VOLUNTEERS

Function

The mission of the Utah Commission on Volunteers is to improve communities through service and volunteering in Utah. The mission is accomplished through three main efforts: administration of programs of the Corporation for National and Community Service (CNCS), including AmeriCorps and Learn & Serve; establishment and support of local Volunteer Centers; and the promotion and support of the local Citizen Corp Councils in concert with the state Department of Emergency Services.

Statutory Authority

Statutory authority for the Utah Commission on Volunteers is provided in UCA 9-1-803.

Funding Detail

Funding for the Commission on Volunteers is mainly federal fund with a small portion attributable to the General Fund and dedicated credit revenues. Most of the funding is passed through to the volunteer centers.

Budget History - Community and Culture - Housing and Community Development - Commission on Volunteers					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	93,600	93,900	99,300	111,000	111,100
General Fund, One-time	0	0	0	0	(100)
Federal Funds	2,209,300	1,247,400	1,792,700	1,739,900	1,881,800
Dedicated Credits Revenue	65,800	125,300	0	173,400	0
Transfers	0	0	72,400	0	148,000
Beginning Nonlapsing	105,700	0	0	0	0
Total	\$2,474,400	\$1,466,600	\$1,964,400	\$2,024,300	\$2,140,800
Categories of Expenditure					
Personal Services	385,500	371,000	324,200	353,000	339,600
In-State Travel	17,200	12,100	13,000	7,600	17,000
Out of State Travel	8,200	5,500	8,800	11,800	13,400
Current Expense	62,200	85,400	58,300	91,300	165,000
DP Current Expense	2,600	2,000	4,700	6,100	4,000
Other Charges/Pass Thru	1,998,700	990,600	1,555,400	1,554,500	1,601,800
Total	\$2,474,400	\$1,466,600	\$1,964,400	\$2,024,300	\$2,140,800
Other Data					
Budgeted FTE	6.1	5.9	5.0	5.0	5.0

Table 35

EMERGENCY FOOD NETWORK

Function

Funding provided to the Emergency Food Network (EFN) is administered by the State Community Services Office for distribution to emergency food pantries statewide. The funds assist local food banks and other providers with the storage and distribution of emergency and supplemental nutrition to households in poverty. Emergency food pantries utilize a variety of resources. These are mostly state and local funds leverages with in-kind resources that include food and volunteer support.

Accountability

The Emergency Food Network tracks the number of pantry visits as a success measure as shown below. They also track the percent of clients accessing food stamps which will be shown beginning next year.

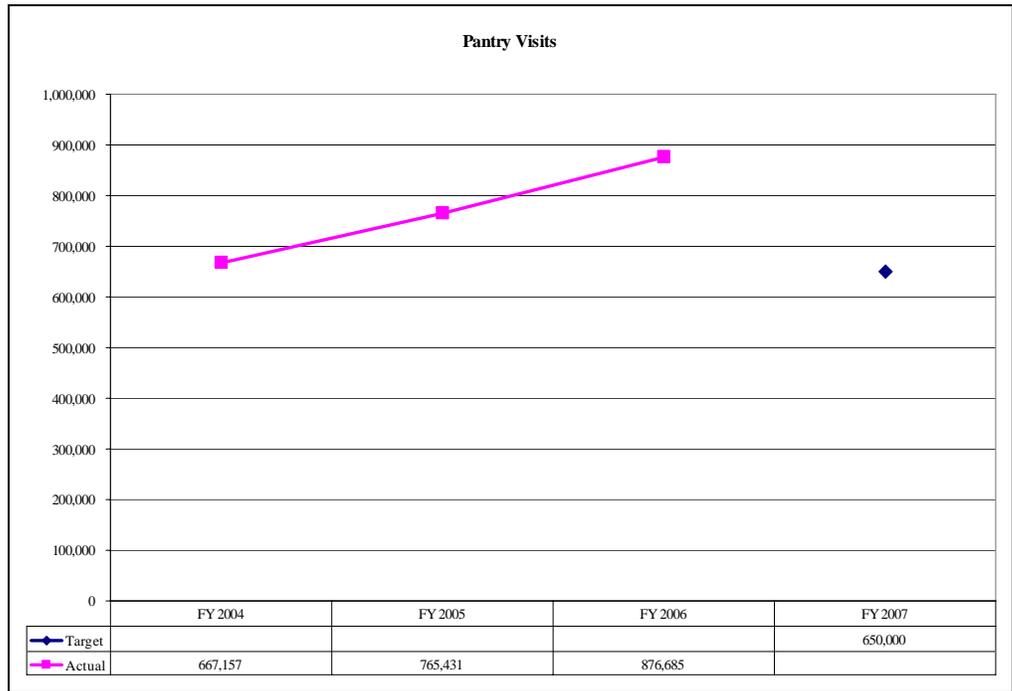


Figure 17

Funding Detail

Funding for the program is from the General Fund with resources being passed through to eligible entities.

	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Appropriated
Sources of Finance					
General Fund	140,400	170,400	200,400	170,400	200,700
General Fund, One-time	0	0	0	130,000	100,000
Federal Funds	0	800	8,300	7,300	12,500
Beginning Nonlapsing	9,000	15,900	8,800	3,200	0
Closing Nonlapsing	(15,900)	(8,800)	(3,200)	(9,900)	0
Total	\$133,500	\$178,300	\$214,300	\$301,000	\$313,200
Categories of Expenditure					
Personal Services	0	100	7,700	6,700	6,300
Current Expense	0	700	600	600	6,500
Other Charges/Pass Thru	133,500	177,500	206,000	293,700	300,400
Total	\$133,500	\$178,300	\$214,300	\$301,000	\$313,200

Table 36

COMMUNITY DEVELOPMENT CAPITAL

Function

The programs in the Community Development Capital budget mitigate the impacts of non-metallic mineral extraction and help fund special service districts. Funding sources for the program are mineral lease royalties returned to the State by the federal government.

Utah is energy rich in coal, hydroelectric, geothermal, natural gas, uranium and crude oil. The energy industry not only includes production of energy fuels, but the conversion of these resources into other forms of energy such as

petroleum and electricity. This energy is used in Utah, shipped to other surrounding states, or exported to overseas markets.

In order to help mitigate local impacts of major energy and mineral development on federal lands, the federal government returns half of the royalty revenues collected back to the State of origin. The royalties collected are called mineral lease funds. Because of the prevalence of federal lands in Utah, these impacts are extensive.

Utah puts the revenue into two General Fund - Restricted Accounts. The Mineral Lease Account is general royalty revenue returned to the State. The Mineral Lease Bonus Account originally came from the Department of Interior oil shale prototype leases known as U-a and U-b, located in eastern Utah. Currently, Bonus Revenue includes revenue from lease renewal fees and leases obtained from new mineral development.

Statutory Authority

Statutory authority for the Permanent Community Impact Board is provided in UCA 9-4-301.

Funding Detail

The CD Capital program is funded through federal mineral lease revenues.

Budget History - Community and Culture - Community Development Capital Budget					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Federal Mineral Lease	2,024,900	3,173,700	4,184,500	6,325,700	4,500,000
Permanent Community Impact	18,290,800	34,840,900	9,400,000	9,400,000	41,950,000
Repayments	0	0	0	0	19,447,000
Beginning Nonlapsing	33,000	0	0	0	0
Lapsing Balance	(6,942,200)	(26,788,900)	0	0	0
Total	\$13,406,500	\$11,225,700	\$13,584,500	\$15,725,700	\$65,897,000
Programs					
Permanent Community Impact Board	11,348,600	8,052,000	9,400,000	9,400,000	61,397,000
Special Service Districts	2,057,900	3,173,700	4,184,500	6,325,700	4,500,000
Total	\$13,406,500	\$11,225,700	\$13,584,500	\$15,725,700	\$65,897,000
Categories of Expenditure					
Other Charges/Pass Thru	13,406,500	11,225,700	13,584,500	15,725,700	65,897,000
Total	\$13,406,500	\$11,225,700	\$13,584,500	\$15,725,700	\$65,897,000

Table 37

Restricted Funds Summary - Community Development Capital				
Fund/Account Name	Statutory Authority	Revenue Source	Prescribed Uses	FY 2006 Balance
Mineral Bonus Account	59-21-2	Federal Mineral Lease Bonus payments	Formula driven established in statute UCA 59-21-2	\$20,040,200
Mineral Lease Account	59-21-2	Federal Mineral Lease	Formula driven established in statute UCA 59-21-2	\$54

ZOOS

Function

The State passes through funding to local zoos annually. This program accounts for the annual appropriation. Funding is split between the Hogle Zoo in Salt Lake County and Willow Park Zoo in Cache County. Funding was increased by \$100,000 in FY 2007.

Funding Detail

The appropriation for the Zoos comes from the General Fund as shown below.

Budget History - Community and Culture - Zoos					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	1,323,700	1,398,700	1,598,700	1,398,700	1,498,700
Lapsing Balance	0	0	(127,400)	0	0
Total	\$1,323,700	\$1,398,700	\$1,471,300	\$1,398,700	\$1,498,700
Programs					
Zoos	1,323,700	1,398,700	1,471,300	1,398,700	1,498,700
Total	\$1,323,700	\$1,398,700	\$1,471,300	\$1,398,700	\$1,498,700
Categories of Expenditure					
Other Charges/Pass Thru	1,323,700	1,398,700	1,471,300	1,398,700	1,498,700
Total	\$1,323,700	\$1,398,700	\$1,471,300	\$1,398,700	\$1,498,700

Table 38

CHAPTER 2 GOVERNOR’S OFFICE OF ECONOMIC DEVELOPMENT (GOED)

Function The role of the Governor’s Office of Economic Development is to facilitate the growth of quality jobs, promote Utah business, and develop economic prosperity for Utah through increasing the net tax revenue to the State.

Statutory Authority The Department was restructured in the 2005 General Session. Statutory authority for the Governor’s Office of Economic Development is now provided in UCA 63-38f. GOED shall:

- Be the industrial promotion authority of the state;
- Promote and encourage the economic, commercial, financial, industrial, agricultural, and civic welfare of the state;
- Do all lawful acts to create, develop, attract, and retain business, industry, and commerce within the state; and
- Do other acts that enhance the economy of the state.

Funding Detail Funding detail for the office is included in the table below.

Budget History - Governor's Office of Economic Development					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	14,625,100	11,703,200	17,433,300	13,669,100	14,714,800
General Fund, One-time				764,900	757,700
Transportation Fund	118,000	118,000	118,000	118,000	118,000
Federal Funds	759,100	197,700	421,700	300,000	300,000
Dedicated Credits Revenue	427,900	404,400	383,600	285,700	414,700
GFR - Business Development for Disadvan				250,000	
GFR - Industrial Assistance	386,300	186,600	189,300	223,500	223,500
GFR - Motion Picture Incentive Fund				1,000,000	1,000,000
GFR - Tourism Marketing Performance	1,750,000	450,000		10,000,000	11,000,000
Transfers	67,000				
Beginning Nonlapsing	981,600	2,544,700	2,650,500	9,604,600	
Closing Nonlapsing	(2,544,700)	(2,688,300)	(9,586,600)	(6,052,100)	
Lapsing Balance	(222,900)	(2,100)			
Total	\$16,347,400	\$12,914,200	\$11,609,800	\$30,163,700	\$28,528,700
Line Items					
Administration					2,411,100
Office of Tourism					16,481,700
Business Development				239,900	9,485,900
Incentive Funds	374,100	321,000	193,500	283,100	150,000
Business and Travel Development	15,973,300	12,593,200	11,416,300	29,640,700	
Total	\$16,347,400	\$12,914,200	\$11,609,800	\$30,163,700	\$28,528,700
Categories of Expenditure					
Personal Services	4,500,700	4,267,300	4,093,700	5,144,300	5,066,100
In-State Travel	61,500	72,800	53,700	100,000	279,900
Out of State Travel	145,800	201,700	166,700	184,200	38,000
Current Expense	6,834,100	3,739,800	1,839,800	3,258,000	3,745,400
DP Current Expense	399,300	164,700	142,000	550,100	1,965,300
DP Capital Outlay	5,900	1,200			
Other Charges/Pass Thru	4,400,100	4,466,700	5,313,900	20,927,100	17,434,000
Total	\$16,347,400	\$12,914,200	\$11,609,800	\$30,163,700	\$28,528,700
Other Data					
Budgeted FTE	67.1	63.1	65.0	60.0	72.5
Vehicles	3	3	3	3	3

Table 39

ADMINISTRATION**Function**

GOED Administration provides leadership to the two strategic program areas in the Office: Business Development and Tourism. The Administration defines, develops and implements strategies and provides fiscal guidance and support to the programs. The Administration also provides oversight and support to the Utah Sports Commission, The Utah Summer Games, the Utah Defense Alliance, and other legislated pass through programs.

Funding Detail

The Administration is funded through General Fund. A change in office structure in the 2006 General Session established the new Administration line item, thus there is no history.

Budget History - Economic Development - Administration					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	0	0	0	0	1,686,700
General Fund, One-time	0	0	0	0	724,400
Total	\$0	\$0	\$0	\$0	\$2,411,100
Categories of Expenditure					
Personal Services	0	0	0	0	558,500
In-State Travel	0	0	0	0	22,600
Current Expense	0	0	0	0	19,900
DP Current Expense	0	0	0	0	19,900
Other Charges/Pass Thru	0	0	0	0	1,790,200
Total	\$0	\$0	\$0	\$0	\$2,411,100
Other Data					
Budgeted FTE	0.0	0.0	0.0	0.0	6.5
Vehicles	0	0	0	0	3

Table 40

BUSINESS AND ECONOMIC DEVELOPMENT

Function

The mission of Business and Development is to create jobs that will raise the standard of living of Utah’s citizens by enabling companies to be successful. To accomplish this mission Business and Economic Development is focused on driving Business Creation, Business Growth, and Business Recruitment. Business Development programs are as follows.

Business Creation

- State Science Advisor
- Centers of Excellence
- Business Cluster Development
- Utah Business Links
- Informal Science Education

Business Growth

- Technology Parks
- Entrepreneurial Development/Small Business Development Centers
- Rural Development
- Main Street Program
- International Trade and Diplomacy
- Procurement Technical Assistance Centers
- Business Manufacturing Productivity/Utah Manufacturing Partnership

Business Recruitment

Corporate Recruitment

State Incentives

Talent Acquisition

In addition Business and Economic Development provides oversight for programs such as the Utah Defense Alliance and the Manufacturing Extension Partnership.

BUSINESS CREATION

Business Creation is charged with the mission of creating new, high quality jobs in the State of Utah through the development and optimization of the business environment within specific business clusters. The work to accelerate the transition of technologies from Utah's institutions of higher education into Utah companies, by providing access to business teams, and helping to leverage capital for startup companies.

State Science Advisor

The State Science Advisor is given statutory authority under UCA 63-38f-606 and is responsible for all statewide initiative related to science and technology. The State Science Advisor has specific responsibility for fostering technological advancement and developing new technology-based economic opportunities. The stated mission is to "accelerate Utah's emergence as a center for technology investment, employment and entrepreneurship."

The State Science Advisor serves as an objective source of information and interpretation of technical issues confronting the State for the benefit of the Governor, the Legislature, and the citizenry. Both independently and through the State Science Advisory Council, the Advisor serves to interface with military operations, review radioactive waste operations, suggest measures for improved science and technology literacy in the adult and student populations, and work as the interface between State Government, education, business development and technology. The State Science Advisor is appointed directly by the Governor under statutory authority.

Centers of Excellence

The Centers of Excellence Program provides funding to Universities within the State to identify marketable technologies, transfer those technologies to Utah businesses, and capitalize on those technologies to produce new, high paying jobs. The Centers of Excellence program was created in statute in 1986.⁸

The primary objective of the Centers of Excellence program from its inception has been to encourage the commercialization of leading edge technologies developed at Utah's universities and colleges. The commercialization,

⁸ UCA 63-38f

accomplished through licensing patented technologies and protected intellectual property and by creating new companies, impacts Utah's economic base, and the leveraged use of matching fund dollars to strengthen research and development at Utah's institutions of higher learning.

In the 2005-2006 funding cycle the office received proposals totaling \$4 million in requests compared to \$3 million in funding. Of the \$3 million in funding, \$150,000 is used for planning grants and for the Commercialization Consulting Program. The remaining revenue funds the centers.

Prior to FY 2006, centers were eligible for funding depending upon their successful forward program, for a period of five years. As of FY 2006, this has been reduced for 4 years of eligibility, although at a higher level of funding, in order to accelerate time to market of these technologies.

Proposals for Centers of Excellence funding are reviewed by the volunteer Centers of Excellence Advisory Council. Centers selection is based on a ranking established through the review process.

The Centers program funds a consulting program which helps Centers determine successful strategies for commercialization. As of FY 2006, this consulting program has been revamped with a budget of \$500,000 (approximately \$25,000 per center) and recruiting seasoned technology executives and serial entrepreneurs to consult with the Centers. The job of all business consulting in the Centers program is to help create robust and successful business plans based on the most promising market segments and opportunities.

The Director of the Centers of Excellence program operates under the oversight of the State Advisory Council on Science and Technology (SAC) and the GOED Board which are the two citizen oversight boards with responsibility for the Centers of Excellence program. Each center tracks, and reports to the Director matching funds, licenses, patents, sponsored research projects from potential customers/licensees and spinout companies. These are all self reported but can be confirmed via the Technology Transfer Offices/Sponsored Projects Offices at the Universities. The progress of each Center against the development program and milestones described in their annual report/proposal is also tracked by the business team members throughout the year and by the Council annually. In addition, as of FY 2006, new Business Advisory Councils, with volunteers from the business community, will serve as ongoing mentors to the Centers and the Business Team mentors and will also assist the SAC in their statutory responsibility to oversee the Centers throughout the year.

Before the 2007 Legislative session, the Centers of program will compile and present a 2005-06 annual report, which will also be posted on the Centers program Website, as are all annual reports from the history of the program.

Results

Since 1986, over 100 centers have been formed and funded and over 124 companies have spun off from centers funded by the Centers of Excellence

program. Of these, 60 are known to be in Utah today. The Centers program has also helped to foster 179 patents, resulting in 204 license agreements.

As of the last audit in 2006 (based on a sample of 38 Centers), Centers spinout companies directly employed over 2,008 persons in the state, at an average wage of \$66,000 for a single year wage impact of \$130,000,000. At a 7 percent tax rate, these jobs deliver approximately \$9,100,000 a year in individual income taxes.

A specific example of a company which received funding from Centers of Excellence is Myriad Genetics (MYGN), which began as the Center for Cancer Genetic Epidemiology and received funding from COEP of \$354,000. Myriad Genetics, as of 9/18/06, had a market capitalization of \$970.31 million and in a 2006 survey had over 660 Utah employees at an average wage of \$58,000. Using these statistics we can estimate the Myriad's single year wage impact is approximately \$38,300,000. At a tax rate of 7 percent this results in approximately \$2,681,000 paid to the state in individual income taxes alone.

Other firms that have spun out from the Centers of Excellence include Sonic Innovations (SNCI) with a 9/14/05 Market cap of \$91,850,000 which spun out of the 1995 Center for Signal Processing from BYU, and received \$776,000 in Centers funding. In a 2006 survey Sonic had 101 employees at an average salary of \$80,000, resulting in a single year wage impact of approximately \$8,080,000. This yields, at a 7 percent tax rate, annual individual income taxes of approximately \$565,000.

Another successful spinout from the Centers program is Theratech which was acquired Watson Pharmaceuticals (WPI) and was a spinout of the 1986 Center for Controlled Drug Delivery from the University of Utah, which received Centers funding of \$646,000. In a 2003 survey Theratech had 324 employees with an average annual salary of \$61,000. This delivered a single year wage impact of approximately \$19,760,000 and individual income taxes of approximately \$1,380,000.

Other spinouts from the Centers of Excellence program include Echelon Biosciences Inc. an Aeterna Zentaris Company (AEZS) which spun out of the Center for Cell Signaling; the Space Dynamics Laboratory at Utah State University which emerged from the Center for Space Engineering; and Sarcos, which spun out from the Center for Engineering Design at the University of Utah.

Emerging COE successes from current Centers or recent graduates of the program include Sentrax Surgical, Inc, a spinout of the Center for Therapeutic Biomaterials at the University of Utah; Visual Influence, Inc. (SCI at University of Utah); IsoTruss Structures, Inc. (Licensee of BYU Center for Advanced Structural Composites); RapidMapper (Licensee of Advanced Imaging LADAR –USU), MegaStir Technologies, Inc. (Spinout of Advanced Joining of Materials (BYU); TechniScan Medical Systems (Spinout of Inverse Problems, Imaging and Tomography – UU).

Accountability

The success of the Centers of Excellence program will be measured by the number of spinout companies, the number of jobs created and the average salary of the jobs created as reported above.

Business Cluster Development

The strategy centers on the development of clusters in the following areas: Aerospace, Defense and Homeland Security, Life Sciences, Outdoor Product, Financial Services, Energy and Natural Resources, Software Development and Information Technology, and a group of Competitive Accelerators. Focused on statewide economic development, the Cluster Initiative team works with business leaders throughout the state to bring demonstrated best practice business environment to Utah's economic clusters.

Accountability

The success of this program will be measured by the number of jobs created and the incremental tax revenue generated.

technology@breakfast

The technology@breakfast speaker series consists of monthly breakfast meetings to provide networking opportunities for business, academic, and governmental leaders. Topics focus on technology-based economic development initiatives.

Utah Business Link

The Business Link Program will leverage funding from numerous sources including private, federal, and local entities to coordinate and streamline services provided to business.

Accountability

The success of this program will be measured by the number of jobs created and saved through a reduction in business failures.

Informal Science Education

The Informal Science Education program is administered by the State Science Advisor. The program provides informal science and technology based education to elementary and secondary students, exposes public education student to college level science and technology disciplines, and administers a science and technology camp program.

Accountability

The success of this program will be measured by the number of students graduating from science camp.

Funding Detail

The Business Creation Program contains General Fund for the State Science Advisor, Centers of Excellence program, Business Cluster Development program, Utah Business Link program, and the Informal Science Education program.

Budget History - Economic Development - Business Development - Business Creation					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	0	0	0	0	3,583,800
General Fund, One-time	0	0	0	0	(1,900)
Total	\$0	\$0	\$0	\$0	\$3,581,900
Categories of Expenditure					
Personal Services	0	0	0	0	333,300
In-State Travel	0	0	0	0	23,000
Current Expense	0	0	0	0	119,200
DP Current Expense	0	0	0	0	6,400
Other Charges/Pass Thru	0	0	0	0	3,100,000
Total	\$0	\$0	\$0	\$0	\$3,581,900
Other Data					
Budgeted FTE	0.0	0.0	0.0	0.0	8.5

Table 41

BUSINESS GROWTH

Business Growth is charged with promoting the vitality, expansion and retention of existing Utah businesses. Existing businesses create 75 percent of the new jobs every year. Business Growth insures statewide coverage, oversight, and implementation of programs to help existing businesses. It drives industry partnering and enables industry self-sufficiency by building strong industry associations and establishing a business development strategy for each industry.

Statutory Authority

The statutory responsibility for Business Growth is found in UCA 63-38f. Responsibilities include: Enterprise Zone Administration; Recycling Zone Administration; Pioneer Community/Main Street Program Administration; and the Office of Rural Development.

Programs

Specific programs include: the Technology Parks program, the Entrepreneurial Development/SBDC program, the Rural Development program, the Main Street Program, International Trade and Diplomacy, Procurement Technical Assistance, and the Business Manufacturing Productivity/UMEP program.

Technology Parks

The mission of this program is to develop work-class business and technology centers within the State of Utah. Technology parks serve three economic purposes:

1. To act as a place where University related technology commercialization can occur.
2. To serve as a world-class location attractive to corporations relocating to the State.
3. To provide a place where local companies can locate to cross-pollinate with other key industries.

Entrepreneurial Development/Small Business Development Centers

The Utah Small Business Development Centers were established to provide small business owners with one-on-one counseling, business skills training, and loan counseling. The investment in SBDC program of \$349,000 annually by the Legislature helps fund a partnership and leverages funds from the SBA and local Colleges and Universities in Utah. Measures include counseling sessions, seminars and training sessions. Services are provided to help small businesses assess opportunities and challenges.

In FY 2007, the program is increasing its focus on entrepreneurial development by establishing Business Resource Centers, entrepreneurial development software called Utah Business Link and a business-to-business directory in the Office of Rural Development.

Accountability

Success for this program will be measured by the establishment of Business Resource Centers, by the creation of the Business Link software, and by implementation of the business to business directory.

Rural Development

SB 50 (2004 General Session) created a formalized Office of Rural Development and established the Governor's Rural Partnership Board to provide rural policy input to the Governor's Office and the Utah State Legislature. The Office of Rural Development provides staff support for the Governor's Rural Partnership Board and works to implement their recommendations in a manner that is consistent with the goals and objectives of the Governor's Office of Economic Development. Additionally, the Office provides a voice and clearinghouse for rural Utah's needs and issues. The Utah Main Street, Utah Enterprise Zone Tax Credit and the Recycling Market Development Tax Credit are administered through the rural office as is Business Development for Disadvantaged Rural Communities Grant Program.

The Office of Rural Development runs two programs that offer tax credits to Utah businesses. Utah Enterprise Zones provide State personal and corporate income tax credits for investment and job creation in rural counties.

Recycling Market Development Zones encourage businesses that are involved in recycling.

The Utah Main Street Program assists communities with the revitalization of their historic business districts. The goal is to re-establish downtown as a vibrant center of economic, civic, and cultural activity. The program offers ongoing training and technical assistance as well as organizational start-up costs.

Accomplishments

During the summer of 2004, the Office of Rural Development engaged over 1,000 rural Utahns in a series of internet-based surveys and public meetings to identify and prioritize strategies to enhance rural Utah's economy. Final priorities were selected by the Governor's Rural Partnership Board and include strategies impacting value added agribusiness, rural capital formation, public lands coordination, technology development, tourism promotion, entrepreneurship and rural economic clusters.

The Utah Smart Site program was successful in creation an additional 224 jobs bringing the total number of new jobs announced by participating companies since 2002 to 1,357. The number of Smart Site firms increased from 45 to 66 businesses.

235 Utah firms earned just over 3.5 million in tax credits from the Utah Enterprise Zone and Utah Market Development Recycling Zone Tax Credit programs.

Accountability

Success for this program will be measured by the number of jobs created and saved in rural Utah, tax credits earned, and by Main Street retail sales growth.

International Trade and Diplomacy

Since 1982 the International Trade and Diplomacy Office assists Utah companies to develop markets for their products and services in foreign countries. The mission of International Development is to create jobs by increasing Utah's exports and international presence.

International fulfills its mission by identifying receptive global markets for Utah goods and services, by cultivating Utah's positive business image, developing an informed leadership and constituency for international trade in Utah and branding Utah for international audiences. In addition, International serves as the State's diplomacy advisor and leverages diplomatic contacts to develop and expand foreign markets for Utah.

International focuses on the following activities:

- Create jobs by increasing international trade: Conducting seminars on international business; providing export assistance and business advice through local business visits; organizing trade missions; hosting international trade delegations; and creating and export directory.
- Increase trade by branding Utah globally: Brand all collateral materials; distribute Utah promotional materials throughout the world; provide branded gifts to international dignitaries, and showcase Utah branding on their website.
- Increases trade opportunities by promoting Utah's technical strengths: Combine international business development efforts with State's Cluster Initiative to highlight strong industry-specific ecosystems to global marketplace; promote visits by diplomatic delegations to Utah by presenting Cluster matchmaking opportunities and involve Cluster leaders in diplomatic visits and trade missions.

Accountability

The success of the International Program will be measured by:

- tracking the performance of participating trade mission companies through increased employment and wages.
- surveying trade mission participants to track increased sales
- conducting baseline surveys to determine the percentage of the company's international involvement

- maintaining a log of companies counseled, attendees at training, and hits of the export directory and
- tracking trade mission participants increased international contracts and monitoring projected sales and actual sales.

Procurement Technical Assistance (PTAC)

The PTAC program is a federally matched program (Department of Defense/Defense Logistics Agency) and was established to proactively assist Utah businesses in securing contracts from federal, State, and local agencies for their products. PTAC provides training, counseling, workshops, and mentors to assist companies in meeting their business and marketing goals. There are 8 offices located throughout the State to assist businesses statewide.

Accountability

The success of the Procurement Technical Assistance program will be measured by:

- The number of new jobs created from increase contracts
- The companies available to contract with the government
- Increase procurement contracts for small businesses.

The information below shows the success measures for PTAC.

Utah Procurement Technical Center Program					
Year	Businesses Registered	Contracts Awarded	Value Of Contracts	Job Impact Of Contracts	Business Conferences Conducted
1999	925	590	123 Million	3,000	28
2000	950	870	174 Million	4,350	32
2001	1,000	1,052	170 Million	4,250	29
2002	1,050	890	213 Million	5,325	37
2003	490	563	127 Million	3,740	44
2004	352	353	91 Million	4,445	43
2005	1,200	491	348 Million	9,550	38
2006	1,050	781	101 Million	2,719	51

Source: Governor's Office of Economic Development

Table 42

Business Manufacturing Productivity/Utah Manufacturing Extension Partnership

A key element of Utah’s economic development strategy is to increase the productivity of Utah manufacturers. To accomplish this, the state manages a contract with the Utah Manufacturing Extension Partnership (UMEP) and passes through a \$940,000 appropriation to UMEP. The UMEP is focused on helping small manufacturers in Utah improve the productivity, efficiency, and profitability of their businesses. The managing director of Business and Economic Development serves on the Technical Advisory Board of UMEP. UMEP provides counseling and support services to Utah’s small manufacturing community. The UMEP is funded by federal appropriations from the Department of Commerce, the State of Utah, and from fees for service activities.

The Manufacturing Extension Partnership (MEP) is a nationwide network of not-for-profit centers in over 400 locations nationwide, whose purpose is to provide small and medium sized manufacturers with help. The centers are funded by federal, state, local and private resources to serve manufacturers. The goal is to make it possible for even the smallest firms to tap into the expertise of knowledgeable manufacturing and business specialists all over the United States. These specialists are people who have had experience on manufacturing floors and plant operations.

Each center works directly with area manufacturers to provide expertise and services tailored to their most critical needs. Solutions are offered through a combination of direct assistance from center staff and outside consultants. Centers often help small firms overcome barriers in locating and obtaining private sector resources.

Utah has assisted 1,200 manufacturers during the past 8 years. Metrics for the program will be established in 2007.

Business Accelerator Support

Business Growth provides financial and staff support to a number of “business accelerators” operating in Utah. Business accelerators are typically non-profit entities that provide services to Utah technology companies. A sample of those organizations includes:

- The Wayne Brown Institute
- The Utah Information Technology Council
- The Utah Life Sciences Association (ULSA)
- The Mountain West Venture Group
- Envision Utah
- Technology to Market (T2M)
- University of Utah Student Venture Fund

Funding Detail

Funding for business growth is used for staff support and pass through. Most of the funding comes from the General Fund.

Budget History - Economic Development - Business Development - Business Growth					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	0	0	0	0	3,836,200
General Fund, One-time	0	0	0	0	39,300
Federal Funds	0	0	0	0	300,000
Dedicated Credits Revenue	0	0	0	0	160,000
GFR - Industrial Assistance	0	0	0	0	223,500
Total	\$0	\$0	\$0	\$0	\$4,559,000
Categories of Expenditure					
Personal Services	0	0	0	0	1,601,900
In-State Travel	0	0	0	0	128,300
Current Expense	0	0	0	0	894,800
Capital Outlay	0	0	0	0	45,000
Other Charges/Pass Thru	0	0	0	0	1,889,000
Total	\$0	\$0	\$0	\$0	\$4,559,000
Other Data					
Budgeted FTE	0.0	0.0	0.0	0.0	18.0

Table 43

Restricted Funds Summary - Business Growth				
Fund/Account Name	Statutory Authority	Revenue Source	Prescribed Uses	FY 2006 Balance
Business Development for Disadvantaged Rural Communities	63-38f-2003	General Fund	To promote economic development in Rural Communities	\$5,678

Table 44

BUSINESS RECRUITMENT

Function

The mission of Business Recruitment is to create quality jobs by proactively recruiting new or expanding companies to the state. This responsibility has been outsourced to the Economic Development Corporation of Utah (EDCUtah). They are now responsible for proactively pursuing targeted companies for Utah, following all recruitment leads, and in conjunction with GOED staff successfully negotiating relocation deals. A comprehensive contract was completed September 1, 2005. Their activities include but are not limited to, the following: National Advertising, Trade Shows and Conferences, and Domestic Trade Missions. They also conduct Utah Familiarization Tours and help promote Utah’s clusters.

EDCUtah will coordinate state and local economic development resources for the purpose of recruiting companies outside Utah that will create jobs with above average wages and benefits.

INCENTIVE FUNDS

Function

The Utah Incentive Funds program administers statutory programs created by the legislature to induce economic activity in Utah. These programs include the Industrial Assistance Fund, Aerospace/Aviation Development Zones, Economic Development Zones, and the Film Incentive Fund. A table identifying the incentives offered by GOED is shown below. This also includes some of the incentives offered outside of GOED.

	Estimated State Funding or Tax Credit	Classification
<u>GOED Incentives</u>		
Industrial Assistance Fund	1,408,600	Post-Performance Grant
Tax Increment Financing & Aerospace and Aviation Development Zones	1,528,000	Post-Performance Grant
Procurement Technical Assistance	400,000	State Appropriation
Enterprise Zones	2,773,325	Tax Credit
Recycling Zones	1,509,689	Tax Credit
Centers of Excellence	2,500,000	State Appropriation
Tourism Marketing Performance Fund	11,000,000	State Appropriation
Motion Picture Incentive Fund	1,000,000	State Appropriation
GOED Incentives Total	<u>\$22,119,614</u>	
<u>Non-GOED Initiatives</u>		
Jobs Now	1,000,000	State Appropriation
Custom Fit	3,108,100	State Appropriation
USTAR**	19,250,000	
Fund of Funds*		Contingent Tax Credit
Non-GOED Initiatives Total	<u>\$23,358,100</u>	
<u>Pass Through Entities</u>		
Small Business Development Centers	349,000	Pass Through
Utah Manufacturing Extension Partnership	940,000	Pass Through
EDCUtah	489,400	Pass Through
Pass Through Entities Total	<u>\$1,778,400</u>	
Total	<u>\$47,256,114</u>	
* Up to \$100,000,000 in contingent tax credits authorized.		
** Ongoing USTAR appropriation. There was also \$50,000,000 one-time provided plus \$111.1 million in bonding authority.		

Table 45

Statutory Authority

The Industrial Assistance Fund was created in 1991. Statutory authority is provided in Utah Code Annotated 63-38f, Part 9. The purpose of the fund is to encourage the creation of quality jobs in Utah. The GOED Board has responsibility to approve all incentive recommendations.

Utah Code Annotated 63-38f, Part 13 provides the authority for the Aerospace/Aviation Development Zones. The statute creates a tax increment financing tools and establishes the authority to administer the zone.

In 2005, HB 11 the Economic Development Tax Increment Financing program to enhance the State’s ability to attract and recruit new businesses to Utah. These rebates are based on new state revenues including income tax, sales tax, and corporate tax. By current policy, a qualifying applicant may receive up to a 30 percent tax rebate for up to 10 years.

The Motion Picture Incentive Fund established in 2005 designated \$1,000,000 for increasing the amount of films produced in Utah. The ongoing appropriation is \$500,000 with a one time appropriation of \$500,000.

TALENT ACQUISITION PROGRAM

The mission of the Talent Acquisition Program is to provide talent focused tools and resources that enable Utah businesses to grow and expand. The goal of the program is to provide Utah’s growth businesses access to a pool of experienced talent, thus enabling Utah companies to become self-sufficient and successful in their recruitment of key talent.

Accountability

The success of this program will be measure by the number of successful professionals recruited to the State.

Funding Detail

Funding for this program comes from the General Fund.

Budget History - Economic Development - Business Development - Business Recruitment					
Sources of Finance	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Appropriated
General Fund	0	0	0	0	883,500
Total	\$0	\$0	\$0	\$0	\$883,500
Categories of Expenditure					
Personal Services	0	0	0	0	245,700
In-State Travel	0	0	0	0	14,400
Current Expense	0	0	0	0	568,900
DP Current Expense	0	0	0	0	4,800
Other Charges/Pass Thru	0	0	0	0	49,700
Total	\$0	\$0	\$0	\$0	\$883,500
Other Data					
Budgeted FTE	0.0	0.0	0.0	0.0	4.5

Table 46

Restricted Funds Summary - Business Recruitment				
Fund/Account Name	Statutory Authority	Revenue Source	Prescribed Uses	FY 2006 Balance
Economic Incentive Restricted Account	63-38f-1309	General Fund	To pay for rebates authorized by the GOED Board for incremental growth in revenues.	\$929,533

Table 47

Restricted Funds Summary - Recruitment				
Fund/Account Name	Statutory Authority	Revenue Source	Prescribed Uses	FY 2006 Balance
Industrial Assistance Fund	63-38f-903	General Fund	To provide financial assistance to companies relocating or expanding in Utah.	\$31,303,744

Table 48

OFFICE OF TOURISM

Function

The Office of Tourism (UOT) exists to improve the quality of life of Utah citizens through revenue and tax relief by increasing the quality and quantity of tourism visits and spending.

Statutory Authority

Statutory authority for the Office of Tourism is provided in UCA 63-38f-1409 (Renumbered from 9-3-204, as last amended by Chapter 207, Laws of Utah 2002)

The Office of Tourism is:

- The tourism development authority of the state.

- Responsible for travel promotion throughout the state.
- Responsible for increasing the economic contribution of tourists visiting the state.
- Responsible for advertising, promotion and publicity related to the attractions of the state as a whole.
- Responsible for coordination between entities involved in tourism and travel promotion.

Funding Detail

The Office of Tourism funding is utilized mainly for staff and an advertising budget. The Offices’ base operations budget comes from the General Fund. In the 2005 General Session the Legislature created a Tourism Marketing Performance Account with a performance based funding mechanism based on the increases in sales tax revenue for 21 tourism related industries and an allocation which declines yearly from the General Fund. There is a small appropriation from Transportation Fund to fund Welcome Centers statewide. Welcome Centers are located at the gateways to Utah. They provide free travel information, restrooms and pay phones. Prior to FY 2007 the Office of Tourism was part of a single GOED line item.

Budget History - Economic Development - Office of Tourism					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	0	0	0	0	4,110,200
General Fund, One-time	0	0	0	0	(1,200)
Transportation Fund	0	0	0	0	118,000
Dedicated Credits Revenue	0	0	0	0	254,700
GFR - Motion Picture Incentive Fund	0	0	0	0	1,000,000
GFR - Tourism Marketing Performance	0	0	0	0	11,000,000
Total	\$0	\$0	\$0	\$0	\$16,481,700
Programs					
Administration	0	0	0	0	613,700
Operations and Fulfillment	0	0	0	0	3,133,100
Advertising and Promotion	0	0	0	0	11,000,000
Film Commission	0	0	0	0	1,734,900
Total	\$0	\$0	\$0	\$0	\$16,481,700
Categories of Expenditure					
Personal Services	0	0	0	0	1,909,100
In-State Travel	0	0	0	0	84,100
Out of State Travel	0	0	0	0	38,000
Current Expense	0	0	0	0	2,111,300
DP Current Expense	0	0	0	0	40,100
Other Charges/Pass Thru	0	0	0	0	12,299,100
Total	\$0	\$0	\$0	\$0	\$16,481,700
Other Data					
Budgeted FTE	0.0	0.0	0.0	0.0	26.0

Table 49

ADMINISTRATION

Function

Administration is responsible for providing direction to the Office of Tourism. Responsibilities include applied research, coordination of tourism programs, strategic planning, and branding the state globally. Additionally, the Utah Film Commission reports to the Managing Director.

Research and Accountability

Research is a focus of the strategic development section. The items below identify several research projects the office has been involved in during the year.

- The annual edition of the Tourism, Travel & Recreation Chapter in the 2007 Economic Report to the Governor illustrates the industry’s 2006 performance and the 2007 outlook.
- The State & County Economic Travel Indicator Profiles serves as one of Utah’s most comprehensive statistical reports on the state’s tourism

industry. The report includes state and county data on traveler spending, employment, tax revenues, land ownership, and regional visitation statistics. A new edition of this report is expected to be released by year-end 2006, containing updated data by Global Insight.

- The state purchased domestic, Canadian, and overseas visitor profile studies which provide detailed information on consumer demographics, psychographics, and travel patterns for Utah visitors. In 2005 the state also purchased an overseas visitor profile, and along with many other states is waiting for improvements to be made in the U.S. Department of Commerce's In-Flight Survey before purchasing additional overseas data.
- In 2006, the UOT expanded the newsletter issues from a semi-annual basis to a monthly newsletter with features, information about the Office's efforts to promote the state, office calendar of events, travel trend information, and other items of interest to tourism partners around the state. Each issue of the newsletter is distributed to over 1,500 tourism related constituents and businesses and government entities. In addition, the publications are made available online at travel.ut.gov.
- The 2005 Travel Guide Fulfillment report summarizes the basic information about who is requesting travel guides, where they live, and the source of their request.
- Utah visitor volume and spending estimates for 2005 were also obtained and compared to a model already developed by the former Department of Community and Economic Development and the Governor's Office of Planning and Budget, giving the Office of Tourism another baseline for comparison of visitor volume and spending figures year to year.
- Tourism indicator statistics are also tracked monthly. The Research Coordinator gathers statistics for Salt Lake International Airport passengers, national monument and recreation area visits, state park visits, information center visits, traffic bulletins for rural interstate and principal arterial highways, occupancy percentages for various regions of the state, web site contacts, phone calls into the Office's call center, travel guide fulfillment, consumer brochure fulfillment, crude oil prices, exchange rates for major currencies, and Salt Lake Area Visitor Counts for attractions in the Salt Lake areas as provided by the Salt Lake CVB.
- Monthly, the Research Coordinator also tracks how much tourism tax revenue is distributed to each county (as provided by the State Tax Commission) including Transient Room Tax (TRT) revenues for counties and cities, resort communities tax, car rental tax, and restaurant tax. Gross taxable sales are also tracked for hotels and lodging, eating and drinking places, car rental, amusement and recreation.

Accountability

Success is measured by the effect the Office of Tourism has on the economy and state tourism revenues. Advertising is a key part of the Office's efforts. Before spending the funding in the Tourism Marketing Performance Account, the Office commissioned a comparative image and awareness study. The study was conducted by Strategic Marketing and Research Inc. (SMARI), the objectives were to:

- Assess overall image and level of familiarity with Utah.
- Compare attitudes/perceptions surrounding Utah as a destination.
- Measure top of mind and image perceptions of Utah.
- Define prevailing market position, or positioning profile of the area
- Investigate the competitive situation
- Identify key motivators of visitation to Utah
- Determine key differences between visitors and non-visitors.

One of the key findings of the study was that most people are unaware of what Utah has to offer. People were unaware that many of the state's icons were actually located in Utah. The study established a baseline. Utah will now attempt to communicate what makes us unique from our competitors.

In 2006 the office implemented new summer and winter ad campaigns as a result of funding provided by the Legislature. SMARI will complete phase two of the study after the ads have run to see how effective the state was in communicating the new message. The primary research objective for both ad campaigns is:

- Forward performance measures that would assess the effectiveness of the campaign in meeting its various communications goals.
- Measure the ability of the advertising to reach the target audience and generate recall.
- Determine how well the campaign spurs consumers to act and learn more about Utah as a travel destination.
- Identify the strengths and weaknesses of the creative execution.
- Assess the relative effectiveness of various elements of the campaign such as print versus television to help refine future efforts.
- Gauge the impact of the advertising on attitudes about Utah as a travel destination and link differences in attitudes to variations in preference and travel.
- Evaluate the campaign as compared to major competitive destinations.
- Estimate the impact of the marketing campaign in terms of influenced and incremental travel.

- Quantify the economic impact and ROI associated with the influenced and incremental travel generated by the summer campaign.
- Deliver results of the research in a timeframe which facilitates decision making for the coming year.
- Provide insight and recommendations to help guide and refine upcoming marketing campaigns.

The results of the study should provide valuable information related to the effectiveness of the campaigns. However, it will take time for the results to occur.

In additions to the items mentioned above the Office will focus on four specific measures related to increasing economic contributions of travel and tourism to the state.

1. Total travel and tourist spending
2. Number of visitors
3. Length of stay
4. Increasing the number of repeat visitors

Funding Detail

Appropriations to this program come from the General Fund.

Budget History - Economic Development - Office of Tourism - Administration					
Sources of Finance	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Appropriated
General Fund	0	0	0	0	610,600
General Fund, One-time	0	0	0	0	3,100
Total	\$0	\$0	\$0	\$0	\$613,700
Categories of Expenditure					
Personal Services	0	0	0	0	497,000
In-State Travel	0	0	0	0	27,600
Out of State Travel	0	0	0	0	20,000
Current Expense	0	0	0	0	65,500
DP Current Expense	0	0	0	0	3,600
Total	\$0	\$0	\$0	\$0	\$613,700
Other Data					
Budgeted FTE	0.0	0.0	0.0	0.0	5.0

Table 50

ADVERTISING AND MARKETING

Function

The Marketing and Advertising program is responsible for the overall Utah tourism brand, marketing, advertising and promotional plans. The overall goal of the Marketing Program is to increase the national and international awareness, inquiries, and tourism visits to Utah. Key measures include total tourism visits, length of state, repeat visitors, and person per day spending. Staff oversees the advertising budget/advertising agency contract, which includes the Co-op Marketing Program. In addition, the Utah Sports Commission is funded by the Tourism Marketing Performance fund. Marketing functions include activities to identify market to, develop and retain out-of-state visitors. Increasing out-of-state visitation involves

branding, advertising, sales, and promotion activities directed towards consumers, media, and the travel trade. Promotional and development activities are used in the selling of Utah to the same audiences and include sales missions, consumer and trade shows. Market research is used to identify these appropriate markets, as well as geographic, activity-based, and emerging markets. Efforts are coordinated with city, county, convention and visitor bureaus, vacation destinations, and inter-agency offices and programs.

The Marketing Program executed various print and electronic campaigns this past year. In April 2006, UOT launched the new brand “Life Elevated”. Advertising began in the print market in April and will continue throughout the fiscal year. Television ads began in select markets in July 2006. The Winter print campaign began in October and the Winter Television campaign began in November 2006. A splash page was created for the web to launch the brand and track ad effectiveness. The UOT also launched a radio campaign “Just a Tank of Gas Away” to encourage out of state visitors to visit state events, festivals and destinations.

Funding Detail

Funding for the program is appropriated out of the Tourism Marketing Performance Fund. Funding for this restricted account comes from General Fund appropriations and earmarked sales tax revenues. The appropriation for the restricted account shows up in the Transfer section of this report.

Budget History - Economic Development - Office of Tourism - Advertising and Promotion					
Sources of Finance	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Appropriated
GFR - Tourism Marketing Performance	0	0	0	0	11,000,000
Total	\$0	\$0	\$0	\$0	\$11,000,000
Categories of Expenditure					
Other Charges/Pass Thru	0	0	0	0	11,000,000
Total	\$0	\$0	\$0	\$0	\$11,000,000

Table 51

Restricted Funds Summary - Office of Tourism				
Fund/Account Name	Statutory Authority	Revenue Source	Prescribed Uses	FY 2006 Balance
Tourism Marketing Performance Fund	63-38f-1411	General Fund and Earmarked Sales Tax Revenues	A statewide advertising, marketing, and branding campaign	\$8,390,764

Table 52

TOURISM TRADE DEVELOPMENT

Functions

The Office of Tourism participated in 14 key travel trade and media focused functions, sales missions and destination development seminars with domestic and international trade professionals. Additionally, the UOT supported statewide travel region participation in 13 domestic consumer shows. Events included: Go West Summit in St. George, ITB in Berlin, Pow Wow in Orlando, Sunset Magazine Show in California, Addison Travel Trade Shows in Montreal, Ottawa, Toronto, and London, Japan Association of Travel Agents in Tokyo, Adventure Travel World Summit in Portland, National Tour Association Annual Conference in Salt Lake City, German Sales Mission to Hamburg, Hannover, Frankfurt and Munich and the World Travel Market in London. Partners included the Salt Lake CVB, the St. George CVB, Ogden

CVB, Park City Chamber, Deer Valley Resort, Moab Travel Council, and Garfield Travel Council.

Familiarization tours were conducted with media and tour operators from around the world. Throughout the year more than 100 familiarization tours were executed.

The Office of Tourism maintains international representation in German speaking Europe, the United Kingdom, and Japan. On behalf of UOT the organizations work to increase consumer awareness in their markets by working with the media. They serve as fulfillment houses to distribute Utah information to consumers.

Accountability

Program success is measured by follow-up inquiries and conversion studies, material disseminated, and increased tourism visits.

OPERATIONS AND PUBLICATIONS

Function

The Operations and Publications program is responsible for media, publications, information services, distribution, interagency cooperation, scenic byways, and special projects. Staff distributes information to journalists, the traveling public, Web requests and 800-number inquiries.

Scenic Byways

During 2006 the State of Utah received approval for \$1,477,462 in Federal Highway Administration, National Scenic Byways Program grants to fund a variety of improvements and development of interpretive and promotional materials for 14 national and state designated scenic byways. These funds improve the experiences of travelers in rural Utah on the Utah's scenic byways. Some of the projects include: Trail of the Ancients, two for Highway 12, two for Flaming Gorge, Nebo loop, Utah Scenic Byway Virtual Tour, two for Energy Loop, and Logan Canyon.

Utah will also benefit from a \$100,000 National Scenic Byways Program grant awarded to the Grand Circle Association to market scenic byways in the Four Corners Region of Utah, Colorado, Arizona, New Mexico and Nevada. The grant promotes the states collection of scenic byways as multi-state destinations.

Interagency and Public-Private Partnerships

The Office of Tourism participates with the Department of Community and Culture to promote heritage tourism as a part of the Community Cooperative Historic & Cultural Committee (CCHCC). The office also has positions and/or attends the Governor's Outdoor Recreation Task Force, Utah Interagency Task Force, UDOT Welcome Center/Rest Area Task Force, Canyon Country Partnership, Ski Utah, Western States Tourism Policy Council, National Council of State Tourism Directors, Travel & Tourism Research Association, Utah Travel Regions and Utah Tourism Industry Coalition, and the Salt Lake Convention and Visitors Bureau meetings.

Publications

The award-winning Utah Scenic Calendar and the Utah Travel Guide are annual publications produced and distributed by the Office of Tourism. The UOT re-designed the Utah Travel Guides and the calendar to provide an increase in the visuals.

SuperHost

The Office of Tourism works with tourism partners on the SuperHost program. However, in 2007 a new hospitality training program is scheduled to be created.

Tourism Conference

In May, the office partnered with the Utah Tourism Industry Coalition for the annual Tourism Conference in Ogden. More than 200 members of the tourism industry attended and planning has begun for the 2007 conference.

Welcome Centers

The Office contracts for the tourism information portion of Utah’s five gateway welcome centers. Each welcome center received \$60,000 for administration and operations.

Funding Detail

Funding for the Operations and Tourism Trade programs supports staff and Welcome Centers. Federal funds and Transportation Fund are utilized to fund Welcome Centers statewide. The program also receives dedicated credit revenues for services provided.

Budget History - Economic Development - Office of Tourism - Operations and Fulfillment					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	0	0	0	0	2,763,200
General Fund, One-time	0	0	0	0	(2,800)
Transportation Fund	0	0	0	0	118,000
Dedicated Credits Revenue	0	0	0	0	254,700
Total	\$0	\$0	\$0	\$0	\$3,133,100
Categories of Expenditure					
Personal Services	0	0	0	0	913,900
In-State Travel	0	0	0	0	51,700
Current Expense	0	0	0	0	1,837,900
DP Current Expense	0	0	0	0	30,500
Other Charges/Pass Thru	0	0	0	0	299,100
Total	\$0	\$0	\$0	\$0	\$3,133,100
Other Data					
Budgeted FTE	0.0	0.0	0.0	0.0	14.0

Table 53

FILM COMMISSION

Function

The mission of the Film Commission is to create high paying quality jobs within the motion picture, television, and commercial industries. The Film Commission markets the entire state as a location for film and commercial production and to promote the use of Utah support services and professionals.

Accountability

The success of the program is measured by the impact of film production statewide. The Utah Film Commission has several goals that are part of the work plan to encourage greater industry performance. The goals identified below help the Commission keep film production jobs in the state.

1. Promote a pro-business environment in Utah.
2. Promote the Utah brand globally.
3. Develop partnerships and alliances.
4. Develop and promote Utah digital/post production technical strengths.
5. Develop rural economic growth through film.
6. Encourage financial resource availability.

Between 2002 and 2004 the number of production days in Utah decreased as a result of new incentives offered by other states and countries and a change in the format for programming. As a result of Utah's Motion Picture Incentive Fund, 2005 production increased 52 percent and production days increased 48 percent. In 2006, film production increased an additional 32 percent.

Program funding is utilized to address the requests of the following customers.

1. Out of state filmmakers
2. In state filmmakers
3. Support services, talent and crews
4. In state film commissions and local jurisdictions
5. Student filmmakers
6. Partners, alliances and related organization, i.e. Screen Actor's Guild, Director's Guild etc.

Expenditures of the Utah Film Commission provide for the following products and services to the motion picture industry:

1. Statewide location scouting with in-state and out-of state companies.
2. Continuous update of statewide photo location library.
3. Hard copy professional support services and crew resource directories produced in house as well as 24/7 on-line resource directory and filming in Utah web site information.
4. Film liaison services provided with private homeowners, land owners, local, state and federal agencies for filming requests on location.
5. Quarterly newsletter produced for local and out of state industry clients on filming activities, new services, trends in the industry, etc.
6. Quarterly film industry luncheons held with out of state guest speakers, panels and topics of interest to the motion picture industry.

7. “Filmed in Utah” brochure and marketing materials showing locations throughout the state.
8. Support of film related events to showcase the Utah industry and develop industry statewide including Sundance Film Festival, Sundance Filmmakers lab, Salt Lake Film Center, Salt Lake Film Society, and Spyhop.
9. Trade shows, bi-monthly marketing trips and familiarization tours to promote additional filming in the state as well as an advertising and promotion component to the program.

The UFC is working with Utah’s Economic Cluster Initiatives to encourage the expansion of digital media, digital production and entertainment technologies in the state. UFC is also working with local colleges and film educational programs such as SpyHop, Sundance Lab, University of Utah, SLCC and UVSC to support their efforts in job training for the motion picture and digital industries and encourage new filmmakers in the state.

The Film Commission meets program goals and objectives by:

- Promoting a pro-business environment through bi-monthly marketing trips to New York and Los Angeles and global commercial production companies, television and feature companies, cable channel producers to market the state’s locations, support services and production crews. The effectiveness of this goal is measured by the number of projects shot in the state, the number of repeat customers to the state, production days and the percentage of local hires on a project.
- Increasing investment in Utah through the production of a Resource Guide (in print and on-line) and photo location library to showcase the diversity of looks throughout the state and encourage urban and rural production. The effectiveness of this goal is measured by the percentage of local hires on productions, increase in support service listings and crew base increase. The Commission can also track the effectiveness of their photo library by the number of pictorial presentations created (hard copy and on-line) and productions that use the state that were not set (scenically/location) in the state.
- Developing rural economic growth by introducing the production community to rural locations around the state and encouraging filming in areas off the Wasatch Front. The program measures effectiveness in encouraging rural economic growth by the use of rural locations. UFC ad campaigns showcasing Southern/rural Utah have been internationally recognized and the “Filmed in Utah” brochure has been used by local and regional travel agencies as well as state and federal land agencies to promote filming as well as production scouting and tourism visits.
- Developing partnerships and alliances with private entities, statewide public agencies, federal agencies, film, and production centers to facilitate a film friendly reputation. Effectiveness is measured by the

number of film related events and film production activities in the state yearly.

Funding Detail

The Film Commission funding comes from the General Fund and the Motion Picture Incentive Fund.

Budget History - Economic Development - Office of Tourism - Film Commission					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	0	0	0	0	736,400
General Fund, One-time	0	0	0	0	(1,500)
GFR - Motion Picture Incentive Fund	0	0	0	0	1,000,000
Total	\$0	\$0	\$0	\$0	\$1,734,900
Categories of Expenditure					
Personal Services	0	0	0	0	498,200
In-State Travel	0	0	0	0	4,800
Out of State Travel	0	0	0	0	18,000
Current Expense	0	0	0	0	207,900
DP Current Expense	0	0	0	0	6,000
Other Charges/Pass Thru	0	0	0	0	1,000,000
Total	\$0	\$0	\$0	\$0	\$1,734,900
Other Data					
Budgeted FTE	0.0	0.0	0.0	0.0	7.0

Table 54

Restricted Funds Summary - Film Commission				
Fund/Account Name	Statutory Authority	Revenue Source	Prescribed Uses	FY 2006 Balance
Motion Picture Incentive Fund	63-38f-1803	General Fund	To provide incentives for film, television, and commercial production	\$22,713

Table 55

CHAPTER 3 TRANSFERS

Function The transfers program accounts for transfers from the General Fund or Federal Mineral Lease revenues into restricted accounts. Funds are then appropriated from the restricted funds to the respective programs.

Funding Detail The summary chart for the restricted fund transfers is shown below.

Budget History - Restricted Revenue					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	2,203,400	2,534,500	3,836,400	2,436,400	2,936,400
General Fund, One-time	9,180,000	5,153,800	4,442,800	20,711,300	3,528,000
Federal Funds	2,690,000	2,283,700	2,690,000	3,606,000	3,606,000
Federal Mineral Lease	20,191,100	28,909,100	16,387,500	30,000,000	35,850,000
GFR - Mineral Bonus	2,100,000	6,702,200	1,540,000	19,300,000	6,100,000
Beginning Nonlapsing	0	0	37,600	0	8,000,000
Closing Nonlapsing	0	0	(18,300)	0	0
Total	\$36,364,500	\$45,583,300	\$28,916,000	\$76,053,700	\$60,020,400
Line Items					
Olene Walker Housing Trust Fund	4,793,400	4,368,200	5,126,200	6,342,400	6,842,400
Tourism Market Performance Fund	1,750,000	250,000	919,500	14,000,000	8,000,000
Industrial Assistance Fund	7,430,000	5,153,800	4,442,800	3,479,400	0
Permanent Community Impact Fund	22,291,100	35,611,300	17,927,500	49,300,000	41,950,000
GFR - Homeless Trust Fund	100,000	200,000	500,000	700,000	700,000
GFR - Economic Incentive Restricted Acco	0	0	0	981,900	1,528,000
GFR - Business Development for Disadvan	0	0	0	250,000	0
GFR - Motion Picture Incentive Fund	0	0	0	1,000,000	1,000,000
Total	\$36,364,500	\$45,583,300	\$28,916,000	\$76,053,700	\$60,020,400
Categories of Expenditure					
Other Charges/Pass Thru	36,364,500	45,583,300	28,916,000	76,053,700	60,020,400
Total	\$36,364,500	\$45,583,300	\$28,916,000	\$76,053,700	\$60,020,400

Table 56

CHAPTER 4 UTAH SCIENCE, TECHNOLOGY, AND RESEARCH (USTAR) INITIATIVE

Function	<p>The Utah Science, Technology, and Research (USTAR) economic development initiative has three major components: recruiting and hiring top-notch research teams, construction of research buildings at the University of Utah and Utah State University, and operation of a technology outreach program at 5 locations throughout Utah</p> <p>The USTAR research teams are expected to bring new funding to the state through federal and commercial contracts and grants and ultimately generate more technology-based start-up firms and higher-paying job opportunities in Utah through the commercialization of USTAR technologies.</p>
Statutory Authority	<p>Utah Annotated Code Title 63, Chapter 38g provides statutory authority for the USTAR Governing Authority. Chapter 38g establishes the Governing Authority and an advisory board, defines the scope of the USTAR initiative, and specifies how revenues created by USTAR teams and technologies are to be distributed.</p> <p>Utah Annotated Code Title 63B, Chapter 15, Section 101 authorizes the issuance and sale of general obligation bonds for the construction of the Bio Innovations Research Institute Utah State University and the Neuroscience and Biomedical Technology Research Building at the University of Utah.</p>
Intent Language	<p>During the 2006 General Session the Legislature adopted the following intent language for in SB 75, Section 13:</p> <p style="padding-left: 40px;"><i>Section 13. Appropriation.</i></p> <p style="padding-left: 80px;"><i>(1) (a) There is appropriated \$50,000,000 from the General Fund, for fiscal year 2007 only, to the Utah Science Technology and Research Governing Authority to construct a Bio Innovations Research Institute at Utah State University and a Neuroscience and Biomedical Technology Research Building at the University of Utah.</i></p> <p style="padding-left: 80px;"><i>(b) The Legislature intends that:</i></p> <p style="padding-left: 120px;"><i>(i) notwithstanding Subsections (1)(b)(ii) and (1)(b)(iii), the Utah Science Technology and Research Governing Authority may expend monies to plan and design the Bio Innovations Research Institute and the Neuroscience and Biomedical Technology Research Building before the universities certify that they have obtained the required matching funds;</i></p> <p style="padding-left: 120px;"><i>(ii) when Utah State University certifies to the Utah Science Technology and Research Governing Authority that the university has obtained reliable commitments, convertible to cash, of \$10,000,000 or more in nonstate funds to construct the Bio Innovations Research Institute, the authority may expend up to \$20,000,000 for the construction of the Bio Innovations Research Institute;</i></p> <p style="padding-left: 120px;"><i>(iii) when the University of Utah certifies to the Utah Science Technology and Research Governing Authority that the university has</i></p>

obtained reliable commitments, convertible to cash, of \$30,000,000 or more in nonstate funds to construct the Neuroscience and Biomedical Technology Research Building, the authority may expend up to \$30,000,000 for the construction of the Neuroscience and Biomedical Technology Research Building;

(iv) the match required by the universities under this Subsection(1)(b) is not in addition to the match required by Section 63B-15-101;

(v) the Utah Science Technology and Research Governing Authority comply with the requirements of Subsection 63B-15-101(8) in the planning, design, and construction of the capital development projects identified in this section; and

(vi) this appropriation is nonlapsing.

(2) (a) As an ongoing appropriation subject to future budget constraints, there is appropriated from the General Fund for fiscal year 2006-07, \$15,250,000 to the Utah Science Technology and Research Governing Authority to provide funding for the Utah Science Technology and Research Project.

(b) The Legislature intends that the authority:

(i) use up to \$250,000 to fund the authority's administrative costs;

(ii) when Utah State University or the University of Utah certify to the authority that one or more research teams have committed to transfer to their institution, allocate up to \$11,000,000 to Utah State University and the University of Utah to fund research teams and the commercialization of new technology developed from the work of the research teams according to criteria established by the board under Subsection 63-38g-302(1)(g); and

(iii) use up to \$4,000,000 to provide funding for the technology outreach program.

(c) The Legislature intends that this appropriation is nonlapsing.

(3) (a) As an ongoing appropriation subject to future budget constraints, there is appropriated from the General Fund for fiscal year 2006-07, \$4,000,000 to the Utah Science Technology and Research Authority to provide funding for the Utah Science Technology and Research Project.

(b) There is appropriated (\$1,600,000) from the ongoing General Fund appropriation to Utah State University for fiscal year 2007.

(c) There is appropriated (\$2,400,000) from the ongoing General Fund appropriation to the University of Utah for fiscal year 2007.

(d) The Legislature intends that this appropriation is nonlapsing.

Funding Detail

The current source of finance for USTAR is the General Fund. General Session SB 75 appropriated \$19.25 million ongoing and an additional \$50 million one-time for the construction of research buildings.

Budget History - Utah Science Technology and Research Governing Authority					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	0	0	0	0	19,250,000
General Fund, One-time	0	0	0	0	50,000,000
Total	\$0	\$0	\$0	\$0	\$69,250,000
Line Items					
USTAR	0	0	0	0	19,250,000
USTAR Capital Developments	0	0	0	0	50,000,000
Total	\$0	\$0	\$0	\$0	\$69,250,000
Categories of Expenditure					
Personal Services	0	0	0	0	201,600
In-State Travel	0	0	0	0	5,000
Out of State Travel	0	0	0	0	5,000
Current Expense	0	0	0	0	19,035,000
DP Current Expense	0	0	0	0	3,400
Other Charges/Pass Thru	0	0	0	0	50,000,000
Total	\$0	\$0	\$0	\$0	\$69,250,000
Other Data					
Budgeted FTE	0.0	0.0	0.0	0.0	2.0

Table 57

USTAR ADMINISTRATION

Function

The USTAR Executive Director is responsible for day-to-day administration and provides staff support to the Governing Authority, which manages all of the components of the initiative.

Statutory Authority

Utah Annotated Code Title 63, Chapter 38g, Section 302 specifies the duties of the Governing Authority. The authority:

- Ensures that funds appropriated and received for research and development at the research universities and for the technology outreach program are used appropriately, effectively, and efficiently in accordance with the intent of the Legislature;
- Works with the administrations of the University of Utah and Utah State University to expand key research;
- Encourages technology transfer and commercialization of research and technologies developed at the research universities to create high-quality jobs and new industries in the private sector in Utah;
- Reviews state and local economic development plans and appropriations to ensure that the project and appropriations do not duplicate existing or planned programs;
- Establishes economic development objectives for the project;

- Makes rules for allocating monies appropriated for research teams and for the commercialization of new technology between Utah State University and the University of Utah;
- Verifies that the USTAR project is being enhanced by research grants and that it is meeting economic development objectives;
- Monitors all research plans that are part of the project at the research universities to determine that appropriations are being spent in accordance with legislative intent and to maximize the benefit and return to the State;
- Develops methods and incentives to encourage investment in and contributions to the USTAR project from the private sector; and
- Annually reports and makes recommendations to the Governor, the Executive Appropriations Committee, and the Economic Development and Revenue Subcommittee.

Funding Detail

Personal services is currently USTAR Administration’s largest category of expenditure. This category includes the wages and benefits of the USTAR executive director and his assistant.

Budget History - USTAR - Administration					
Sources of Finance	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Appropriated
General Fund	0	0	0	0	250,000
Total	\$0	\$0	\$0	\$0	\$250,000
Categories of Expenditure					
Personal Services	0	0	0	0	201,600
In-State Travel	0	0	0	0	5,000
Out of State Travel	0	0	0	0	5,000
Current Expense	0	0	0	0	35,000
DP Current Expense	0	0	0	0	3,400
Total	\$0	\$0	\$0	\$0	\$250,000
Other Data					
Budgeted FTE	0.0	0.0	0.0	0.0	2.0

Table 58

Accountability

The USTAR Governing Board and Executive Director are working to develop meaningful performance measures. Indicators for FY 2007 will be reported in the 2008 General Session Compendium of Budget Information.

TECHNOLOGY OUTREACH

Function

The USTAR Technology Outreach Program connects USTAR research and technologies to regional colleges, universities, businesses, and entrepreneurs and encourages local commercialization of these technologies.

As of October, 2006, the Governing Authority has approved the recruitment and hire of a Technology Outreach Program Director, initiated the planning and implementation of a virtual innovation network, and determined locations for five outreach centers (Southern Utah University and Dixie State University

co-location, Utah Valley State College, Salt Lake Community College Larry Miller Center, Weber University, and the Utah State University Extension in the Uintah Basin).

Statutory Authority

The scope of the USTAR Technology Outreach Program is outlined in Utah Annotated Code Title 63, Chapter 38g, and Section 202. The program:

- Brokers ideas, new technologies, and services to entrepreneurs and businesses throughout a defined service area;
- Engages local entrepreneurs and professors at applied technology centers, colleges, and universities by connecting them to Utah's research universities;
- Screens business ideas and new technologies to ensure that the ones with the highest growth potential receive the most targeted services and attention;
- Connects market ideas and technologies in new or existing businesses or industries or in regional colleges and universities with the expertise of Utah's research universities;
- Assists businesses, applied technology centers, colleges, and universities in developing commercial applications for their research; and
- Disseminates discoveries and technologies originating at Utah's research universities to local entrepreneurs, businesses, applied technology centers, colleges, and universities.

Funding Detail

As specified in previously-noted intent language, \$4 million General Fund is to be used for the technology outreach program.

Budget History - USTAR - Technology Outreach					
Sources of Finance	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Appropriated
General Fund	0	0	0	0	4,000,000
Total	\$0	\$0	\$0	\$0	\$4,000,000
Categories of Expenditure					
Current Expense	0	0	0	0	4,000,000
Total	\$0	\$0	\$0	\$0	\$4,000,000

Table 59

Accountability

The USTAR Governing Board and Executive Director are working to develop meaningful performance measures. Indicators for FY 2007 will be reported in the 2008 General Session Compendium of Budget Information.

RESEARCH TEAMS

Function

Utah Annotated Code Title 63, Chapter 38g, Section 203 directs the USTAR Governing Authority to allocate monies to Utah State University and the University of Utah to fund science and technology research by USTAR scientists.

To date, the two research universities have developed strategic hiring plans that include identification of key research fields. The University of Utah is focusing on hiring teams in diagnostic imaging, personalized medicine, circuits of the brain, imaging technology, nanotechnology biosensors, IT networks and memory, biomedical device innovation, and fossil energy. Utah State University is concentrating on the fields of advanced nutrition, semiconductor chips and wireless sensors, biofuels, and directed sensors and 3D imaging.

Funding Detail

As specified in previously-noted intent language, the source of financing for research teams is \$11 million General Fund.

Budget History - USTAR - Research Teams					
Sources of Finance	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Appropriated
General Fund	0	0	0	0	11,000,000
Total	\$0	\$0	\$0	\$0	\$11,000,000
Categories of Expenditure					
Current Expense	0	0	0	0	11,000,000
Total	\$0	\$0	\$0	\$0	\$11,000,000

Table 60

Accountability

The USTAR Governing Board and Executive Director are working to develop meaningful performance measures. Indicators for FY 2007 will be reported in the 2008 General Session Compendium of Budget Information.

USTAR PROJECT

Function

During the 2005 General Session, the Legislature allocated \$4 million ongoing from the General Fund to the University of Utah and Utah State University in SB 192 (*High Technology Economic Development Appropriation*) “for recruiting to begin high technology research and development.” Section 13 of SB 75 (*USTAR Initiative*), passed during the 2006 General Session, reassigns this appropriation to the USTAR, specifying a \$4 million appropriation from the General Fund to the USTAR Authority to “provide funding for the Utah Science Technology and Research Project.”

The Governing Authority is working to develop rules for the future allocation of USTAR Project monies. With the FY 2006 appropriation, the University of Utah hired two research scientists, a fossil energy specialist and an information technology networks and memory specialist, and Utah State University hired research scientists in the fields of advanced nutrition and semi-conductor chips and wireless sensors.

Funding Detail

Intent language in General Session 2006 SB 75 directs the Governing authority to devote \$4 million General Fund towards the “USTAR project.”

Budget History - USTAR - Project					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	0	0	0	0	4,000,000
Total	\$0	\$0	\$0	\$0	\$4,000,000
Categories of Expenditure					
Current Expense	0	0	0	0	4,000,000
Total	\$0	\$0	\$0	\$0	\$4,000,000

Table 61

Accountability

The USTAR Governing Board and Executive Director are working to develop meaningful performance measures. Indicators for FY 2007 will be reported in the 2008 General Session Compendium of Budget Information.

USTAR RESEARCH BUILDINGS

Function

Utah Annotated Code Title 63, Chapter 38g, Section 201 provides direction for the construction of USTAR research buildings. The Governing Authority is to plan, design, construct, and hold title to these buildings on land provided by the University of Utah and Utah State University. The authority must contract with the Division of Facilities Construction and Management to oversee construction of these buildings.

General Session 2006 SB 75 appropriates \$50 million one-time from the General Fund for construction of a Bio Innovations Research Institute at Utah State University and a Neuroscience and Biomedical Technology Research Building at the University of Utah. Additionally, the issuance and sale of \$111.1 million in general obligation bonds for construction is authorized by Utah Annotated Code Title 63B, Chapter 15, Section 101. Before any construction funds may be expended, the universities must certify non-state fund commitments as outlined in the following table.

Sources of Finance	USTAR Research Buildings Funding			TOTAL
	Neuroscience and Biomedical Technology Research Building, University of Utah	Bio Innovations Research Institute Building, Utah State University		
General Fund	\$30 million	\$20 million		\$50 million
General Fund, One-time	\$70.7 million	\$40.4 million		\$111.1 million
Non-State Funds	\$30 million	\$10 million		\$40 million
Total	\$130.7 million	\$70.4 million		\$201.1 million

Table 62

Funding Detail

In addition to general obligation bonds and university-certified non-state funds, financing for the first two USTAR research buildings is composed of non-lapsing General Fund one-time monies.

Budget History - USTAR - USTAR Capital Developments - USTAR Research Buildings					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund, One-time	0	0	0	0	50,000,000
Total	\$0	\$0	\$0	\$0	\$50,000,000
Categories of Expenditure					
Other Charges/Pass Thru	0	0	0	0	50,000,000
Total	\$0	\$0	\$0	\$0	\$50,000,000

Table 63

Accountability

The USTAR Governing Board and Executive Director are working to develop meaningful performance measures. Indicators for FY 2007 will be reported in the 2008 General Session Compendium of Budget Information.

CHAPTER 5 TAX COMMISSION**Function**

The Tax Commission collects revenue for state and local governments and administers tax and motor vehicle laws. The Commission handles revenue from more than 40 taxes, surcharges, and fees, registers automobiles and regulates the automobile dealer industry. In FY 2006, the Commission had 863.5 full-time equivalent employees and operated 12 offices across the state. It collected more than \$6.4 billion in net revenue and had \$64.3 million in expenditures.

Mission Statement

The mission of the Tax Commission is to collect revenue for the state and local governments and to equitably administer tax and assigned motor vehicle laws.

Vision Statement

We are enthusiastically committed to a standard of excellence that exceeds customer expectations. We continuously focus on courtesy, accuracy, efficiency, consistency, and professionalism.

Values

- We must uphold our public trust.
- We value quality, which is the balance of efficiency and effectiveness.
- We value job expertise and knowledge with consistent and dependable application of laws, rules, practices, and procedures.
- We value integrity, including honesty, trust, and respect for self and others.
- We value clear, meaningful, and concise communication with customers.
- We value self-motivated employees and environments that encourage initiative.
- We value empowered employees with their attendant accountability.

Strategic Goals

1. Do it Right the First Time. (Effectively communicate and build working relationships with all customers.)
2. Better Tools for Better Results. (Deliver quality products and services.)
3. Allow Great People to do Great Work. (Create and maintain a work environment where people can excel and productivity is enhanced)
4. Make Compliance Easier.

5. Make Evasion Harder.

Statutory Authority

Utah Annotated Code Title 59, Chapters 1 through 27 provide the Tax Commission with statutory authority. The chapters cover everything from property tax to a tax on radioactive waste.

Utah Annotated Code Title 41, Chapter 1a provides authority to regulate motor vehicles; authority to regulate motor vehicle businesses is contained in UCA Title 41, Chapter 3.

Intent Language

During the 2006 General Session the Legislature adopted the following intent language for FY 2007 in S.B. 4, Item 51:

The Legislature intends that this appropriation not lapse and that unexpended balances be spent for costs of modernization of tax and motor vehicle systems and Streamlined Sales Tax implementation.

Agency Response: Non-lapsing budget authority has provided funds to upgrade systems and processes. It will be used to pay for the tax system replacement costs excluding contractor license and development fees. It will pay for the purchase of a new hardware infra-structure to run the system, third party software products, project management, and project operating costs. This language also provides non-lapsing of funds appropriated for the implementation of the Streamlined Sales Tax legislation.

The following intent language was originally adopted by the Legislature during the 2006 General Session in HB 109, and amended during the 2006 Third Special Session in HB 3004:

Section 5. Appropriation.

(1) Subject to Subsection (2), there is appropriated from the General Fund, for fiscal year 2006-07 only, \$6,000,000 to the State Tax Commission for distribution to certain business locations to reimburse some of the business location's costs in complying with the reduced sales and use tax rate imposed on food and food ingredients.

(2) The Legislature intends that the State Tax Commission may expend up to 2% of the amount appropriated for administrative costs.

(3) The Legislature intends that, to the extent funds are available, the State Tax Commission distribute these monies as provided in Subsections (4) through (6).

(4) (a) Except as provided in Subsection (4)(b), the State Tax Commission shall reimburse a business location:

(i) that:

(A) in 2005, remitted taxes imposed by Title 59, Chapter 12, Sales and Use Tax Act, in an amount greater than or equal to \$15,000 but less than or equal to \$150,000;

(B) remitted sales and use taxes on food and food ingredients as defined in Section 59-12-102 to the State Tax Commission before March 1, 2006; and

(C) submits a request for reimbursement to the State Tax Commission postmarked before January 1, 2007;

(ii) for the verifiable amounts that the business location actually expended:

(A) after May 1, 2006, but on or before December 31, 2006; and

(B) to purchase computer hardware, software, or programming to account for sales under the reduced sales and use tax rate imposed on food and food ingredients; and

(iii) in an amount that does not exceed the lesser of:

(A) 75% of the verifiable amounts described in Subsection (4)(a)(ii); or

(B) \$5,000.

(b) If the total amount of requests for reimbursement under Subsection (4)(a) exceed the monies that are available for reimbursement, the State Tax Commission shall reduce each claim by a pro rata share.

(5) (a) Except as provided in Subsection (5)(b), if, after the State Tax Commission makes the reimbursements required by Subsection (4), monies described in Subsection (1) remain for reimbursement, the State Tax Commission shall reimburse a business location:

(i) that:

(A) in 2005, remitted taxes imposed by Title 59, Chapter 12, Sales and Use Tax Act, in an amount greater than \$150,000 but less than or equal to \$500,000;

(B) remitted sales and use taxes on food and food ingredients as defined in Section 59-12-102 to the State Tax Commission before March 1, 2006; and

(C) submits a request for reimbursement to the State Tax Commission postmarked before January 1, 2007;

(ii) for the verifiable amounts that the business location actually expended:

(A) after May 1, 2006, but on or before December 31, 2006; and

(B) to purchase computer hardware, software, or programming to account for sales under the reduced sales and use tax rate imposed on food and food ingredients; and

(iii) in an amount that does not exceed the lesser of:

(A) 50% of the verifiable amounts described in Subsection (5)(a)(ii); or

(B) \$10,000.

(b) If the total amount of requests for reimbursement under Subsection (5)(a) exceed the monies that are available for reimbursement, the State Tax Commission shall reduce each claim by a pro rata share.

(6) (a) Except as provided in Subsection (6)(b), if, after the State Tax Commission makes the reimbursements required by Subsections (4) and (5), monies described in Subsection

(1) remain for reimbursement, the State Tax Commission shall reimburse a business location:

(i) that:

(A) in 2005, remitted taxes imposed by Title 59, Chapter 12, Sales and Use Tax Act, in an amount greater than or equal to \$15,000;

(B) remitted sales and use taxes on food and food ingredients as defined in Section 59-12-102 to the State Tax Commission before March 1, 2006; and

(C) submits a request for reimbursement to the State Tax Commission postmarked before January 1, 2007;

(ii) for the verifiable amounts that the business location actually expended:

(A) after May 1, 2006, but on or before December 31, 2006; and

(B) for a business location that, in 2005, remitted taxes imposed by Title 59, Chapter 12, Sales and Use Tax Act:

(I) in an amount greater than or equal to \$15,000 but less than or equal to \$500,000, for amounts expended to purchase computer hardware, software, or programming:

(Aa) to account for sales under the reduced sales and use tax rate imposed on food and food ingredients; and

(Bb) that were not reimbursed in accordance with Subsection (4) or (5); or

(II) in an amount greater than \$500,000, for amounts expended to purchase computer hardware, software, or programming to account for sales under the reduced sales and use tax rate imposed on food and food ingredients; and

(iii) in an amount that does not exceed 50% of the verifiable amounts described in Subsection (6)(a)(ii).

(b) If the total amount of requests for reimbursement under Subsection (6)(a) exceed the monies that are available for reimbursement, the State Tax Commission shall reduce each claim by a pro rata share.

Agency Response: This bill provides an appropriation for certain sellers to allow them to recover a portion of the hardware and software costs they incur to modify their systems to allow the collection of two sales tax rates. Eligible sellers must incur costs between May 1, 2006 and December 31, 2006, be able to provide verification of those costs, and submit a request for reimbursement to the Tax Commission before January 1, 2007.

The Tax Commission has designed an application process and will be receiving and recording this information through January 2007. After verifying the claims meet the requirements set forth by the Legislature, we will calculate the amount available to those companies who apply for and who are eligible for reimbursement based on the total number of timely filed applications received. We will then make a distribution of the funds set aside by the Legislature for this purpose.

Funding Detail

Major sources of finance for the Tax Commission are the General Fund and Uniform School Fund, which account together for over half of total funding. Revenue from dedicated credits is the also a large financing source, accounting up an average of 16 percent of the Commission's total funding the past 5 years.

Budget History - Utah State Tax Commission					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	19,697,000	18,501,000	20,977,200	22,180,500	23,949,200
General Fund, One-time	0	0	0	0	5,936,700
Uniform School Fund	15,479,600	16,761,000	17,430,500	18,151,400	19,312,400
Uniform School Fund, One-time	0	0	0	0	(48,800)
Transportation Fund	5,857,400	5,857,400	5,857,400	5,857,400	5,857,400
Federal Funds	514,500	440,400	429,700	478,600	434,000
Dedicated Credits Revenue	7,851,100	10,974,100	11,078,600	10,596,000	10,493,800
GFR - Alc Bev Enf & Treatment	0	2,712,500	3,133,700	3,741,900	4,350,000
GFR - Sales and Use Tax Admin Fees	6,520,100	7,621,600	7,132,000	7,625,100	7,958,500
TFR - Uninsured Motorist I.D.	133,800	0	133,800	0	133,800
Transfers	170,100	170,700	277,400	150,200	0
Transfers - Utah State Tax Commission	0	16,200	11,700	0	0
Beginning Nonlapsing	6,254,800	6,899,600	9,213,200	11,909,000	10,331,000
Closing Nonlapsing	(6,899,600)	(9,213,100)	(11,909,000)	(10,577,200)	(8,753,000)
Lapsing Balance	(352,000)	0	0	0	0
Total	\$55,226,800	\$60,741,400	\$63,766,200	\$70,112,900	\$79,955,000
Line Items					
Tax Administration	53,411,300	55,881,800	58,757,500	64,341,200	67,184,200
License Plates Production	1,815,500	2,147,100	1,875,000	2,029,800	2,420,800
Liquor Profit Distribution	0	2,712,500	3,133,700	3,741,900	4,350,000
Sales Tax - Vendor Payments	0	0	0	0	6,000,000
Total	\$55,226,800	\$60,741,400	\$63,766,200	\$70,112,900	\$79,955,000
Categories of Expenditure					
Personal Services	40,643,900	41,700,100	43,786,400	46,244,400	51,265,200
In-State Travel	168,900	189,000	193,600	210,100	208,700
Out of State Travel	421,900	424,600	488,700	502,900	497,900
Current Expense	10,186,900	11,494,900	11,733,500	12,746,200	13,444,300
DP Current Expense	3,489,300	3,710,100	3,901,100	5,894,600	3,026,700
DP Capital Outlay	165,300	477,900	529,200	672,000	360,700
Capital Outlay	150,600	35,500	0	46,200	801,500
Other Charges/Pass Thru	0	2,709,300	3,133,700	3,741,900	10,350,000
Operating Transfers	0	0	0	54,600	0
Total	\$55,226,800	\$60,741,400	\$63,766,200	\$70,112,900	\$79,955,000
Other Data					
Budgeted FTE	836.5	859.5	863.0	863.5	863.5
Vehicles	58	58	58	57	58

Table 64

The Commission also draws funding from two General Fund restricted accounts and one Transportation Fund restricted account. The following table details these accounts.

Restricted Funds Summary - Tax Commission				
Fund/Account Name	Statutory Authority	Revenue Source	Prescribed Uses	FY 2006 Balance
Sales & Use Tax Administrative Fees	UCA 59-12-206	Sales & Use Tax Portion	Sales tax administration	\$14,437,300
Uninsured Motorist Identification	UCA 41-12a-806	Vehicle Registration Fee	Insurance verification costs	\$5,876,200
Alcoholic Beverage Enforcement & Treatment	UCA 32a-1-115, 59-15-101&102	Beer Excise Tax	Local govt. alcohol-related expenses	\$1,250,000

Table 65

Special Funding

General Fund Restricted – Sales & Use Tax Administrative Fees Account

The Commission contracts with cities, towns, and counties to collect sales and use taxes. The Commission may withhold up to 1.5 percent of collections to cover its costs. These funds are placed in a restricted account, called the Sales and Use Tax Administrative Fees Account. Appropriations may be made from this account for sales tax administration. For specific details, see UCA 59-12-206.

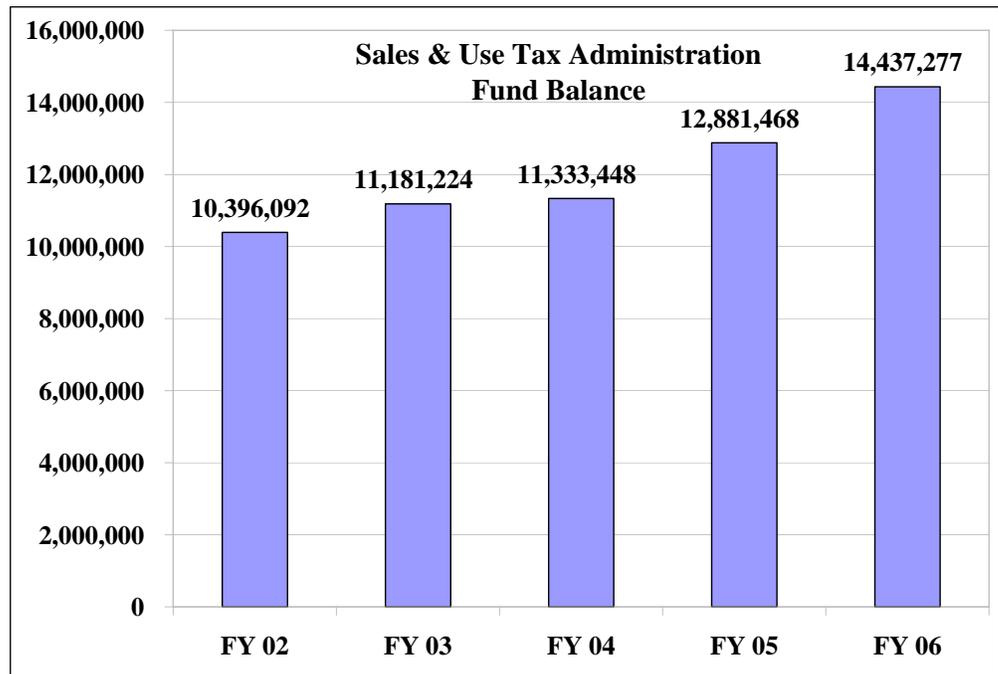


Figure 18

Transportation Fund Restricted – Uninsured Motorist Identification Restricted Account

Revenue to this fund is generated by a \$1 fee on vehicle registrations and \$100 fee charged to re-register a vehicle after a revocation.

Uninsured Motorist Identification Restricted Account funds may be used to offset designated vendor costs of maintaining an information-matching database, sending inquiries to taxpayers when data does not match, and costs

associated with revoking and reinstating vehicle registrations. The majority of these funds are used by Department of Public Safety to cover the ongoing expense of maintaining the database and pay a vendor for the costs of sending letters and updating the database. For specific details, see UCA 41-12a-806. The Tax Commission uses a small proportion, about \$134,000 in FY 2006, for revocation and reinstatement costs, with the rest of the costs from this account being used primarily for insurance verification.

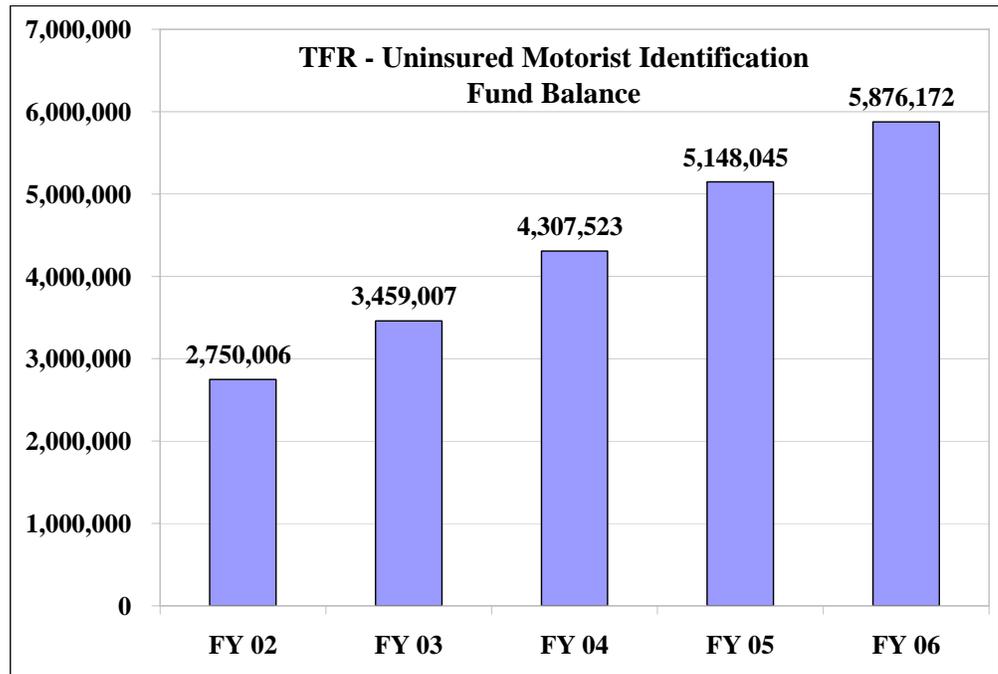


Figure 19

General Fund Restricted – Alcoholic Beverage Enforcement and Treatment Restricted Account

Utah Annotated Code 59-15-109 requires the greater of 40 percent of the Beer Excise Tax (equal to \$12.80 per 31-gallon of beer imported or manufactured) collected 2 years prior or \$4,350,000 be deposited to the Alcoholic Beverage Enforcement and Treatment Restricted Account, created in 2003. The funds are appropriated to local governments in amounts specified by code. The appropriation is used exclusively for programs or projects related to prevention, detection, prosecution, and controlling alcohol related offenses. The portion distributed to counties is also used for the confinement or rehabilitation, and construction and maintenance of facilities for confinement or rehabilitation, of persons arrested for or convicted of alcohol-related offenses.

For specific details, see UCA 32a-1-115, 59-15-101 and 59-15-109.

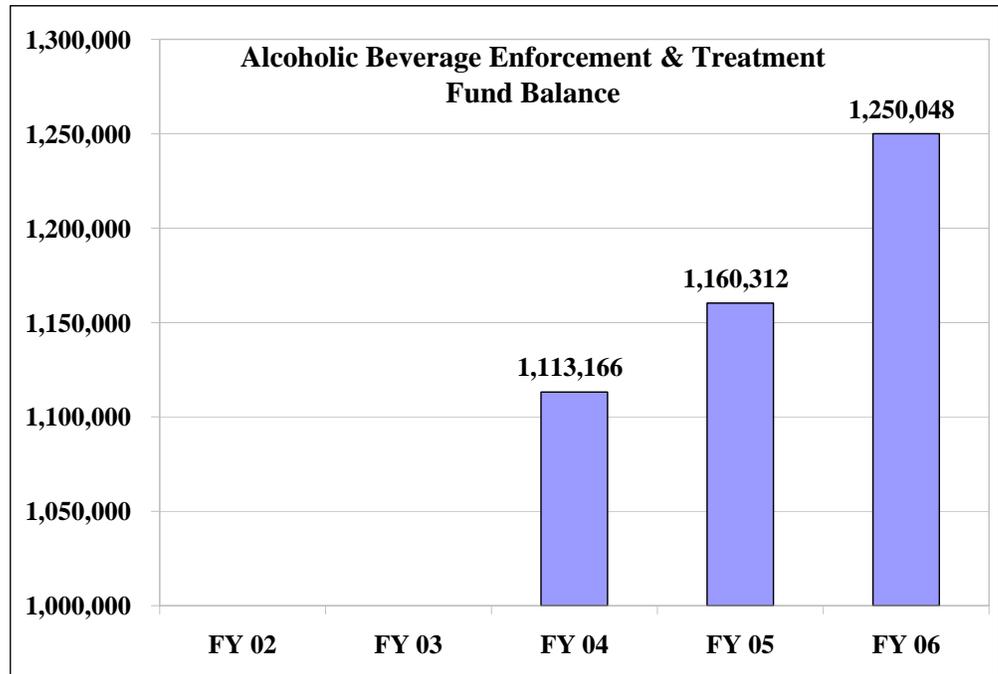


Figure 20

TAX COMMISSION ADMINISTRATION

Function

This Administration Division includes the Commissioners’ and the Executive Director’s Offices. Both offices provide direction and leadership to the Department.

The Commissioners’ Office:

- Develops tax policy and rules;
- Provides an appeals process with most appeals heard by administrative law judges;
- Assures agency operations are in compliance with the law;
- Keeps the public informed with tax bulletins and news releases; and
- Forecasts state revenues and provides economic and statistical analyses from Tax Commission data.

The Executive Director’s section:

- Directs and coordinates day to day department operations;
- Provides employee recruitment, classification, training, and payroll;
- Provides direction and oversight of the budget, training, goal setting and performance measurement;
- Drafts legislation, rules, and bulletins, and coordinates legislative issues;
- Oversees facility operations and security;

- Tracks the state’s revenue collections, including distribution of revenues to local governments, and manages the Department’s internal accounting processes;
- Enforces criminal tax evasion cases; and
- Manages disclosure and IRS liaison functions.

Funding Detail

State funds account for most of the Administration Division’s financing. With just under 70 budgeted full-time-equivalent employees, the Division’s leading category of expenditure is personal services.

Budget History - Tax Commission - Tax Administration - Administration Division					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	3,306,700	2,074,300	3,791,300	2,991,100	2,496,900
General Fund, One-time	0	0	0	0	(6,900)
Uniform School Fund	645,000	2,140,800	2,245,600	2,917,000	2,178,600
Uniform School Fund, One-time	0	0	0	0	(6,300)
Transportation Fund	613,800	159,600	159,600	159,600	159,600
Dedicated Credits Revenue	109,000	221,700	381,200	371,200	383,200
GFR - Sales and Use Tax Admin Fees	442,900	677,100	651,900	952,300	730,300
Transfers - Utah State Tax Commission	0	16,200	11,700	0	0
Beginning Nonlapsing	3,907,000	3,870,600	4,848,500	6,497,100	5,660,800
Closing Nonlapsing	(3,870,600)	(4,041,800)	(6,497,100)	(5,800,400)	(4,824,500)
Lapsing Balance	(352,000)	0	0	0	0
Total	\$4,801,800	\$5,118,500	\$5,592,700	\$8,087,900	\$6,771,700
Categories of Expenditure					
Personal Services	4,269,200	4,278,000	4,463,300	4,563,200	5,183,900
In-State Travel	11,700	12,700	10,600	10,900	11,500
Out of State Travel	26,800	36,700	44,000	58,000	45,700
Current Expense	488,000	627,400	598,100	578,400	701,300
DP Current Expense	6,100	163,700	309,100	2,238,600	27,800
DP Capital Outlay	0	0	167,600	638,800	0
Capital Outlay	0	0	0	0	801,500
Total	\$4,801,800	\$5,118,500	\$5,592,700	\$8,087,900	\$6,771,700
Other Data					
Budgeted FTE	69.0	67.0	67.0	67.0	67.0
Vehicles	4	4	4	5	4

Table 66

Accountability

The following graph shows the annual number of tax appeals cleared by the Commissioners’ Office. The Office seeks to reduce the appeals backlog to the greatest extent possible. Since FY 2000, the office has cleared between 1,400 and 2,100 appeals a year.

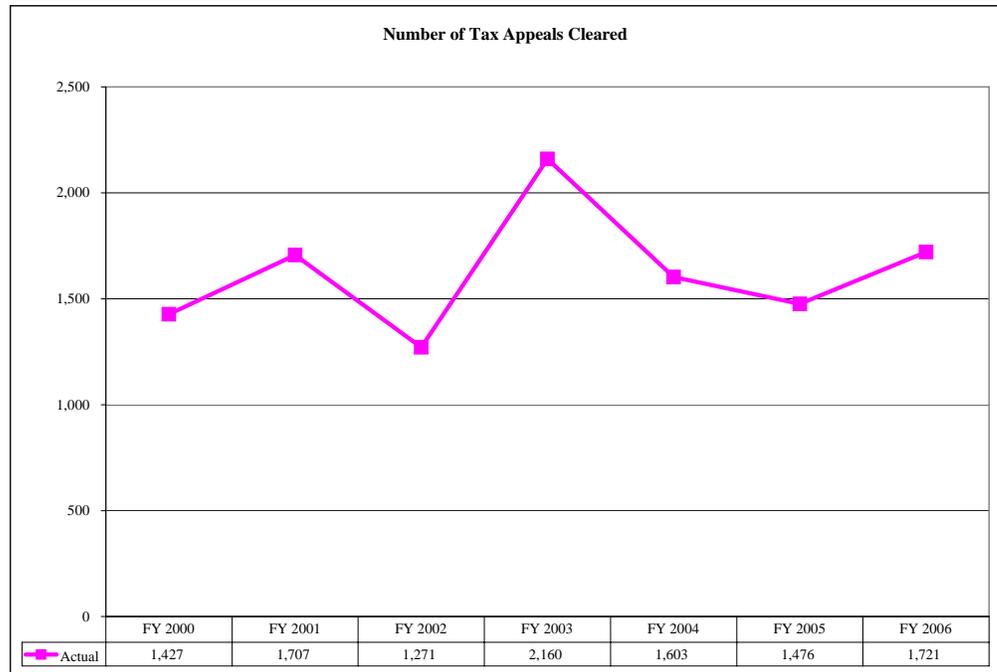


Figure 21

AUDITING

Function

The Auditing Division increases voluntary taxpayer compliance through selective examination of taxpayer returns and supporting records. It audits all taxes except property tax, and conducts audits in-house and at taxpayers' places of business. The Division emphasizes compliance audits for investigation of suspected fraud and tax evasion. Through educational outreach and customer service, the Division works to help taxpayers report future taxes properly.

Funding Detail

The three largest sources of finance for the Auditing Division are the General Fund, Uniform School Fund, and the Sales and Use Tax Administrative Fees Account. As described in the special funding section of this document, the Commission deposits a small percent of its sales and use tax collections on behalf of local entities into the Sales and Use Tax Administrative Fees Account. Appropriations may then be made from this account for sales tax administration purposes.

Budget History - Tax Commission - Tax Administration - Auditing Division					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	2,995,200	2,658,100	2,899,500	3,514,400	3,981,000
General Fund, One-time	0	0	0	0	(11,700)
Uniform School Fund	2,647,300	2,578,500	2,667,600	2,667,000	3,021,200
Uniform School Fund, One-time	0	0	0	0	(8,900)
Transportation Fund	535,500	563,200	563,200	563,200	563,200
Federal Funds	482,000	440,400	429,700	459,500	434,000
GFR - Sales and Use Tax Admin Fees	1,376,200	1,739,000	1,893,300	1,885,900	2,130,000
Transfers	83,500	55,100	73,000	100,200	0
Beginning Nonlapsing	0	214,000	0	0	0
Closing Nonlapsing	(214,000)	0	0	0	0
Total	\$7,905,700	\$8,248,300	\$8,526,300	\$9,190,200	\$10,108,800
Categories of Expenditure					
Personal Services	7,128,300	7,456,900	7,688,700	8,349,200	9,202,000
In-State Travel	55,400	64,000	64,200	85,200	72,900
Out of State Travel	342,900	322,800	377,500	355,300	376,000
Current Expense	357,900	385,500	376,800	370,200	426,600
DP Current Expense	21,200	19,100	19,100	30,300	17,900
DP Capital Outlay	0	0	0	0	13,400
Total	\$7,905,700	\$8,248,300	\$8,526,300	\$9,190,200	\$10,108,800
Other Data					
Budgeted FTE	129.0	135.0	135.0	135.0	135.0

Table 67

Accountability

The following chart details audit satisfaction on a scale from one to five. A rating of five means the taxpayer “strongly agrees” with the statement, “overall, I was satisfied with the manner in which the audit was conducted,” and a rating of one means the taxpayer “strongly disagrees” with the statement. Over the past seven years, the Division has consistently maintained a rating between four and five.

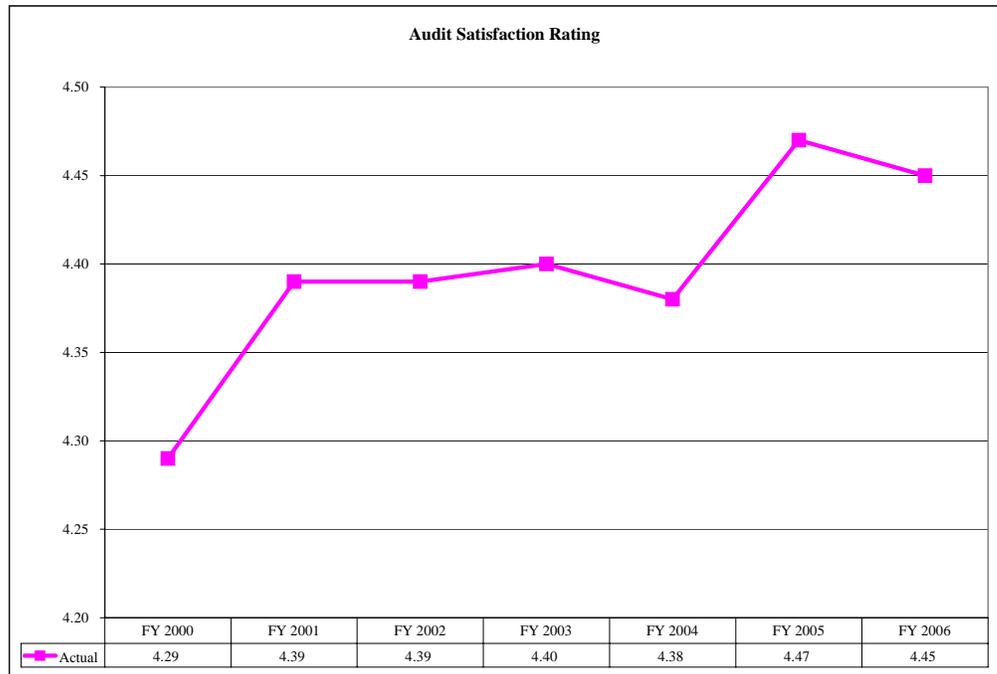


Figure 22

The Auditing Division seeks to ensure that all taxpayers pay a fair share. To measure success of this effort, the Division tracks discovery and audit of unlicensed sales tax and corporate franchise tax liabilities. The table below shows that by FY 2006, the number of unlicensed sales and corporate taxpayers assess had more than doubled since FY 2000.



Figure 23

MULTI-STATE TAX COMPACT

Function

The Multi-State Tax Commission (MTC) is a group of state governments working together to help make state tax systems fair, effective, and efficient as for interstate and international commerce. It is also an effort to protect state tax sovereignty.

The Commission’s two primary projects are the joint audit program and the National Nexus Program. The joint audit program reviews a business’ sales and corporate income tax filings for several states at the same time. Accordingly, the audit program encourages compliance with state tax laws, generates tax revenues for states, contributes to uniformity in taxpayer treatment, and helps states learn about new industry conditions and circumstances. The National Nexus Program encourages voluntary disclosure and discovers businesses that are not filing returns with states. The nexus program facilitates an exchange of information between states to identify business reporting or filing inconsistencies among these states.

Funding Detail

Funding for the Multi-State Tax Compact is made up entirely of General Fund, Uniform School Fund, and the Sales and Use Tax Administrative Fees Account. Annual expenditures represent membership dues.

Budget History - Tax Commission - Tax Administration - Multi-State Tax Compact					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	90,800	72,500	84,400	96,400	97,700
Uniform School Fund	92,300	67,100	67,100	66,200	67,100
GFR - Sales and Use Tax Admin Fees	0	40,900	40,900	40,400	40,900
Total	\$183,100	\$180,500	\$192,400	\$203,000	\$205,700
Categories of Expenditure					
Current Expense	183,100	180,500	192,400	203,000	205,700
Total	\$183,100	\$180,500	\$192,400	\$203,000	\$205,700

Table 68

TECHNOLOGY MANAGEMENT

Function

The Department of Technology Systems (DTS) now operates and maintains the Tax Commission’s 60 different automated systems. It also develops and installs new automated systems to meet specialized demands. In addition, DTS provides service to internal customers through a system-wide “help desk.”

The Tax Commission continues to modernize tax and motor vehicle systems and processes. New funding to replace the state’s core tax systems was initiated in 2006 with a one-time appropriation of \$7 million to DTS. The total vendor cost to replace the existing core systems is \$22.5 million, with costs and execution spanning over the next several years. This project will include the replacement of the automated systems used to process, record, and distribute sales tax, income tax, employer withholding tax, corporate tax, and the fuel taxes.

Two major system changes have been implemented to date. A new delinquent tax collection tracking system has improved collection tools and processes. A new motor vehicle system allows the on-line and immediate update of vehicle information. The Salt Lake motor vehicle offices are now using an automated line-management system to expedite the traffic flow through those offices.

Electronic initiatives include the development of online applications for motor vehicle renewals, filing of income tax returns, and sales tax returns for single-location businesses. An electronic payment system has also been designed and provides taxpayers an online payment option. Use of 2-D barcode technology on Income Tax returns prepared by tax practitioners now allows taxpayer information to be updated through automation. All tax forms and instructions are now available on-line.

Legislative changes to accommodate the Streamlined Sales Tax (SST) requirement in order to keep Utah in compliance with the national standards will be addressed this session. Other initiatives include the expanded use of on-line filing, scanning or image-lifting technology to electronically extract return information, and designing systems so that "data warehousing" of taxpayer information can be accomplished.

All of these improvements will provide better tools to assist taxpayers in tax compliance and make the processing and verification of taxpayer information more efficient. Improvements are expected to continue for several more years and until all systems and processes have been reviewed for update.

Funding Detail

In addition to the General Fund, Uniform School Fund, and Sales and Use Tax Administrative Fees Account, the Transportation Fund is a major source of financing for technology management.

Budget History - Tax Commission - Tax Administration - Technology Management					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	5,042,500	3,241,900	3,195,300	3,175,600	3,277,200
General Fund, One-time	0	0	0	0	(8,500)
Uniform School Fund	2,103,500	2,522,200	2,575,100	2,748,200	2,836,200
Uniform School Fund, One-time	0	0	0	0	(7,400)
Transportation Fund	558,400	2,001,200	2,001,200	2,001,200	2,001,200
Dedicated Credits Revenue	1,200	110,400	111,900	116,700	111,700
GFR - Sales and Use Tax Admin Fees	1,163,200	2,454,900	1,370,800	1,464,000	1,503,000
Transfers	86,600	115,600	204,400	0	0
Beginning Nonlapsing	0	0	48,800	0	0
Closing Nonlapsing	0	(855,400)	0	0	0
Total	\$8,955,400	\$9,590,800	\$9,507,500	\$9,505,700	\$9,713,400
Categories of Expenditure					
Personal Services	5,266,000	5,419,300	5,544,300	5,803,900	6,308,100
In-State Travel	3,400	6,400	5,900	5,200	5,900
Out of State Travel	11,700	25,600	21,500	29,100	24,000
Current Expense	266,300	328,100	217,500	207,900	417,800
DP Current Expense	3,242,700	3,333,500	3,356,700	3,426,400	2,799,500
DP Capital Outlay	165,300	477,900	361,600	33,200	158,100
Total	\$8,955,400	\$9,590,800	\$9,507,500	\$9,505,700	\$9,713,400
Other Data					
Budgeted FTE	73.0	74.0	74.0	75.0	75.0

Table 69

TAX PROCESSING

Function

The Tax Processing Division disseminates tax forms, instructions, and publications to citizens. It collects and records tax payments and taxpayer information, processes paper and electronic tax documents, and maintains archival records.

Funding Detail

The main funding sources for the Tax Processing Division are the General Fund, Uniform School Fund, Transportation Fund, and Sales and Use Tax Administrative Fees Account. The majority of the Division’s expenditures are on personal services and current expense, with postage and mailing making up a large portion (about \$1.1 million in FY 2006) of current expense.

Budget History - Tax Commission - Tax Administration - Tax Processing Division					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	430,500	2,478,600	2,114,000	2,494,400	2,944,600
General Fund, One-time	0	0	0	0	(6,000)
Uniform School Fund	4,589,400	2,698,800	2,783,100	2,565,800	3,028,900
Uniform School Fund, One-time	0	0	0	0	(6,200)
Transportation Fund	630,600	929,100	929,100	929,100	929,100
Dedicated Credits Revenue	38,300	103,700	154,300	209,300	161,800
GFR - Sales and Use Tax Admin Fees	1,285,500	781,500	1,238,900	1,142,300	1,343,000
Total	\$6,974,300	\$6,991,700	\$7,219,400	\$7,340,900	\$8,395,200
Categories of Expenditure					
Personal Services	4,405,700	4,521,700	4,763,400	4,865,500	5,794,900
In-State Travel	100	300	400	200	1,900
Out of State Travel	1,200	5,900	7,700	3,100	8,500
Current Expense	2,397,300	2,408,100	2,382,700	2,448,800	2,377,200
DP Current Expense	19,400	20,200	65,200	23,300	23,500
DP Capital Outlay	0	0	0	0	189,200
Capital Outlay	150,600	35,500	0	0	0
Total	\$6,974,300	\$6,991,700	\$7,219,400	\$7,340,900	\$8,395,200
Other Data					
Budgeted FTE	117.5	132.5	134.0	131.0	131.0
Vehicles	3	3	3	2	3

Table 70

Accountability

The dates by which all timely-filed income tax returns are entered and checks deposited are shown in the following table. In FY 2006, the Division finished entering returns earlier than it had in the previous four years.

Tax Processing Dates: All Timely Filed Returns Entered and All Checks Deposited					
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Date All Timely Returns Filed	June 28	June 30	June 30	July 13	May 25
Date All Checks Processed	April 30	April 30	April 30	April 21	April 28

Table 71

SEASONAL EMPLOYEES

Function

Seasonal employees are an important factor in the efficient operation of the Tax Commission. Commission workloads vary sharply throughout the year. For instance, the Processing Division utilizes temporary employees during high volume document filing periods, such as the spring for income tax returns and each quarter for business tax returns.

Funding Detail

The Tax Commission uses a mix of General Fund, Uniform School Fund, and the Sales and Use Tax Administrative Fees Account to fund its 16 full-time-equivalent seasonal employees.

Budget History - Tax Commission - Tax Administration - Seasonal Employees					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	170,400	119,400	178,200	191,300	190,100
Uniform School Fund	63,700	142,100	147,300	151,600	150,600
GFR - Sales and Use Tax Admin Fees	48,600	9,500	9,900	10,200	10,100
Total	\$282,700	\$271,000	\$335,400	\$353,100	\$350,800
Categories of Expenditure					
Personal Services	282,700	271,000	335,400	353,100	350,800
Total	\$282,700	\$271,000	\$335,400	\$353,100	\$350,800
Other Data					
Budgeted FTE	16.0	16.0	16.0	16.0	16.0

Table 72

TAXPAYER SERVICES

Function

Taxpayer Services promotes voluntary compliance with Utah tax statutes, through outreach and education programs. Its employees respond to written, phone, or in-person requests from taxpayers, assisting them in resolving tax issues by providing timely and accurate information. They use the Computer Assisted Collection System for Government (CACSG) to increase collection efficiency. The program also uses the Treasury Offset Program (TOP) to garnish Federal refunds of the more than 11,000 delinquent Utah taxpayers. The Division also out-sources debt collection of accounts that are not in litigation, under a payment agreement, assigned to a collector for active collection, or whose outsourcing would be in violation of state or federal law.

Funding Detail

Like many of the other programs under the Tax Commission, the majority of the funding mix for Taxpayer Services is General Fund, Uniform School Fund, and the Sales and Use Tax Administrative Fees Account.

Budget History - Tax Commission - Tax Administration - Tax Payer Services					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	4,172,600	3,068,900	3,425,500	3,763,100	4,099,600
General Fund, One-time	0	0	0	0	(11,500)
Uniform School Fund	1,804,300	2,949,900	3,190,500	3,282,300	3,550,700
Uniform School Fund, One-time	0	0	0	0	(8,900)
Transportation Fund	330,000	123,600	123,600	123,600	123,600
Dedicated Credits Revenue	42,100	38,500	45,800	46,400	40,500
GFR - Sales and Use Tax Admin Fees	1,397,200	1,462,600	1,582,300	1,640,700	1,777,400
Beginning Nonlapsing	0	180,000	0	0	0
Closing Nonlapsing	(180,000)	0	0	0	0
Total	\$7,566,200	\$7,823,500	\$8,367,700	\$8,856,100	\$9,571,400
Categories of Expenditure					
Personal Services	6,980,000	7,149,000	7,744,200	8,229,500	8,915,900
In-State Travel	8,400	12,300	15,300	17,600	15,000
Out of State Travel	400	2,700	900	1,000	2,000
Current Expense	563,800	641,300	587,700	586,800	620,000
DP Current Expense	13,600	18,200	19,600	21,200	18,500
Total	\$7,566,200	\$7,823,500	\$8,367,700	\$8,856,100	\$9,571,400
Other Data					
Budgeted FTE	152.0	155.0	156.0	155.0	155.0
Vehicles	7	7	7	5	7

Table 73

Accountability

Taxpayer Services aims to keep the collection costs per dollar collected low, but not so low so as to result in the avoidance of difficult to collect cases. The chart below shows that the cost of collections has stabilized at five cents per dollar collected. The division aims to maintain costs at this level.

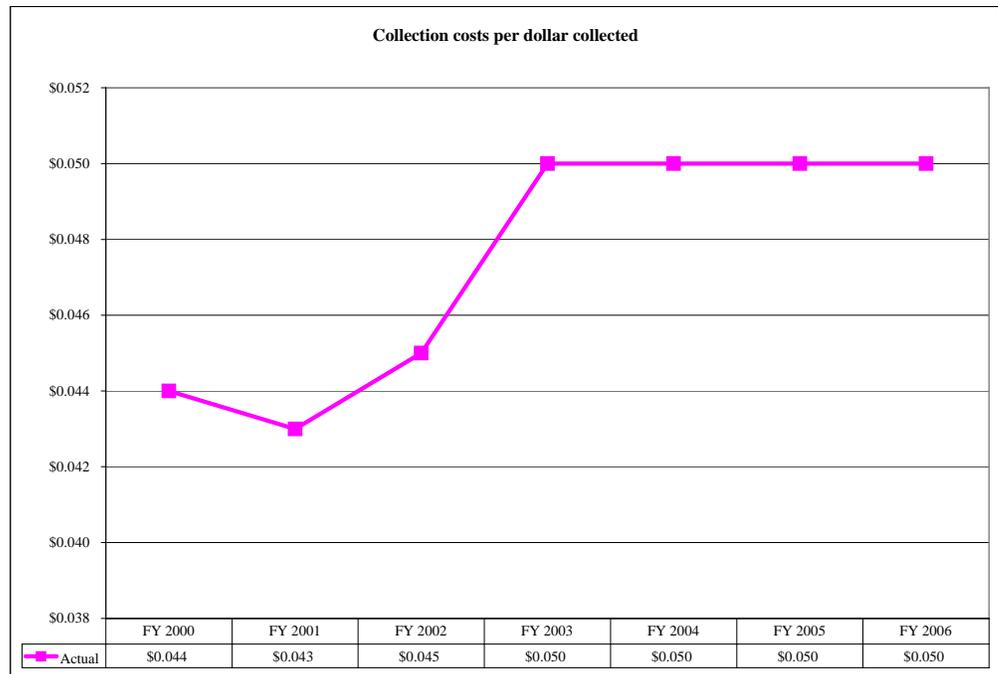


Figure 24

The division strives to resolve outstanding balances as they become delinquent since funds are more easily collected when the time they are allowed to remain unpaid is minimal. One of Taxpayer Services' goals is to meet or exceed delinquent collections of the prior year. As shown in the graph below the office has accomplished this goal since FY 2004.



Figure 25

Another measure that Taxpayer Services uses to measure its success is the ratio of delinquent collections to total net accounts receivable dollars. The following graph shows that the program increased this ratio by just under one percentage point between FY 2005 and FY 2006.

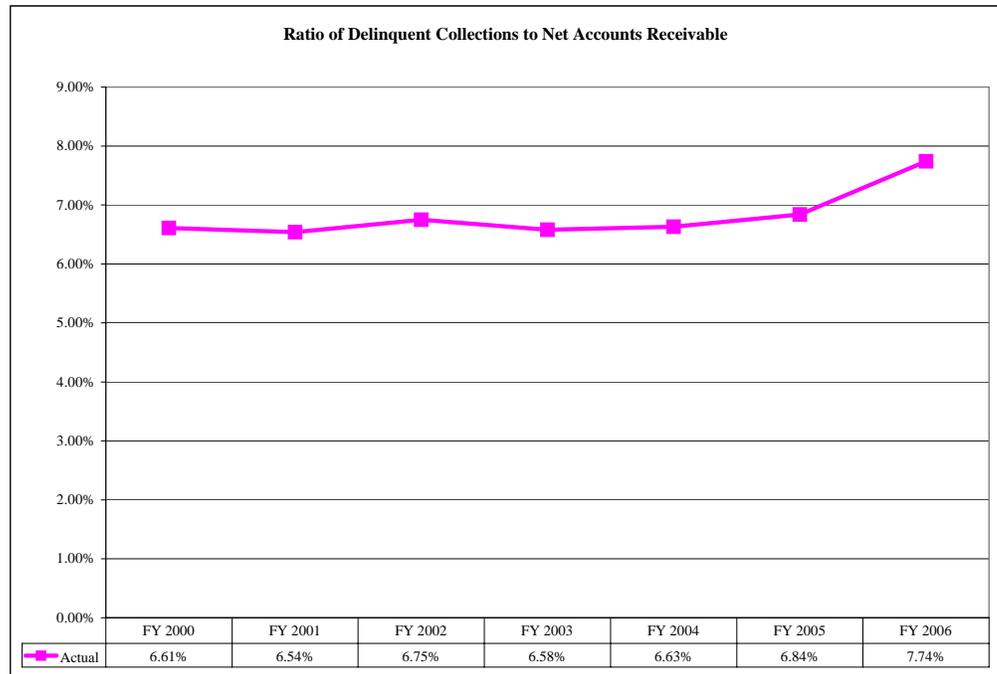


Figure 26

PROPERTY TAX

Function

The Property Tax Division appraises and audits complex natural resource extraction and transportation related properties in the state, as well as properties that cross county or state lines. Such properties include those owned by airlines, motor carriers, railroads, and utilities.

The Division works with local officials to assure equitable and accurate assessment and taxation under local property tax systems. It also administers the Truth-In-Taxation law.

Funding Detail

The Property Tax Division’s primary financing source is the Uniform School Fund. A portion of funding comes from a property assessment fee authorized by UCA 59-2-703 and 59-2-705.

Budget History - Tax Commission - Tax Administration - Property Tax Division					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Uniform School Fund	3,534,100	3,661,600	3,754,200	3,753,300	4,479,100
Uniform School Fund, One-time	0	0	0	0	(11,100)
Dedicated Credits Revenue	78,000	104,700	97,200	127,100	104,000
GFR - Sales and Use Tax Admin Fees	0	10,800	11,200	10,100	12,000
Total	\$3,612,100	\$3,777,100	\$3,862,600	\$3,890,500	\$4,584,000
Categories of Expenditure					
Personal Services	3,217,200	3,246,800	3,375,700	3,469,800	3,875,700
In-State Travel	70,700	74,000	78,600	67,600	80,500
Out of State Travel	26,100	22,600	26,000	30,100	30,000
Current Expense	287,600	423,300	368,200	314,400	581,800
DP Current Expense	10,500	10,400	14,100	8,600	16,000
Total	\$3,612,100	\$3,777,100	\$3,862,600	\$3,890,500	\$4,584,000
Other Data					
Budgeted FTE	53.0	56.0	56.0	56.0	56.0
Vehicles	12	12	12	12	12

Table 74

Accountability

Since FY 2001, the Division has completed valuation of centrally assessed companies on time, as shown in the following graph.

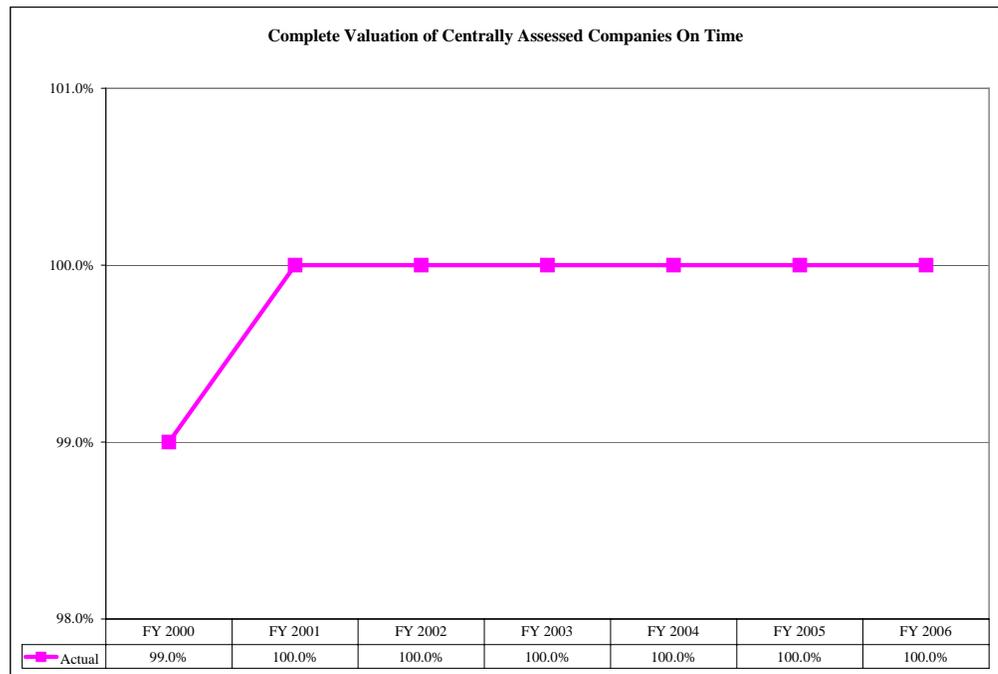


Figure 27

The Division measures effectiveness in helping counties to comply with the law by monitoring the number of counties not receiving corrective action orders. The more effective the Division in helping counties with up-front compliance, the lower the number of counties receiving orders. The graph below shows that, since FY 2001, no counties have received corrective action orders.

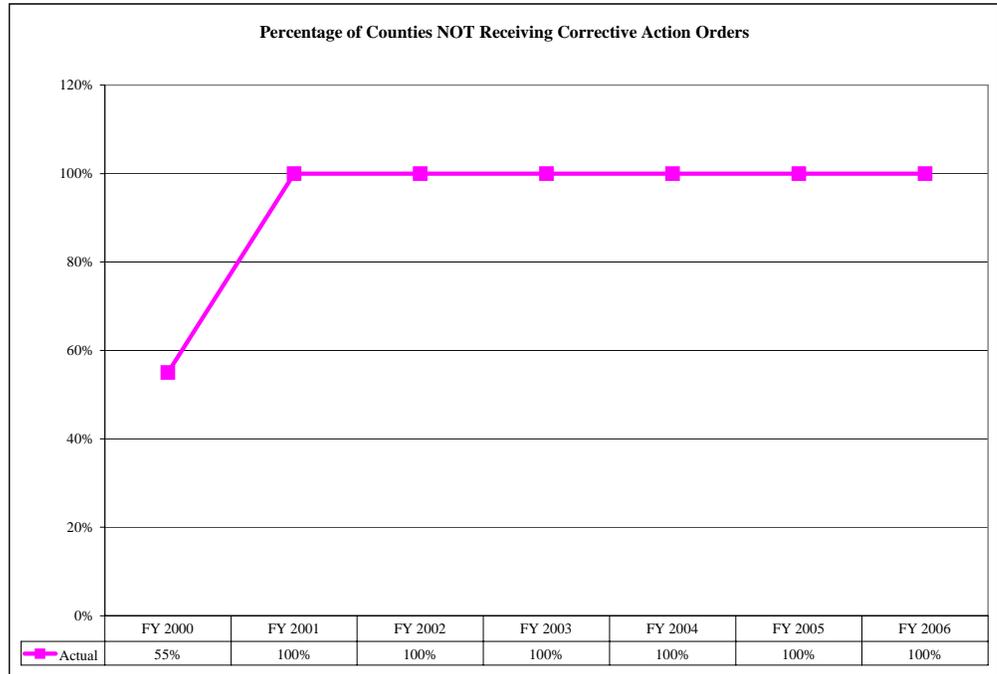


Figure 28

To measure the workload and efficiency of property auditors, the Division tracks the number of personal property audits per year per auditor. As shown in the following graph, the number of audits per auditor has generally increased since FY 2001.

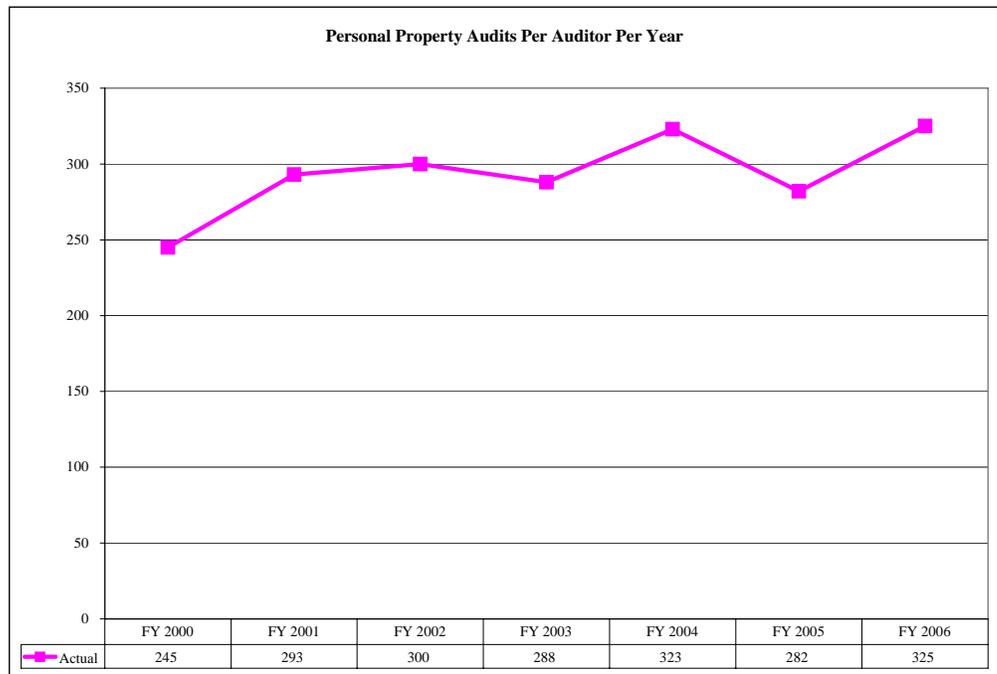


Figure 29

MOTOR VEHICLES

Function

The Division of Motor Vehicles (DMV) administers statewide vehicle title, registration, and related functions. It implements motor vehicle policy and

procedure and helps maintain the State’s motor vehicle computer system. It also provides training to all computer users, manages a telephone section for statewide assistance, and manages vehicle-related appeals. Additionally, the DMV administers the International Registration Plan and the International Fuel Tax Administration Plan.

Utah Annotated Code 59-2-406 authorizes the Tax Commission to contract with county governments, at the counties’ option, to provide local customer services for the combined collection of the county’s fee-in-lieu and Title 41 Motor Vehicle Fees. Several counties have elected to retain those functions. Fees for the reciprocal services provided between the State and counties are established in statute. Subsection 406 (3) sets the reimbursement fee and instructs that an adjustment be made each year based on the prior year’s consumer price index change. The approval and reimbursement of fees are approved by the Legislature.

Funding Detail

In addition to the General Fund and Transportation Fund, dedicated credit revenue makes up a large portion of the Division’s funding. The two largest dedicated credit sources are property assessment fees and electronic payment fees, which totaled about \$2.0 million and \$1.1 million, respectively, in FY 2006.

Budget History - Tax Commission - Tax Administration - Motor Vehicles					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	2,880,200	4,223,000	5,278,400	5,909,400	6,754,500
General Fund, One-time	0	0	0	0	(18,500)
Transportation Fund	3,189,100	2,080,700	2,080,700	2,080,700	2,080,700
Dedicated Credits Revenue	4,213,200	6,818,000	5,867,300	4,928,300	4,908,300
GFR - Sales and Use Tax Admin Fees	806,500	407,100	291,300	457,500	364,100
TFR - Uninsured Motorist I.D.	133,800	0	133,800	0	133,800
Beginning Nonlapsing	0	0	1,648,200	2,325,400	1,759,000
Closing Nonlapsing	0	(1,648,200)	(2,325,400)	(1,310,800)	(1,192,600)
Total	\$11,222,800	\$11,880,600	\$12,974,300	\$14,390,500	\$14,789,300
Categories of Expenditure					
Personal Services	7,553,100	7,764,300	8,127,800	8,723,600	9,472,400
In-State Travel	15,100	13,300	15,200	17,200	15,000
Out of State Travel	3,000	5,400	7,200	11,300	7,000
Current Expense	3,478,500	3,955,300	4,709,500	5,495,800	5,175,700
DP Current Expense	173,100	142,300	114,600	142,600	119,200
Total	\$11,222,800	\$11,880,600	\$12,974,300	\$14,390,500	\$14,789,300
Other Data					
Budgeted FTE	198.0	194.5	195.0	195.5	198.0
Vehicles	1	1	1	2	1

Table 75

Accountability

To monitor any shifts in workload on account of county-exercised options, the Division tracks the number of transactions in state-run and county-run offices. Transactions in state-run offices have increased while transactions in county-run offices have been on the decline.

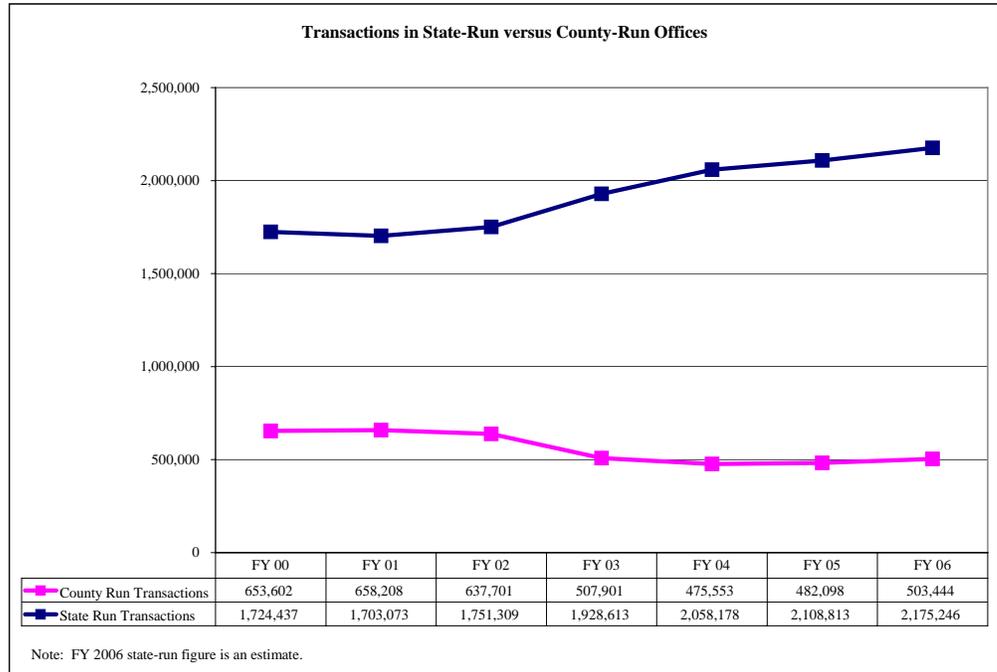


Figure 30

In order to improve efficiency, the Division seeks to encourage the use of electronic processing. The following graph shows success in this effort, with the number of renewals by internet surpassing renewals by mail in FY 2005.

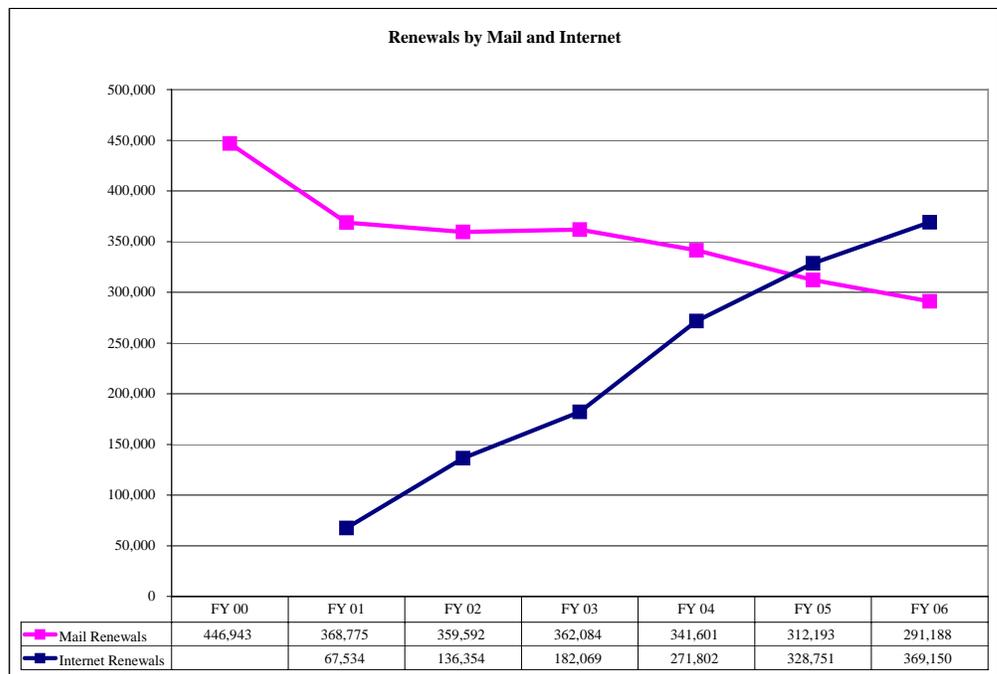


Figure 31

MOTOR VEHICLE ENFORCEMENT

Function The Motor Vehicle Enforcement Division (MVED) protects Utah citizens from motor vehicle fraud and fosters a healthy motor vehicle sales environment. Officer duties include title, odometer and motor vehicle dealer fraud investigations, regulatory licensing enforcement, VIN inspections, registration enforcement, and investigation of consumer complaints against licensed dealers, commercial auto theft, and salvage vehicle fraud.

Funding Detail The greatest portion of the Motor Vehicle Enforcement Division’s funding is in the form of dedicated credits. Of all division dedicated credits, the temporary permit fee generates the greatest revenue, about \$2.2 million in FY 2006.

Budget History - Tax Commission - Tax Administration - Motor Vehicle Enforcement Division					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	608,100	564,300	10,600	44,800	107,600
General Fund, One-time	0	0	0	0	(200)
Federal Funds	32,500	0	0	19,100	0
Dedicated Credits Revenue	1,266,600	1,405,500	2,170,700	2,398,800	2,534,100
GFR - Sales and Use Tax Admin Fees	0	38,200	41,500	21,700	47,700
Transfers	0	0	0	50,000	0
Beginning Nonlapsing	0	0	8,200	51,800	47,100
Closing Nonlapsing	0	(8,200)	(51,800)	(62,900)	(42,400)
Total	\$1,907,200	\$1,999,800	\$2,179,200	\$2,523,300	\$2,693,900
Categories of Expenditure					
Personal Services	1,541,700	1,593,100	1,743,600	1,886,600	2,161,500
In-State Travel	4,100	6,000	3,400	6,200	6,000
Out of State Travel	9,800	2,900	3,900	15,000	4,700
Current Expense	348,900	395,100	425,600	511,100	517,400
DP Current Expense	2,700	2,700	2,700	3,600	4,300
Capital Outlay	0	0	0	46,200	0
Operating Transfers	0	0	0	54,600	0
Total	\$1,907,200	\$1,999,800	\$2,179,200	\$2,523,300	\$2,693,900
Other Data					
Budgeted FTE	29.0	29.5	30.0	33.0	32.0
Vehicles	31	31	31	31	31

Table 76

Accountability The Division tracks the total number of motor vehicle crime investigations each year in order to assess the work load and output of investigative staff. After a four year decline, investigations began increasing after FY 2004.

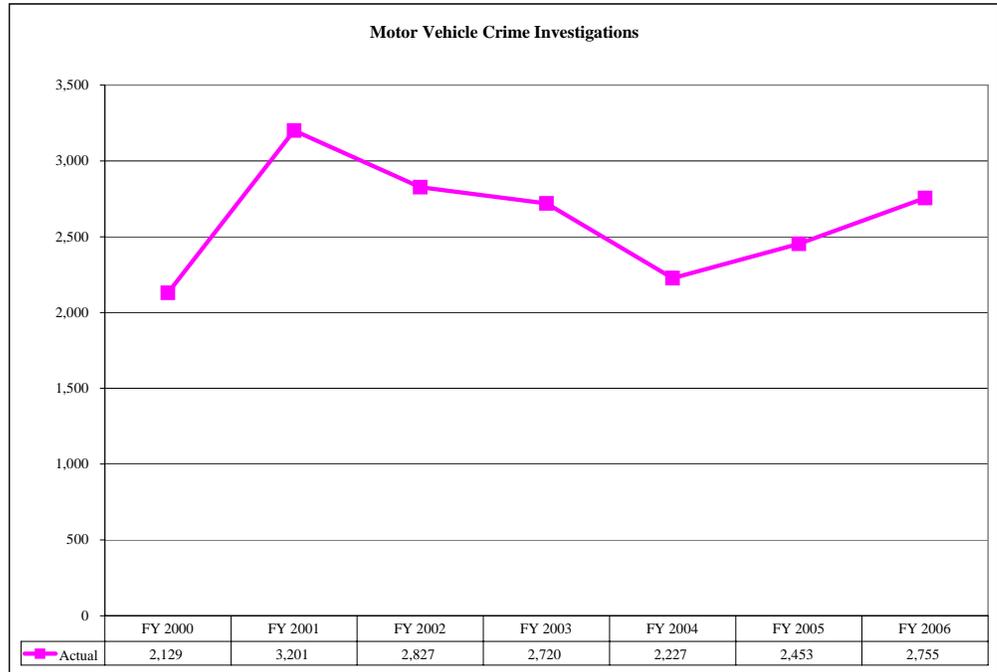


Figure 32

Each year, MVED officers recover more stolen vehicle than other law enforcement officers because of an emphasis on vehicle enforcement. Last year, the Division recovered 8 percent of all stolen vehicles; all other law enforcement staff recovered fewer than 2 percent of all stolen vehicles. The following graph shows an increase in the number of recovered stolen vehicles over time.



Figure 33

LICENSE PLATE PRODUCTION

Function This line item accounts for materials and labor for the State Prison license plate production operation.

Funding Detail Funding for this is generated solely through license plate fees. Funds do not lapse as specified in Utah Annotated Code 41-1-43.

Budget History - Tax Commission - License Plates Production					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Dedicated Credits Revenue	2,102,700	2,171,600	2,250,200	2,398,200	2,250,200
Beginning Nonlapsing	2,347,800	2,635,000	2,659,500	3,034,700	2,864,100
Closing Nonlapsing	(2,635,000)	(2,659,500)	(3,034,700)	(3,403,100)	(2,693,500)
Total	\$1,815,500	\$2,147,100	\$1,875,000	\$2,029,800	\$2,420,800
Categories of Expenditure					
Current Expense	1,815,500	2,147,100	1,875,000	2,029,800	2,420,800
Total	\$1,815,500	\$2,147,100	\$1,875,000	\$2,029,800	\$2,420,800

Table 77

LIQUOR PROFIT DISTRIBUTION

Function This line item accounts for a portion of revenue generated by the beer tax, collected by the Tax Commission and distributed to local governments.

The Distribution formula for these funds is as follows:

- 25 percent to cities, counties and towns based on population;
- 30 percent to cities, counties and towns based on alcohol related convictions;
- 20 percent to cities, counties and towns based on the number of liquor stores;
- 25 percent to counties for facilities based on population.

Funding Detail

Budget History - Tax Commission - Liquor Profit Distribution					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
GFR - Alc Bev Enf & Treatment	0	2,712,500	3,133,700	3,741,900	4,350,000
Total	\$0	\$2,712,500	\$3,133,700	\$3,741,900	\$4,350,000
Categories of Expenditure					
Current Expense	0	3,200	0	0	0
Other Charges/Pass Thru	0	2,709,300	3,133,700	3,741,900	4,350,000
Total	\$0	\$2,712,500	\$3,133,700	\$3,741,900	\$4,350,000

Table 78

SALES TAX VENDOR PAYMENTS

Function During the 2006 General Session, the Legislature appropriated \$6 million one-time from the General Fund to the Tax Commission in HB 109, *Sales and Use Tax – Food and Food Ingredients*. The State Tax Commission is to distribute

this amount to certain businesses to offset the cost of complying with the reduced sales and use tax rate imposed on food and food ingredients.

Funding Detail

Budget History - Tax Commission - Sales Tax - Vendor Payments					
	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Appropriated
Sources of Finance					
General Fund, One-time	0	0	0	0	6,000,000
Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$6,000,000</u>
Categories of Expenditure					
Other Charges/Pass Thru	0	0	0	0	6,000,000
Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$6,000,000</u>

Table 79

GLOSSARY

Finance categories used by the state are:

General Fund	This is one of the state's most important sources of income. The primary revenue source is the sales tax, although there are other taxes and fees which are deposited into this fund. General Funds may be spent at the discretion of the Legislature, as the Constitution allows. Personal income taxes and corporate franchise taxes are not deposited into the General Fund, but into the Uniform School Fund.
Education Fund	This is another of the state's most important sources of income. Revenues come primarily from personal income taxes and corporate franchise taxes. Funds are constitutionally restricted to public and higher education. In the Capital Facilities subcommittee, these funds are used for debt service and capital improvements (alteration, repair and improvements).
Transportation Funds	Transportation funds are derived primarily from the gas tax and are constitutionally restricted to road and highway related issues. In the Capital Facilities subcommittee, these funds are used for debt service on highway bonds, especially for Centennial Highway Fund projects.
Federal Funds	Federal agencies often make funds available to the state for programs that are consistent with the needs and goals of the state and its citizens and are not prohibited by law. Generally, federal funds are accompanied by certain requirements. A common requirement is some form of state match in order to receive the federal dollars. The Legislature must review and approve most large federal grants before state agencies may receive and expend them.
Dedicated Credits	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. An agency must estimate the level of its service for the following fiscal year, and thus its level of dedicated credits. Dedicated credits for the Utah System of Higher Education are comprised mainly of tuition and fees.
Restricted Funds	Restricted funds are statutorily restricted to designated purposes. The restricted funds usually receive money from specific sources, with the understanding that those funds will then be used for related purposes.
Lapsing/Nonlapsing	Several other small funds are used by certain agencies. These will be discussed in further detail as the budgets are presented. Lapsing funds, however, should be addressed. Funds lapse, or revert back to the state, if the full appropriation is not spent by the end of the fiscal year. Since it is against the law to spend more than the Legislature has appropriated, all programs will either spend all the money or have some left over. The funds left over lapse to the state, unless specifically exempted. Those exceptions include funds that are setup as nonlapsing in their enabling legislation, or appropriations designated nonlapsing 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 nonlapsing balance, for use in the next fiscal year. In the budgets, the Beginning Nonlapsing balance is the balance on July 1, while the balance on the next June 30 is termed the Closing Nonlapsing balance. The Closing Nonlapsing balance from one fiscal year becomes the Beginning Nonlapsing balance of the following fiscal year. The reasoning behind nonlapsing 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.

Expenditure categories used by the state are:

Personal Services	Includes employee compensation and benefits such as health insurance, retirement, and employer taxes.
Current Expenses	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.
Capital Outlay	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 that the Legislature will encounter include the following:

Performance Measures	<p>In recent years, performance based budgeting has received more attention as citizens and decision-makers demand evidence of improved results from the use of tax dollars.</p> <p>Care must be exercised in crafting performance measures to avoid misdirected results. Moving to performance based budgeting is a long term commitment. The Analyst has drafted some ideas for performance measures in the write-up, however, it is recognized that the measures are a work in progress and that long-term tracking of measures would require a statewide commitment in both the executive and legislative branches.</p>
Intent Language	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, it may be determined that unexpected circumstances have arisen which require additional funding for the current year. The appropriations subcommittee can recommend to the Executive Appropriations

Committee that a supplemental appropriation be made for the current fiscal year.

FTE

An abbreviation for Full Time Equivalent, this is a method of standardizing personnel counts. A full time equivalent is equal to one employee working 40 hours per week. Four employees each working ten hours per week would also count as 1 FTE. In addition, in higher education, the term FTE is used for a Full Time Equivalent student taking 12 to 15 credit hours per semester.

Line Item

This is a term that applies to an appropriation bill. A line number in the appropriations bill identifies each appropriated sum. Generally, each 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 of appropriation.

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