

**2007-2008
APPROPRIATIONS
REPORT**

Utah Legislature

2007 General Session

Office of the Legislative Fiscal Analyst

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Legislative Fiscal Analyst

Senator Lyle W. Hillyard

Representative Ron Bigelow

Co-chairs, Executive Appropriations Committee

April 2007

Foreword

This report is submitted in compliance with Utah Code Annotated 36-12-13(2j), which requires the Legislative Fiscal Analyst “to prepare, after each session of the Legislature, a summary showing the effect of the final legislative program on the financial condition of the state.”

Detailed information on individual state programs is available in the Compendium of Budget Information (COBI) for each appropriations subcommittee. COBIs can be accessed <http://legislature.utah.gov/asp/lfa/lfareports.asp>

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Executive Summary

Appropriations Overview

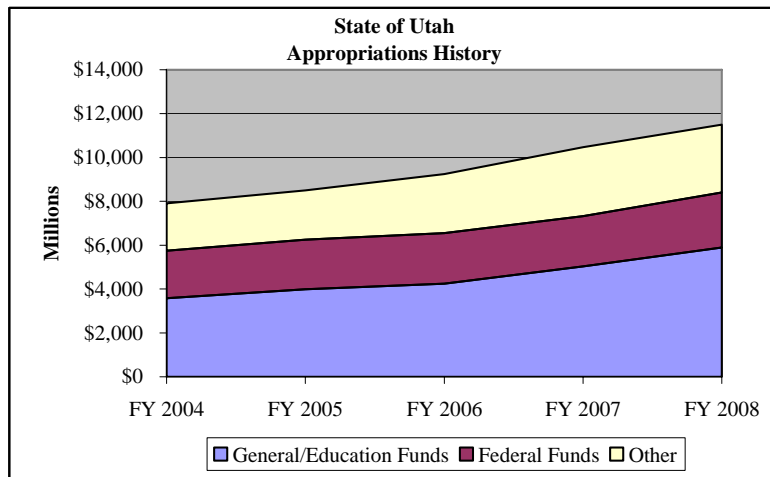
Record economic growth afforded the 2007 Utah Legislature \$300 million in surplus tax collections and projected growth of \$1.4 billion over the next two years. Legislators first directed these resources to public and higher education, appropriating record increases in school funding. They continued investing in the state's economy while at the same time avoiding debt by paying cash for roads, bridges, and buildings. An omnibus tax package rounded out Legislators' top priorities, returning approximately \$220 million per year to taxpayers.

Legislators increased funding for Public Education by nearly \$490 million (16 percent) when compared to the FY 2007 appropriation. They increased spending on Higher Education by \$112 million (10 percent) plus \$5.7 million in FY 2007 supplementals. Appropriators provided funding increases in excess of \$124 million for Health and Human Services (5 percent) not including supplemental FY 2007 appropriations of \$7.7 million.

Cash funding for buildings increased by \$63 million (30 percent) when compared with FY 2007's original budget, plus legislators added \$3 million in spending in FY 2007. Paying cash for capital projects helped the Legislature avoid incurring additional general obligation debt for buildings.

Appropriators provided General Fund resources for transportation equaling nearly \$500 million in FY 2008, an increase of more than 70 percent over FY 2007. Of the \$500 million, \$90 million is ongoing funding, the same as in FY 2007.

Finally legislators deposited \$85.3 million into the state's rainy day funds. This will bring the state's reserves to 6.21 percent of FY 2007 appropriations and 5.98 percent of FY 2008 funding levels. The General Rainy Day Fund will total \$176 million and the Education Rainy Day Fund will total \$177 million for FY 2008.



Structural Balance

Utah's budget for FY 2008 has a \$5 million structural surplus. From a bond rating agency's point of view, that is a positive thing.

Rating agencies like Standard and Poor's, Moody's, and Fitch rank a state's creditworthiness based in part on the state's abilities to meet its future obligations. Since a structural surplus means that ongoing revenues are greater than ongoing obligations, rating agencies view them positively. Utah has a AAA rating from each of the three rating agencies, and the FY 2008 structural surplus will help to protect that rating.

FY 2008 represents the first year since FY 2002 that Utah has had a structural budget surplus. (FY 2007's General Session budget was in structural balance, but subsequent tax changes created a slight structural deficit). In recession years, the state used one-time revenue - such as federal grants, nonlapsing balances, rainy day funds, and bond proceeds - to partially fill the gap left by declining ongoing revenue. This resulted in structural deficits. The end of these structural imbalances is one indication of a healthy economy.

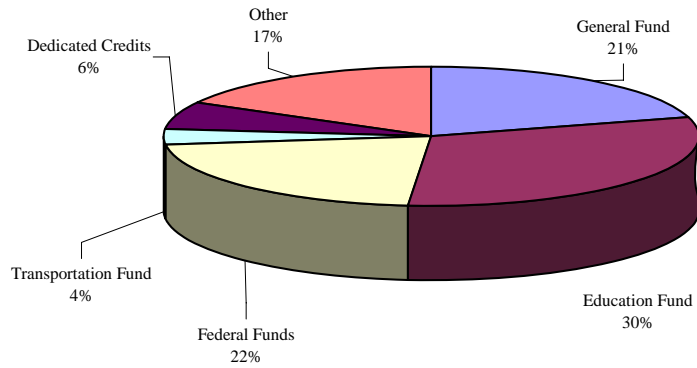
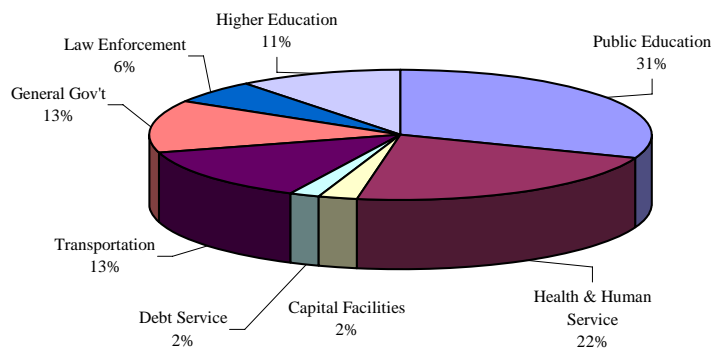
Revenue

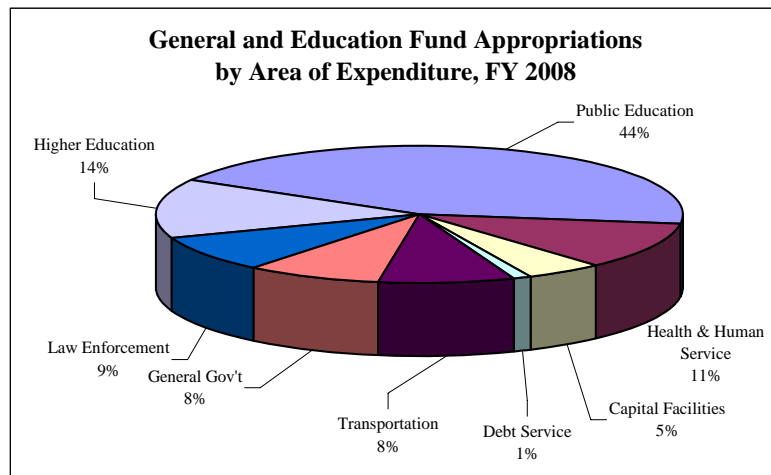
The Legislature appropriates funds from a number of revenue sources. These include: the General Fund (GF) which is supported primarily by sales taxes, and the Education Fund which consists largely of income tax. Other major sources are federal funds, the gas-tax based Transportation Fund, dedicated credits (fee for service revenue), property taxes, bond proceeds, and other sources. Appropriators adopted \$4,704,800,000 as available General Fund and Education Fund revenue for FY 2007. This represents a 5.2 percent increase from their revised FY 2006 revenue target of \$4,473,500,000, and 46 percent of total FY 2007 revenue. Changes in revenue from legislation approved during the 2006 General Session adjusted the FY 2006 revenue available to \$4,708,837,000 and the FY 2007 amount to \$5,015,537,000.

Appropriations

The Legislature approved a total of \$11.5 billion in spending from all sources for FY 2008, an increase of 11 percent over the FY 2006 original appropriation. Of the total amount, Legislators appropriated \$5.9 billion from State Funds (the General Fund and Education Fund), an increase of 19.3 percent over the original FY 2007 budget. For the current fiscal year, appropriators provided \$104 million in supplemental appropriations during the 2007 General Session (\$94.5 million from General and Education Funds). Factoring in those changes, the year-over-year increase in spending from FY 2007 to FY 2008 is 9.9 percent from all sources and 17 percent from the General and Education Funds.

The following charts graphically display how total funding is divided among its sources and how appropriations were allocated by area of expenditure.

Total Appropriations by Revenue Source, FY 2008**Total Appropriations by Area of Expenditure, FY 2008**



Employee Compensation

For FY 2008, the Legislature provided the following compensation package for State and Higher Education employees:

- *Cost of Living Adjustments* - Legislators authorized funding for a 3.5 percent cost-of-living adjustment (COLA) for state and Higher Education Employees. In addition, funding equivalent to 1.5 percent was approved for discretionary increases. The COLA for judges was approved at ten percent; elected officials' salaries were increased by three percent (except for the State Treasurer, whose salary will increase to 95 percent of the Governor's salary).
- *Health Benefits* - the Legislature provided funds necessary to pay a 9.8 percent increase in the cost of health benefits.
- *Market Comparability* - the Legislature provided funding for market comparability adjustments for certain classifications within the Attorney General's Office, the Department of Corrections and the Utah Highway Patrol.

In addition, judges' retirement rates and post employment termination pools totaling nearly \$39.6 million were included in the compensation package.

State funding for the compensation of teachers and other public education employees was part of a four percent increase in the weighted pupil unit (WPU). The Legislature also provided funding to provide all teachers with a one-time bonus of \$1,000 and an ongoing salary increase of approximately \$2,500. An additional \$7 million was appropriated for Public Education classified employees. These funds will be allocated to each school districts which will then negotiate with employees for their final compensation packages.

Economic Indicators and Revenue Issues

Utah's economy continues to improve. The following factors had significant influence on revenue estimates made in the 2007 General Session:

- Strong net migration continues with 2006 net migration coming in at approximately 29,000. Robust positive net migration is expected to continue through the coming years.
- Total construction valuation for 2006 grew at almost 16 percent over 2005 numbers; large construction projects anticipated to begin within the next 3 years bode well for the Utah construction industry.
- Strong employment growth continues and is expected to lead to increased sales and income tax revenues.
- Individual income tax revenues, sales tax revenues, and corporate franchise tax revenues all continue to outpace historical growth rates.

Tax Changes / Bills Affecting State Revenue and Expenditures

The Legislature passed S.B. 223 “Tax Amendments” which covered a number of changes to state tax revenue. These changes include:

- Income Tax Reform - repealing the dual income tax system beginning in FY 2009, reducing the flat tax from 5.35% to 5.0%, implementing credits based on income levels, and providing a retirement tax credit. The FY 2008 impact reduces the Education Fund by \$27,175,000; the FY 2009 impact will reduce the Education Fund by \$108,700,000.
- Research and Development Credits Expansion will result in a reduction to the Education Fund in the amount of \$14,500,000 in FY 2009.
- Renewable Energy Credit (Sales Tax and Education Fund Credit) provides a FY 2008 decrease of \$1,332,200 (\$688,200 Education Fund and \$644,000 General Fund). The impact in FY 2009 is \$2,970,700 (\$2,326,700 Education Fund and \$644,000 General Fund).
- Dental Prosthesis Sales Tax Exemption will result in a decrease in General Fund revenue in FY 2008 in the amount of \$915,700; and \$1,886,400 in FY 2009.
- Non-Oil and Gas Mining Exemption results in a reduction of \$2,431,000 to the General Fund in FY 2008 and \$5,013,000 in FY 2009.
- Cable Equalization reduces FY 2008 General Fund revenue by \$2,384,000 and FY 2009 revenue by \$5,006,500.
- State Sales Tax Reduction from 4.75% to 4.65% results in a General Fund revenue reduction of \$19,642,800 in FY 2008 and \$40,857,000 in FY 2009.

- Food Tax Reduction from 2.75% to 1.75% will result in \$19,427,000 less in General Fund revenue collections in FY 2008 and \$40,408,200 less in FY 2009.

The total state revenue loss from S.B. 223 is \$73,307,700 in FY 2008 and \$219,341,800 in FY 2009.

Tobacco Funding

FY 2008 marks the ninth year of the State receiving funds from the Master Settlement Agreement with tobacco manufacturers. Legislation in 2000 established the Permanent Trust Fund and the General Fund Restricted - Tobacco Settlement Account. In those nine years, the state will have received over \$278 million, including the estimated amounts for FY 2007 and FY 2008. Settlement Agreement payments are made to the State in April of each year.

Permanent Trust Fund

Through FY 2006, deposits into the Permanent Trust Fund total \$81.01 million. The Legislature used \$44.4 million in FY 2003 to address budget shortfalls. In FY 2005, approximately \$8 million that would have gone into the Trust Fund at the end of the year was diverted to the Budget Reserve Account. In FY 2007, the Trust Fund will receive 25 percent of the annual payment and 40 percent annually thereafter (assuming the full allocation is received). The estimated balance of the Trust Fund at the end of FY 2007 is \$50.7 million.

General Fund Restricted – Tobacco Settlement Account

Payments to the GFR – Tobacco Settlement Account have totaled more than \$122.1 million since its inception. Starting in FY 2008, the restricted account will receive 60 percent of the Master Settlement Agreement funding allocation. The GFR - Tobacco Settlement Account funds the following programs:

- The State share of the SCHIP (\$10.3 million)
- Anti-Tobacco and other public health programs carried out at the Department of Health (\$6 million)

-
- Drug Courts and Drug Boards (\$2 million)
 - University of Utah Health Sciences (\$4 million)
 - Attorney General's Office (\$100,000)

The estimated balance of the Restricted Fund at the end of FY 2007 is \$5.5 million.

In FY 2004, a surplus of \$9.8 million in this account was transferred to the General Fund to help alleviate budget shortfalls.

The 2007 Legislature approved an additional one-time allocation of \$2 million from the Tobacco Settlement Account to expand SCHIP enrollment for FY 2008.

This allocation amount may be adversely affected by current litigation with the tobacco manufacturers. The FY 2006 distribution was approximately \$3 million less than the original estimate due to pending action. Similar reductions in payments would not provide adequate funding beyond the base allocations. As a result, there is uncertainty about whether there will be sufficient funding to cover the entire one-time SCHIP payment in FY 2008.

Funding Detail

The following tables present legislative budget action on a state-wide basis.

Table 1 compares the FY 2008 Appropriated levels to the FY 2007 Revised levels with funding from all sources. The FY 2007 Estimated column includes original appropriations made during the 2006 General Session, as well as any changes in federal funds, dedicated credits, and other sources of funds estimated by agencies. The FY 2007 Revised column and the FY 2008 Appropriated columns reflect the effect of regular appropriations, supplemental appropriations, and other legislative actions taken during the 2007 General Session.

Table 2 compares General Fund, Uniform School Fund, and Education Fund appropriations for FY 2008 to the estimated FY 2007 budget. The table indicates one-time and ongoing expenditures for each fiscal year.

Table 3 shows the allocation of State Funds (General Fund, Uniform School Fund, and Education Fund) in a format similar to that of Table 1.

Tables 4 and 5 break down the allocation of General Fund and Education Fund resources, respectively, from Table 3.

Table 6 includes revenue projections for the General Fund, Education Fund, Transportation Fund, and Mineral lease Account.

Table 7 shows combined State appropriations to various agencies and programs from the General Fund and Education Fund revenues.

Table 8 shows a ten-year historical view of the appropriation levels for the State.

Table 9 shows a three-year historical view of the number of full-time equivalent (FTE) positions throughout the State.

Table 10 shows annual changes in the Rainy Day funds.

Table 1a - Appropriations Comparison by Source, FY 2007 - FY 2008
All Funds

Sources	FY 2007 Estimated	FY 2007 Supplemental	FY 2007 Revised	Percent Change	FY 2008 Appropriated	Percent Change
General Fund	1,781,898,100		1,781,898,100		2,087,726,350	
General Fund, One-time	398,634,200	55,961,340	454,595,540	2.57%	274,236,220	5.61%
Uniform School Fund	2,115,252,445		2,115,252,445		2,413,266,208	
Uniform School Fund, One-time	44,375,000	29,982,300	74,357,300	1.39%	226,538,200	26.17%
Education Fund	548,663,800		548,663,800		463,136,000	
Education Fund, One-time	53,882,000	8,530,200	62,412,200		430,655,900	
Transportation Fund	422,471,000		422,471,000		431,650,000	2.17%
Transportation Fund, One-time	69,865,200	240,100	70,105,300	0.34%	2,000,000	-97.15%
Centennial Highway Fund	127,976,800		127,976,800		128,607,800	0.49%
General Fund Restricted	209,187,200	3,638,100	212,825,300	1.74%	251,830,800	18.33%
Uniform School Fund Restricted	15,308,000		15,308,000		22,518,100	47.10%
Transportation Fund Restricted	38,781,500	251,900	39,033,400	0.65%	40,506,800	3.77%
Federal Funds	2,278,363,700	3,090,900	2,281,454,600	0.14%	2,501,100,000	9.63%
Dedicated Credits	663,877,100	2,689,000	666,566,100	0.41%	718,173,500	7.74%
Land Grant	1,608,500		1,608,500		1,608,500	0.00%
Federal Mineral Lease	83,880,500		83,880,500		119,865,200	42.90%
Restricted Revenue	20,272,800		20,272,800		966,725,621	-100.00%
Trust and Agency Funds	990,274,180	746,000	991,020,180	0.08%	347,464,700	-2.45%
Transfers	331,893,700	198,600	332,092,300	0.06%	31,005,000	4.63%
Repayments/Reimbursements	32,949,500		32,949,500		90,200	-5.90%
Pass-through	40,000		40,000		125,500	125.50%
Beginning Balance	229,019,400	260,200	229,279,600	0.11%	122,032,500	-46.78%
Closing Balance	(95,965,450)	(1,588,700)	(97,554,150)	1.66%	(79,332,250)	-18.68%
Lapsing Balance	(3,308,800)		(3,308,800)		(2,537,000)	-23.33%
Total	\$10,359,200,375	\$103,999,940	\$10,463,200,315	1.00%	\$11,498,868,349	9.90%

Table 1b - Appropriations Comparison by Program, FY 2007 - FY 2008
All Funds

Programs	FY 2007 Estimated	FY 2007 Supplemental	FY 2007 Revised	Percent Change	FY 2008 Appropriated	Percent Change
Legislature	18,101,550	390,740	18,492,290	2.16%	20,296,770	9.76%
Elected Officials	76,856,600	2,105,200	78,961,800	2.74%	88,515,250	12.10%
Courts	122,179,900	(226,700)	121,953,200	-0.19%	131,196,700	7.58%
Corrections	352,292,700	730,300	353,023,000	0.21%	374,333,300	6.04%
Public Safety	177,265,900	483,700	177,749,600	0.27%	166,997,500	-6.05%
Admin & Tech Services	50,967,700	45,820,700	96,788,400	89.90%	115,058,500	18.88%
Human Resource Mgt	4,270,100	21,700	4,291,800	0.51%	3,717,300	-13.39%
Debt Service	235,755,600		235,755,600		239,278,400	1.49%
Capital Facilities	210,783,300	3,000,000	213,783,300	1.42%	273,547,500	27.96%
Health	1,859,875,300	6,563,400	1,866,438,700	0.35%	1,938,968,000	3.89%
Human Services	545,998,300	1,127,100	547,125,400	0.21%	590,962,600	8.01%
Public Ed - Agencies	513,217,300	303,700	513,521,000	0.06%	521,137,700	1.48%
Public Ed - Minimum School Program	2,503,224,225		2,503,224,225		2,945,165,229	17.65%
Public Ed - School Building Program	37,288,900		37,288,900		77,288,900	107.27%
Higher Education	1,021,755,900	2,058,700	1,023,814,600	0.20%	1,123,025,700	9.69%
Higher Ed - UEN	31,217,800	2,100,000	33,317,800	6.73%	35,114,800	5.39%
Higher Ed - Med Ed Council	1,329,800	(300)	1,329,500	-0.02%	1,419,300	6.75%
Higher Ed - UCAT	54,551,600	1,575,100	56,126,700	2.89%	61,179,400	9.00%
Natural Resources Subcom	219,486,100	10,141,700	229,627,800	4.62%	228,923,600	-0.31%
Commerce & Revenue Subcom	495,467,900	(1,990,300)	493,477,600	-0.40%	533,923,500	8.20%
Ec Dev & Human Res Subcom	289,110,100	24,965,000	314,075,100	8.64%	340,354,800	8.37%
National Guard	31,206,800	49,900	31,256,700	0.16%	73,565,000	135.36%
Environmental Quality	84,109,800	40,200	84,150,000	0.05%	82,771,400	-1.64%
Transportation	1,422,887,200	4,740,100	1,427,627,300	0.33%	1,532,127,200	7.32%
Total	\$10,359,200,375	\$103,999,940	\$10,463,200,315	1.00%	11,498,868,349	9.90%

Table 2a - Ongoing and One-time Appropriations by Source, FY 2007 - FY 2008
General Fund and Education Fund Appropriations by Source

Sources	FY 2007			FY 2008		
	Ongoing	One-time	Total	Ongoing	One-time	Total
General Fund	1,781,898,100	454,595,540	2,236,493,640	2,087,726,350	274,236,220	2,361,962,570
Uniform School Fund	2,115,252,445	74,357,300	2,189,609,745	2,413,266,208	226,538,200	2,639,804,408
Education Fund	548,663,800	62,412,200	611,076,000	463,136,000	430,655,900	893,791,900
Total	\$4,445,814,345	\$591,365,040	\$5,037,179,385	\$4,964,128,558	\$931,430,320	\$5,895,558,878

Table 2b - Ongoing and One-time Appropriations by Program, FY 2007 - FY 2008
General Fund and Education Fund

Programs	FY 2007			FY 2008		
	Ongoing	One-time	Total	Ongoing	One-time	Total
Legislature	17,429,600	655,640	18,085,240	19,071,900	842,220	19,914,120
Elected Officials	34,252,200	4,419,900	38,672,100	41,073,850	6,223,300	47,297,150
Courts	104,379,700	(40,200)	104,339,500	112,398,400	435,300	112,833,700
Corrections	301,808,500	2,663,700	304,472,200	325,569,600	4,722,700	330,292,300
Public Safety	59,205,400	38,300	59,243,700	64,138,000	100,000	64,238,000
Admin & Tech Services	19,014,400	54,370,500	73,384,900	21,819,100	65,102,800	86,921,900
Human Resource Mgt	3,196,500	12,500	3,209,000	3,317,300		3,317,300
Debt Service	68,844,000		68,844,000	68,844,000		68,844,000
Capital Facilities	92,921,300	119,662,000	212,583,300	103,059,900	165,254,600	268,314,500
Health	337,937,700	20,013,600	357,951,300	367,375,600	4,837,200	372,212,800
Human Services	256,076,800	3,455,100	259,531,900	284,493,300	1,175,500	285,668,800
Public Ed - Agencies	72,786,500	20,916,900	93,703,400	91,622,000	6,446,000	98,068,000
Public Ed - Minimum School Program	1,996,119,545	21,300,000	2,017,419,545	2,252,516,608	163,500,000	2,416,016,608
Public Ed - School Building Program	27,288,900	10,000,000	37,288,900	27,288,900	50,000,000	77,288,900
Higher Education	650,300,600	5,000,700	655,301,300	732,421,200	10,822,900	743,244,100
Higher Ed - UEN	17,493,900	4,600,000	22,093,900	19,981,700	1,345,000	21,326,700
Higher Ed - Med Ed Council	364,100		364,100	453,000		453,000
Higher Ed - UCAT	48,589,700	1,181,900	49,771,600	54,367,800	645,100	55,012,900
Natural Resources Subcom	53,801,300	14,067,000	67,868,300	61,333,400	11,967,000	73,300,400
Commerce & Revenue Subcom	123,299,300	19,721,800	143,021,100	141,547,800	10,635,700	152,183,500
Ec Dev & Human Res Subcom	54,326,300	81,666,700	135,993,000	63,668,300	16,085,000	79,753,300
National Guard	5,277,500	1,087,400	6,364,900	6,098,200	800,000	6,898,200
Environmental Quality	11,012,500	431,600	11,444,100	11,668,700	1,000,000	12,668,700
Transportation	90,088,100	206,140,000	296,228,100	90,000,000	409,490,000	499,490,000
Total	\$4,445,814,345	\$591,365,040	\$5,037,179,385	\$4,964,128,558	\$931,430,320	\$5,895,558,878

Table 3
Appropriations Comparison, FY 2007 - FY 2008
General Fund and Education Fund

Sources	FY 2007 Estimated	FY 2007 Supplemental	FY 2007 Revised	FY 2008 Appropriated	Percent Change
General Fund	1,781,898,100		1,781,898,100	2,087,726,350	} 5.61%
General Fund, One-time	398,634,200	55,961,340	454,595,540	274,236,220	
Uniform School Fund	2,115,252,445		2,115,252,445	2,413,266,208	} 26.17%
Uniform School Fund, One-time	44,375,000	29,982,300	74,357,300	226,538,200	
Education Fund	548,663,800		548,663,800	463,136,000	
Education Fund, One-time	53,882,000	8,530,200	62,412,200	430,655,900	
Total	\$4,942,705,545	\$94,473,840	\$5,037,179,385	\$5,895,558,878	17.04%
Programs					
Legislature	17,694,800	390,440	18,085,240	19,914,120	10.11%
Elected Officials	36,746,200	1,925,900	38,672,100	47,297,150	22.30%
Courts	104,556,900	(217,400)	104,339,500	112,833,700	8.14%
Corrections	303,740,600	731,600	304,472,200	330,292,300	8.48%
Public Safety	59,039,200	204,500	59,243,700	64,238,000	8.43%
Admin & Tech Services	27,959,700	45,425,200	73,384,900	86,921,900	18.45%
Human Resource Mgt	3,187,300	21,700	3,209,000	3,317,300	3.37%
Debt Service	68,844,000		68,844,000	68,844,000	0.00%
Capital Facilities	209,583,300	3,000,000	212,583,300	268,314,500	26.22%
Health	357,978,300	(27,000)	357,951,300	372,212,800	3.98%
Human Services	258,895,100	636,800	259,531,900	285,668,800	10.07%
Public Ed Agencies	93,410,300	293,100	93,703,400	98,068,000	4.66%
Minimum School Program	2,017,419,545		2,017,419,545	2,416,016,608	19.76%
School Building Program	37,288,900		37,288,900	77,288,900	107.27%
Higher Education	653,242,600	2,058,700	655,301,300	743,244,100	13.42%
Higher Ed - UEN	19,993,900	2,100,000	22,093,900	21,326,700	-3.47%
Higher Ed - Med Ed Council	364,100		364,100	453,000	24.42%
Higher Ed - UCAT	48,196,500	1,575,100	49,771,600	55,012,900	10.53%
Natural Resources Subcom	59,372,000	8,496,300	67,868,300	73,300,400	8.00%
Commerce & Revenue Subcom	143,671,600	(650,500)	143,021,100	152,183,500	6.41%
Ec Dev & Human Res Subcom	111,068,100	24,924,900	135,993,000	79,753,300	-41.35%
National Guard	6,318,500	46,400	6,364,900	6,898,200	8.38%
Environmental Quality	11,406,000	38,100	11,444,100	12,668,700	10.70%
Transportation	292,728,100	3,500,000	296,228,100	499,490,000	68.62%
Total	\$4,942,705,545	\$94,473,840	\$5,037,179,385	\$5,895,558,878	17.04%

Table 4
Appropriations Comparison, FY 2007 - FY 2008
General Fund Only

Sources	FY 2007 Estimated	FY 2007 Supplemental	FY 2007 Revised	FY 2008 Appropriated	Percent Change
General Fund	1,781,898,100		1,781,898,100	2,087,726,350	} 5.61%
General Fund, One-time	398,634,200	55,961,340	454,595,540	274,236,220	
Total	\$2,180,532,300	\$55,961,340	\$2,236,493,640	\$2,361,962,570	5.61%
Programs					
Legislature	17,694,800	390,440	18,085,240	19,914,120	10.11%
Elected Officials	36,746,200	1,925,900	38,672,100	47,297,150	22.30%
Courts	104,556,900	(217,400)	104,339,500	112,833,700	8.14%
Corrections	303,740,600	731,600	304,472,200	330,292,300	8.48%
Public Safety	59,039,200	204,500	59,243,700	64,238,000	8.43%
Admin & Tech Services	27,959,700	31,991,600	59,951,300	46,921,900	-21.73%
Human Resource Mgt	3,187,300	21,700	3,209,000	3,317,300	3.37%
Debt Service	51,679,700		51,679,700	51,679,700	0.00%
Capital Facilities	113,731,600		113,731,600	158,994,500	39.80%
Health	357,978,300	(27,000)	357,951,300	372,212,800	3.98%
Human Services	258,895,100	636,800	259,531,900	285,668,800	10.07%
Public Ed - Agencies	7,754,900	100,000	7,854,900	15,065,100	91.79%
Higher Education	190,731,300		190,731,300	49,638,700	-73.97%
Higher Ed - UEN	261,100		261,100	261,100	0.00%
Higher Ed - Med Ed Council	364,100		364,100	453,000	24.42%
Higher Ed - UCAT	40,910,800	(16,186,800)	24,724,000	9,240,700	-62.62%
Natural Resources Subcom	59,372,000	8,496,300	67,868,300	68,300,400	0.64%
Commerce & Revenue Subcom	124,408,000	(615,700)	123,792,300	126,823,100	2.45%
Ec Dev & Human Res Subcom	111,068,100	24,924,900	135,993,000	79,753,300	-41.35%
National Guard	6,318,500	46,400	6,364,900	6,898,200	8.38%
Environmental Quality	11,406,000	38,100	11,444,100	12,668,700	10.70%
Transportation	292,728,100	3,500,000	296,228,100	499,490,000	68.62%
Total	\$2,180,532,300	\$55,961,340	\$2,236,493,640	\$2,361,962,570	5.61%

Table 5
Appropriations Comparison, FY 2007 - FY 2008
Education Fund Only

Sources	FY 2007 Estimated	FY 2007 Supplemental	FY 2007 Revised	FY 2008 Appropriated	Percent Change
Uniform School Fund	2,115,252,445		2,115,252,445	2,413,266,208	} 26.17%
Uniform School Fund, One-time	44,375,000	29,982,300	74,357,300	226,538,200	
Education Fund	548,663,800		548,663,800	463,136,000	
Education Fund, One-time	53,882,000	8,530,200	62,412,200	430,655,900	
Total	\$2,762,173,245	\$38,512,500	\$2,800,685,745	\$3,533,596,308	26.17%
Programs					
Admin & Tech Services		13,433,600	13,433,600	40,000,000	197.76%
Debt Service	17,164,300		17,164,300	17,164,300	0.00%
Capital Facilities	95,851,700	3,000,000	98,851,700	109,320,000	10.59%
Public Ed Agencies	85,655,400	193,100	85,848,500	83,002,900	-3.31%
Minimum School Program	2,017,419,545		2,017,419,545	2,416,016,608	19.76%
School Building Program	37,288,900		37,288,900	77,288,900	107.27%
Higher Education	462,511,300	2,058,700	464,570,000	693,605,400	49.30%
Higher Ed - UEN	19,732,800	2,100,000	21,832,800	21,065,600	-3.51%
Higher Ed - UCAT	7,285,700	17,761,900	25,047,600	45,772,200	82.74%
Natural Resources Subcom				5,000,000	
Commerce & Revenue Subcom	19,263,600	(34,800)	19,228,800	25,360,400	31.89%
Total	\$2,762,173,245	\$38,512,500	\$2,800,685,745	\$3,533,596,308	26.17%

Table 6
Revenue Estimates, FY 2007 - FY 2008
In Thousands

	FY 2007	FY 2008	Legislative	FY 2008
General Fund	Estimate	Estimate	Changes	Rev. Estimate
Sales and Use Tax	1,827,400	1,906,640	(193,037)	1,713,603
Liquor Profits	48,850	49,950		49,950
Insurance Premiums	70,250	71,600		71,600
Beer, Cigarette & Tobacco	58,850	58,900		58,900
Oil and Gas Severance	72,250	72,650		72,650
Metal Severance	23,150	17,500	40	17,540
Inheritance	250	100		100
Investment Income	62,500	54,750		54,750
Other	56,450	57,800	(1,282)	56,518
Property & Energy Tax Credit	(5,300)	(5,850)		(5,850)
Subtotal	\$2,214,650	\$2,284,040	(\$194,279)	\$2,089,761
Education Fund				
Individual Income Tax	2,415,000	2,572,000	(121,943)	2,450,057
Corporate Franchise Tax	415,000	422,000		422,000
Escheats	6,500	6,500		6,500
Subtotal	\$2,836,500	\$3,000,500	(\$121,943)	\$2,878,557
Total	\$5,051,150	\$5,284,540	(\$316,221)	\$4,968,319
Permanent School Fund	\$9,200	\$9,500		\$9,500
Transportation Fund				
Motor Fuel Tax	241,300	248,000		248,000
Special Fuel Tax	98,900	101,500		101,500
Other	74,000	75,000		75,000
Total	\$414,200	\$424,500		\$424,500
Federal Mineral Lease				
Royalties	98,000	98,000		98,000
Bonuses	8,500	8,000		8,000
Total	\$106,500	\$106,000		\$106,000

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Table 7
Revenue to Appropriations Comparison, FY 2007 - FY 2008
General and Education Funds (In Thousands)

Revenue	FY 2007 Revised	FY 2008 Appropriated	Percent Change
Beginning Balance	768,508	787,257	
General Fund	2,214,650	2,089,761	
Education Fund	2,836,500	2,878,557	
Subtotal	\$5,051,150	\$4,968,319	
One-time Sources			
Industrial Assistance Set-aside	1,409		
Severance Tax Amendmenst	20		
Tourism Marketing Earmark	3,000	6,000	
Courts Restricted Accounts	350	350	
Omnibus Tax Bill		146,034	
Criminal & Juv Justice Rest Acct		120	
Amds to Transp Funding		238	
Education Vouchers		300	
Total	\$5,824,436	\$5,908,618	1.45%
Appropriations			
Legislature	18,085	19,914	10.11%
Elected Officials	38,672	47,297	22.30%
Courts	104,340	112,834	8.14%
Corrections	304,472	330,292	8.48%
Public Safety	59,244	64,238	8.43%
Admin & Tech Services	73,385	86,922	18.45%
Human Resource Mgt	3,209	3,317	3.37%
Debt Service	68,844	68,844	
Capital Facilities	212,583	268,315	26.22%
Health	357,951	372,213	3.98%
Human Services	259,532	285,669	10.07%
Public Ed - Agencies	93,703	98,068	4.66%
Public Ed - Minimum School Program	2,017,420	2,416,017	19.76%
Public Ed - School Building Program	37,289	77,289	107.27%
Higher Education	655,301	743,244	13.42%
Higher Ed - UEN	22,094	21,327	-3.47%
Higher Ed - Med Ed Council	364	453	24.42%
Higher Ed - UCAT	49,772	55,013	10.53%
Natural Resources Subcom	67,868	73,300	8.00%
Commerce & Revenue Subcom	143,021	152,184	6.41%
Ec Dev & Human Res Subcom	135,993	79,753	-41.35%
National Guard	6,365	6,898	8.38%
Environmental Quality	11,444	12,669	10.70%
Transportation	296,228	499,490	68.62%
Total	\$5,037,179	\$5,895,559	17.04%
Ending Balance	\$787,257	\$13,059	

Table 8a Ten-year Appropriations History
All Funds by Source of Financing

Source of Funding	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2005 Actual	FY 2007 Revised	FY 2008 Appropriated
General Fund	1,519,875,999	1,582,168,650	1,675,688,000	1,797,274,980	1,795,120,600	1,745,496,800	1,768,306,150	1,910,800,000	1,781,898,100	2,087,726,550
General Fund, One-time	14,994,200	5,219,600	30,526,050	(4,874,000)	28,962,750	(241,600)	117,058,700	121,540,040	454,595,540	274,236,220
Uniform School Fund	1,563,395,600	1,615,286,650	1,705,205,000	1,782,091,660	1,684,266,694	1,734,161,174	1,815,156,111	1,917,934,675	2,115,252,445	2,413,266,208
Uniform School Fund, One-time	5,124,400	9,449,000	36,840,000	32,191,400	10,436,000	5,891,000	34,800,900	43,725,000	74,357,300	226,538,200
Education Fund	133,134,200	152,075,600	167,311,800	103,415,500	4,908,000	112,000,000	200,520,900	235,260,900	548,663,800	463,136,000
Education Fund, One-time	10,500,000	1,000,241	82,551,300	3,703,100	1,935,100	(23,200,000)	52,073,500	19,496,600	62,412,200	430,655,900
Transportation Fund	358,210,900	357,399,700	390,189,100	406,266,600	389,538,000	391,891,100	437,416,000	421,112,200	422,471,000	431,650,000
Transportation Fund, One-time	2,118,900						277,100	126,371,900	70,105,300	2,000,000
Centennial Highway Fund	54,438,200	62,532,700	63,833,700	106,621,200	103,848,200	117,531,900	145,772,200	126,393,400	127,976,800	128,607,800
Centennial Highway Fund, One-time			3,079,000			1,796,800				0
General Fund Restricted	101,879,500	98,392,300	117,209,500	119,497,400	132,317,200	154,215,300	171,101,700	214,281,100	212,825,300	251,830,800
Uniform School Fund Restricted	12,837,300			75,800	78,400	72,000	90,700	14,306,100	15,308,000	22,518,100
Transportation Fund Restricted	21,015,300	24,724,400	30,319,100	28,683,000	27,573,800	29,813,200	30,720,100	37,215,500	39,033,400	40,506,800
Federal Funds	1,505,518,599	1,543,234,039	1,646,843,749	1,822,201,828	1,942,099,062	2,174,694,678	2,264,204,145	2,294,817,646	2,281,454,600	2,501,100,000
Dedicated Credits	596,862,508	466,997,890	578,883,135	957,433,182	774,058,339	614,539,399	730,196,287	654,136,650	666,566,100	718,173,500
Land Grant	568,537	490,377	857,800	1,148,200	771,000	804,700	1,040,435	1,807,732	1,608,500	1,608,500
Federal Mineral Lease	30,371,440	33,365,229	39,202,600	34,909,500	43,612,900	64,176,600	64,785,719	98,278,950	83,880,500	119,865,200
Restricted Revenue		57,500	182,100	2,850,000	9,606,100	2,944,000	273,700	17,603,200	20,272,800	0
Trust and Agency Funds	364,705,700	338,853,729	429,809,766	446,988,660	377,644,015	406,862,037	380,298,477	668,720,802	991,020,180	966,725,621
Transfers	151,997,056	218,537,519	257,340,460	278,521,804	310,161,147	312,446,922	314,413,473	350,828,925	332,092,300	347,464,700
Repayments/Reimbursements	30,087,800	31,062,600	33,064,300	7,999,200	12,260,800	15,206,500	11,107,200	11,816,900	32,949,500	31,005,000
Other Financing Sources		25,400	1,722,300					233,722		0
Pass-through	32,300		31,100		69,500	994,900	1,503,200	1,081,300	40,000	90,200
Beginning Balance	615,907,808	463,651,769	262,658,872	229,021,456	478,431,169	508,727,141	325,904,493	270,437,852	229,279,600	122,032,500
Closing Balance	(449,977,176)	(297,826,151)	(249,585,591)	(460,465,876)	(508,804,742)	(408,249,298)	(347,917,902)	(285,284,791)	(97,554,150)	(79,332,250)
Lapsing Balance	(33,213,807)	(15,884,469)	(52,511,147)	(46,235,373)	(88,457,656)	(56,071,454)	(20,646,900)	(23,958,400)	(3,308,800)	(2,537,000)
Total	\$6,610,385,264	\$6,690,814,253	\$7,251,251,994	\$7,649,319,221	\$7,530,436,379	\$7,906,503,799	\$8,498,456,388	\$9,248,957,902	\$10,463,200,315	\$11,498,868,349

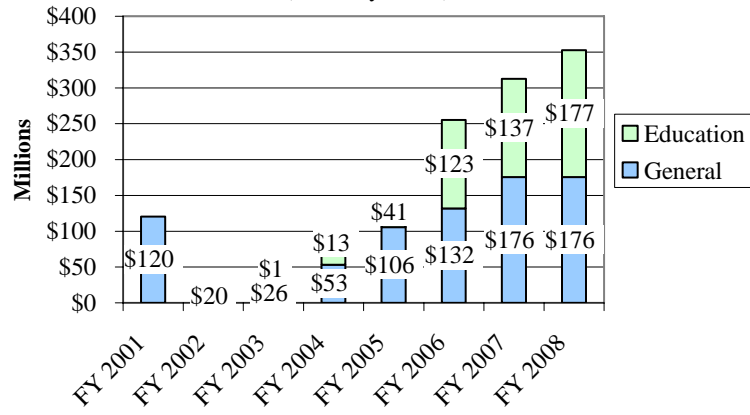
Table 8b - Ten-year Appropriations History
All Funds by Program

Program	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2005	FY 2005	FY 2007	FY 2008
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Revised	Appropriated
Legislature	12,744,100	12,905,500	13,463,450	14,221,100	14,023,650	14,791,200	15,000,000	16,161,500	18,492,290	78,961,800	88,515,250
Elected Officials	52,710,100	64,329,700	62,201,900	69,494,500	65,883,200	60,558,300	68,015,400	69,521,500	78,961,800	121,953,200	131,196,700
Courts	91,299,500	94,179,850	98,622,400	100,568,900	97,466,100	101,063,300	106,275,800	111,874,100	121,953,200	353,023,000	374,333,300
Corrections	239,478,400	277,891,600	281,646,700	300,512,500	279,019,900	296,331,300	306,155,200	319,247,200	177,749,600	166,997,500	115,058,500
Public Safety	92,195,300	91,142,300	102,811,500	127,600,000	102,109,200	124,637,100	137,930,600	149,824,400	96,788,400	4,291,800	3,717,300
Admin & Tech Services	29,949,300	28,447,000	30,424,300	29,045,400	22,577,700	23,488,800	38,020,000	57,317,000	235,456,500	213,783,300	239,278,400
Human Resource Mgt	3,177,600	3,283,000	3,333,100	3,316,100	3,067,000	3,185,800	3,172,600	3,225,900	104,545,600	1,866,438,700	1,938,968,000
Debt Service	145,157,200	158,273,800	158,886,100	175,188,600	189,020,800	211,960,600	273,677,600	235,456,500	504,522,100	547,125,400	590,962,600
Capital Facilities	182,246,800	115,192,900	288,762,100	184,210,700	187,127,000	44,584,700	151,665,700	104,545,600	481,149,400	513,521,000	521,137,700
Health	919,445,276	985,996,346	1,083,574,085	1,234,312,321	1,343,097,682	1,521,181,416	1,656,093,500	1,802,860,400	2,258,504,277	2,503,224,225	2,945,165,229
Human Services	397,132,453	425,205,985	433,139,393	456,418,300	453,129,186	467,411,200	488,939,800	504,522,100	972,348,808	1,023,814,600	1,123,025,700
Public Ed - Agencies	282,804,300	301,884,600	319,757,900	351,885,600	382,485,000	403,792,100	442,072,400	481,149,400	33,317,800	1,329,500	1,419,300
Minimum School Program	1,718,452,000	1,766,240,612	1,885,580,366	1,992,207,600	1,919,896,161	2,005,276,683	2,124,281,488	2,258,504,277	32,288,900	37,288,900	77,288,900
School Building Program	30,858,000	29,358,000	28,358,000	28,358,000	28,358,000	29,288,900	27,288,900	32,288,900	919,547,006	1,023,814,600	1,123,025,700
Higher Education	664,764,164	698,621,387	741,840,700	816,853,000	825,704,800	867,940,900	919,547,006	972,348,808	28,626,900	33,317,800	35,114,800
Higher Ed - UEN	14,546,300	14,786,524	18,908,600	20,686,900	19,049,400	21,352,200	23,116,100	28,626,900	738,700	1,329,500	1,419,300
Higher Ed - Med Ed Council	40,671	497,586	471,500	470,600	516,100	632,200	697,600	738,700	56,904,017	56,126,700	61,179,400
Higher Ed - UCAT	35,741,600	35,330,263	33,682,800	47,916,700	43,245,100	45,042,600	48,060,194	56,904,017	191,088,600	229,627,800	228,923,600
Natural Resources Subcom	136,521,400	154,250,400	150,578,600	158,001,000	176,375,400	165,264,800	166,619,200	191,088,600	444,847,500	314,075,100	340,354,800
Commerce & Revenue Subcom	364,636,800	357,921,600	365,029,300	374,926,700	412,165,900	430,821,500	445,551,600	444,847,500	29,229,200	31,256,700	73,565,000
Ec Dev & Human Res Subcom	85,942,900	93,904,800	121,665,900	113,755,000	121,169,700	132,940,300	111,189,700	180,568,600	29,229,200	84,150,000	82,771,400
National Guard	19,364,600	16,279,000	18,316,000	24,508,800	25,122,500	26,924,000	24,792,500	29,229,200	850,511,600	1,123,780,400	1,532,127,200
Environmental Quality	65,963,500	64,377,000	68,866,100	72,627,000	64,010,800	73,282,200	69,781,900	74,346,400	58,498,456,388	\$10,463,200,315	\$11,498,868,349
Transportation	1,025,213,000	900,514,500	941,431,200	952,333,900	755,816,100	835,651,700	850,511,600	1,123,780,400	\$9,248,957,902	\$10,463,200,315	\$11,498,868,349
Total	\$6,610,385,264	\$6,690,814,253	\$7,251,251,994	\$7,649,319,221	\$7,530,436,379	\$7,906,503,799	\$8,498,456,388	\$9,248,957,902	\$10,463,200,315	\$11,498,868,349	

Table 9
Full Time Equivalent Employees
Appropriated Entities and Internal Service Funds
FY 2006 - FY 2008

Programs	FY 2006 Actual	FY 2007 Revised	Difference '06 - '07	FY 2008 Approp	Difference '07 - '08
Elected Officials	569.8	595.3	25.5	598.8	3.5
Courts	1,228.4	1,231.1	2.7	1,248.0	16.9
Corrections	3,477.0	3,448.7	(28.3)	3,485.5	36.8
Public Safety	1,159.0	1,150.0	(9.0)	1,149.0	(1.0)
Admin & Tech Services	932.9	1,361.5	428.6	1,365.0	3.5
Human Resource Mgt	36.5	193.9	157.4	194.1	0.3
Health	1,336.4	1,281.9	(54.4)	1,017.2	(264.7)
Human Services	3,634.2	3,621.9	(12.3)	3,617.0	(4.8)
Public Ed - Agencies	1,145.6	1,144.9	(0.7)	1,145.0	0.1
Higher Education	11,837.1	12,686.9	849.9	12,686.9	0.0
Higher Ed - UEN	110.0	112.0	2.0	112.0	0.0
Higher Ed - Med Ed Council	8.0	8.0	0.0	8.0	0.0
Higher Ed - UCAT	615.1	656.7	41.5	656.7	0.0
Natural Resources Subcom	1,584.0	1,559.0	(25.0)	1,568.5	9.5
Commerce & Revenue Subcom	3,530.5	3,454.3	(76.2)	3,465.5	11.2
Ec Dev & Human Res Subcom	334.0	285.0	(49.0)	284.0	(1.0)
National Guard	139.0	139.0	0.0	139.0	0.0
Environmental Quality	420.0	403.0	(17.0)	403.0	0.0
Transportation	1,820.0	1,748.5	(71.5)	1,748.5	0.0
Total	33,917.5	35,081.6	1,164.1	34,891.8	(189.8)

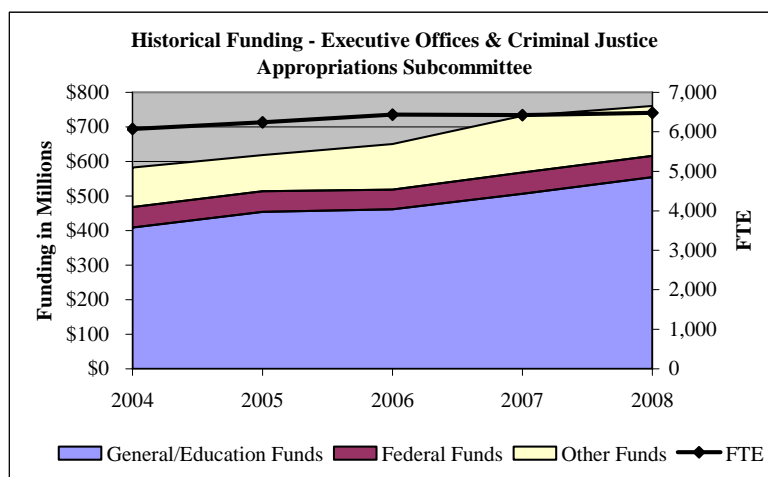
Table 10
Rainy Day Fund Status
(February, 2007)



Executive Offices and Criminal Justice

Subcommittee Overview

The Executive Offices and Criminal Justice Appropriations Subcommittee oversees and approves budgets for nine state agencies, including the Governor's Office, State Auditor, State Treasurer, Attorney General, Department of Public Safety, Department of Corrections, Board of Pardons and Parole, Division of Juvenile Justice Services, and the Courts. All of the agencies combined employ over 6,400 full-time equivalent (FTE) employees. The FY 2008 appropriation from all sources of funding is \$761,042,750. The Subcommittee budget increased by \$29,355,150 or 4.0 percent from the FY 2007 revised estimate. Over 72 percent of the Subcommittee's \$761.0 million budget comes from the General Fund. Over 95 percent of the budget is devoted to law enforcement activities.



General Subcommittee Issues

The 2007 Executive Offices and Criminal Justice Appropriations Subcommittee focused on maintaining the public's safety. In order to maintain the public's safety and trust, the Legislature appropriated an additional \$29.3 million for the Executive Offices and Criminal Justice agencies.

The Subcommittee reviewed the non-lapsing status of all agency line items within the budget and extended non-lapsing authority for FY 2008 as stipulated in H.B.150, "New Fiscal Year Supplemental Appropriations Act". The Department of Public Safety, Department of Corrections, Division of Juvenile Justice Services, and the Courts were again given authorization to combine major line items to provide greater budget flexibility in managing operations.

Executive Offices

Four separate budgets comprise the Executive Offices portion of the Subcommittee's work. These include the Office of the Governor, Office of the Attorney General, State Auditor, and State Treasurer.

Office of the Governor

The Office of the Governor is divided into three main divisions: the Governor's Office, the Governor's Office of Planning and Budget (GOPB), and the Commission on Criminal and Juvenile Justice (CCJJ). Within the Governor's Office are the programs and budget of the Governor's personal staff and statewide oversight and service functions. The Emergency Fund and Character Education line items are also grouped with the Governor's Office programs and activities.

The Governor's Office of Planning and Budget (GOPB) is organized to provide advisory information to the Governor and other executive branch agencies. GOPB develops budgetary, statistical, and economical information and facilitates local and regional planning throughout the state.

The Commission on Criminal and Juvenile Justice (CCJJ) was created by the 1983 Legislature. This Commission is designed to promote philosophical agreement concerning the objectives of the criminal and juvenile justice system in Utah and to provide a mechanism for coordinating the functions of government concerned with criminal and juvenile justice. It also helps coordinating statewide efforts to reduce crime and victimization in Utah.

Legislative Action

The FY 2008 appropriated General Fund for the Office of the Governor is \$14,040,600. This appropriation includes \$100,000 to implement the Governor's Scorecard for improved performance standards in the executive branch of state government.

Other General Fund increases for the Governor's Office include:

- **GOPB Budget System:** \$750,000 (one-time) to acquire a new computer system for budget preparation operations.
- **Administration Adjustments:** provides \$225,000 to the Governor for administration adjustments.
- **Lieutenant Governor's Voter Information Website** includes \$31,300 (one-time) to make improvements in the state's voter information website.
- **Voting System Maintenance:** provides \$200,000 (one-time) for statewide maintenance of the voting system hardware.
- **Western States Presidential Primary:** for the state's participation in the 2008 Western States Presidential Primary Election, the Legislature approved one-time funding of \$2.5 million.
- **Methamphetamine Awareness Advertising Campaign:** provides \$2,000,000 (one-time) to the Commission on Criminal and Juvenile Justice for a campaign to increase awareness of the dangers of Methamphetamine.
- **Victim Information and Notification Everyday (VINE)** appropriates ongoing Restricted Funds of \$500,000 beginning FY 2008 to the Office of Crime Victims Reparations to continue uninterrupted service of timely, reliable information concerning custody and case status of offenders.

- **Police Citizens Contact Performance Study** provides one-time General Funds of \$45,000 for FY 2008 to the Commission on Criminal and Juvenile Justice to examine whether racial profiling is occurring in law enforcement.

During the 2007 General Session, lawmakers approved several bills affecting the Governor's Office. These include:

Prosecution and Prevention of Child Pornography:

H.B. 107, "Funding for Prosecution and Prevention of Child Pornography Offenses" appropriates \$1,000,000 from the General Fund to the Commission on Criminal and Juvenile Justice for grants to help prevent the sexual exploitation of children.

Combating criminal activity: H.B. 91, "Commission on Criminal and Juvenile Justice Funding" provides \$2,250,000 in restricted funds in FY 2008 and \$2,370,000 thereafter to the Commission on Criminal and Juvenile Justice for grants to local governments to combat the illegal use of drugs and associated criminal activity.

Drug Offenders Reform Act reporting: S.B. 50, "Drug Offenders Reform Act" provides \$24,000 from the General Fund in FY 2008 and \$27,000 thereafter to the Commission on Criminal and Juvenile Justice to annually report on the implementation and results of the legislation.

Funding Detail

Office of the Governor					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
General Fund	6,836,200		6,836,200	8,517,300	1,681,100
General Fund, One-time	1,944,900	11,900	1,956,800	5,523,300	3,566,500
Federal Funds	10,706,000		10,706,000	7,873,400	(2,832,600)
Dedicated Credits Revenue	645,300		645,300	624,800	(20,500)
GFR - Criminal Forfeiture Restricted Account	300,000		300,000	500,000	200,000
GFR - Law Enforcement Operations				2,370,000	2,370,000
Crime Victims Reparation Trust	2,877,000	2,300	2,879,300	3,579,200	699,900
Oil Overchg - Exxon	431,900		431,900	771,500	339,600
Oil Overchg - Stripper Well	763,500		763,500	436,500	(327,000)
Transfers - Within Agency	125,600		125,600	90,600	(35,000)
Beginning Nonlapsing	2,018,000		2,018,000	799,200	(1,218,800)
Closing Nonlapsing	(799,200)		(799,200)	(100,000)	699,200
Total	\$25,849,200	\$14,200	\$25,863,400	\$30,985,800	\$5,122,400
Line Items					
Governor's Office	6,763,200	4,000	6,767,200	8,301,100	1,533,900
Lt. Governor's Office	50,000		50,000	50,000	
Emergency Fund					
Governor's Office of Planning and Budget	4,256,900	7,900	4,264,800	4,902,900	638,100
Commission on Criminal and Juvenile Justice	14,779,100	2,300	14,781,400	17,731,800	2,950,400
Total	\$25,849,200	\$14,200	\$25,863,400	\$30,985,800	\$5,122,400
Budgeted FTE	105.8	0.0	105.8	105.3	(0.5)

Office of the Attorney General

The Office of the Attorney General is charged by the Utah Constitution with the exclusive responsibility to act as legal advisor to the Governor and all executive branch agencies. The Attorney General must also prosecute or defend, in federal and state courts, all cases where the State of Utah or any of its officers, boards or commissions is a party.

Legislative Action

The FY 2008 General Fund appropriation for the Office of the Attorney General is \$28,565,550.

Litigation/Settlements: The Legislature appropriated supplemental funding of \$429,900 for the following: \$200,000 for the latest payment to the plaintiff's attorneys in the ongoing settlement of the David C. et al. versus Michael Leavitt et al. child welfare system litigation; \$200,000 for outside counsel costs for the Free Speech Coalition litigation; and \$29,900 for the final payment of outside counsel costs for the defense of H.B. 213 from the 2005 General Session dealing with sick leave legislation.

Other In-house Litigation: The Legislature appropriated funding for four other actions, including: \$176,900 (beginning with FY 2007) for the state to widen its pursuit of tobacco companies out of compliance with the Master Settlement Agreement; \$610,400 for FY 2007 and \$322,600 thereafter for the ongoing Pelt/Navajo Class Action Trust Case; \$480,700 for Career Service Review Board employment issues; and \$875,000 (beginning FY 2007) to replace recent federal funds reductions protecting children from abuse and neglect.

Children's Justice Centers Cost of Living Adjustment and One-Time Addition: The Legislature provided a six percent cost of living adjustment (\$84,000) for private providers. The Legislature also appropriated \$300,000 (one-time) for the Centers throughout the state.

Attorney and Investigator Equity Adjustments: In addition to the compensation package appropriated to all state

employees, the Legislative also provided funding for equity adjustments for attorneys and investigators of \$2,949,600.

The following bills were approved by lawmakers during the 2007 General Session that have fiscal impact to the Office of the Attorney General:

Prevention of exploitation of children: H.B. 107, “Funding for Prosecution and Prevention of Child Pornography Offenses” appropriated \$273,250 for grants, personnel and other associated costs to help prevent the sexual exploitation of children.

Internet website: H.B. 432, “Identity Theft Database Amendments” appropriated \$400,000 (one-time) for the required internet website.

Funding Detail

Office of the Attorney General					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
General Fund	23,212,100		23,212,100	27,865,550	4,653,450
General Fund, One-time	563,600	1,914,400	2,478,000	700,000	(1,778,000)
Federal Funds	2,228,500	300	2,228,800	2,019,400	(209,400)
Dedicated Credits Revenue	15,402,300	(100)	15,402,200	17,476,100	2,073,900
GFR - Domestic Violence	78,300		78,300	78,300	
GFR - Public Safety Support	546,000	(100)	545,900	569,000	23,100
GFR - Tobacco Settlement	98,300	176,900	275,200	275,200	
Attorney General Litigation Fund	279,900		279,900	321,700	41,800
Transfers - Commission on Criminal and Juve				444,600	444,600
Transfers - Federal	45,000		45,000		(45,000)
Transfers - Other Agencies	711,600		711,600	154,700	(556,900)
Beginning Nonlapsing	521,000		521,000	143,400	(377,600)
Closing Nonlapsing	(143,400)		(143,400)	(8,800)	134,600
Total	\$43,543,200	\$2,091,400	\$45,634,600	\$50,039,150	\$4,404,550
Line Items					
Attorney General	39,320,700	1,660,700	40,981,400	45,747,750	4,766,350
Contract Attorneys	565,600	429,900	995,500	300,000	(695,500)
Children's Justice Centers	2,838,900	900	2,839,800	3,184,500	344,700
Prosecution Council	739,700	(100)	739,600	728,600	(11,000)
Domestic Violence	78,300		78,300	78,300	
Total	\$43,543,200	\$2,091,400	\$45,634,600	\$50,039,150	\$4,404,550
Budgeted FTE	417.3	0.0	417.3	419.3	2.0

State Auditor

The purpose of the Office of the Utah State Auditor is to help ensure the financial integrity and accountability of Utah's state and local governments. This is accomplished by providing independent, innovative audits or investigations and by monitoring and advising Utah's elected and appointed officials at all levels of government.

Legislative Action

The State Auditor's appropriated General Fund budget for FY 2008 is \$3,680,100. This is an increase of \$423,700 over the FY 2007 revised estimate.

Performance Auditors: The Legislature appropriated \$168,000 to hire two performance auditors to conduct special purpose and performance audits.

Funding Detail

State Auditor					
	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
Sources of Finance					
General Fund	3,265,000		3,265,000	3,680,100	415,100
General Fund, One-time	(12,400)	3,800	(8,600)		8,600
Dedicated Credits Revenue	1,079,500		1,079,500	1,140,000	60,500
Beginning Nonlapsing	288,200		288,200		(288,200)
Total	<u>\$4,620,300</u>	<u>\$3,800</u>	<u>\$4,624,100</u>	<u>\$4,820,100</u>	<u>\$196,000</u>
Line Items					
State Auditor	4,620,300	3,800	4,624,100	4,820,100	196,000
Total	<u>\$4,620,300</u>	<u>\$3,800</u>	<u>\$4,624,100</u>	<u>\$4,820,100</u>	<u>\$196,000</u>
Budgeted FTE	45.0	0.0	45.0	47.0	2.0

State Treasurer

The State Treasurer is responsible for the management of all state funds. The office controls the receipt and deposit of state monies, manages the banking relationships for all bank accounts, invests all funds at the highest market rates and provides liquidity for all state disbursements. In addition, the Treasurer coordinates the sale of all debt authorized by the Legislature, operates a local government investment pool for the benefit of all public entities, reconciles bank accounts and manages the Division of Unclaimed Property. The Treasurer also provides staff support for the Money Management Council which oversees the deposit and investment of all public monies.

The State Treasurer manages the investments for the Permanent State School and Institutional Trust Land Funds. The investment income for the public school's portion of the portfolio funds the State Trust Land Program.

The Unclaimed Property Division of the Treasurer is responsible for reuniting lost or abandoned property with its rightful owners. Property types include savings accounts, life insurance policies, payroll checks, safe deposit box contents, stocks and mutual funds, and other types of property. The costs of administering the Unclaimed Property Fund are paid from the trust fund. Any amount not returned to rightful owners is deposited in the Uniform School Fund.

Legislative Action

The State Treasurer's appropriated General Fund budget for FY 2008 is \$1,010,900. This is an increase of \$78,300 over the FY 2007 revised estimate.

H.B. 304, "State Treasurer Compensation" established the State Treasurer's salary at 95 percent of the Governor's salary. The Legislature appropriated \$23,700 ongoing General Funds beginning FY 2008 to the Treasurer to implement provisions of this bill.

Funding Detail

State Treasurer					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
General Fund	938,900		938,900	1,010,900	72,000
General Fund, One-time	(2,100)	(4,200)	(6,300)		6,300
Dedicated Credits Revenue	192,600		192,600	293,600	101,000
Unclaimed Property Trust	1,309,500		1,309,500	1,365,700	56,200
Beginning Nonlapsing	405,000		405,000		(405,000)
Total	\$2,843,900	(\$4,200)	\$2,839,700	\$2,670,200	(\$169,500)
Line Items					
State Treasurer	2,843,900	(4,200)	2,839,700	2,670,200	(169,500)
Total	\$2,843,900	(\$4,200)	\$2,839,700	\$2,670,200	(\$169,500)
Budgeted FTE	27.3	0.0	27.3	27.3	0.0

Department of Public Safety

The objectives of the Department of Public Safety (DPS) are to preserve order, reduce the number and severity of accidents, and reduce damage to life, health, property, and finances caused by unlawful activity.

Legislative Action

The Department of Public Safety's appropriated General Fund budget for FY 2008 is \$64,238,000.

Utah Highway Patrol (UHP) Salary Compression: The Legislature provided \$1,500,000 ongoing General Funds to address salary compression problems in the pay scale for sergeants and lieutenants in the UHP. This funding is in addition to the standard compensation package provided to all state agencies and employees including the Department.

Crime Lab Funding: The Legislature appropriated \$250,000 for the Crime Lab to retain key employees and upgrade equipment.

UHP Laptop Replacements: The Legislature appropriated \$462,000 to replace aging laptops for the Utah Highway Patrol.

UHP SERT Grant: The Legislature provided a supplemental of \$7,500 from restricted funds for Special Emergency Response Team (SERT) equipment.

DPS Criminal Investigations and Technical Services (CITS) Communication Program: The Legislature appropriated \$100,000 (one-time) to pay for dispatch services provided to the Department of Public Safety by the Weber Area Dispatch and 9-1-1 Emergency Services District.

Drivers License Funding for Staffing: The Legislature provided supplemental restricted funding of \$248,000 and ongoing funding of \$566,600 to replace 10 temporary employees with permanent staff and to provide staffing for a new driver license facility in Salt Lake County.

Peace Officers' Standards and Training (POST) Funding: The Legislature appropriated \$275,000 from restricted funds to address growth at the Peace Officers' Standards and Training.

Transfer of Highway Safety Funds to the Department of Alcoholic Beverage Control: The Legislature transferred \$100,000 and all nonlapsing General Fund Balances provided by S.B. 58, "Eliminating Alcohol Sales to Youth," (2006 General Session) for FY 2007 and \$100,000 of ongoing General Funds from the Highway Safety Program to the Department of Alcoholic Beverage Control for Eliminating Alcohol Sales to Youth (EASY Program).

Hanksville Flooding Relief: The Legislature appropriated \$225,000 (one-time) for the Hanksville Flooding victims.

State Fire Marshal Funding: The Legislature provided ongoing restricted funding to the State Fire Marshal to address several funding needs. These include: \$200,000 to fund HAZMAT training; \$35,000 for additional cost increases for fire academy training; and \$12,000 to support an arson accelerant dog.

The following legislation was approved with the stated funding for the Department:

Criminal Background Checks: H.B. 196, “Higher Education Criminal Background Checks” appropriates \$250,000 ongoing dedicated credits to the Bureau of Criminal Identification to perform background checks on higher education employees as stipulated in the legislation.

Driver License Fees: H.B. 52, “Driver License Fee Amendments” increases the fees charged for driver licenses, which will raise an estimated \$5,700,000 annually.

Concealed Weapons Permits Program: H.B. 39, “Concealed Weapons Fees Amendments” shifts \$653,900 in ongoing General Funds to dedicated credits to fund the Concealed Weapons Permits Program.

Driving Under the Influence changes: S.B. 4, “Driving Under the Influence Amendments” provides \$168,400 in restricted funds for FY 2008 and \$143,400 to the Drivers License Division for FY 2009 forward to implement provisions of the bill.

Commercial Driver License changes: S.B. 19, “Commercial Driver License Amendments” provides \$152,400 in restricted funds for FY 2008 and \$123,600 annually thereafter to the Drivers License Division to implement provisions of the bill.

Alcoholic Beverage Control enforcement: S.B. 205, “Alcoholic Beverage Control Amendments” provides \$54,900 in restricted funds for FY 2008 and \$46,900 thereafter to the Drivers License Division to implement provisions of the bill.

Funding Detail

Department of Public Safety					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
General Fund	59,205,400		59,205,400	64,138,000	4,932,600
General Fund, One-time	(166,200)	204,500	38,300	100,000	61,700
Transportation Fund	5,495,500		5,495,500	5,495,500	
Federal Funds	45,685,600	12,100	45,697,700	47,938,100	2,240,400
Dedicated Credits Revenue	6,414,700	(7,000)	6,407,700	7,575,400	1,167,700
GFR - DNA Specimen	688,200		688,200	688,200	
GFR - E-911 Emergency Services	3,900,000		3,900,000	3,900,000	
GFR - Environmental Quality				200,000	200,000
GFR - Fire Academy Support	4,732,900	(300)	4,732,600	4,885,200	152,600
GFR - Nuclear Oversight	1,793,300		1,793,300	1,793,300	
GFR - Public Safety Support	3,137,200	(2,500)	3,134,700	3,540,900	406,200
GFR - State Law Enforcement Forfeiture Acc.		7,500	7,500		(7,500)
GFR - Statewide Warrant Ops	489,100	17,500	506,600	531,000	24,400
TFR - Motorcycle Education	219,500	(1,500)	218,000	219,900	1,900
TFR - Dept. of Public Safety Rest. Acct.	22,554,400	253,400	22,807,800	24,479,800	1,672,000
TFR - Uninsured Motorist I.D.	1,859,300		1,859,300	1,860,100	800
Transfers - Commission on Criminal and Juve	40,000		40,000	43,600	3,600
Transfers - Other Agencies	122,000		122,000	172,000	50,000
Transfers - Within Agency	50,000		50,000		(50,000)
Pass-through	40,000		40,000	40,200	200
Beginning Nonlapsing	25,236,400		25,236,400	2,096,200	(23,140,200)
Closing Nonlapsing	(2,099,900)		(2,099,900)	(810,300)	1,289,600
Lapsing Balance	(2,131,500)		(2,131,500)	(1,889,600)	241,900
Total	\$177,265,900	\$483,700	\$177,749,600	\$166,997,500	(\$10,752,100)
Line Items					
Public Safety Programs & Operations	93,360,800	95,300	93,456,100	88,053,000	(5,403,100)
Emergency Services and Homeland Security	46,448,900	238,600	46,687,500	41,309,700	(5,377,800)
Peace Officers' Standards and Training	3,407,200	(2,500)	3,404,700	3,638,300	233,600
Liquor Law Enforcement	1,875,300		1,875,300	1,622,800	(252,500)
Driver License	24,844,900	251,900	25,096,800	25,537,200	440,400
Highway Safety	7,328,800	(99,600)	7,229,200	6,836,500	(392,700)
Total	\$177,265,900	\$483,700	\$177,749,600	\$166,997,500	(\$10,752,100)
Budgeted FTE	1,150.0	0.0	1,150.0	1,149.0	(1.0)

Courts

The Utah State Court System consists of the Supreme Court, the Court of Appeals, the District Courts and the Juvenile Courts. The state trial courts (District and Juvenile) are organized into eight Judicial Districts. These courts are fully funded and operated by the state. Justice Courts are primarily funded and operated by local governments under standards established by the state.

Legislative Action

The Courts' appropriated budget for FY 2008 is \$131,196,700 including \$112,398,400 from the General Fund. This overall appropriation represents an increase of \$9,234,500 or

7.6 percent over the FY 2007 revised estimate. The Legislature approved a ten percent compensation increase for judges.

The following items were funded by the Legislature from the General Fund (except where noted):

District Court Law Clerks: The Legislature funded three law clerks at a cost of \$243,900.

Guardian ad Litem Staffing Increase: The Legislature appropriated \$814,900 for 11 additional FTEs in the Office of the Guardian ad Litem. An additional \$75,100 (one-time) will provide equipment and furnishings for the new employees.

Judicial Contracts and Leases: The Legislature appropriated \$368,900 (\$40,000 Dedicated Credits) for Court facility lease increases. In addition, \$373,200 was appropriated for the future St. George Courthouse operations and maintenance costs; however, this funding was reduced on a one-time basis for FY 2008.

Drug Courts: The Legislature appropriated \$1,000,000 to Human Services for the Drug Courts/Boards. In accordance with UCA 78-3-32, the Courts received 13 percent or \$130,000 of the Department of Human Services' Drug Court appropriation. The Courts also received a one-time appropriation of \$130,000.

Community Legal Aid Funding: The Legislature provided \$100,000 (one-time) for community legal service contracts in FY 2008.

Juvenile Court Pilot Program: The Legislature appropriated \$75,000 for a Juvenile Court mental health pilot program.

Security and Technology Restricted Funds: The Legislature appropriated \$586,400 from the Court Security Account to fund contract increases and a security specialist. The Legislature appropriated \$350,000 from the Justice Court Technology, Security, and Training Account to fund one-time expenses for computers (\$240,000) and for imaging software license fees for statewide implementation of e-file (\$110,000).

Judicial Compensation: An appropriation of \$1,567,000 was approved to give judges a ten percent compensation increase.

Several pieces of legislation were passed that will impact the appropriations for the Courts. Unless noted otherwise, funding is from the General Fund.

Judicial Workload: To cover workload increases associated with specific legislation, the following bills carried fiscal note funding: H.B. 86, "Penalties for Sexual Offenses and Kidnapping" - \$7,500; H.B. 93, "Capitol Offenses Amendments" - \$8,500; H.B. 228, "Penalty for Homicide of a Child" - \$4,300; S.B. 35, "Uniform Child Abduction Prevention Act" - \$7,200 (and \$7,300 one-time); S.B. 50, "Drug Offender Reform Act (DORA)" - \$56,700; S.B. 205, "Alcoholic Beverage Control Amendments" - \$8,300.

Mandatory orientation course: Divorce H.B. 128, "Divorce Orientation" funded \$145,700 for implementation of this legislation. Fees generated by the new filings will increase annual revenues to the General Fund by \$12,500 and the Children's Legal Defense Restricted Fund will see an increase estimated at \$80,000.

Database Programming: H.B. 147, "Restitution Amendments" funded \$4,000 (one-time) for database programming costs.

Third Judicial Court Judge: S.B. 38, "Juvenile Court Judge" provided \$192,800 for a juvenile court judge in the 3rd judicial district.

Case Management: S.B. 151, "Case Management Pilot Project" provided the first year (of two) funding of \$148,800 for a case management pilot project in the 3rd Judicial District. The bill also requires a report to the Judiciary Interim Committee regarding the effectiveness of the program and a recommendation for statewide implementation.

Court fees: S.B. 224, "Judiciary Amendments" increased Court fees which will generate \$215,000 for the Children's Legal Defense Fund and \$210,000 for the Dispute Resolution Fund annually.

Intent Language

The Legislature approved intent language that new revenue generated beyond the \$162,000 appropriation from the Alternative Dispute Resolution Restricted Fund be used for dispute resolution. The Legislature intends that up to \$140,000 in new funds be used by the Courts to hire two child welfare mediators in FY 2008.

Additional Legislative intent granted the Courts non-lapsing budget authority.

Funding Detail

Judicial Council/State Court Administrator					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
General Fund	104,379,700		104,379,700	112,398,400	8,018,700
General Fund, One-time	177,200	(217,400)	(40,200)	435,300	475,500
Federal Funds	325,800		325,800	333,400	7,600
Dedicated Credits Revenue	1,589,500	(4,800)	1,584,700	1,666,400	81,700
GFR - Alternative Dispute Resolution	162,000		162,000	310,700	148,700
GFR - Children's Legal Defense	646,900		646,900	667,500	20,600
GFR - Court Reporter Technology	250,000	(600)	249,400	250,000	600
GFR - Court Security Account	4,170,000		4,170,000	4,756,400	586,400
GFR - Court Trust Interest	250,000		250,000	250,000	
GFR - DNA Specimen	233,400		233,400	244,200	10,800
GFR - Guardian Ad Litem Services	348,700		348,700	355,300	6,600
GFR - Justice Court Tech, Sec.& Training	900,000	(700)	899,300	899,300	
GFR - Non-Judicial Assessment	684,400	(400)	684,000	721,700	37,700
GFR - Online Court Assistance	75,000		75,000	74,400	(600)
GFR - State Court Complex	4,700,000		4,700,000	4,700,000	
GFR - Substance Abuse Prevention	441,600		441,600	447,700	6,100
GFR - Tobacco Settlement	193,700		193,700	193,700	
Transfers - Commission on Criminal and Juve	593,100	(200)	592,900	613,100	20,200
Transfers - Human Services	150,000	(100)	149,900	150,000	100
Transfers - Other Agencies	521,500		521,500	546,500	25,000
Transfers - Youth Corrections	178,500	(2,500)	176,000	176,000	
Beginning Nonlapsing	1,176,500		1,176,500	974,300	(202,200)
Closing Nonlapsing	32,400		32,400	32,400	
Total	\$122,179,900	(\$226,700)	\$121,953,200	\$131,196,700	\$9,243,500
Line Items					
Administration	94,577,300	(224,800)	94,352,500	102,123,800	7,771,300
Grand Jury	800		800	800	
Contracts and Leases	21,627,000	(200)	21,626,800	22,013,600	386,800
Jury and Witness Fees	1,606,800		1,606,800	1,606,700	(100)
Guardian ad Litem	4,368,000	(1,700)	4,366,300	5,451,800	1,085,500
Total	\$122,179,900	(\$226,700)	\$121,953,200	\$131,196,700	\$9,243,500
Budgeted FTE	1,231.1	0.0	1,231.1	1,248.0	16.9

Department of Corrections

The Department of Corrections is the adult correctional authority for the State of Utah and has the primary responsibility of community protection. To accomplish this goal, the Department develops and provides programs that seek to identify and control convicted offenders' inappropriate behavior and help convicted individuals learn to function as law-abiding citizens. Special emphasis has been placed on offender reentry programs as inmates return to the community. These offender reentry programs combine the resources and efforts of Corrections, Human Services, Workforce Services, Community Development, and private and local government organizations to reduce offender recidivism.

Legislative Action

The Legislature appropriated \$262,363,700 to the Department of Corrections for FY 2008. Of this amount, \$239,035,100 is from the General Fund. This overall appropriation represents an increase of \$14,916,100 or 6.0 percent over the FY 2007 revised estimate. Most of the General Fund increase in the Department of Corrections can be attributed to Legislative compensation increases. The following items were approved for funding by the Legislature (General Fund, except as noted):

Central Utah Correctional Facility Operations: The Legislature appropriated \$613,900 for operational costs of the 288-bed pod at the Gunnison prison. The additional funding will fund the remaining three months of operations for the new pod.

Discretionary Correctional Employee Increase: The Legislature appropriated \$2,520,000 for a one-step increase for all Corrections employees with three or more years of service with the Department. Remaining funds will be used to address other salary inequities and compression issues, as per intent language.

Adult Probation and Parole Leases: The Legislature appropriated \$218,600 for facility lease increases.

Medical Services Supplemental Funding: The Legislature appropriated \$1,300,000 (FY 2007 supplemental) for contractual obligations with the University of Utah Medical Center.

Funding Shift: The Legislature shifted \$1,000,000 (one-time) from the Jail Contracting line item to the Medical Services line item.

Several pieces of legislation were passed that will impact the appropriations for the Department of Corrections. Unless noted otherwise, funding is from the General Fund.

Additional Offender Incarcerations: H.B. 5, “Internet Sexual Content – Protection of Minors” funded \$47,200; H.B. 86, “Penalties for Sexual Offenses and Kidnapping” also funded \$47,200; H.B. 375, “Sex Offender Restrictions” provided \$23,600.

Database programming: H.B. 114, “Prisoner Log-term Health Care” funded \$6,500 (one-time) for database programming costs.

Jail Contracting: H. B. 438 “Jail Contracting - Jail Compensation Amendments” provided \$2,000,000 (one-time) for both Jail Reimbursement and Jail Contracting for higher per prisoner per day compensation payments to Counties in FY 2008.

Drug Offender Reform Act (DORA): S.B. 50, “Drug Offender Reform Act ” provided \$3,419,500 for additional Adult Probation and Parole officers with specific oversight and coordination responsibilities for individuals in the DORA program.

Jail Contracting: S.J.R. 7, “Joint Resolution Supporting Department of Corrections Contracting for Bed Spaces in Davis County Jail” supports Davis County in its expansion of correctional facilities by 100 beds for contracting use by the Department of Corrections. S.J.R. 8, “Joint Resolution Supporting Kane County Expansion of Correctional Facilities” supports Kane County in its expansion of correctional facilities by 140 beds for contracting use by the Department of Corrections.

Intent Language

The Legislature intends that the Department of Corrections begin operation of the Central Utah Correctional Facility 192-bed Pod in FY 2008. The Legislature plans to fund appropriations for the operational costs during the 2008 General Session.

The Legislature intends that the Department of Corrections may purchase one car for every two additional Adult Probation and Parole officers hired during FY 2008.

The Legislature authorized the Department of Corrections budget to have non-lapsing authority for FY 2008.

Funding Detail

Utah Department of Corrections					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
General Fund	218,687,700		218,687,700	234,307,900	15,620,200
General Fund, One-time	440,300	239,400	679,700	4,727,200	4,047,500
Federal Funds	390,000		390,000	390,000	
Dedicated Credits Revenue	19,966,000		19,966,000	21,487,600	1,521,600
GFR - DNA Specimen	515,000		515,000	515,000	
GFR - Interstate Cmpct for Adult Offender Su	29,000		29,000	29,000	
GFR - Tobacco Settlement	81,700		81,700	81,700	
Crime Victims Reparation Trust	750,000		750,000	750,000	
Transfers - Commission on Criminal and Juve	13,500		13,500	13,500	
Transfers - Human Services				161,800	161,800
Transfers - Other Agencies	167,000		167,000		(167,000)
Beginning Nonlapsing	6,218,000		6,218,000		(6,218,000)
Closing Nonlapsing	(50,000)		(50,000)	(100,000)	(50,000)
Total	\$247,208,200	\$239,400	\$247,447,600	\$262,363,700	\$14,916,100
Line Items					
Corrections Programs & Operations	176,705,100	239,800	176,944,900	187,844,400	10,899,500
Department Medical Services	19,046,400	999,600	20,046,000	21,224,100	1,178,100
Utah Correctional Industries	16,372,000		16,372,000	17,712,700	1,340,700
Jail Contracting	24,768,800	(1,000,000)	23,768,800	23,976,600	207,800
Jail Reimbursement	10,315,900		10,315,900	11,605,900	1,290,000
Total	\$247,208,200	\$239,400	\$247,447,600	\$262,363,700	\$14,916,100
Budgeted FTE	2,426.2	0.0	2,426.2	2,427.0	0.8

Board of Pardons

The Board of Pardons supervises the release of all inmates in State of Utah correctional facilities. The Board reviews an inmate's performance during incarceration, and determines when, and under what conditions, the inmate will be released after serving the minimum sentence requirements. In addition, the Board reviews violations of release conditions to decide whether an inmate should be sent back to prison. The Board of Pardons and Parole has played a significant role in reducing the number of inmates at the State Prison.

Legislative Action

The Board of Pardons' appropriated budget is \$3,564,200, representing an 11 percent budget increase from the FY 2007 revised estimate.

Hearing Officers and Support Staff Increase: The Legislature appropriated \$195,500 for a case analyst, increases for attorney contracts, and discretionary salary increase funding (in addition to the general compensation increases).

Drug Offender Reform Act: S.B. 50, "Drug Offender Reform Act" provided \$40,500 for additional staff costs.

Intent Language

The Board of Pardons' budget was granted non-lapsing authority.

Funding Detail

Board of Pardons and Parole					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
General Fund	3,148,200		3,148,200	3,489,100	340,900
General Fund, One-time	(9,900)	3,400	(6,500)	(4,500)	2,000
Dedicated Credits Revenue	2,200		2,200	2,200	
GFR - Tobacco Settlement	77,400		77,400	77,400	
Beginning Nonlapsing	16,900		16,900		(16,900)
Total	\$3,234,800	\$3,400	\$3,238,200	\$3,564,200	\$326,000
Line Items					
Board Of Pardons and Parole	3,234,800	3,400	3,238,200	3,564,200	326,000
Total	\$3,234,800	\$3,400	\$3,238,200	\$3,564,200	\$326,000
Budgeted FTE	35.0	0.0	35.0	37.5	2.5

Division of Juvenile Justice Services

The Division of Juvenile Justice Services (DJJS) is responsible for delinquent youth offenders referred by the state's Juvenile Courts. In addition, the Division operates receiving centers and detention facilities that deal with pre-adjudicated youth. The Division is part of the Department of Human Services.

Legislative Action

The Legislature appropriated \$108,137,900 to the Division of Juvenile Justice Services for FY 2008. Of this amount, \$87,505,100 is from on-going General Fund. The DJJS budget increased \$6,068,200 or 5.9 percent from FY 2007 revised figures. This net increase is partially due to the replacement of Federal and restricted funding of programs and the increased funding for intensive sex offender treatment programs. The remaining increases will fund compensation raises of \$4,107,600 and a local provider contract adjustments totaling \$1,086,000.

Federal Medical Assistance Percentage (FMAP) Rate Change: Changes in the FMAP allowed the legislature to reduce the DJJS appropriation of General Fund by \$191,000, while maintaining services at current levels.

Replacement of Federal Target Case Management Funding: The Legislature appropriated \$1,666,200 to replace Federal Targeted Case Management funding cuts.

Funding Shift from the Victim Restitution Account (VRA): The Legislature appropriated \$820,200 ongoing General Fund and \$500,000 supplemental for restitution programs that had been funded by the now-depleted VRA account.

Juvenile Sex Offender Treatment Funding Increase: The Legislature funded \$1,490,200 for intensive treatment services for juvenile sex offenders. This appropriation will also generate \$1,165,200 in additional Federal funds.

Intent Language

The Legislature approved the funding for DJJS Programs and Operations to be non-lapsing.

Funding Detail

Department of Human Services - Division of Juvenile Justice Services					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
General Fund	79,705,100		79,705,100	87,505,100	7,800,000
General Fund, One-time	1,501,700	488,800	1,990,500		(1,990,500)
Federal Funds	2,299,900	(1,300)	2,298,600	3,244,200	945,600
Dedicated Credits Revenue	2,643,500		2,643,500	2,693,500	50,000
GFR - Youth Corrections Victims				(820,200)	(820,200)
Transfers - Child Nutrition	854,000		854,000	855,000	1,000
Transfers - Commission on Criminal and Juve	685,400		685,400	400,800	(284,600)
Transfers - Medicaid	13,185,000		13,185,000	14,259,500	1,074,500
Beginning Nonlapsing	707,600		707,600		(707,600)
Total	\$101,582,200	\$487,500	\$102,069,700	\$108,137,900	\$6,068,200
Line Items					
Programs and Operations	101,582,200	487,500	102,069,700	108,137,900	6,068,200
Total	\$101,582,200	\$487,500	\$102,069,700	\$108,137,900	\$6,068,200
Budgeted FTE	987.5	0.0	987.5	1,021.0	33.5

Funding Detail

Executive Offices & Criminal Justice Appropriations Subcommittee					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
General Fund	499,645,800		499,645,800	543,179,850	43,534,050
General Fund, One-time	4,437,100	2,644,600	7,081,700	11,481,300	4,399,600
Transportation Fund	5,495,500		5,495,500	5,495,500	
Federal Funds	61,635,800	11,100	61,646,900	61,798,500	151,600
Dedicated Credits Revenue	47,935,600	(11,900)	47,923,700	52,959,600	5,035,900
GFR - Alternative Dispute Resolution	162,000		162,000	310,700	148,700
GFR - Children's Legal Defense	646,900		646,900	667,500	20,600
GFR - Court Reporter Technology	250,000	(600)	249,400	250,000	600
GFR - Court Security Account	4,170,000		4,170,000	4,756,400	586,400
GFR - Court Trust Interest	250,000		250,000	250,000	
GFR - Criminal Forfeiture Restricted Account	300,000		300,000	500,000	200,000
GFR - Domestic Violence	78,300		78,300	78,300	
GFR - DNA Specimen	1,436,600		1,436,600	1,447,400	10,800
GFR - E-911 Emergency Services	3,900,000		3,900,000	3,900,000	
GFR - Environmental Quality				200,000	200,000
GFR - Fire Academy Support	4,732,900	(300)	4,732,600	4,885,200	152,600
GFR - Guardian Ad Litem Services	348,700		348,700	355,300	6,600
GFR - Interstate Cmpct for Adult Offender Su	29,000		29,000	29,000	
GFR - Justice Court Tech, Sec.& Training	900,000	(700)	899,300	899,300	
GFR - Law Enforcement Operations				2,370,000	2,370,000
GFR - Non-Judicial Assessment	684,400	(400)	684,000	721,700	37,700
GFR - Nuclear Oversight	1,793,300		1,793,300	1,793,300	
GFR - Online Court Assistance	75,000		75,000	74,400	(600)
GFR - Public Safety Support	3,683,200	(2,600)	3,680,600	4,109,900	429,300
GFR - State Court Complex	4,700,000		4,700,000	4,700,000	
GFR - State Law Enforcement Forfeiture Acc		7,500	7,500		(7,500)
GFR - Statewide Warrant Ops	489,100	17,500	506,600	531,000	24,400
GFR - Substance Abuse Prevention	441,600		441,600	447,700	6,100
GFR - Tobacco Settlement	451,100	176,900	628,000	628,000	
GFR - Youth Corrections Victims				(820,200)	(820,200)
TFR - Motorcycle Education	219,500	(1,500)	218,000	219,900	1,900
TFR - Dept. of Public Safety Rest. Acct.	22,554,400	253,400	22,807,800	24,479,800	1,672,000
TFR - Uninsured Motorist I.D.	1,859,300		1,859,300	1,860,100	800
Attorney General Litigation Fund	279,900		279,900	321,700	41,800
Crime Victims Reparation Trust	3,627,000	2,300	3,629,300	4,329,200	699,900
Oil Overchg - Exxon	431,900		431,900	771,500	339,600
Oil Overchg - Stripper Well	763,500		763,500	436,500	(327,000)
Unclaimed Property Trust	1,309,500		1,309,500	1,365,700	56,200
Transfers - Child Nutrition	854,000		854,000	855,000	1,000
Transfers - Commission on Criminal and Juve	1,332,000	(200)	1,331,800	1,515,600	183,800
Transfers - Federal	45,000		45,000		(45,000)
Transfers - Human Services	150,000	(100)	149,900	311,800	161,900
Transfers - Medicaid	13,185,000		13,185,000	14,259,500	1,074,500
Transfers - Other Agencies	1,522,100		1,522,100	873,200	(648,900)
Transfers - Within Agency	175,600		175,600	90,600	(85,000)
Transfers - Youth Corrections	178,500	(2,500)	176,000	176,000	
Pass-through	40,000		40,000	40,200	200
Beginning Nonlapsing	36,587,600		36,587,600	4,013,100	(32,574,500)
Closing Nonlapsing	(3,060,100)		(3,060,100)	(986,700)	2,073,400
Lapsing Balance	(2,131,500)		(2,131,500)	(1,889,600)	241,900
Total	\$728,595,100	\$3,092,500	\$731,687,600	\$761,042,750	\$29,355,150
Agencies					
Governor's Office	25,849,200	14,200	25,863,400	30,985,800	5,122,400
State Auditor	4,620,300	3,800	4,624,100	4,820,100	196,000
State Treasurer	2,843,900	(4,200)	2,839,700	2,670,200	(169,500)
Attorney General	43,543,200	2,091,400	45,634,600	50,039,150	4,404,550
Corrections	247,208,200	239,400	247,447,600	262,363,700	14,916,100
Board of Pardons and Parole	3,234,800	3,400	3,238,200	3,564,200	326,000
Juvenile Justice Services	101,582,200	487,500	102,069,700	108,137,900	6,068,200
Courts	122,179,900	(226,700)	121,953,200	131,196,700	9,243,500
Public Safety	177,265,900	483,700	177,749,600	166,997,500	(10,752,100)
Restricted Revenue - EOCJ	267,500		267,500	267,500	
Total	\$728,595,100	\$3,092,500	\$731,687,600	\$761,042,750	\$29,355,150
Budgeted FTE	6,425.1	0.0	6,425.1	6,481.3	56.2

Capital Facilities and Government Operations

Subcommittee Overview

The Capital Facilities and Government Operations (CFGO) Appropriation Subcommittee oversees budgets for seven principal areas of state government:

- Capitol Preservation Board
- Career Service Review Board
- Department of Administrative Services
- Department of Human Resource Management
- Department of Technology Services
- Capital Facilities
- Debt Service

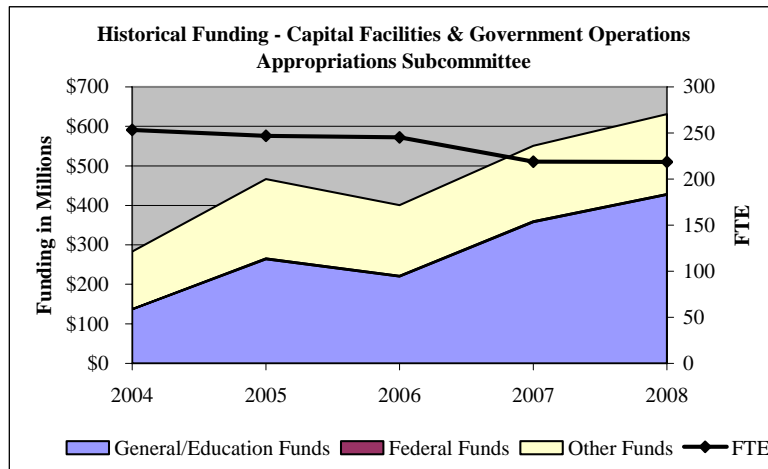
During the 2007 General Session, the Legislature passed H.J.R. 6, “Joint Rules Resolution – Appropriation Subcommittees” which changed the subcommittee’s name from “Capital Facilities and Administrative Services” to “Capital Facilities and Government Operations” to better indicate the broad array of agencies and budgets overseen by the subcommittee. The name is also consistent with other standing and interim committees.

When all oversight areas are totaled, the FY 2007 budget for the CFGO subcommittee increased by \$48.8 million (of which \$45.4 million went to rainy day funds) to a total of \$550.6 million. For FY 2008, the Legislature authorized subcommittee budget levels totaling \$631.6 million (of which \$60 million went to rainy day funds). Operating budgets account for seven percent of the total FY 2008 state funds appropriation. Approximately 66 percent will go toward capital facilities, 17 percent to debt service, and ten percent will be deposited in the state’s rainy day funds.

The subcommittee also approves budgets for statewide internal service funds operated by the Department of Administrative Services, Department of Human Resource Management, and Department of Technology Services. Revenues in the amount of \$308.5 million are anticipated to be collected for services provided in FY 2008.

The Legislature appropriated a total of \$188.8 million (\$30 million ongoing) from state funds for new state-funded capital facilities projects. The Legislature authorized another \$9.4 million from state funds for property acquisitions. A list of each approved capital item is provided later in this chapter. Capital improvement appropriations for FY 2008 totaled \$73.1 million—an increase of \$10.1 million over the FY 2007 appropriation.

The subcommittee reallocated a total of \$4,448,200 from its existing base budgets to fund some of its priorities. Reallocations came from operating budgets (\$1,215,200) and the Capital Budget (\$3,233,000).



Capitol Preservation Board

The Capitol Preservation Board (CPB) manages all functions associated with Capitol Hill facilities and grounds. This includes the current restoration of the Capitol Building, but also day-to-day operations of all buildings on Capitol Hill.

The Capitol Building restoration project is expected to be completed in January of 2008. The CPB received significant budget increases for FY 2008 in order to maintain the newly restored building and fund various one-time reopening and move-in costs.

For the first time in six years, the CPB will not charge a portion of its administrative costs to the restoration project in FY 2008. The Legislature appropriated state funds sufficient to cover these costs.

Legislative Action

The Legislature appropriated the final installment of \$50 million in FY 2008 General Funds (\$35 million for the Capitol restoration and \$15 million for a parking structure authorized in the 2006 Third Special Session) to complete the project. Additional funding in the amount of \$742,200 was approved to complete the wireless communications technology installation in the building, plus \$500,000 to assist with construction of a new peace officers memorial on the Capitol grounds. The following table summarizes the historical appropriations for the Capitol Hill Project.

Capitol Preservation Board Project Appropriations Summary		
<u>Session</u>	<u>Purpose</u>	<u>Amount</u>
1995	Remodel/Seismic Study	\$75,000
2000	Strategic Planning	\$2,086,500
2002	House & Senate Buildings	\$40,991,600
2002	Senate Bldg Parking Structure	\$8,000,000
	Subtotal Non-Capitol Bldg	<u>\$51,153,100</u>
2002	Restoration Design/Mgt Fees	\$17,970,000
2003	Capitol Restoration	\$10,000,000
2004	Capitol Restoration	\$50,000,000
2005	Capitol Restoration	\$50,000,000
2006	Capitol Restoration	\$50,000,000
2006	Wireless Communications	\$590,000
2007	Capitol Restoration/Parking	\$50,000,000
2007	Wireless Communications	\$742,200
2007	Peace Officers Memorial	\$500,000
	Subtotal Capitol Building	<u>\$229,802,200</u>
	Grand Total	<u><u>\$280,955,300</u></u>

Other ongoing state fund appropriation increases to the Capitol Preservation Board included:

- \$1,151,400 for ongoing operations and maintenance on Capitol Hill facilities once the Capitol reopens
- \$99,500 for a Public Information Officer formerly funded from the construction budget who will oversee the Visitor Services program
- \$10,000 for ongoing operating costs of seismic monitoring

One-time funding for the Capitol Preservation Board includes:

- \$500,000 for moving and furnishing costs
- \$250,000 for open houses and a dedication service
- \$240,000 to implement a Visitor Services program and open a gift shop
- \$200,000 to purchase and install seismic monitors on Capitol Hill

The CPB director contracts with the Department of Administrative Services for janitorial, maintenance, utilities, and risk management. Of the CPB's \$5.4 million FY 2008 operating budget, over \$3.6 million pays for DAS contracted services. Another \$1.2 million is from one-time appropriations.

Funding Detail

Capitol Preservation Board					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
General Fund	2,484,600		2,484,600	3,781,700	1,297,100
General Fund, One-time	87,300	2,600	89,900	1,190,000	1,100,100
Dedicated Credits Revenue	271,100		271,100	377,000	105,900
Transfers	41,400		41,400		(41,400)
Beginning Nonlapsing	124,900		124,900	67,200	(57,700)
Closing Nonlapsing	(67,200)		(67,200)		67,200
Total	\$2,942,100	\$2,600	\$2,944,700	\$5,415,900	\$2,471,200
Line Items					
Capitol Preservation Board	2,942,100	2,600	2,944,700	5,415,900	2,471,200
Total	\$2,942,100	\$2,600	\$2,944,700	\$5,415,900	\$2,471,200
Budgeted FTE	4.0	0.0	4.0	4.0	0.0

Career Service Review Board

The Career Service Review Board manages the state's grievance and appeals process.

Legislative Action

The Legislature did not adjust the Career Service Review Board's budget other than to fund the statewide approved compensation package.

Funding Detail

Career Service Review Board					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
General Fund	218,300		218,300	228,200	9,900
General Fund, One-time	(500)	300	(200)		200
Beginning Nonlapsing	200		200		(200)
Total	\$218,000	\$300	\$218,300	\$228,200	\$9,900
Line Items					
Career Service Review Board	218,000	300	218,300	228,200	9,900
Total	\$218,000	\$300	\$218,300	\$228,200	\$9,900
Budgeted FTE	2.0	0.0	2.0	2.0	0.0

Department of Administrative Services

The Department of Administrative Services (DAS) is divided into two central service components. The first is an appropriated component responsible for coordinating the statewide financial system, administration of rules and archival materials, overseeing construction projects, and managing statewide purchasing.

The second component is made up of centralized internal service funds that reduce costs by consolidating common functions such as technology management, fleet operations, facility maintenance, purchasing, and risk management.

DAS Appropriated Divisions

The appropriated component of DAS consists of six divisions:

- Executive Director's Office
- Administrative Rules
- DFCM Administration
- State Archives
- Finance
- Purchasing

Other line items within the DAS appropriated component include the Post Conviction Indigent Defense Fund, Judicial Conduct Commission, and the Finance – Mandated line item. The Finance – Mandated line item allows the Legislature to set aside funds for specific projects such as the LeRay McAllister Critical Land Conservation Fund and development zone rebates. The Division of Finance does not manage the programs but controls the funds as mandated by the Legislature.

Legislative Action

Executive Director's Office: The Executive Director's Office (EDO) provides the department's management, budget direction, strategic planning, organizational development, and public relations. The EDO also oversees the state's Child Welfare Parental Defense Contract with an annual budget of \$125,000 to assist indigent parents and their defense attorneys. The Legislature did not adjust the EDO's budget except to fund the statewide approved compensation package. The EDO employs five FTEs and has a budget for FY 2008 of \$874,200.

Administrative Rules: The Division of Administrative Rules establishes procedures for administrative rule-making. Statute requires the division to register administrative rules, make them available to the public, publish summaries of proposed rules, and compile and codify all effective rules in the Utah Administrative Code. The Legislature appropriated \$71,500 in one-time funds, which will be combined with approximately \$40,000 in division carry-forward balances, to replace the eRules

software package. The division also received \$4,200 in one-time funds for eRules programming changes as a result of H.B. 64, “Impact of Administrative Rules on Small Businesses.” The division employs four FTEs with a budget for FY 2008 of \$374,700.

Division of Facilities Construction and Management:

The Division of Facilities Construction and Management (DFCM) is responsible for the construction, remodeling, leasing, equipping and space allocation of buildings for all state institutions and agencies. The division addresses the state's facilities maintenance needs by administering capital improvement projects for existing buildings. H.B. 216, “Division of Facilities Construction and Management Amendments” increased the maximum value of a capital improvement project from \$1.5 million to \$2.5 million. The Legislature appropriated \$1,500,000 in one-time General Funds for energy efficiency projects in existing state buildings. The division has 45 FTEs and an operating budget for FY 2008 of \$6,592,700 including the \$1.5 million for energy efficiency projects. Approximately \$1.9 million of the line item budget comes from capital improvement funds.

Division of Archives: The Utah State Archives is the depository for the official records of the state and its political subdivisions. It serves state government and the public by managing records created by the legislative, judicial, and executive branches of government. This includes the cataloging of vital records, storage of historic documents and the management of records created by the court system. Legislative budget increases included:

- \$200,000 for one-time grants, spread over three years, to local archive regional repositories
- \$100,000 to develop a method of archiving the growing volume of electronic records
- \$100,000 to establish a public notice website as required by H.B. 222, “Open and Public Meetings – Electronic Notices”
- \$55,000 to provide public access to a large volume of digitized records

The division employs 28 FTEs in five programs with an FY 2008 budget of \$2,991,100.

Division of Finance: The Director of the Division of Finance is the state's chief fiscal officer and is responsible for state government's accounting structure. The division produces the Comprehensive Annual Financial Report, ensures compliance with generally accepted accounting principles, issues warrants to vendors and manages the state payroll. The Legislature did not adjust the division's budget other than to fund the statewide approved compensation package. The division's FY 2008 budget of \$11,962,800 funds six programs with a combined FTE count of 60. During FY 2007, the division transferred 22 of its information technology FTEs to the new Department of Technology Services.

Finance – Mandated: The Legislature passed H.B. 102, "Land and Water Reinvestment" which added \$2 million (one-time) for the protection of open space through the LeRay McAllister Critical Land Conservation Fund with an additional one-time appropriation of \$2,000,000. S.B. 240, "Litigation Fund Restricted Account for Highway Projects," provides that monies not spent from the new restricted account for highway litigation costs be appropriated by the Legislature to the McAllister Fund. The Legislature also passed H.B. 134, "School and Institutional Trust Lands Amendments" which creates the Land Exchange Distribution Account and distributes the state's share of mineral revenues from school and institutional trust lands to the counties. Distributions will be made by the Division of Finance through the Finance – Mandated line item.

Judicial Conduct Commission: The Judicial Conduct Commission is a quasi-independent agency that investigates and resolves complaints against Utah judges. The Legislature did not adjust the commission's budget beyond compensation changes. The FY 2008 budget is \$247,500 with two FTEs.

Division of Purchasing and General Services: The Division of Purchasing and General Services provides for the procurement of all supplies and services needed by the state. Local governments may also access the division's contracts. The Legislature did not adjust the division's budget other than to fund

the statewide approved compensation package. The division's total FY 2008 budget is \$1,684,100 with 20 FTEs.

Funding Detail

Department of Administrative Services					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
General Fund	14,885,100		14,885,100	15,649,400	764,300
General Fund, One-time	964,000	22,000	986,000	3,800,000	2,814,000
Transportation Fund	450,000		450,000	450,000	
Federal Funds	6,700	(600)	6,100	85,700	79,600
Dedicated Credits Revenue	2,197,200	2,600	2,199,800	2,310,400	110,600
GFR - Economic Incentive Restr	1,528,000		1,528,000	1,528,000	
GFR - ISF Overhead	1,272,400	24,100	1,296,500	1,299,600	3,100
GFR - Land Exchange Distrib				3,118,700	3,118,700
Capital Project Fund	1,764,100	37,700	1,801,800	1,876,000	74,200
Project Reserve Fund	200,000		200,000	200,000	
Contingency Reserve Fund	82,300		82,300	82,300	
Beginning Nonlapsing	4,929,400	178,500	5,107,900	2,097,800	(3,010,100)
Beginning Nonlapsing - Retirement		71,500	71,500	101,500	30,000
Closing Nonlapsing	(2,097,800)	(178,500)	(2,276,300)	(669,000)	1,607,300
Total	\$26,181,400	\$157,300	\$26,338,700	\$31,930,400	\$5,591,700
Line Items					
Executive Director	848,900	2,400	851,300	874,200	22,900
Administrative Rules	381,400	95,400	476,800	374,700	(102,100)
DPCM Administration	4,756,900	76,100	4,833,000	6,592,700	1,759,700
State Archives	2,298,400	100	2,298,500	2,991,100	692,600
Finance Administration	12,692,600	(20,200)	12,672,400	11,962,800	(709,600)
Finance - Mandated	3,260,600		3,260,600	7,129,300	3,868,700
Post Conviction Indigent Def	74,000		74,000	74,000	
Judicial Conduct Commission	247,600		247,600	247,500	(100)
Purchasing	1,621,000	3,500	1,624,500	1,684,100	59,600
Total	\$26,181,400	\$157,300	\$26,338,700	\$31,930,400	\$5,591,700
Budgeted FTE	164.5	0.0	164.5	163.5	(1.0)

DAS Internal Service Funds

In addition to the appropriated divisions, DAS manages other divisions that function as internal service funds (ISF). These divisions provide goods and services based on legislatively-approved rates and are mandated to operate in the manner of a private sector enterprise except in regard to profit. As “vendors” to state agencies, ISFs are designed to recover only the costs associated with providing the service. ISF revenue is derived from rates charged to other agencies. In all, the department's ISFs are expected to generate \$135.4 million and employ 242 FTE.

Division of Purchasing and General Services: The ISF portion of this division includes a central mail operation, electronic purchasing, and print services. The mail operation offers processing for forms, folding, and special mailers. Electronic

purchasing cards allow agencies to order office supplies online. The division recently privatized the print services function but continues to manage the contract as well as copiers leased to agencies. The Legislature approved a slight increase in the print services debt elimination fee and an increase of two FTEs for central mailing. Total authorized revenues for FY 2008 are \$13,002,900, with 50.5 FTEs and capital outlay of \$1,973,400.

Division of Fleet Operations: The Division of Fleet Operations handles the state central motor pool, the state fuel network, and the Surplus Property Program. The Legislature authorized a reduction in the fuel network transaction charge and an increase in the FY 2007 authorized capital outlay of \$2.7 million. The Legislature passed H.B. 110, “State Fleet Efficiency Requirements” which requires the division to set and use economical standards. Total approved revenues for FY 2008 are \$61,131,300, with 43 FTEs and capital outlay of \$16,300,000.

Division of Risk Management: As the state’s risk manager, the division provides liability, property and auto physical damage coverage to state agencies, school districts, charter schools, and higher education. The liability insurance and auto physical damage programs are entirely self-funded and the property insurance program is self-funded up to a \$3.5 million deductible. A private carrier provides coverage beyond the aggregated deductible amount. The Legislature authorized a decrease in liability rates and an increase in property rates. In order to keep property rates as low as possible, the Legislature authorized a transfer of assets within the same line item to the property program. The Legislature authorized \$38,601,000 in total revenues, 25 FTEs, and capital outlay of \$100,000.

DFCM – Facilities Management: The DFCM internal service fund provides building management throughout the state to subscribing agencies. Included in this budget are building expenses such as utilities, janitorial, garbage collection, and security. DFCM also evaluates preventive maintenance programs by conducting building assessments for state-owned buildings and college facilities. The Legislature approved a \$1,151,400 rate increase for Capitol Hill and one FTE due to the Capitol Building being completed in FY 2008, plus rate increases at approximately 25 other buildings due to utility cost increases. Total approved

revenues for FY 2008 are \$22,706,000 with 123 FTEs and capital outlay of \$86,600. Intent language allows more FTEs if additional customers come on line before the next legislative session.

Funding Detail

ISF - Department of Administrative Services					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
Premiums	26,502,000		26,502,000	27,541,000	1,039,000
Interest Income	2,760,000		2,760,000	2,760,000	
Dedicated Credits - Intragvt Rev	91,522,800		91,522,800	96,240,200	4,717,400
Sale of Fixed Assets	630,800		630,800	600,000	(30,800)
Restricted Revenue	8,100,000		8,100,000	8,300,000	200,000
Total	\$129,515,600	\$0	\$129,515,600	\$135,441,200	\$5,925,600
Line Items					
ISF - Purchasing & Gen Services	12,762,400		12,762,400	12,942,700	180,300
ISF - Fleet Operations	56,474,700		56,474,700	61,809,100	5,334,400
ISF - Risk Management	43,479,700		43,479,700	39,299,000	(4,180,700)
ISF - Facilities Management	21,689,700		21,689,700	22,254,600	564,900
Total	\$134,406,500	\$0	\$134,406,500	\$136,305,400	\$1,898,900
Profit/(Loss)	(\$4,890,900)	\$0	(\$4,890,900)	(\$864,200)	\$4,026,700
FTE/Other Data					
Vehicles	161	0	161	176	15
Authorized Capital Outlay	15,285,400	2,921,500	18,206,900	18,460,000	253,100
Budgeted FTE	237	0	237	241	4
Retained Earnings	11,650,600	0	11,650,600	10,786,400	(864,200)

Department of Human Resource Management

The Department of Human Resource Management (DHRM) is the central human resource office for the state's workforce. The department is responsible for recruitment, training, classification, and compensation systems. The department has an appropriated component for its administration, and an internal service fund component for field operations.

Legislative Action

DHRM Appropriated Budget: The Legislature reallocated \$10,200 in carry-forward balances from the Flex Benefits program and spent them on other subcommittee priorities. The Legislature did not increase the DHRM appropriated budget except to fund the statewide approved compensation package.

Funding Detail

Department of Human Resource Management					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
General Fund	3,196,500		3,196,500	3,317,300	120,800
General Fund, One-time	(9,200)	21,700	12,500		(12,500)
Dedicated Credits Revenue	440,000		440,000	400,000	(40,000)
Beginning Nonlapsing	642,800	10,200	653,000		(653,000)
Closing Nonlapsing		(10,200)	(10,200)		10,200
Total	\$4,270,100	\$21,700	\$4,291,800	\$3,717,300	(\$574,500)
Line Items					
Human Resource Management	4,270,100	21,700	4,291,800	3,717,300	(\$574,500)
Total	\$4,270,100	\$21,700	\$4,291,800	\$3,717,300	(\$574,500)
Budgeted FTE	28.0	0.0	28.0	28.0	0.0

DHRM Internal Service Fund

The DHRM Internal Service Fund (ISF) is in its first year of operation. The ISF consists of two programs: Field Services and Payroll Field Services. Field Services personnel work for DHRM but are physically located at the agencies being served. Rates charged to each agency are based on the number of FTEs in the agency. Payroll Field Services are optional for agencies who wish to use it. The Legislature approved a rate increase to fund the FY 2007 compensation package, which did not get included in DHRM's budget during the 2006 General Session. Total approved revenues for FY 2008 are \$12,137,300 with 166.1 FTEs and no capital outlay.

Funding Detail

ISF - Department of Human Resource Management					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
Dedicated Credits - Intragvt Rev	11,279,800		11,279,800	12,137,300	857,500
Total	\$11,279,800	\$0	\$11,279,800	\$12,137,300	\$857,500
Line Items					
ISF - Human Resource Management	12,081,900		12,081,900	12,163,400	81,500
Total	\$12,081,900	\$0	\$12,081,900	\$12,163,400	\$81,500
Profit/(Loss)	(\$802,100)	\$0	(\$802,100)	(\$26,100)	\$776,000
FTE/Other Data					
Budgeted FTE	166	0	166	166	0
Retained Earnings	(802,100)	0	(802,100)	(828,200)	(26,100)

Department of Technology Services

The Department of Technology Services (DTS) manages information technology (IT) programs and resources statewide. It acts as the Executive Branch's lead agency on IT, working with all other state agencies to ensure efficient and effective investment in and operation of IT. DTS was created in the 2005 General Session by "Information Technology Governance Amendments" (H.B. 109) which moved the Office of the Chief Information Officer and the Automated Geographic Reference Center (AGRC) into DTS and provided tools to consolidate all other state government information technology functions into DTS. The department has both appropriated and internal service fund line items.

DTS Appropriated Divisions

The appropriated components of DTS are the Chief Information Officer, Integrated Technology Division (including AGRC), and Technology Acquisition Projects.

Legislative Action

Legislators funded the following projects in the DTS Integrated Technology division:

- **GPS Ground Reference System:** \$300,000 one-time from various sources (\$112,800 from the General Fund) for expansion of the statewide network of transmitters that augment the Global Positioning satellite system.
- **Local Government Mapping:** \$400,000 one-time from various sources for boundary line data collection and mapping by local governments.
- **E911 Wireless Call Location:** \$40,000 in FY 2007 and \$50,000 in FY 2008 from the E911 Emergence Services account to continue mapping cellular phone sites for 9-1-1 emergency response. The additional funds will free-up base resources to pay for increasing data storage costs.
- **Statewide Interoperable Communications:** \$650,000 from the General Fund to pay circuit costs to link law enforcement radios statewide.

The Legislature funded the following computer system upgrades in the Technology Acquisition Program (all funded with Dedicated Credits):

- **Tax System Modernization:** \$5 million paid by the Tax Commission (plus \$1.4 million in nonlapsing balances) for Phase 2.
- **Electronic Resource Eligibility Project (eREP):** \$3,244,000 to be paid by the Departments of Health, Human Services, and Workforce Services.
- **Medicaid Management Information System:** \$2 million paid by the Department of Health.
- **Document Digitization Initiatives:** \$1,449,500 from the Division of Archives, Department of Community and Culture, and Department of Commerce.

Funding Detail

Department of Technology Services					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
General Fund	1,426,400		1,426,400	2,159,800	733,400
General Fund, One-time	7,894,500	(9,000)	7,885,500	112,800	(7,772,700)
Federal Funds	1,656,800		1,656,800	700,000	(956,800)
Dedicated Credits Revenue	9,727,200	1,620,200	11,347,400	12,224,200	876,800
GFR - E-911 Emergency Services	250,000	40,000	290,000	300,000	10,000
State Debt Collection Fund				500,000	500,000
Beginning Nonlapsing	671,300		671,300	1,400,000	728,700
Beginning Nonlapsing - DHRM Fle				10,200	10,200
Beginning Nonlapsing - Retirement				77,000	77,000
Closing Nonlapsing		(1,400,000)	(1,400,000)		1,400,000
Total	\$21,626,200	\$251,200	\$21,877,400	\$17,484,000	(\$4,393,400)
Line Items					
Chief Information Officer	870,800	3,000	873,800	640,100	(233,700)
Integrated Technology	4,555,400	1,528,000	6,083,400	3,750,400	(2,333,000)
Technology Acquisition Projects	16,200,000	(1,279,800)	14,920,200	13,093,500	(1,826,700)
Total	\$21,626,200	\$251,200	\$21,877,400	\$17,484,000	(\$4,393,400)
Budgeted FTE	20.5	0.0	20.5	21.0	0.5

DTS Internal Service Funds (ISF)

DTS internal service funds provide services to other executive branch agencies and charge a rate to those agencies. Programs consist of Agency Services – products and services that are specific to any given state agency – and Enterprise Services – those products and services that are used by all agencies in state government.

Funding Detail

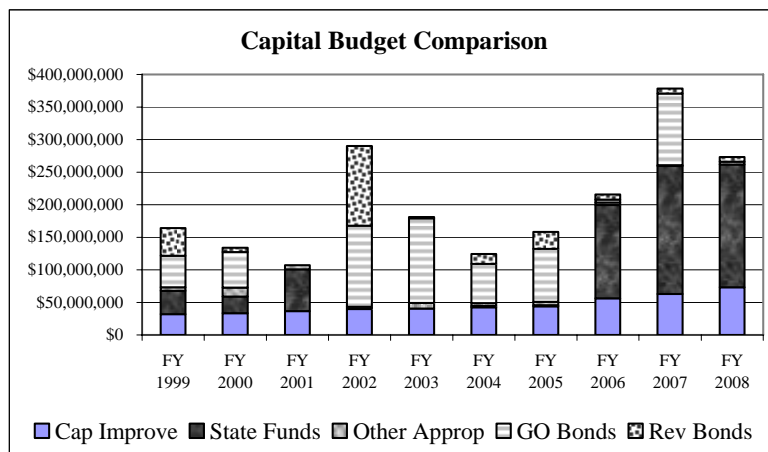
Department of Technology Services					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
Dedicated Credits - Intragvt Rev	193,040,600		193,040,600	160,901,500	(32,139,100)
Total	\$193,040,600	\$0	\$193,040,600	\$160,901,500	(\$32,139,100)
Line Items					
ISF - DTS Operations	196,490,100		196,490,100	163,282,600	(33,207,500)
Total	\$196,490,100	\$0	\$196,490,100	\$163,282,600	(\$33,207,500)
Profit/(Loss)	(\$3,449,500)	\$0	(\$3,449,500)	(\$2,381,100)	\$1,068,400
FTE/Other Data					
Vehicles	23	0	23	23	0
Authorized Capital Outlay	24,877,400	0	24,877,400	19,307,600	(5,569,800)
Budgeted FTE	933	0	933	933	0
Retained Earnings	9,314,700	0	9,314,700	6,933,600	(2,381,100)

Capital Budget

The capital budget provides funding to purchase, construct and repair state facilities.

State-funded capital projects include all projects paid for with general tax revenue (General Fund or Education Fund) or with general obligation bonds. During the 2007 General Session the Legislature appropriated a total of \$188.8 million (\$30 million ongoing) from state funds for new state-funded capital facilities projects. The Legislature authorized another \$9.4 million from state funds for property acquisitions.

The following chart shows the historical relationship between funding for capital improvements and funding for capital developments. Funding for capital developments is broken out by source, but excludes agency/institution funds and donations.



Legislative Action

Capital Improvements - Maintaining existing facilities:

The statutory minimum appropriation for capital improvements is 1.1 percent of the replacement value of all state buildings, although statute allows that to drop to 0.9 percent during times of budget deficits. The FY 2008 appropriation of \$73.1 million represents the third consecutive year that capital improvements have been funded at the 1.1 percent level.

H.B. 473, "Revenue Bond and Capital Facilities Authorizations" approves State Building Ownership Authority revenue bonds (\$7.1 million), higher education revenue bonds (\$60 million) and other projects funded with agency/institutional funds or donations (\$11.7 million). The bill also approves the sale of the Department of Human Services (DHS) Building to a private entity for \$11 million, with proceeds used to pay off the DHS Building revenue bond at \$4.5 million and to purchase and improve a BYU-Salt Lake building for occupancy by the Utah Schools for the Deaf and Blind. Further, the bill authorizes property trades between the Southeast Applied Technology College / College of Eastern Utah and a private entity for a classroom building in Price, and between the Mountainland Applied Technology College and the Utah Transit Authority / Lehi City for land at Thanksgiving Point.

Funding Detail

Capital Budget					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
General Fund	45,902,800		45,902,800	70,180,900	24,278,100
General Fund, One-time	67,828,800		67,828,800	88,813,600	20,984,800
Education Fund	47,018,500		47,018,500	32,879,000	(14,139,500)
Education Fund, One-time	48,833,200	3,000,000	51,833,200	76,441,000	24,607,800
Transportation Fund, One-time	1,200,000		1,200,000	2,000,000	800,000
Capital Project Fund				1,233,000	1,233,000
Contingency Reserve Fund				2,000,000	2,000,000
Total	\$210,783,300	\$3,000,000	\$213,783,300	\$273,547,500	\$59,764,200
Line Items					
Capital Development	139,892,000		139,892,000	192,105,600	52,213,600
Capital Improvements	62,921,300		62,921,300	73,059,900	10,138,600
Property Acquisition	7,970,000	3,000,000	10,970,000	8,382,000	(2,588,000)
Total	\$210,783,300	\$3,000,000	\$213,783,300	\$273,547,500	\$59,764,200

State Funded Capital Projects

The tables below shows projects funded in part or in whole by state funds.

State Funded Projects					
	State Funds	G.O. Bonds	Other Funds	Anticipated Donations	Total
Capital Improvements	\$73,059,900				\$73,059,900
<i>Capital Developments</i>					
State Capitol Restoration	\$50,000,000				\$50,000,000
Peace Officers Memorial	\$500,000				\$500,000
Unified Health Lab	\$30,852,000				\$30,852,000
WSU Classroom Bldg/Chiller	\$22,950,000			\$6,000,000	\$28,950,000
DPS/DMV Joint Building	\$5,342,000				\$5,342,000
DATC Tech/Manuf Bldg	\$14,240,000			\$760,000	\$15,000,000
Snow College Library	\$17,651,000			\$3,300,000	\$20,951,000
St George Courthouse	\$29,000,000				\$29,000,000
UU Nursing Bldg Expansion	\$13,500,000			\$9,000,000	\$22,500,000
DPS/SLCC Train Ctr Design	\$1,277,400				\$1,277,400
USU Ag Building Planning	\$2,500,000				\$2,500,000
MATC N Utah Co Bldg Plan	\$1,000,000				\$1,000,000
Total	\$261,872,300	\$0	\$0	\$19,060,000	\$280,932,300

State Funded Acquisitions					
	State Funds	G.O. Bonds	Other Funds	Anticipated Donations	Total
DSC Aux Bldgs Bond Payoff	\$4,200,000				\$4,200,000
CEU Dorms Payoff	\$3,000,000		\$154,500		\$3,154,500
Heber Wells Parking Replace	\$1,500,000				\$1,500,000
USU Roosevelt Bond Payoff	\$400,000				\$400,000
Capitol Bldg Wireless Tech	\$342,200		\$400,000		\$742,200
Total	\$9,442,200	\$0	\$554,500	\$0	\$9,996,700

Other Funded Capital Projects

The following table shows projects authorized with funding sources other than state funds.

Other Funded Projects					
	<u>SBOA Bonds</u>	<u>USHE Bonds</u>	<u>Other Funds</u>	<u>Anticipated Donations</u>	<u>Total</u>
Three DABC Stores	\$5,662,000				\$5,662,000
UCI Production Warehouse	\$1,476,000				\$1,476,000
UU Student Life Center		\$42,500,000			\$42,500,000
SUU Dormitories		\$17,500,000			\$17,500,000
POST Bldg Improvements			\$551,000		\$551,000
SWATC Land Purchase			\$2,282,000		\$2,282,000
UDOT Panguitch Maint Shed			\$2,000,000		\$2,000,000
SLCC Facilities/Parking Bldg			\$2,500,000		\$2,500,000
WSU Lifelong Learning Bldg			\$3,000,000	\$5,000,000	\$8,000,000
Sale of DHS Building			(\$11,000,000)		(\$11,000,000)
DHS Bldg Rev Bond Payoff			\$4,500,000		\$4,500,000
USDB Bldg Purchase/Improve			\$6,500,000		\$6,500,000
USU Tooele County Bldg				\$1,200,000	\$1,200,000
SEATC/CEU/LDS Prop Exch					\$0
MATC/UTA/Lehi Prop Exch					\$0
Total	\$7,138,000	\$60,000,000	\$10,333,000	\$6,200,000	\$83,671,000

Debt Service

Debt service is made up of interest and principal due on the state's bonded indebtedness. This line item includes debt service on general obligation (G.O.) bonds and revenue bonds. General obligation bonds are backed by the full faith and credit of the state and its ability to levy taxes. Revenue bonds are issued by the State Building Ownership Authority (S.B.O.A.) with the agency occupying the facility making lease payments to the Authority. The state uses long-term debt to finance large capital expenditures including new construction, major remodeling, and highway projects.

Outstanding Indebtedness: The State Constitution limits general obligation debt to 1.5 percent of the total fair market value of taxable property in the state. Based on the formula, the state's constitutional debt limit is approximately \$3.0 billion. The current outstanding general obligation debt is \$1.4 billion. Another \$120.5 million in general obligation bonding has been authorized in prior sessions (\$110 million for USTAR buildings), but not yet issued.

Legislative Action

H.B. 314, “Transportation Funding Revisions” authorizes up to \$1 billion, plus issuance costs, in general obligation bonding for highway construction projects. H.B. 158, “Amendments to Transportation Provisions” authorizes up to \$100 million, plus issuance costs, for the Mountain View Corridor highway project. Both bills establish new accounts from which debt service payments will be made.

The Legislature reduced the ongoing appropriation from the Transportation Fund Restricted – Public Transportation System Tax by \$254,400 because of a reduction in the debt service on Salt Lake County projects funded by this tax. No other legislative adjustments were made in the Debt Service line item.

Sound management practices help to maintain Utah’s AAA rating from all three major bond rating agencies.

Funding Detail

State Board of Bonding Commissioners - Debt Service					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
General Fund	51,679,700		51,679,700	51,679,700	
Education Fund	17,164,300		17,164,300	17,164,300	
Centennial Highway Fund	127,976,800		127,976,800	127,976,800	
Dedicated Credits Revenue	34,368,900		34,368,900	34,578,800	209,900
TFR - Public Transp. System Tax	7,204,400		7,204,400	6,950,000	(254,400)
Beginning Nonlapsing	20,722,200		20,722,200	23,360,700	2,638,500
Closing Nonlapsing	(23,360,700)		(23,360,700)	(22,431,900)	928,800
Total	\$235,755,600	\$0	\$235,755,600	\$239,278,400	\$3,522,800
Line Items					
Debt Service	235,755,600		235,755,600	239,278,400	3,522,800
Total	\$235,755,600	\$0	\$235,755,600	\$239,278,400	\$3,522,800

Restricted Revenue

Rainy Day Funds: The Legislature appropriated \$31,975,700 to the General Rainy Day Fund, plus \$13,433,600 to the Education Rainy Day Fund, as a FY 2007 supplemental appropriation. For FY 2008, the Legislature appropriated another \$40 million to the Education Rainy Day Fund.

S.B. 18, "Creation of Severance Tax and Infrastructure and Economic Diversification Accounts" appropriated \$20,000,000 from the General Fund to the new Severance Tax Holding Account in FY 2008.

Funding Detail

Restricted Revenue					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
General Fund, One-time		31,975,700	31,975,700	20,000,000	(11,975,700)
Education Fund, One-time		13,433,600	13,433,600	40,000,000	26,566,400
Total	\$0	\$45,409,300	\$45,409,300	\$60,000,000	\$14,590,700
Line Items					
Rainy Day Fund		31,975,700	31,975,700		(31,975,700)
Education Rainy Day Fund		13,433,600	13,433,600	40,000,000	26,566,400
GFR - Severance Tax Holding Account				20,000,000	20,000,000
Total	\$0	\$45,409,300	\$45,409,300	\$60,000,000	\$14,590,700

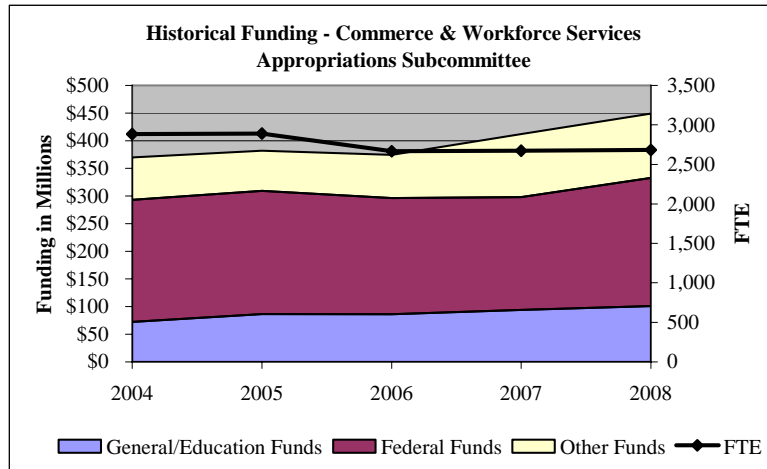
Funding Detail

Capital Facilities & Government Operations Appropriations Subcommittee					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
General Fund	119,793,400		119,793,400	146,997,000	27,203,600
General Fund, One-time	76,764,900	32,013,300	108,778,200	113,916,400	5,138,200
Education Fund	64,182,800		64,182,800	50,043,300	(14,139,500)
Education Fund, One-time	48,833,200	16,433,600	65,266,800	116,441,000	51,174,200
Transportation Fund	450,000		450,000	450,000	
Transportation Fund, One-time	1,200,000		1,200,000	2,000,000	800,000
Centennial Highway Fund	127,976,800		127,976,800	127,976,800	
Federal Funds	1,663,500	(600)	1,662,900	785,700	(877,200)
Dedicated Credits Revenue	47,004,400	1,622,800	48,627,200	49,890,400	1,263,200
GFR - E-911 Emergency Services	250,000	40,000	290,000	300,000	10,000
GFR - Economic Incentive Restr	1,528,000		1,528,000	1,528,000	
GFR - ISF Overhead	1,272,400	24,100	1,296,500	1,299,600	3,100
GFR - Land Exchange Distribution Account				3,118,700	3,118,700
TFR - Public Transp. System Tax	7,204,400		7,204,400	6,950,000	(254,400)
Transfers	41,400		41,400		(41,400)
State Debt Collection Fund				500,000	500,000
Capital Project Fund	1,764,100	37,700	1,801,800	3,109,000	1,307,200
Project Reserve Fund	200,000		200,000	200,000	
Contingency Reserve Fund	82,300		82,300	2,082,300	2,000,000
Beginning Nonlapsing	27,090,800	188,700	27,279,500	26,925,700	(353,800)
Beginning Nonlapsing - DHRM Flex				10,200	10,200
Beginning Nonlapsing - Retirement		71,500	71,500	178,500	107,000
Closing Nonlapsing	(25,525,700)	(1,588,700)	(27,114,400)	(23,100,900)	4,013,500
Total	\$501,776,700	\$48,842,400	\$550,619,100	\$631,601,700	\$80,982,600
Agencies					
Capitol Preservation Board	2,942,100	2,600	2,944,700	5,415,900	2,471,200
Administrative Services	26,181,400	157,300	26,338,700	31,930,400	5,591,700
Human Resource Management	4,270,100	21,700	4,291,800	3,717,300	(574,500)
Career Service Review Board	218,000	300	218,300	228,200	9,900
Capital Budget	210,783,300	3,000,000	213,783,300	273,547,500	59,764,200
Debt Service	235,755,600		235,755,600	239,278,400	3,522,800
Technology Services	21,626,200	251,200	21,877,400	17,484,000	(4,393,400)
Restricted Revenue - CFAS		45,409,300	45,409,300	60,000,000	14,590,700
Total	\$501,776,700	\$48,842,400	\$550,619,100	\$631,601,700	\$80,982,600
Budgeted FTE	219.0	0.0	219.0	218.5	(0.5)

Commerce & Workforce Services

Subcommittee Overview

The Legislature appropriated \$449,118,300 to seven state agencies for FY 2008: Alcoholic Beverage Control, Commerce, Financial Institutions, Insurance, Labor Commission, Public Service Commission, and Workforce Services. The total General Fund appropriation of \$101,078,900 represents an increase of 7.6 percent from FY 2007. The estimates for FY 2008 off-budget items are Unemployment Insurance Payments of \$142,500,000 and Food Stamp Payments of \$135,000,000.



Department of Alcoholic Beverage Control

The Department of Alcoholic Beverage Control regulates the manufacture, sale, and use of alcoholic beverages by licensing on-premise businesses, manufacturers, wholesalers, warehouses, importers, and liquor representatives.

Utah is one of 18 liquor control states and one of two totally state-run systems. The Department operates 35 state stores and about 77 package agencies which are the exclusive retailers of liquor, wine and heavy beer in the state.

Legislative Action

The Legislature appropriated a total of \$27,182,600 to the Department of Alcoholic Beverage Control. The following items (appropriated from Liquor Control Funds, except as noted) are included in the appropriation:

- \$448,700 for 12 FTE to accommodate growth
- \$640,000 for bond payments on new stores
- \$146,500 for contractual increases for package agencies
- \$81,500 for a COLA for package agencies
- \$89,000 for operations and maintenance of new stores
- \$1,700,000 in ongoing Liquor Control Funds and \$100,000 in one-time funding from Non-lapsing Balances for FY 2008 and \$100,000 in Liquor Control Funds for FY 2007 for Eliminating Alcohol Sales to Youth (EASY)
- \$295,000 (one-time) to replace two computer servers

Funding Detail

Department of Alcoholic Beverage Control					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
General Fund, One-time	1,631,300		1,631,300		(1,631,300)
Liquor Control Fund	22,968,800	427,900	23,396,700	27,082,600	3,685,900
Closing Nonlapsing - Highway Safety				100,000	100,000
Total	\$24,600,100	\$427,900	\$25,028,000	\$27,182,600	\$2,154,600
Line Items					
Alcoholic Beverage Control	24,600,100	427,900	25,028,000	27,182,600	2,154,600
Total	\$24,600,100	\$427,900	\$25,028,000	\$27,182,600	\$2,154,600
Budgeted FTE	347.0	0.0	347.0	347.0	0.0

Department of Commerce

The Department of Commerce registers businesses, licenses professionals, conducts consumer protection and education, oversees public utilities, and monitors real estate and securities industries. The department is funded mostly from fee and fine revenue paid to the Commerce Service Fund. Collections above Commerce Service Fund appropriations are transferred to the General Fund.

Legislative Action

The Legislature appropriated \$27,122,500 to the Commerce Department. Included in the appropriation from General Fund Restricted – Commerce Service Fund (except as noted) are:

- \$98,000 for Real Estate Office Specialists
- \$49,000 for a Consumer Protection Specialist II
- \$120,000 (one-time) to digitize DOPL case and disciplinary files
- \$80,000 (one-time) to reconfigure office space for Corporations and the Division of Public Utilities (\$40,000 Commerce Service Fund plus \$40,000 from Commerce Service Fund – Public Utility Regulatory Fee (PURF))
- \$51,000 to fund S.B. 79, “Uniform Debt Management Services Act” from the 2006 General Session
- \$100,000 (a one-time General Fund transfer from FY 2007) to warn minors against the dangers of pornography
- \$37,000 for a half-time FTE for the Pete Suazo Athletic Commission
- \$15,000 from the General Fund Restricted – Housing Opportunity to fund S. B. 199, “Division of Real Estate and Title Insurance Related Amendments”
- A reduction of \$50,000 from the elimination of the Adult Content Registry as outlined in H.B. 5, “Internet Sexual Content – Protection of Minors”

In addition, the Legislature moved the Pete Suazo Athletic Commission and \$170,000 to the Utah Sports Authority, as

provided by S.B. 167, “Utah Sports Authority”. The Legislature also switched funding sources for electronic transaction fees to Commerce Service Fund for ongoing funding (\$425,000) and Dedicated Credits for one-time balances (\$816,800).

Funding Detail

Department of Commerce					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
General Fund	50,000		50,000		(50,000)
General Fund, One-time	20,000		20,000	100,000	80,000
Federal Funds	245,900	(300)	245,600	245,900	300
Dedicated Credits Revenue	1,727,600	1,900	1,729,500	2,545,000	815,500
GFR - Commerce Service	17,147,000	(17,100)	17,129,900	18,474,100	1,344,200
GFR - CSF - PURF	4,624,300		4,624,300	4,883,300	259,000
GFR - Factory Built Housing Fees	104,700		104,700	104,700	
GFR - Geologist Ed. & Enf.	10,000		10,000	10,000	
GFR - Nurses Ed & Enf Fund	10,000		10,000	10,000	
GFR - Pawnbroker Operations	45,000		45,000	45,000	
Pass-through				50,000	50,000
Beginning Nonlapsing	2,430,700		2,430,700	654,500	(1,776,200)
Beginning Fund Balances - CSF	100,000		100,000		(100,000)
Closing Nonlapsing	(654,500)		(654,500)		654,500
Lapsing Balance	(531,700)		(531,700)		531,700
Total	\$25,329,000	(\$15,500)	\$25,313,500	\$27,122,500	\$1,809,000
Line Items					
Commerce General Regulation	24,307,100	(15,500)	24,291,600	26,232,500	1,940,900
Public Utilities Professional & Technical Serv	180,500		180,500	190,000	9,500
Committee of Consumer Services Professiona	841,400		841,400	700,000	(141,400)
Total	\$25,329,000	(\$15,500)	\$25,313,500	\$27,122,500	\$1,809,000
Budgeted FTE	256.0	0.0	256.0	260.0	4.0

Department of Financial Institutions

The Department of Financial Institutions regulates state chartered deposit-taking institutions including banks, credit unions, savings and loans, industrial loan corporations, and non-institutional lenders (traveler's checks, money order issuers, independent escrow companies, check cashers/payday lenders, and residential first mortgage loan services). Funding for the Department is from the General Fund Restricted – Financial Institutions. The fund's revenue comes from fees collected on assets and for examinations. These funds are restricted for the regulation of financial institutions. Funds remaining at the end of the year lapse back to the restricted account.

Legislative Action

The Legislature appropriated \$6,085,900 from the General Fund Restricted – Financial Institutions to operate the department. Included in that amount is \$16,200 for H.B. 430, "Department of Financial Institutions Pay Plan", approved during the 2006 General Session.

Funding Detail

Financial Institutions					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
GFR - Financial Institutions	5,788,900	900	5,789,800	6,085,900	296,100
Total	\$5,788,900	\$900	\$5,789,800	\$6,085,900	\$296,100
Line Items					
Financial Institutions Administration	5,788,900	900	5,789,800	6,085,900	296,100
Total	\$5,788,900	\$900	\$5,789,800	\$6,085,900	\$296,100
Budgeted FTE	54.0	0.0	54.0	54.0	0.0

Insurance Department

The Insurance Department regulates the state's insurance industry to protect consumers and the public. It monitors and promotes insurance company solvency and fosters a competitive insurance market. It also oversees the Comprehensive Health Insurance Pool, the Title Insurance Industry, and the Bail Bond Surety Program.

Legislative Action

The Legislature appropriated \$44,933,400 for the Insurance Department. Included in the total is:

- \$243,400 from the General Fund for three new financial examiners
- \$91,200 from Dedicated Credits for a fraud investigator
- \$162,300 from Dedicated Credits for two captive insurance examiners
- \$800,000 from the General Fund for the Health Insurance Pool of Utah (HIPUtah)

The Legislature also approved shifting electronic transaction fee funding from restricted funds to General Fund (\$35,000) and one-time account balances to Dedicated Credits (\$124,300).

Funding Detail

Insurance Department					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
General Fund	15,324,400		15,324,400	16,725,100	1,400,700
General Fund, One-time	987,200	32,700	1,019,900		(1,019,900)
Dedicated Credits Revenue	2,932,000	5,700	2,937,700	28,235,100	25,297,400
Restricted Revenue	20,267,100		20,267,100		(20,267,100)
GFR - Bail Bond Surety Admin	22,100		22,100	22,100	
Beginning Nonlapsing	21,764,500		21,764,500	24,407,600	2,643,100
Closing Nonlapsing	(24,407,600)		(24,407,600)	(24,456,500)	(48,900)
Total	\$36,889,700	\$38,400	\$36,928,100	\$44,933,400	\$8,005,300
Line Items					
Insurance Department Administration	8,755,100	38,400	8,793,500	9,441,900	648,400
Comprehensive Health Insurance Pool	28,035,800		28,035,800	35,391,100	7,355,300
Bail Bond Program	22,100		22,100	22,100	
Title Insurance Program	76,700		76,700	78,300	1,600
Total	\$36,889,700	\$38,400	\$36,928,100	\$44,933,400	\$8,005,300
Budgeted FTE	81.0	0.0	81.0	87.0	6.0

Labor Commission

The Labor Commission's mission is to improve work environments with programs aimed at safety, health, fairness, and non-discrimination. It also administers state and federal fair housing programs and administers policies related to worker's compensation for self-insured employers.

Legislative Action

The Legislature appropriated a total of \$12,058,100 to the Labor Commission for FY 2008. Included in the total are the following:

- \$55,800 from the General Fund for a Wage Claim Specialist
- \$96,000 (one-time) from the General Fund to digitize Workers' Compensation claims
- \$100,000 from the General Fund to replace lost federal funds for anti-discrimination
- \$21,700 from Dedicated Credits to fund S.B. 85, "Mining Test Fees"
- \$100,000 (one-time) from the General Fund to train administrative law judges

Funding Detail

Labor Commission					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
General Fund	5,931,300		5,931,300	6,483,600	552,300
General Fund, One-time	(14,600)	9,400	(5,200)	196,000	201,200
Federal Funds	2,476,600	2,800	2,479,400	2,516,000	36,600
Dedicated Credits Revenue				21,700	21,700
GFR - Workplace Safety	1,617,900	1,000	1,618,900	1,588,400	(30,500)
Uninsured Employers' Fund	1,118,000	700	1,118,700	1,227,400	108,700
Transfers	25,000		25,000	25,000	
Beginning Nonlapsing	50,000		50,000		(50,000)
Total	\$11,204,200	\$13,900	\$11,218,100	\$12,058,100	\$840,000
Line Items					
Labor Commission	11,204,200	13,900	11,218,100	12,058,100	840,000
Total	\$11,204,200	\$13,900	\$11,218,100	\$12,058,100	\$840,000
Budgeted FTE	112.8	0.0	112.8	114.0	1.3

Public Service Commission

The Public Service Commission regulates public utilities with the goal of efficient, reliable, reasonably priced service for customers and maintenance of financially healthy utilities. It also oversees several other programs: Speech and Hearing Impaired, and Universal Telecommunications Service Support Fund.

Legislative Action

The Legislature appropriated \$12,484,700 to the four line items that make up the Public Service Commission. Included in that total is \$50,000 in Dedicated Credits to fund S.B. 156, “Public Service Commission – Equipment Distribution Program” to purchase communication devices for the deaf and hard of hearing.

Funding Detail

Public Service Commission					
	2007	2007	2007	2008	Change from
Sources of Finance	Estimated	Supplemental	Revised	Appropriated	2007 Revised
Dedicated Credits Revenue	1,556,500		1,556,500	1,728,300	171,800
GFR - CSF - PURF	1,709,000	600	1,709,600	1,798,200	88,600
Trust and Agency Funds	7,906,300		7,906,300		(7,906,300)
Universal Public Telecom Service Fund				8,100,900	8,100,900
Beginning Nonlapsing	11,162,800		11,162,800	9,368,300	(1,794,500)
Closing Nonlapsing	(9,368,300)		(9,368,300)	(8,511,000)	857,300
Total	\$12,966,300	\$600	\$12,966,900	\$12,484,700	(\$482,200)
Line Items					
Public Service Commission	2,314,200	600	2,314,800	2,260,000	(54,800)
Research and Analysis	60,000		60,000	60,000	
Speech and Hearing Impaired	2,145,400		2,145,400	2,039,100	(106,300)
Universal Telecommunications Support Fund	8,446,700		8,446,700	8,125,600	(321,100)
Total	\$12,966,300	\$600	\$12,966,900	\$12,484,700	(\$482,200)
Budgeted FTE	17.0	0.0	17.0	17.0	0.0

Department of Workforce Services

The Department of Workforce Services administers the state's job placement; job training; unemployment insurance; labor market information; and the welfare functions of the Temporary Assistance to Needy Families (TANF), food stamps, and child care. It has 37 one-stop employment centers throughout the state.

Legislative Action

The Legislature appropriated a total of \$319,251,100 to the Department of Workforce Services. Increases included in the total are:

- \$5,000,000 (\$2,000,000 one-time) from the General Fund for General Assistance
- \$3,200,000 from the General Fund for Child Care that will draw down \$7,936,000 in federal matching funds
- \$3,244,000 from the General Fund (one-time) to complete the eREP project

The Legislature decided to consolidate eligibility workers from the Department of Health with those in the Department of Workforce Services. This will transfer \$14,784,900 in ongoing funding for 255 FTEs, 10 offices, and 10 vehicles.

Funding Detail

Department of Workforce Services					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
General Fund	58,732,000		58,732,000	72,330,200	13,598,200
General Fund, One-time	11,860,500	(627,600)	11,232,900	5,244,000	(5,988,900)
Federal Funds	203,434,500	(1,743,500)	201,691,000	228,972,300	27,281,300
Dedicated Credits Revenue	1,544,400		1,544,400	2,359,000	814,600
Trust and Agency Funds	7,506,200		7,506,200		(7,506,200)
Unemployment Compensation Trust				6,000	6,000
Transfers	12,281,900		12,281,900	8,933,900	(3,348,000)
Transfers - Medicaid				198,400	198,400
Beginning Nonlapsing	2,965,800		2,965,800	1,207,300	(1,758,500)
Closing Nonlapsing	(1,207,300)		(1,207,300)		1,207,300
Total	\$297,118,000	(\$2,371,100)	\$294,746,900	\$319,251,100	\$24,504,200
Line Items					
Workforce Services	297,118,000	(2,371,100)	294,746,900	319,251,100	24,504,200
Total	\$297,118,000	(\$2,371,100)	\$294,746,900	\$319,251,100	\$24,504,200
Budgeted FTE	1,805.1	0.0	1,805.1	1,805.0	(0.0)

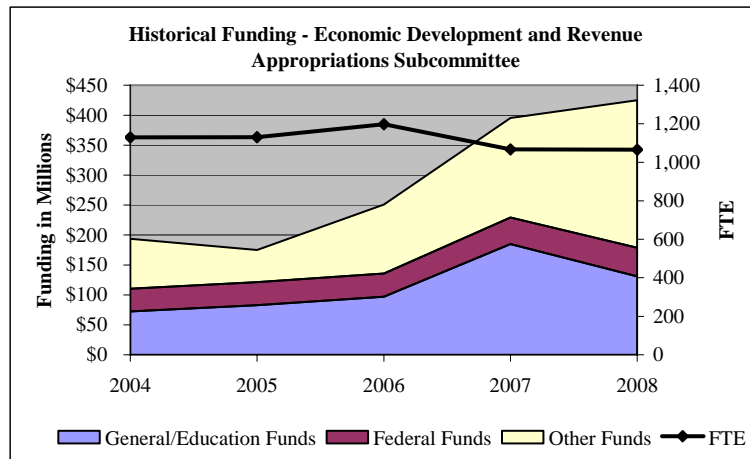
Funding Detail

Commerce & Workforce Services Appropriations Subcommittee					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
General Fund	80,037,700		80,037,700	95,538,900	15,501,200
General Fund, One-time	14,484,400	(585,500)	13,898,900	5,540,000	(8,358,900)
Federal Funds	206,157,000	(1,741,000)	204,416,000	231,734,200	27,318,200
Dedicated Credits Revenue	7,760,500	7,600	7,768,100	34,889,100	27,121,000
Restricted Revenue	20,267,100		20,267,100		(20,267,100)
GFR - Bail Bond Surety Admin	22,100		22,100	22,100	
GFR - Commerce Service	17,147,000	(17,100)	17,129,900	18,474,100	1,344,200
GFR - CSF - PURF	6,333,300	600	6,333,900	6,681,500	347,600
GFR - Factory Built Housing Fees	104,700		104,700	104,700	
GFR - Financial Institutions	5,788,900	900	5,789,800	6,085,900	296,100
GFR - Geologist Ed. & Enf.	10,000		10,000	10,000	
GFR - Nurses Ed & Enf Fund	10,000		10,000	10,000	
GFR - Pawnbroker Operations	45,000		45,000	45,000	
GFR - Workplace Safety	1,617,900	1,000	1,618,900	1,588,400	(30,500)
Trust and Agency Funds	15,412,500		15,412,500		(15,412,500)
Liquor Control Fund	22,968,800	427,900	23,396,700	27,082,600	3,685,900
Unemployment Compensation Trust				6,000	6,000
Uninsured Employers' Fund	1,118,000	700	1,118,700	1,227,400	108,700
Universal Public Telecom Service Fund				8,100,900	8,100,900
Transfers	12,306,900		12,306,900	8,958,900	(3,348,000)
Transfers - Medicaid				198,400	198,400
Pass-through				50,000	50,000
Beginning Nonlapsing	38,373,800		38,373,800	35,637,700	(2,736,100)
Beginning Fund Balances - CSF	100,000		100,000		(100,000)
Closing Nonlapsing	(35,637,700)		(35,637,700)	(32,967,500)	2,670,200
Closing Nonlapsing - Highway Safety				100,000	100,000
Lapsing Balance	(531,700)		(531,700)		531,700
Total	\$413,896,200	(\$1,904,900)	\$411,991,300	\$449,118,300	\$37,127,000
Agencies					
Workforce Services	297,118,000	(2,371,100)	294,746,900	319,251,100	24,504,200
Alcoholic Beverage Control	24,600,100	427,900	25,028,000	27,182,600	2,154,600
Labor Commission	11,204,200	13,900	11,218,100	12,058,100	840,000
Commerce	25,329,000	(15,500)	25,313,500	27,122,500	1,809,000
Financial Institutions	5,788,900	900	5,789,800	6,085,900	296,100
Insurance	36,889,700	38,400	36,928,100	44,933,400	8,005,300
Public Service Commission	12,966,300	600	12,966,900	12,484,700	(482,200)
Total	\$413,896,200	(\$1,904,900)	\$411,991,300	\$449,118,300	\$37,127,000
Budgeted FTE	2,672.8	0.0	2,672.8	2,684.0	11.2

Economic Development and Revenue

Subcommittee Overview

The Economic Development and Revenue Subcommittee oversees the budgets of the Department of Community and Culture, the Governor's Office of Economic Development, the Tax Commission, and the Utah Science Technology and Research (USTAR) initiative.



Legislative Action

The Legislature appropriated \$425,160,000 to Economic Development and Revenue agencies for Fiscal Year 2008; about a third of which (\$130,858,000) is from General and Education funds.

Department of Community and Culture

The Department's divisions and offices are:
Administration, Indian Affairs, State History and State Historical Society, Arts and Museums, State Library, Housing and Community Development, Community Development Capital, and Zoos.

Department Administration

Department Administration leads the Department and provides public relations, personnel, accounting, research, legal, and data processing services. Funding provides for 22 FTEs.

Legislative Action

The Legislature approved \$500,000 ongoing and \$1,300,000 one-time to fund the first phase of the Department's digitization initiative, which will digitize collections, databases, and grants management systems in all of the divisions of the Department.

Division of Indian Affairs

The Division of Indian Affairs promotes intergovernmental coordination between tribal and State government. Funding provides for 3 FTEs.

Legislative Action

The Legislature authorized an additional \$10,000 in Dedicated Credits for the Division of Indian Affairs.

State History and State Historical Society

State History promotes all things related to the State's history except paleontology, which belongs in the Department of Natural Resources. The Historical Society is the Division's fund raising arm and is shown as a separate line item. The sources of funding include General Fund, dedicated credits, and federal funds. The total FTE count is 32.

Legislative Action

The Legislature provided ongoing funding of \$100,000 for Native American remains repatriation under S.B. 204, "Human Remains Related Amendments". One-time appropriations were made to the following: \$100,000 to the Utah Heritage Foundation,

\$25,000 for the Juab County Veterans' Memorial, and \$25,000 for the Peetneet School Preservation project.

Division of Arts and Museums

The Division of Arts and Museums promotes the arts and museum development statewide. Grants are available to hundreds of nonprofit arts and museum organizations. The Community Outreach and Development Program provides technical assistance to organizations and runs several outreach programs. The appropriation provides grants to arts organizations' personal service costs associated with the 24 FTE.

Legislative Action

The Legislature reallocated \$100,000 from Housing and Community Development to Arts and Museums to fund arts acquisition (\$60,000) and the Southwest Symphony Orchestra (\$40,000). An additional one-time appropriation of \$60,000 was made to the Southwest Symphony Orchestra.

An ongoing appropriation of \$100,000 was made for the Hale Centre Theatre in West Valley City together with a one-time appropriation of \$35,000. A one-time appropriation of \$50,000 was made for the Hale Centre Theatre in Orem.

The Legislature also made an ongoing appropriation of \$100,000 and a one-time appropriation of \$600,000 to Museum Services for museum grants. Additional one-time appropriations of \$200,000 each were made to the Treehouse Museum in Ogden and the Leonardo Museum in Salt Lake.

Funding of \$100,000 (one-time) was appropriated to enhance the creative communities arts grant program. One-time appropriations of \$1,000,000 each were made to the Utah Festival Opera and the American West Heritage Center. A one-time appropriation of \$50,000 was made to the Moab Music Festival. The Arts Outreach was appropriated \$25,000 for the Indian Summer Story Telling Festival in Vernal.

State Library

The mission of the State Library is to develop, advance and promote library services and access to information. Funding is provided through the General Fund, dedicated credits, and federal funds. The FTE count is 72.

Legislative Action

The State Library was provided with a \$200,000 ongoing appropriation to provide library development grants.

Housing and Community Development

Community Development is comprised of a number of programs that help local governments develop infrastructure and provide services. Funding is mainly from the Federal government with additional amounts from the General Fund, dedicated credits, and restricted revenues. The appropriation provides for 47 FTE.

Weatherization helps low income, elderly, and handicapped persons save on energy bills.

Community Assistance administers the federal community development block grant program and staffs the Permanent Community Impact Board, Navajo Revitalization Fund and the Uintah Basin Revitalization Fund. It also provides support to the Private Activity Bond Board.

Housing Development staffs all of the State's housing programs: Homeless Committee, HOME (a federal program to provide affordable housing), Housing Trust Fund, Critical Needs Housing, and Emergency Shelter.

Community Services administers the federal anti-poverty Community Services Block Grant Program.

The Homeless Committee channels General Fund and income tax homeless check-off funds to state and local homeless organizations.

The Emergency Food Network helps fund emergency food organizations.

The Commission on Volunteers improves communities through service and volunteering.

Special Housing is a federally-funded program that pays for utilities, building renovations and leased space for special populations.

HEAT is Utah's name for the federal LIHEAP program that provides winter utility assistance to low-income households. It is administered through the Association of Governments and nonprofit agencies.

The Office of Ethnic Affairs provides staff resources to various ethnic groups.

Legislative Action

An appropriation of \$1,000,000 (\$500,000 one-time) was made to the Pamela Atkinson Homeless Trust Fund. The Olene Walker Housing Loan Fund received an appropriation of \$400,000 to expand affordable housing. The Division also received \$50,000 to expand the individual development account pass through.

An ongoing appropriation of \$4,000,000 and a one-time appropriation of \$10,000,000 were made to the Community Assistance program to be passed through to the Huntsman Cancer Institute. A one-time appropriation of \$1,000,000 was made to pay off the American West Heritage Center's bond and \$350,000 (one-time) was appropriated to help with a land purchase for the Shakespearean Festival. A \$25,000 one-time appropriation was provided for the Ogden Valley Pathways program. A supplemental appropriation of \$500,000 was made to help develop a Washington County Shooting Range.

The Emergency Food Network received \$100,000 in ongoing funds and \$100,000 one-time to provide tax assistance to individuals potentially eligible for the federal earned income tax credit. The Weatherization program was allocated \$250,000 in one-time funds. The Commission on Volunteers received a

\$65,000 appropriation to provide the state match for a federal grant.

Community Development Capital

Community Development Capital mitigates the impacts of non-metallic mineral extraction on local communities. It administers the Permanent Community Impact and Special Service District Funds from Mineral Lease Revenues. These funds are distributed by formula.

Zoos

The state provides pass-through support for the Hogle Zoo and the Willow Park Zoo through this program.

Legislative Action

The Legislature provided \$200,000 in one-time funds to fund equipment purchases and upgrades to the zoo computer system.

Funding Detail

Department of Community and Culture					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
General Fund	17,425,100		17,425,100	23,282,600	5,857,500
General Fund, One-time	2,456,100	10,516,400	12,972,500	5,970,000	(7,002,500)
Federal Funds	39,607,500	28,700	39,636,200	43,740,000	4,103,800
Dedicated Credits Revenue	4,783,400	11,200	4,794,600	4,853,500	58,900
Federal Mineral Lease	4,500,000		4,500,000	6,500,000	2,000,000
GFR - Homeless Trust	850,000		850,000	1,350,000	500,000
Permanent Community Impact	42,878,800	200	42,879,000	87,688,800	44,809,800
Repayments	19,447,000		19,447,000	17,067,000	(2,380,000)
Beginning Nonlapsing	2,490,200		2,490,200		(2,490,200)
Total	\$134,438,100	\$10,556,500	\$144,994,600	\$190,451,900	\$45,457,300
Line Items					
Administration	2,491,100	6,100	2,497,200	4,076,300	1,579,100
Historical Society	471,200		471,200	264,500	(206,700)
State History	3,290,500	4,600	3,295,100	3,642,500	347,400
Arts and Museums	5,050,500	8,300	5,058,800	5,234,000	175,200
Arts and Museums - Museum Services	1,472,000	300	1,472,300	1,420,900	(51,400)
State Library	8,924,300	(2,200)	8,922,100	9,336,900	414,800
Indian Affairs	296,100	10,200	306,300	264,300	(42,000)
Housing and Community Development	45,046,700	10,529,200	55,575,900	54,281,600	(1,294,300)
Community Development Capital Budget	65,897,000		65,897,000	110,232,200	44,335,200
Zoos	1,498,700		1,498,700	1,698,700	200,000
Total	\$134,438,100	\$10,556,500	\$144,994,600	\$190,451,900	\$45,457,300
Budgeted FTE	203.0	0.0	203.0	200.0	(3.0)

Governor's Office of Economic Development

The Governor's Office of Economic Development (GOED) facilitates the growth of quality jobs, promotes Utah businesses, and develops economic prosperity for Utah. Funding is mainly from the General Fund, with additional funding from federal funds, dedicated credits, transportation funds, and restricted funds. GOED appropriations are split into four line items: Administration, Business Development, Incentives, and the Office of Tourism. There are 73 FTE funded by the appropriation.

Legislative Action

The Industrial Assistance Fund was appropriated \$1,408,600 in FY 2007 to replenish the fund. The Legislature also appropriated \$3,000,000 in earmarked sales tax revenue in FY 2007 and an additional \$6,000,000 to be carried into FY 2008 for tourism promotion activities. An appropriation of \$4,000,000 (one-time) was provided to the Tourism Marketing Performance Fund in FY 2007 to be carried into FY 2008 in addition to a \$1,000,000 one-time appropriation in FY 2008.

An ongoing appropriation of \$2,000,000 was made to enhance the Motion Picture Incentive Fund along with a one-time appropriation of \$1,500,000. One-time appropriations of \$1,000,000 each were made to pass through to the Utah Bid Development Solutions program and the Rural Broadband Service Fund. One-time appropriations were also made to fund the following: \$500,000 for the Utah Defense Alliance, \$350,000 for the World Trade Center Utah, \$250,000 for the Manufacturer's Extension Partnership and \$350,000 for the Governor's Insurance Connector study.

A one-time appropriation of \$100,000 was made to provide enhanced funding for the Utah Summer Games. The Antelope Island Balloon Festival was allocated \$25,000 (one-time) and restaurant promotion was allocated \$300,000. The Governor's Rural Partnership was appropriated \$15,000 (one-time) and the Science and Technology Education Program was appropriated \$50,000.

Funding Detail

Governor's Office of Economic Development					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
General Fund	14,714,800		14,714,800	15,054,800	340,000
General Fund, One-time	757,700	(100)	757,600	2,890,000	2,132,400
Transportation Fund	118,000		118,000	118,000	
Federal Funds	300,000		300,000	300,000	
Dedicated Credits Revenue	414,700		414,700	254,700	(160,000)
GFR - Industrial Assistance	223,500		223,500	223,500	
GFR - Motion Picture Incentive Fund	1,000,000		1,000,000	4,000,000	3,000,000
GFR - Rural Broadband Service Fund				1,000,000	1,000,000
GFR - Tourism Marketing Performance	11,000,000		11,000,000	11,000,000	
Beginning Nonlapsing	4,872,900		4,872,900		(4,872,900)
Total	\$33,401,600	(\$100)	\$33,401,500	\$34,841,000	\$1,439,500
Line Items					
Administration	2,411,100		2,411,100	3,311,400	900,300
Office of Tourism	17,573,300	(600)	17,572,700	19,583,500	2,010,800
Business Development	13,267,200	500	13,267,700	11,796,100	(1,471,600)
Incentive Funds	150,000		150,000	150,000	
Total	\$33,401,600	(\$100)	\$33,401,500	\$34,841,000	\$1,439,500
Budgeted FTE	71.0	0.0	71.0	71.0	0.0

Utah Sports Authority

During the 2007 General Session, the Legislature approved S.B. 167, "Utah Sports Authority". The Authority coordinates and promotes the enhancement of sporting opportunities in Utah. The legislation also moved the Pete Suazo Utah Athletic Commission from the Department of Commerce to the Utah Sports Authority.

Legislative Action

The Utah Sports Authority was provided \$170,000 ongoing funding for resources related to the Pete Suazo Utah Athletic Commission. The Authority was appropriated \$3,225,000 in one-time funding for FY 2008. Of the total one-time funding, \$3,000,000 is pass-through funding to the Utah Sports Commission, an independent, not-for profit organization which attracts national and international sporting competitions to Utah; \$200,000 is for general operations; and \$25,000 is for the USA Boxing Olympic Trials.

Funding Detail

Utah Sports Authority					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
General Fund				170,000	170,000
General Fund, One-time				3,225,000	3,225,000
Total	\$0	\$0	\$0	\$3,395,000	\$3,395,000
Line Items					
Sports Authority				3,395,000	3,395,000
Total	\$0	\$0	\$0	\$3,395,000	\$3,395,000

Utah Science, Technology, and Research

The Utah Science, Technology, and Research (USTAR) initiative has three major components: construction of research buildings at the University of Utah and Utah State University, recruiting and hiring of research teams in fields where Utah has a competitive advantage, and operation of a technology outreach program at 5 locations throughout Utah. The USTAR research teams are expected to bring new funding to the state through federal and commercial contracts and grants for the development of new technologies. Ultimately, USTAR aims to generate more technology-based start-up firms and higher-paying job opportunities in Utah through the commercialization of these technologies.

Legislative Action

In addition to USTAR's \$19.25 million base budget, the Legislature appropriated an additional \$74,500 for compensation adjustments.

Funding Detail

Utah Science Technology and Research Governing Authority					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
General Fund	19,250,000		19,250,000	19,324,500	74,500
General Fund, One-time	50,000,000		50,000,000		(50,000,000)
Total	\$69,250,000	\$0	\$69,250,000	\$19,324,500	(\$49,925,500)
Line Items					
USTAR	19,250,000		19,250,000	19,324,500	74,500
USTAR Capital Developments	50,000,000		50,000,000		(50,000,000)
Total	\$69,250,000	\$0	\$69,250,000	\$19,324,500	(\$49,925,500)
Budgeted FTE	13.0	0.0	13.0	13.0	0.0

Tax Commission

The mission of the Utah Tax Commission is to “collect revenue for the state of Utah and local governments and to equitably administer tax and assigned motor vehicle laws.” In addition to handling the revenue from over 40 taxes, surcharges, and fees, the Commission is responsible for registering automobiles and regulating the automobile dealer industry. The Commission’s budget is divided into four line items: Tax Administration, License Plate Production, Liquor Profit Distribution, and Sales Tax Vendor Payments. Appropriations to the Tax Commission for Fiscal Year 2008 amount to \$84.8 million—a 4.1 percent increase over total FY 2007 appropriations. Of the \$84.8 million, about 60 percent (\$51.1 million) is from General and Education funds.

Legislative Action

Administration Line Item: The Tax Administration Line Item accounts for over 80 percent of the Commission’s total budget and includes 10 programs: Administration, Auditing, Multi-State Compact, Technology Management, Tax Processing, Seasonal Employees, Tax Payer Services, Property Tax, Motor Vehicles, and Motor Vehicle Enforcement. In addition to base budget appropriations, the Legislature appropriated an additional \$5.5 million, bringing the total FY 2008 line item budget to \$77.4 million.

Monies were appropriated for ongoing postage rate increases (\$63,300 General Fund and \$31,700 Uniform School Fund), ongoing office lease increases (\$296,600 General Fund), the purchase of license plate readers by the Motor Vehicle Enforcement Division (\$75,000 General Fund), and ongoing Department of Technology Services and Department of Administrative Services internal service fund rate adjustments (\$103,400). Ongoing compensation adjustments for the Commission total \$2.9 million (\$2.2 million General and Education Funds).

The implementation of several license plate bills also increased the Commission’s appropriation. These include S.B. 33, “Special Group License Plate - Gold Star Family” (\$6,200 General

Fund); S.B. 199, “Division of Real Estate and Title Insurance Related Amendments” (\$8,200 General Fund); and H.B. 268, “Special Group License Plate Symbol Decal Reorder Amendments (\$14,500 Dedicated Credits).

The Legislature also appropriated \$5 million Uniform School Fund for the Arches tax system modernization project, bringing total direct appropriations for the project to \$12 million (the total estimated cost for Arches at the end of completion in 2010 is \$30 million, with \$22.5 million in direct appropriations from the Legislature).

The Legislature decreased appropriations for FY 2007 by \$85,400 to account for Department of Technology Services internal service fund rate adjustments, resulting in a total line item revised budget of \$68.7 million for FY 2007.

Liquor Profit Distribution Line Item: The Liquor Profit Distribution Line Item accounts for revenue generated by the Beer Excise Tax that is collected by the Tax Commission and remitted to both the General Fund and the Alcoholic Beverage Enforcement and Treatment Restricted Account. Under UCA 59-15-109, the Tax Commission is required to deposit the greater of 40 percent of the Beer Excise Tax collected 2 years prior or \$4,350,000 to the Alcoholic Beverage Enforcement and Treatment Restricted Account. UCA 32A-1-115(3) further requires the Legislature to annually appropriate an amount equal to at least the amount deposited for distribution to local governments. For FY 2008, the Legislature appropriated a total of \$4,984,800 (40 percent of FY 2006 collections and \$634,800 above the FY 2007 appropriation) to the Liquor Profit Distribution Line Item for distribution to local governments to be used for programs and projects related to prevention, treatment, detection, prosecution, and control of alcohol-related offenses.

License Plate Production Line Item: The License Plate Production line item accounts for the purchase of license plates and tags from the State Prison license plate production operation. The Legislature approved a FY 2008 line item budget of \$2.4 million, which includes a closing nonlapsing balance of \$3.3 million.

Sales Tax Vendor Payments Line Item: During the 2006 General Session, the Legislature appropriated \$6 million one-time from the General Fund to the Tax Commission in H.B. 109, “Sales and Use Tax – Food and Food Ingredients”. The Tax Commission was to distribute these monies to certain businesses who applied for reimbursement by January 1, 2007 to offset the cost of complying with the reduced sales and use tax rate imposed on food and food ingredients. During the 2007 General Session, the Legislature extended the date for application to April 1, 2007 through H.B. 27, “Sales and Use Tax Modifications. To ensure that monies would still be available for businesses applying after the original deadline, the Legislature approved intent language stating that any remaining amount of the \$6 million not lapse at the close of FY 2007.

Funding Detail

Utah State Tax Commission					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
General Fund	23,949,200		23,949,200	25,648,500	1,699,300
General Fund, One-time	5,936,700	(30,200)	5,906,500	95,700	(5,810,800)
Uniform School Fund	19,312,400		19,312,400	20,360,400	1,048,000
Uniform School Fund, One-time	(48,800)	(34,800)	(83,600)	5,000,000	5,083,600
Transportation Fund	5,857,400		5,857,400	5,857,400	
Federal Funds	453,600		453,600	453,600	
Dedicated Credits Revenue	11,289,300	(5,900)	11,283,400	12,790,400	1,507,000
GFR - Alc Bev Enf & Treatment	4,350,000		4,350,000	4,984,800	634,800
GFR - Sales and Use Tax Admin Fees	7,958,500	(14,500)	7,944,000	8,374,700	430,700
TFR - Uninsured Motorist I.D.	133,800		133,800	133,800	
Transfers	102,300		102,300	102,300	
Beginning Nonlapsing	10,577,200		10,577,200	8,299,900	(2,277,300)
Closing Nonlapsing	(8,299,900)		(8,299,900)	(7,296,300)	1,003,600
Total	\$81,571,700	(\$85,400)	\$81,486,300	\$84,805,200	\$3,318,900
Line Items					
Tax Administration	68,789,600	(85,400)	68,704,200	77,388,300	8,684,100
License Plates Production	2,432,100		2,432,100	2,432,100	
Liquor Profit Distribution	4,350,000		4,350,000	4,984,800	634,800
Sales Tax - Vendor Payments	6,000,000		6,000,000		(6,000,000)
Total	\$81,571,700	(\$85,400)	\$81,486,300	\$84,805,200	\$3,318,900
Budgeted FTE	781.5	0.0	781.5	781.5	0.0

Funding Detail

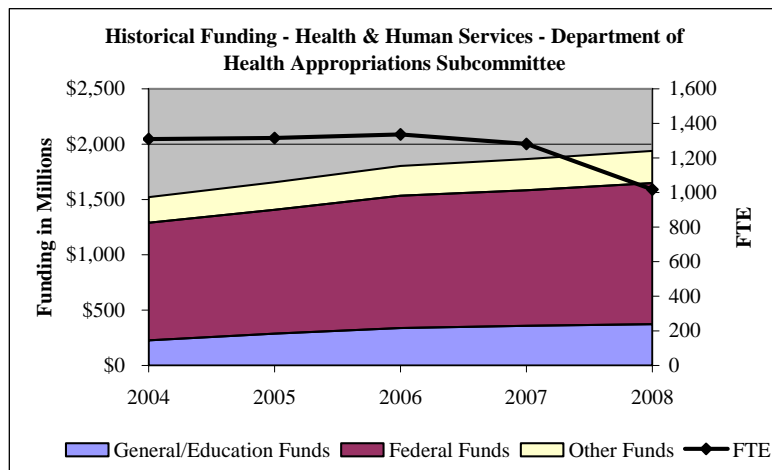
Economic Development and Revenue Appropriations Subcommittee					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
General Fund	78,275,500		78,275,500	89,316,800	11,041,300
General Fund, One-time	62,678,500	24,894,700	87,573,200	16,180,700	(71,392,500)
Uniform School Fund	19,312,400		19,312,400	20,360,400	1,048,000
Uniform School Fund, One-time	(48,800)	(34,800)	(83,600)	5,000,000	5,083,600
Transportation Fund	5,975,400		5,975,400	5,975,400	
Federal Funds	43,967,100	28,700	43,995,800	48,099,600	4,103,800
Dedicated Credits Revenue	16,487,400	5,300	16,492,700	17,898,600	1,405,900
Federal Mineral Lease	39,500,000		39,500,000	64,500,000	25,000,000
GFR - Alc Bev Enf & Treatment	4,350,000		4,350,000	4,984,800	634,800
GFR - Homeless Trust	850,000		850,000	1,350,000	500,000
GFR - Industrial Assistance	223,500		223,500	223,500	
GFR - Mineral Bonus	6,950,000		6,950,000	20,900,000	13,950,000
GFR - Motion Picture Incentive Fund	1,000,000		1,000,000	4,000,000	3,000,000
GFR - Rural Broadband Service Fund				1,000,000	1,000,000
GFR - Sales and Use Tax Admin Fees	7,958,500	(14,500)	7,944,000	8,374,700	430,700
GFR - Tourism Marketing Performance	11,000,000		11,000,000	11,000,000	
TFR - Uninsured Motorist I.D.	133,800		133,800	133,800	
Permanent Community Impact	42,878,800	200	42,879,000	87,688,800	44,809,800
Transfers	102,300		102,300	102,300	
Repayments	19,447,000		19,447,000	17,067,000	(2,380,000)
Beginning Nonlapsing	17,940,300		17,940,300	8,299,900	(9,640,400)
Closing Nonlapsing	(8,299,900)		(8,299,900)	(7,296,300)	1,003,600
Total	\$370,681,800	\$24,879,600	\$395,561,400	\$425,160,000	\$29,598,600
Agencies					
Tax Commission	81,571,700	(85,400)	81,486,300	84,805,200	3,318,900
Community and Culture	134,438,100	10,556,500	144,994,600	190,451,900	45,457,300
Economic Development	33,401,600	(100)	33,401,500	34,841,000	1,439,500
Sports Authority				3,395,000	3,395,000
USTAR	69,250,000		69,250,000	19,324,500	(49,925,500)
Restricted Revenue - EDR	52,020,400	14,408,600	66,429,000	92,342,400	25,913,400
Total	\$370,681,800	\$24,879,600	\$395,561,400	\$425,160,000	\$29,598,600
Budgeted FTE	1,066.5	0.0	1,066.5	1,065.5	(1.0)

HEALTH AND HUMAN SERVICES

Department of Health

Department Overview

The mission of the Utah Department of Health is to protect the public's health through preventing avoidable illness, injury, disability and premature death; assuring access to affordable, quality health care; and promoting healthy lifestyles. Administration of the State's Medicaid Program is a significant portion of the Health Department efforts and funding.



Legislative Action

The Legislature approved a total FY 2008 spending level for the Department of Health of \$1,938,968,000, with \$372,212,800 from the General Fund. The appropriation represents an average department-wide increase of 3.89 percent over the FY 2007 revised appropriation level and a 3.98 percent increase over the FY 2007 Revised General Fund level. The approved FTE level for the Department is 1,017.2. The overall Department increase for FY 2008 seems less than other State agencies due to three primary reductions: 1) the Federal Medical Assistance Percentage (FMAP) increasing; 2) the expected savings from the Preferred Drug List (PDL); and 3) the transfer of Medicaid Eligibility Services funding, FTE and vehicles to the Department of Workforce Services.

The Medicaid Interim Committee that functioned during the 2006 Interim was again funded for the 2007 interim to continue the examination of Medicaid funding as well as all health and human service programs in the State.

Budgetary issues that will be felt Department-wide include funding for 3.5 percent cost-of-living adjustment (COLA), a 1.5 percent discretionary compensation adjustment, health insurance increases, termination pool increase, unemployment insurance decrease, Department of Technology Services (DTS) employee compensation package, and rate adjustments for local private providers. These Health Department adjustments total \$5,050,000, including \$1,878,400 from the General Fund. State Internal Service Fund (ISF) rate changes will have a net increase to the Department's FY 2008 budget of \$52,500, of which \$29,100 is from the General Fund. The Health Department budget was adjusted for DTS rates. This is a net reduction of \$695,100, of which \$303,100 is from General Fund for FY 2008. A DTS reduction of \$721,600 of which \$312,000 was from the General Fund was also approved for FY 2007.

The appropriation increases and legislative intent language for the divisions, bureaus and offices of the Department are listed within each program through the remainder of this chapter.

Executive Director's Office

The Executive Director's Office includes those functions of the Department of Health that provides overall direction of policy, management, and administrative support to the divisions, bureaus, offices and programs of the Department. This organizational category also includes the Office of the Medical Examiner and the Center for Health Data.

Legislative Action

The Legislature approved funding for FY 2008 in the amount of \$26,535,500, of which \$6,933,200 is from the General Fund. The approved FTE level for this line item is 169.22. The funding allocations to the programs within the line item are:

Office of the Executive Director	\$ 3,076,600
Program Operations	\$ 4,060,400
Office of the Medical Examiner	\$ 2,508,000
Bioterrorism Grants	\$11,884,000
Center for Health Data	\$ 5,006,500

The budget of the Office of the Medical Examiner was increased by \$270,000 to fund program and caseload growth. A FY 2007 supplemental appropriation of \$112,000 was made to address the current year shortfall.

A one-time General Fund appropriation of \$90,000 was made to the Health Data Center to assist doctors' offices in converting traditional paper medical records into Electronic Medical Records. These funds are to be contracted through and managed by the Utah Medical Association.

H.B. 9, "Health Care Cost and Quality Data" passed but with no funding. The estimated cost to implement this legislation is \$739,000, with \$304,000 from the General Fund.

H.B. 302, "Medical Examiner - Testing for Substances in Cases of Suspected Suicide", resulted in an appropriation of \$7,200 to the Office of the Medical Examiner.

The consolidation of Medicaid Eligibility Systems transferred resources from the Department of Health to the Department of Workforce Services. An appropriation of \$565,000 one-time Medicaid Restricted Fund was made to offset the loss of the Federal Reimbursed Overhead to the Executive Director's Office from this transfer.

Intent Language

The 2007 Legislature recommended that the Medicaid Interim Committee be continued through the 2007 interim period to examine Medicaid-related issues. Funding was appropriated to the House and Senate for six meetings.

Concern has been expressed about the rates of private providers and others contracted to provide the services of the

Department to the public, including the local health departments. Intent language directs the Legislative Fiscal Analyst's Office to study contract rates of local and private providers. Recommendations are to be submitted to the Legislature during the 2008 General Session.

Health Systems Improvement

The Division of Health Systems Improvement assures and improves the quality of the health care system in Utah. This is achieved through examination, analysis, continuity, acceptability, quality, and cost.

Legislative Action

The approved FY 2008 budget for the Health Systems Improvement line item is \$18,950,500 with \$8,070,900 from the General Fund. Federal Funds and Dedicated Credit Revenue account for over \$9.9 million of the division's budget. The funding allocations to the programs within the line item are:

Director's Office	\$ 380,700
Emergency Medical Services	\$6,106,300
Child Care Licensing	\$2,741,100
Health Facility Licensure, Certification and Resident Assessment	\$5,413,100
Primary Care and Rural Health	\$4,309,300

The approved FTE level for Health Systems Improvement is 133.77. No FTE change from the previous year.

One-time funding of \$750,000 was allocated to establish an Antiviral Medication Stockpile to be used in the event of a disaster or catastrophe. The funds will be used to purchase discounted medication from the federal government and with federal funding participation.

Two health care facilities received one-time funding. The Moab Hospital will receive \$1,000,000 to assist with the construction of a new emergency room and the Maliheh Free

Clinic will contract for \$250,000 to strengthen health care services to low-income and underinsured individuals.

The Legislature approved a funding increase for Primary Care Grants of \$500,000. This appropriation replaced \$357,300 of FY 2007 one-time funding. The grants are awarded to health care providers whose services are mainly utilized by low-income individuals and families in medically underserved areas.

S.B. 223, “Tax Amendments” establishes a new restricted special revenue fund known as the Rural Health Care Facilities Fund. An ongoing General Fund appropriation of \$555,000 was approved to this new Fund, although FY 2008 will be half that amount. Funds are to be distributed to rural hospitals and health care facilities.

H.B. 56, “Emergency Administration of Epinephrine” authorizes the Department of Health to conduct educational programs to train people in the use and storage of epinephrine auto-injectors. Funding of \$9,500 was approved.

S.B. 75, “Advance Health Care Directive Act” modifies the current end-of-life legal procedures and practices and is funded with \$9,500 General Fund (\$6,000 one-time).

Intent Language

Intent language directs the Division to allocate \$750,000 for the purchase of an antiviral medication stockpile, \$250,000 as a grant to the Maliheh Free Clinic, and \$1,000,000 as a grant to the Moab Hospital.

Additional FY 2008 intent language was similar to previous years but limited the estimated nonlapsing carryover for programs including: Primary Care Grants (\$250,000); Plan Review fees collected by the Bureau of Health Facility Licensure, Certification and Resident Assessment (\$210,000); funding for people with bleeding disorders (\$50,000); and civil penalties collected from childcare and health care provider violations.

Workforce Financial Assistance Program

This program was established during the 2002 Legislative Session by consolidating three separate loan/scholarship programs with the goal of increasing the number of health care professionals in underserved areas in the State. The loan repayment grants and scholarships are granted in return for providing professional medical services for an obligated period of time.

Legislative Action

Lawmakers approved an ongoing budget of \$573,900 for the Workforce Financial Assistance Program for FY 2007. The General Fund appropriation is \$423,900. Nonlapsing funds make up the balance of the appropriation. These funds are nonlapsing by statute. The program is managed by efforts of 0.15 FTE.

Epidemiology and Laboratory Services

The Division of Epidemiology and Laboratory Services provides core public health systems of surveillance and detection in areas of public and environmental health programs and the Utah Public Health Laboratory.

Legislative Action

For FY 2008, the approved appropriation is \$19,013,800, of which \$5,393,000 is from the General Fund. Federal Funds and Dedicated Credit Revenue account for over \$12 million of this budget. The Division FTE level for FY 2008 is 131.83. The funding allocations to the programs within the line item are:

Director's Office	\$ 718,400
Chemical & Environmental Services	\$1,929,600
Forensic Toxicology	\$1,165,300
Laboratory Improvement	\$1,123,600
Microbiology	\$3,936,500
Communicable Disease Control	\$7,023,600
Epidemiology	\$3,116,800

With the approval of a new State Laboratory, funding in the amount of \$369,800 was appropriated for operations and maintenance. In keeping with legislative policy, one-time reductions will occur until the facility is finished and the funds are needed (FY 2009).

S.B. 4, “Driving Under the Influence Amendments “ increases the fees for license reinstatement after a DUI and allocates \$100,000 from the General Fund Restricted - State Laboratory Drug Testing Account to the Division to cover the costs of the additional testing.

H.B. 137, “Pain Medication Management and Education” appropriated \$150,000 for a two year study of drugs in the workplace.

Intent Language

The Legislature approved intent language for FY 2007 authorizing the division to retain unexpended funds up to \$250,000 at the end of FY 2007 for laboratory equipment, computer equipment and/or software, and building improvements.

Community and Family Health Services

This division assures that women, infants, children and their families have access to comprehensive coordinated, affordable, community-based quality health care. These services are available to all citizens of the State according to their ability to pay, but primary clients are women, infants and children who have special health care needs and are low income. The Division coordinates efforts, identifies needs, prioritizes programs and develops resources necessary to reduce illness, disability, and death from adverse pregnancy outcomes, chronic diseases, disabling conditions, injury and violence, and vaccine-preventable infections.

Legislative Action

The Legislature’s budget for this division for FY 2008 is \$107,915,400, with a General Fund allocation of \$13,203,300.

Significant funding comes from Federal Funds, Dedicated Credit Revenue and restricted funds (cigarette taxes and the Tobacco Settlement Account). For FY 2008, this division will include 285.26 FTE. The funding allocations to the programs within the line item are:

Director's Office	\$ 2,567,200
Health Promotion	\$20,973,200
Maternal and Child Health	\$57,279,500
Children with Special Health Care Needs	\$27,095,500

The Baby Watch/Early Intervention Program received additional funding in the amount of \$2,280,600 for the estimated caseload growth and a provider rate increase for FY 2008. This program provides services to children 0-3 years old who are experiencing developmental delays.

Funding of \$360,000 was appropriated for the Utah Birth Defect Network to replace federal funding. A supplemental appropriation of \$173,000 was allocated for FY 2007 to assure continuous operation of the program.

Immunization vaccine funding of \$500,000 (one-time) will be used to offset inflationary impacts of medication and provide additional vaccine to underinsured children.

H.B. 358, "Cervical Cancer Prevention" establishes a cervical cancer prevention program with funding of \$25,000.

Intent Language

The Legislature designated up to \$500,000 of the funding for alcohol, tobacco, and other drug prevention reduction, cessation, and control programs as nonlapsing. Additional intent language directed the Department to use \$25,000 to establish a cervical cancer public awareness campaign.

Health Care Financing

The Division of Health Care Financing is the administrative agency for Utah's Medical Assistance Program which administers state and federal funding and contracting with providers. The primary programs administered by the Division are Medicaid, the Primary Care Network (PCN) and the State Children's Health Insurance Program (SCHIP).

Legislative Action

For FY 2008, the Legislature approved a budget level of \$67,262,800 with \$5,204,800 coming from the General Fund. Federal Funds provide nearly \$40 million of the Division's budget. The net FTE count for Health Care Financing is 207.5. The funding allocations to the programs within the line item are:

Director's Office	\$ 5,446,700
Financial Services	\$ 7,608,800
Managed Health Care	\$ 2,948,900
Medical Claims	\$ 5,641,500
Eligibility Services	\$ 5,704,900
Coverage and Reimbursement	\$ 4,378,600
Contracts	\$35,533,400

The Legislature approved the consolidation of the Medicaid Eligibility Systems of the Departments of Health and Workforce Services. A transfer from the Department of Health of \$14,784,900 (\$6,563,100 from the General Fund), 255 FTE, 10 vehicles and 10 leased offices to the Department of Workforce Services was approved. Additional resources will be contracted to provide eligibility for SCHIP as well. Intent language is listed directing the preparation of progress reports.

The Department is to study the replacement of the current Medicaid Management Information System (MMIS). An appropriation of \$1,000,000 from the General Fund Restricted – Medicaid Restricted Account was made along with a \$1,000,000 federal match. This is for a design study of a new system. The estimated total cost of a replacement system is currently \$60 million.

S.B. 189, “Medicaid Home and Community-based Long-term Care” allocated \$214,000 (one-time) to provide financial assistance for room and board to Medicaid clients participating in a new home and community-based services long-term care program. It is estimated that this will pay for approximately 60 individuals.

Intent Language

Intent statements were added to this program giving nonlapsing authority of up to \$500,000 for the Medicaid Management Information System and requiring a report (by November 2007) regarding the Consolidation of the Medicaid Eligibility Services.

Medical Assistance

Medical Assistance is the joint federal/state entitlement program that provides health care to selected low-income populations who are deemed categorically eligible for the program.

Legislative Action

The Medicaid budget is the largest piece of the Department’s budget. The approved FY 2008 funding level is \$1,624,374,400, with \$328,024,600 from the General Fund. Federal Funds provide over \$1 billion for Utah’s Medicaid budget. This line item has 73.5 FTE assigned to it, primarily in the Health Clinics. The funding allocations to the programs within the line item are:

Medicaid Base Program	\$1,446,526,300
Title XIX for Human Services	\$ 172,783,100
DOH Health Clinics	\$ 5,065,000

Medicaid Fund Replacement: The Legislature replaced \$19,149,600 one-time funding with ongoing General Funds. An additional ongoing General Fund appropriation of \$499,400 replaced the FY 2007 one-time funding for health care for children aging out of foster care.

General Medicaid FY 2008 Adjustments: The Legislature approved budget adjustments to address: 1) projected caseload growth and utilization at \$9,658,300 (\$3,049,600 General Fund), and 2) an increase in the Federal Medical Assistance Percentage (FMAP) which reduced the State General Fund requirement by \$10,135,900. The FMAP rate change also impacts the Department of Human Services.

Medicaid Additional Caseload Growth Expansion: An appropriation of \$8,698,700 (\$2,500,000 from the GFR – Medicated Restricted Account) was made in anticipation of caseload growth due to the promotion of the State Children’s Health Insurance Program (SCHIP) enrollment expansion. The SCHIP also received additional funding to expand enrollment.

Medicaid Inflation / Provider Reimbursement rates: The Legislature appropriated \$52,139,500 (\$15,303,800 General Fund) to increase Medicaid provider reimbursement rates. The Legislature approved funding of \$4,111,900 from the GFR – Nursing Care Facilities Account as part of this rate increase. This will also be matched with federal funds. In addition to the direct appropriations, the Legislature authorized the Department of Health to use the estimated savings from S.B. 42, “Preferred Prescription Drug List” of \$9,831,900 (\$2,743,800 General Fund) to increase provider rates for dentists and physicians.

All Medicaid providers will receive some increase during FY 2008. The rate increases for the various provider groups range from 2.5 percent to 27.5 percent. Intent language allocates specific amounts to be used for selected providers. Some of this allocation is dependent on savings from the implementation of a Preferred Drug List. The following table lists some rate increase history and the estimated rate adjustments for FY 2008.

Historical Percentage Increases for Medicaid Provider Reimbursement					
Provider Increases	Approp. FY 2004	Approp. FY 2005	Approp. FY 2006	Approp. FY 2007	Approp. FY 2008
Nursing Homes	0.00%	27.30%	1.00%	2.00%	8.06%
Inpatient Hospital	0.00%	1.60%	1.50%	2.00%	4.80%
Ambulatory Surgical	0.00%	0.00%	3.70%	2.00%	2.50%
Dental Services	0.00%	4.30%	4.80%	2.00%	27.47%
Federal Qualified Health Centers	0.00%	4.70%	4.20%	4.30%	4.20%
Home Health	0.00%	0.00%	0.00%	0.00%	4.20%
Outpatient Hospital	0.00%	0.00%	1.50%	2.00%	2.50%
Pharmacy	12.00%	11.00%	11.50%	10.50%	10.40%
Physical Therapy	0.00%	0.00%	0.00%	0.00%	4.20%
Physician Services	0.00%	0.00%	4.80%	2.00%	8.50%
Rural Health	0.00%	4.70%	4.20%	4.30%	4.20%
Speech and Audiology	0.00%	0.00%	0.00%	0.00%	4.20%
Crossovers	0.00%	4.70%	4.20%	4.30%	4.20%
HMOs	0.00%	0.00%	3.00%	2.00%	2.50%
Buy-out Insurance	0.00%	4.70%	4.20%	4.30%	4.20%
Medicare Buy-in	0.00%	4.70%	10.80%	12.00%	5.60%
Other Providers	0.00%	0.00%	0.00%	0.00%	4.20%

Note: All amounts shown are after any budget adjustments.

The following table demonstrates the funding growth in the Medicaid program since FY 2005, listed by the specific Medical services that are provided to recipients.

Historical Medical Assistance Expenditures				
Total Funding, including State General Fund and Federal Funds				
FY 2005 - FY 2008				
Category	FY 2005 <u>Actual</u>	FY 2006 <u>Actual</u>	FY 2007 <u>Estimated</u>	FY 2008 <u>Appropriated</u>
Nursing Facilities (NF)	\$138,069,900	\$143,201,800	\$143,250,200	\$165,039,700
Nursing Facilities - ICF/MR	24,410,800	28,034,500	29,895,000	30,985,800
Inpatient Hospital	195,977,300	212,026,600	229,356,500	241,322,000
Outpatient Hospital	64,127,000	73,476,400	77,699,800	83,628,500
Dental Services	19,047,900	26,238,200	22,224,000	32,108,300
Pharmacy	206,428,100	173,499,800	239,502,000	149,401,200
Physician Services	59,937,000	64,820,500	65,431,000	76,977,600
HMOs	179,785,000	205,065,800	191,652,500	233,115,900
Mental Health	122,007,000	121,265,800	119,845,200	121,265,800
Services through DHS	183,716,100	172,783,100	159,826,500	172,783,100
Home Health	19,824,300	22,616,600	22,295,000	25,258,700
Medical Supplies	9,798,600	10,896,600	10,995,000	12,169,500
Medical Transportation	6,196,900	7,078,300	7,123,000	7,905,200
Other	167,881,300	257,086,000	246,291,000	272,627,100
Supplemental				
TOTAL	\$1,397,207,200	\$1,518,090,000	\$1,565,386,700	\$1,624,588,400

* Figures not adjusted for "Clawback"

Pharmacy Expense Reduction for Part D	(\$114,805,600)
Estimated Clawback Payments	\$26,493,600

Medicaid Adult Dental Benefits will be sustained for another year with a one-time appropriation of \$6,958,900 (\$2,000,000 General Fund).

The Legislature provided funding for a Medicaid capitated adult vision program with \$605,400 (\$174,000 one-time General Fund) and approved intent language directing the Department to apply for the required waiver. The intent language is listed in the next section.

The state funding for Medicaid has grown an average of 11 percent annually over the last 15 year. The 2006 Medicaid Interim Committee recommended that the Legislature hold the increase in state Medicaid spending to 5 percent for FY 2008 and during the next interim period develop a recommended funding formula and spending limit. The appropriated increase for FY 2008 is 3.52 percent. This is mainly due to the favorable FMAP rate change (saving \$10 million General Fund) and savings from a Preferred Drug List (with savings of \$2.7 million). Had these savings not been realized, the State fund increase would have been approximately 7.5 percent.

FY 2007 Supplemental Appropriation: SCR 7, “Concurrent Resolution Approving Settlement of Lawsuit” appropriates \$7,000,000 (\$2,090,200 one-time GFR – Medicaid Restricted Account) to pay the lawsuit settlement approved by the Attorney General, the Governor and the Legislative Management Committee with the Rocky Mountain Group nursing homes. The federal government approved the federal match for this settlement.

Intent Language

The Legislature directed that \$5,267,900 of the General Fund appropriation be used to increase FY 2008 Medicaid provider rates and be distributed as follows: \$1,500,000 for Hospitals; \$1,191,000 for Physicians; \$1,830,500 for mandatory dental populations; and \$746,400 for "Other Providers"

The Legislative Fiscal Analyst’s Office is to monitor Utah's Medicaid Prescription Drug Program. Additionally, the Medicaid pharmacy program is to be listed as a separate and

distinct program within the Medical Assistance Program in the FY 2009 budget.

The Legislature directed the Department of Health to apply for a federal waiver to establish a capitated adult vision Medicaid program with a \$174,000 one-time General Fund appropriation.

Children's Health Insurance Program (CHIP)

SCHIP provides health insurance coverage for uninsured children up to the age of nineteen, living in families whose income is less than 200 percent of the Federal Poverty Level.

Legislative Action

The total budget the Legislature approved for SCHIP for FY 2008 is \$71,382,600. Of this amount, \$2,000,000 is from ongoing General Fund and \$2,000,000 is from one-time GFR – Tobacco Settlement Account. The majority of the State's portion (\$12,333,100) is funded from the Tobacco Settlement Account. The matching Federal Funds are estimated at \$56,173,000. For the first time since the Master Settlement Agreement, the Legislature approved the use of General Fund to expand enrollment. The increased funding will provide program access for approximately 11,800 more children. Additional funds were allocated separately to the Medicaid Base Program in anticipation of a Medicaid enrollment increase due to the additional effort promoting expansion of the SCHIP enrollment.

H.B. 218, "Utah Children's Health Insurance Program", will adjust the benefits of the current program, as well as increase co-pays and deductibles. Savings from reduced State costs of providing services under the Children's Health Insurance Program will most likely be used to expand enrollment in the program.

Tobacco Funding: There is concern that Utah may not receive all of the estimated tobacco funds for FY 2007 or FY 2008. Pending litigation could significantly reduce the State's future allocations. This is being monitored closely by both the Attorney General's Office and the Department of Health. The tobacco

payment received for FY 2006 was \$26,028,600, approximately \$3 million less than the original estimate.

Local Health Departments

The State provides a block grant to the 12 local health departments (LHDs) as funding for the state-mandated services provided by the LHDs. This funding is distributed among the twelve LHDs according to a formula.

Legislative Action

The 2008 Legislature approved a funding level of \$2,681,600 General Fund for this block grant, which includes an increase of \$89,400 General Fund for a 6.0 percent cost-of-living adjustment.

S.B. 46, “Health Care Amendments”, included \$500,000 one-time General Fund for local health departments to develop and implement plans to investigate and respond to disease outbreaks, including strengthening: 1) the Medical Reserve Corps; 2) disease surveillance systems; and 3) emergency preparation and response plans.

Funding Detail

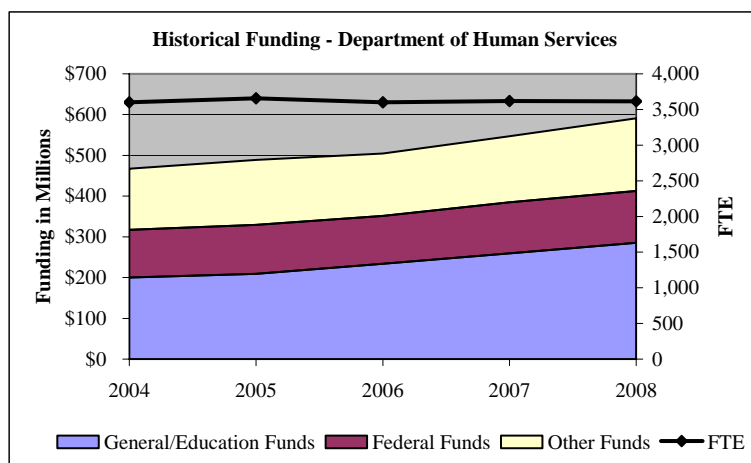
Department of Health					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
General Fund	337,937,700		337,937,700	367,375,600	29,437,900
General Fund, One-time	20,040,600	(27,000)	20,013,600	4,837,200	(15,176,400)
Federal Funds	1,220,976,300	4,472,900	1,225,449,200	1,275,448,000	49,998,800
Dedicated Credits Revenue	102,591,700	25,300	102,617,000	108,030,100	5,413,100
GFR - Cat & Dog Spay & Neuter				50,000	50,000
GFR - Cigarette Tax Rest	3,131,700		3,131,700	3,131,700	
GFR - Kurt Oscarson Trans	100,000		100,000	100,000	
GFR - Medicaid Restricted		2,090,200	2,090,200	4,065,000	1,974,800
GFR - Nursing Care Facilities Account	11,604,300		11,604,300	15,716,200	4,111,900
GFR - State Lab Drug Testing Account	293,300	200	293,500	407,100	113,600
GFR - Tobacco Settlement	16,624,500	100	16,624,600	18,710,700	2,086,100
Organ Donation Contribution Fund	113,000		113,000	113,000	
Transfers - Environmental Quality	27,100		27,100	28,500	1,400
Transfers - H - Medical Assistance	17,100		17,100	18,200	1,100
Transfers - Human Services	111,755,800		111,755,800	111,238,500	(517,300)
Transfers - Intergovernmental	(135,000)		(135,000)	(132,400)	2,600
Transfers - Medicaid	477,400		477,400	699,300	221,900
Transfers - Other Agencies	9,065,400		9,065,400	8,830,000	(235,400)
Transfers - Public Safety	242,000	1,000	243,000	232,000	(11,000)
Transfers - State Office of Education				9,400	9,400
Transfers - Within Agency	18,053,900	700	18,054,600	18,237,500	182,900
Transfers - Workforce Services	799,500		799,500	822,800	23,300
Rural Health Care Facilities Fund				277,500	277,500
Beginning Nonlapsing	9,242,200		9,242,200	3,085,000	(6,157,200)
Closing Nonlapsing	(3,085,000)		(3,085,000)	(2,362,900)	722,100
Lapsing Balance	1,800		1,800		(1,800)
Total	\$1,859,875,300	\$6,563,400	\$1,866,438,700	\$1,938,968,000	\$72,529,300
Line Items					
Executive Director's Operations	27,824,000	95,700	27,919,700	26,535,500	(1,384,200)
Health Systems Improvement	16,574,800	20,600	16,595,400	18,950,500	2,355,100
Workforce Financial Assistance	551,000		551,000	573,900	22,900
Epidemiology & Lab Services	18,927,800	7,600	18,935,400	19,013,800	78,400
Community & Family Health	104,973,200	77,800	105,051,000	107,915,400	2,864,400
Health Care Financing	79,141,200	(637,700)	78,503,500	67,262,800	(11,240,700)
Medical Assistance	1,558,386,300	7,000,400	1,565,386,700	1,624,374,400	58,987,700
State Children's Health Ins Program	51,404,800	(1,000)	51,403,800	71,382,600	19,978,800
Local Health Departments	2,092,200		2,092,200	2,681,600	589,400
Restricted Revenue				277,500	277,500
Total	\$1,859,875,300	\$6,563,400	\$1,866,438,700	\$1,938,968,000	\$72,529,300
Budgeted FTE	1,281.9	0.0	1,281.9	1,017.2	(264.7)

Department of Human Services

Department Overview

The Department of Human Services is established and functions under authority of Title 62A of the Utah Code. In addition to the Executive Director Operations, there is also a separate line item for Drug Courts and Boards and six divisions within the Department. These include the Divisions of Substance Abuse and Mental Health, Services for People with Disabilities, Office of Recovery Services, Child and Family Services, Aging and Adult Services and Juvenile Justice Services.

The Division of Juvenile Justice Services is not included in this chapter of the report. Its budget is included with the Executive Offices and Criminal Justice Appropriations Subcommittee.



Legislative Action

The total appropriation for FY 2008 is \$590,962,600 with \$285,668,800 from the General Fund. This represents an increase of approximately \$43,837,200 or 8.0 percent when compared to the revised FY 2007 budget. The General Fund increased by \$26,136,900 or 10.1 percent.

The Department's revised FY 2007 budget totals \$547,125,400 (\$259,531,900 General Fund), reflecting supplemental appropriations for FY 2007 totaling \$1,127,100 with

\$636,800 from General Funds, \$289,700 from federal funds, \$160,300 from transfers – Medicaid assistance, and the balance from dedicated credits and transfers.

General Departmental Issues

Personnel Services Adjustments: The compensation package for the Department of Human Services increased by \$12,155,400 with \$6,366,400 from the General Funds for the 3,615 full-time equivalent (FTE) employees. This increase is based on a 3.5 percent cost of living adjustment, a 1.5 discretionary salary increase, health insurance premium increase, and minor changes in the compensated absences pool and unemployment insurance. In addition, the Legislature provided a six percent cost of living adjustment for employees of local providers of mental health, substance abuse, aging services, and private contract providers of services to the Divisions of Child and Family Services and Services for People with Disabilities at a cost of \$11,484,600 with \$5,971,200 in General Funds.

Internal Service Fund Adjustments: The Department of Human Services received an appropriation for the projected increase in Internal Services Fund (ISF) rates in the amount of \$680,200 with \$264,000 from General Funds for FY 2008 and a supplemental appropriation of \$554,700 with \$201,800 from the General Funds for FY 2007. The ISF adjustments for FY 2008 include increases for the Division of Facilities and Construction Management, Risk Management and the Department of Technology Services and decreases for Fleet Services and the Department of Human Resource Management. The FY 2007 supplemental appropriation for ISF rate adjustments is based on an increase for the Department of Technology Services.

Medicaid Match Rate Change: The projected Federal Medical Assistance Percentage (FMAP) rate for FY 2008 is 71.26 percent which represents an increase of 0.96 percent from the FY 2007 FMAP rate. With this increase, the Department will receive more federal funds for its programmatic costs. The increase in federal funds due to the FMAP rate change is expected at \$1,991,700. The Legislature approved a decrease in the General fund in the same amount to offset the additional federal funds.

TANF Transfers to SSBG: As in previous sessions, the FY 2008 appropriation includes transfers from the Temporary Assistance for Needy Families Fund (TANF) to the Social Services Block Grant (SSBG). These funds - \$5,307,000 - will be used in the Division of Child and Family Services.

Executive Director Operations

The Executive Director Operations (EDO) budget includes the Department Director's Office and various services and bureaus that serve other divisions in the Department such as Fiscal Operations and Human Resource Management. EDO also includes programs that are independent of the divisions, such as the Office of Licensing, Governor's Council for People with Disabilities, and the Foster Care Citizens Review Boards. The total full time equivalent (FTE) count for EDO is 137.9.

Legislative Action

For FY 2008, the Legislature appropriated a total budget of \$25,871,000 (\$15,017,100 General Funds). This is an increase of approximately \$4,119,300 in total funds and \$4,671,900 in General Funds over the FY 2007 revised appropriation.

Passage of S.B. 50, "Drug Offenders Reform Act," provided \$4,850,500 from the General Fund for substance abuse treatment services.

Intent Language

The Legislature adopted intent language allowing non-lapsing authority for "e-REP" enhancements up to \$454,300 at the close of FY 2008. In addition, supplemental intent language was passed allowing the Foster Care Citizens Review Board to not lapse up to \$10,000 at the close of FY 2007 for one-time development, maintenance, and upgrading of computer software and equipment for recruitment, training, and retention of volunteers. Finally, the Legislature adopted intent language requiring that a study be conducted by the Office of the Legislative Fiscal Analyst of contract rates for local and private providers for

the Departments of Health and Human Services to be presented to the Health and Human Services Appropriations Subcommittee by the 2008 General Session.

Drug Courts and Drug Boards

Drug Court is a judicial process that offers intensive, court-supervised drug treatment to nonviolent, substance abuse offenders as an alternative to jail if the offender completes the program. Local area substance abuse authorities and private entities provide treatment services. Drug Board is an administrative process that functions similarly to a Drug Court, but is offered by the Board of Pardons and Parole in the Corrections system to individuals entering parole. Funds appropriated to the Department of Human Services provide treatment services through the local substance abuse authorities.

Legislative Action

For FY 2008, the Legislature appropriated \$4,657,200 for this line item with \$2,175,000 from General Funds, \$1,647,200 from the General Fund Restricted - Tobacco Settlement Account, \$800,000 from the federal Substance Abuse Prevention and Treatment (SAPT) block grant and \$35,000 from Transfers - Commission on Criminal and Juvenile Justice. This appropriations represents an increase of \$1,740,000 in General Funds.

Drug Courts received an appropriation of \$1,740,000 (\$870,000 ongoing and \$870,000 one-time) to expand treatment services. This funding will provide treatment services for about 238 individuals and expand existing drug courts.

Intent Language

The Legislature adopted intent language allowing non-lapsing authority for Drug Courts and Drug Boards at the close of FY 2008.

Division of Substance Abuse and Mental Health

The Division of Substance Abuse and Mental Health (DSAMH) is the State's public substance abuse treatment and prevention and mental health authority. The Division has general supervision of the State Hospital in Provo and administers the Drug Courts and Drug Boards. The DSAMH has 837.4 full-time equivalent (FTE) employees to administer the programs with 804.75 FTE of those employed at the State Hospital.

Substance Abuse: The Division administers state and federal funds for the treatment and prevention of substance abuse. It contracts with the 13 local substance abuse authorities, which either provide services directly or contract with private providers.

Mental Health: Local mental health authorities deliver mental health services at 11 locations. The Division contracts with county governing boards and distributes state and federal funds earmarked for mental health services. Counties are required to provide a minimum scope and level of service, and must provide a minimum funding match of 20 percent.

Legislative Action

For FY 2008, the Legislature appropriated a total budget of \$128,571,800 (\$83,332,600 General Fund). This is a total increase of \$9,055,600 (\$7,160,700 in General Funds) over the FY 2007 revised appropriation.

Substance Abuse

The Legislature provided \$2,500,600 in FY 2008 to expand substance abuse treatment for approximately 600 women. Local substance abuse authorities received \$455,400 for a six percent cost of living adjustment for their employees.

Mental Health

The Legislature approved a one-time supplemental appropriation for the State Hospital of \$435,000 for FY 2007 for increased costs for medications (\$215,000), off-campus medical

care (\$110,600), and recruitment and retention of psychiatrists (\$109,400).

The Legislature appropriated \$2,715,200 to local mental health centers for services to non-Medicaid eligible clients. These clients had been receiving services funded by Medicaid capitated rate receipts that exceeded actual costs. Recent Medicaid policy changes disallowed this use of funds. This new funding will provide services to about 2,900 individuals.

DSAMH also received a one-time appropriation of \$500,000 for the Children's Clinic contract and \$270,000 for counseling services for families of veterans. This counseling program is to facilitate the reintegration of service-members back into civilian and family life following deployment.

The FMAP rate change for the State Hospital resulted in an increase of federal funds in the amount of \$127,300, so a corresponding reduction in General Funds was also approved.

The local mental health authorities received \$1,131,600 in State funds for a six percent cost of living adjustment for employees of local mental health service providers.

Intent Language

The Legislature adopted supplemental intent language allowing non-lapsing authority for the DSAMH for up to \$50,000 for the purchase of equipment. In addition, the Legislature adopted intent language for FY 2008 allowing non-lapsing authority for substance abuse treatment for women with children and requesting a written report to be presented to the Health and Human Services Appropriations Subcommittee by the 2008 General Session on the use of these funds.

Division of Services for People with Disabilities

The Division of Services for People with Disabilities (DSPD) is responsible for providing residential, day support, and other services for people with mental retardation and other developmental disabilities. It also provides services to people with brain injuries and other physical disabilities. Services range from limited family support to a full array of 24-hour/day services both in the community and at the Utah State Developmental Center. Community services are provided under contracts with private providers. Services are also available in private Intermediate Care Facilities for People with Mental Retardation (ICFs/MR) with funding through the Department of Health. DSPD has 981 full-time equivalent (FTE) employees with 706.3 FTE of those employed at the Developmental Center.

Waiting List: There are currently nearly 1,840 people with immediate needs waiting for various community-based services. It would take approximately \$21.5 million (\$7.8 million General Fund) to fully fund the current waiting list.

Legislative Action

For FY 2008, the Legislature appropriated \$195,352,500 (\$55,749,800 General Fund). The FY 2008 appropriation is an increase of \$15,599,800 in total funding and \$3,602,200 million in General Funds over the revised FY 2007 appropriated budget.

The Legislature increased funding for the waiting list by \$1,000,000 in General Funds which will serve approximately 235 additional people. An additional \$1,200,000 was appropriated to provide Home and Community Based Medicaid Waiver Services for 291 individuals.

The FMAP rate change for DSPD allowed for the reduction in General Funds of \$1,596,200 with a corresponding increase in federal Medicaid funding.

The contract providers for DSPD received a six percent cost of living increase for their employees.

H.B. 31, “Pilot Program for the Provisions of Services for People with Disabilities,” was approved during the 2006 General Session, providing a two-year pilot program for supported employment. For the second year of this program, the 2007 Legislature approved one-time General Funds of \$150,000. This pilot program provides supported employment services to about 100 individuals with disabilities each year.

Passage of H.B. 47, “Pilot Program for Family Preservation Services,” provided one-time General Funds of \$200,000 for DSPD. This program will provide services such as professional behavioral intervention, drop-in care centers and training for parents and siblings in behavior management, reward systems, household management, etc. for about 400 individuals.

Intent Language

The Legislature authorized DSPD to use non-lapsing carry-forward funds at the close of FY 2008 to serve people with disabilities coming into service due to emergency situations, court-orders, and individuals from child welfare and juvenile justice services that are aging out of state custody.

Office of Recovery Services

The Office of Recovery Services (ORS) is responsible for collecting child support and other funds owed to the State by individuals receiving services in the social service and medical assistance areas. Federal law requires the Office to provide child support collection services to families not receiving government assistance. ORS has 537 full time equivalent (FTE) employees.

Legislative Action

For FY 2008, the Legislature appropriated \$53,711,600 (\$14,899,700 General Fund). This represents an increase of \$4,264,600 (\$2,948,800 in General Funds) over the revised FY 2007 appropriations.

The Legislature provided \$1,820,400 for the state match to receive federal incentive funds.

Intent Language

The Legislature approved intent language making up to \$37,400 of previously appropriated “eREP” funds non-lapsing at the close of FY 2008.

Division of Child and Family Services

State statute (62A-4a-103) defines the primary purpose of the Division of Child and Family Services (DCFS) as providing child welfare services. The Division shall also, “when possible and appropriate, provide preventive services and family preservation services . . .” Furthermore, the Division shall “provide domestic violence services in accordance with federal law.” DCFS has 1,056 full time equivalent (FTE) employees to administer the programs.

The David C. Settlement’s latest court date was February 20, 2007. Because of the performance of DCFS in complying with the consent decree, the plaintiffs (the National Center of Youth Law) are willing to move toward an exit of the class action lawsuit and will stop formal monitoring of the Division. Beginning in July of 2008, the Court Monitor will perform its last evaluation and issue a report by October of 2008. The plaintiffs have until December 31, 2008 to “revive” the court case if Utah is out of compliance with the terms of the agreement; otherwise, the case will be dismissed without prejudice. As part of the agreement, Utah must continue to have a mechanism in place to provide oversight of child safety once the court oversight has ended.

Legislative Action

For FY 2008, the total appropriated budget for DCFS is \$159,436,600 (\$98,265,400 General Fund). This represents an increase in total funds of \$8,134,800 (\$5,518,200 in General Funds) above the revised FY 2007 appropriation.

The 2007 Legislature provided \$762,000 in General Funds and \$762,900 was transferred from internal savings to hire 24 additional caseworkers for DCFS. In addition, internal savings of \$145,200 will be used for the purchase of 12 vehicles for the new caseworkers and \$269,500 to fund the court-appointed monitor for

the David C. lawsuit in FY 2008. The Legislature also provided \$200,000 in General Funds to address salary compression and staff retention issues in DCFS.

The FMAP rate change for DCFS resulted in a reduction in General Funds of \$239,200 and a corresponding increase in federal Title IVE and Medicaid funding.

The DCFS contract providers received a six percent cost of living increase (\$2,189,400 in General Funds) for staff of private service providers.

H.B. 245, "Child Welfare Amendments," provided an appropriation of \$244,600 in General Funds (\$161,000 ongoing and \$83,600 one-time) for FY 2008 to bring the state into compliance with the federal Adam Walsh legislation.

The Legislature provided one-time General Funds of \$30,000 for the baby drop-off program based on passage of H.B. 12, "Provision for Legal Relinquishment of a Newborn" (2001 General Session).

Intent Language

The Legislature approved non-lapsing intent language for DCFS funding to be used for adoption assistance, out of home care programs, the purchase of 12 vehicles, and the David C. court monitoring. The Legislature also adopted intent language allowing DCFS to hire 12 additional caseworkers from internal savings.

Division of Aging and Adult Services

The Division of Aging and Adult Services (DAAS) is the designated State agency authorized to coordinate all State activities related to the Older Americans Act of 1965. The Division contracts for services for the elderly and administers State and federal aging programs. The Division is also responsible for the protection of abused, neglected and exploited adults through Adult Protective Services. Programs funded through the Older Americans Act are distributed to the State's 12 local Area Agencies

on Aging (AAAs) through an approved funding formula. DAAS has 65 full time equivalent (FTE) employees.

Legislative Action

For FY 2008, the Legislature appropriated a total budget of \$23,361,900 (\$14,229,200 General Fund). Compared to the revised FY 2007 revised budget, the total FY 2008 appropriation increased by \$923,100 and the General Fund by \$995,100.

The Legislature approved \$146,000 for meals on wheels to serve 100 additional senior citizens and \$340,000 for the Medicaid Nursing Home Placement Prevention program. This funding is a replacement of one-time General Funds and will maintain the same level of support for about 800 clients per year. A one-time appropriation of \$300,000 was provided for the senior caregiver services to provide education, outreach, and respite care for caregivers of the elderly. Maintenance for senior citizen centers received one-time funding of \$55,000.

The local providers received a six percent cost of living increase of \$333,000 for their employees.

The FMAP rate change for DAAS resulted in a reduction in General Funds of \$29,000 and a corresponding increase in federal Medicaid funding.

Intent Language

The Legislature authorized the Division of Aging and Adult Services to not lapse up to \$100,000 at the end of FY 2007 to be used for the Senior Ride Share Transportation Pilot Program, senior center renovations, and to assist with vehicle maintenance and replacements within local area agencies on aging.

Internal Service Funds

Previously, the Department of Human Services operated two internal service fund (ISF) that provided services to the Department. Data Processing distributed costs of programming services. With the passage of House Bill 109, "Information

Technology Governance Amendments” (2005 General Session), the Department’s data processing was consolidated into the Department of Technology Services including the transfer of 33 full time equivalent employees (FTE).

The remaining ISF is for General Services for building maintenance and rent for the Department’s main office in Salt Lake City. The FY 2008 Appropriations Act authorizes collections of \$4,590,600, with operating expenses estimated at \$4,706,000, creating an expected operating loss of \$115,400. Accumulated retained earnings are expected to be \$92,667 by the end of FY 2008. The Legislature also approved a staffing level of 2 FTEs.

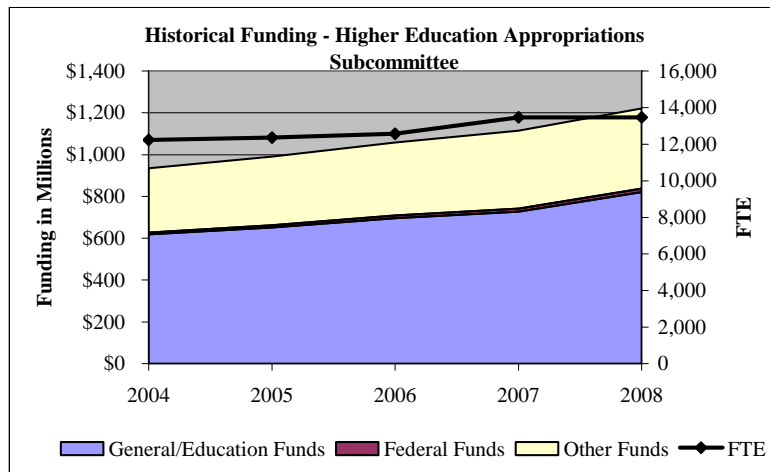
Funding Detail

Department of Human Services					
	2007	2007	2007	2008	Change from
Sources of Finance	Estimated	Supplemental	Revised	Appropriated	2007 Revised
General Fund	256,076,800		256,076,800	284,493,300	28,416,500
General Fund, One-time	2,818,300	636,800	3,455,100	1,175,500	(2,279,600)
Federal Funds	124,622,200	289,700	124,911,900	127,237,100	2,325,200
Dedicated Credits Revenue	9,072,000	38,600	9,110,600	9,829,500	718,900
GFR - Children's Trust	400,000		400,000	400,000	
GFR - Domestic Violence	734,800		734,800	754,100	19,300
GFR - Intoxicated Driver Rehab	1,500,000		1,500,000	1,500,000	
GFR - Tobacco Settlement	1,647,200		1,647,200	1,647,200	
GFR - Trust for People with Disabilities	100,000		100,000	100,000	
Transfers - Commission on Criminal and Juve	35,000		35,000	35,000	
Transfers - H - Medical Assistance	142,887,600	160,300	143,047,900	158,802,400	15,754,500
Transfers - Other Agencies	3,061,300	1,700	3,063,000	3,263,000	200,000
Beginning Nonlapsing	6,947,100		6,947,100	3,904,000	(3,043,100)
Closing Nonlapsing	(3,904,000)		(3,904,000)	(2,178,500)	1,725,500
Total	\$545,998,300	\$1,127,100	\$547,125,400	\$590,962,600	\$43,837,200
Line Items					
Executive Director Operations	21,779,500	(27,800)	21,751,700	25,871,000	4,119,300
Drug Courts/Boards	2,917,200		2,917,200	4,657,200	1,740,000
Substance Abuse & Mental Health	118,812,300	703,900	119,516,200	128,571,800	9,055,600
Svcs for People w/Disabilities	179,731,200	21,500	179,752,700	195,352,500	15,599,800
Office of Recovery Services	49,114,300	332,700	49,447,000	53,711,600	4,264,600
Child and Family Services	151,209,800	92,000	151,301,800	159,436,600	8,134,800
Aging and Adult Services	22,434,000	4,800	22,438,800	23,361,900	923,100
Total	\$545,998,300	\$1,127,100	\$547,125,400	\$590,962,600	\$43,837,200
Budgeted FTE	3,619.9	0.0	3,619.9	3,615.0	(4.8)

Higher Education

Subcommittee Overview

The Legislature appropriated a total FY 2008 budget of \$1,220,739,200 for the Utah System of Higher Education, the Utah Education Network, and the Medical Education Council. This represents an increase of \$106,586,400 or 9.6 percent over the FY 2007 revised budget of \$1,114,152,800. State funding from the General Fund, Income Tax, and Uniform School Fund is \$820,036,700 or 67.2 percent of the total funding. General Fund Restricted Accounts total \$9,349,200 with the remaining balance of \$391,353,300 consisting of federal revenue, dedicated credits, transfers, mineral lease and land grant management funds.



Utah System of Higher Education

The Utah System of Higher Education (USHE) is comprised of two research universities, two metropolitan/regional universities, two state colleges, three community colleges and the Utah College of Applied Technology (UCAT).

Legislative Action

The funding for the System of Higher Education comes from several sources. The total FY 2008 funding level of

\$1,184,205,100 comes from the General Fund, Income Tax Revenue, Uniform School Fund, dedicated credits (tuition and fees), federal funds, Mineral Lease Account, transfers, Land Grant Management, and four Restricted Funds. State funds (General Funds, Income Tax Revenue, and Uniform School Funds) account for \$798,257,000 or 67.4 percent of the budget appropriated for the System of Higher Education. The Legislature increased funding for the Utah System of Higher Education by \$104,263,800 or 9.7 percent over the FY 2007 revised budget of \$1,079,941,300.

The new funding for the Utah System of Higher Education for FY 2008 includes:

- **Internal Service Fund Adjustments:** An increase in Internal Service Fund rates for Risk Management and Fleet Management resulted in an appropriation of \$396,200.
- **Compensation:** For FY 2008, the Legislature authorized a 3.5 percent cost-of-living adjustment in addition to a 1.5 percent discretionary increase and appropriated \$48,449,200 to cover this and the increased costs in health insurance. The Legislature also authorized limiting the dedicated credits (tuition) portion of the compensation increases at a maximum of 25 percent. This required a state funds appropriation of \$5,341,300, offset by a decrease in dedicated credits of the same amount.
- **Operation and Maintenance of New Facilities:** The USHE received an appropriation of \$3,219,100 for the operation and maintenance (O & M) of 18 new facilities including eight at the University of Utah, two at Utah State University, two at Weber State University, one at Snow College, two at the College of Eastern Utah, one at Salt Lake Community College, one at the Davis Applied Technology College, and one at the Southeast Applied Technology College. In 2005, the Legislature adopted a new policy to approve the O and M funding when the building is approved, and then offset that funding with one-time reductions until the building comes on line. Under this new policy, the Legislature approved one-time reductions in the appropriated levels in the amount of

\$3,848,300. As a FY 2007 supplemental, funding in the amount of \$344,300 was approved for one building at Salt Lake Community College and a building in Blanding for the Southeast ATC.

- **Fuel and Power:** The Legislature appropriated \$7,719,200 to all of the higher education institutions, including UCAT, to cover fuel and power expenditures. The Legislature also provided a supplemental appropriation of \$1,849,100 for utility costs in FY 2007
- **Financial Aid:** For FY 2008, the Utah System of Higher Education received \$3,847,800 in ongoing funds for student financial aid, along with \$2,000,000 in one-time, need-based financial aid. The ongoing funding provides \$210,300 for the state match for federal financial aid programs, \$2,000,000 for need-based financial aid and \$437,500 for the New Century Scholarship. H.B. 241, “Appropriation for Terrel H. Bell Program” added \$1,200,000 in additional funds to provide incentive loans. In addition, a supplemental appropriation of \$130,100 was provided for the New Century Scholarship for FY 2007.
- **Engineering and Computer Science Initiative:** The Legislature appropriated an additional \$3 million in ongoing funding and \$2 million in one-time funding to continue this initiative.
- **Nursing Initiative:** An appropriation of \$500,000 was approved for the Nursing Initiative.
- **Technology:** The Legislature appropriated \$3,900,000 (\$3,000,000 one-time) for software licensing and security and routine replacement of hardware on campuses. In addition, funding of \$464,100 was approved for a database disaster recovery plan, including a remote site for backup purposes.
- **Utah Academic Library Consortium:** Lawmakers approved funding in the amount of \$300,000 due to increased costs in books, journals, and periodicals. These services are available to students across the state.

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- **Services for Hearing Impaired Students:** To accommodate students with hearing impairments, the Legislature approved funding of \$1 million. This new funding will be administered by the Commissioner's office and will reimburse institutions that incur expenses for interpreters and note takers. This funding is available to USHE institutions as well as UCAT campuses.
 - **Seismic Monitoring:** To enable better monitoring of seismic activity across the State, the Legislature approved funding in the amount of \$1,047,000 (\$720,000 one-time).
 - **Transfer from Utah Education Network to Utah State University:** To facilitate conversion of the UEN/USU satellite system to Internet video, the Legislature approved a transfer of \$245,000 from UEN to USU.
 - **Institutional Partnerships:** Several partnerships between USHE institutions were proposed and received a total of \$3,107,400. These partnerships include one between the University of Utah and Dixie State College, one between Southern Utah University and Dixie State College, and a 4-year Biotechnology degree between Salt Lake Community College and Utah Valley State College. (For additional partnerships approved through legislation, please see section on fiscal note bills passed during 2007 General Session).
 - **One-time Funded Projects** include:
 - \$500,000 for the Utah State Scholar Initiative to encourage high school students to take a rigorous course to better prepare them for post-secondary education
 - \$950,000 for USU's Davis County Botanical Gardens
 - \$200,000 for open courseware at Utah State University
 - \$1,500,000 for the digital conversion at KUED
 - \$200,000 for a Teacher Training Initiative (State Board of Regents)
 - \$1,000,000 for equipment at Salt Lake Community College's new Health Sciences Building

- \$500,000 for a High-Tech Capital Partnership project at Utah Valley State College
 - 50,000 for a study looking at a Dixie State College campus in Kanab
 - \$50,000 for a Shakespeare in Schools project (SUU)
 - \$25,000 for the San Juan Campus of the College of Eastern Utah
 - \$1,500,000 for Training Equipment (UCAT)
- **Tuition:** Following the conclusion of the 2007 General Session, the State Board of Regents approved a four percent first-tier tuition rate increase for academic year 2007-2008. First-tier tuition will cover up to 25 percent of the compensation increases approved by the Legislature. In addition to the first-tier tuition, the Regents approved second-tier tuition ranging from 0 to 5 percent. The tuition increases for academic year 2007-2008 will generate approximately \$24.3 million (\$13.9 million from first tier tuition and \$10.4 million from second tier tuition). The following table shows the tuition percent increases.

USHE Tuition Increases for 2007-2008			
	1st Tier	2nd Tier	Total
University of Utah	4.0%	3.5%	7.5%
Utah State University	4.0%	3.0%	7.0%
Weber State University	4.0%	3.0%	7.0%
Southern Utah University	4.0%	3.0%	7.0%
Snow College	4.0%	1.5%	5.5%
Dixie State College	4.0%	5.0%	9.0%
College of Eastern Utah	4.0%	0.0%	4.0%
Utah Valley State College	4.0%	2.7%	6.7%
Salt Lake Community College	4.0%	2.0%	6.0%

- **Change in Funding Source:** Legislators approved funding UCAT with \$17 million in Uniform School Fund appropriations. This amount represents the proportion (35 percent) of UCAT's efforts that benefit secondary students. This change was made for both FY 2007 and FY 2008.

- **UCAT Leases:** The Utah College of Applied Technology was provided funding of \$932,800 for leases at six campuses and the Administrative office. In addition, \$1,310,300 was approved as a FY 2007 supplemental for lease expenses at two ATC campuses.
- **UCAT Enrollment Growth:** An appropriation of \$700,000 was made to the Utah College of Applied Technology for enrollment growth.
- **UCAT Student Information System:** The Utah College of Applied Technology received an ongoing appropriation of \$81,000 for its new student information system.
- **Custom Fit:** To assist in training Utah employees with specific tailored educational services, the Legislature approved funding of \$500,000.
- **Jobs Now Initiative:** Lawmakers appropriated \$2,050,400 for the Jobs Now Initiative, which is for short-term intensive training programs to prepare the Utah workforce for jobs that are available now. This funding was allocated to each of the UCAT campuses for specific programs.

The following bills affecting Higher Education were passed during the 2007 General Session:

- **Institutional Partnerships:** H.B. 185, “Higher Education Partnerships Appropriation” provides a total of \$4,789,200 to both Snow College and the College of Eastern Utah (\$1 million each) for bachelor degree programs in conjunction with Utah State University and \$2,789,200 to three Utah State University regional campuses to provide bachelors degrees. S.B. 53, “Higher Education Engineering Partnership” provides \$1,576,200 (\$865,400 one-time) for Utah State University and Weber State University to offer engineering degrees in the Ogden area, specifically addressing a shortage of engineers serving Hill Air Force Base.
- **Institutional Priorities:** The Legislature passed S.B. 90, “Higher Education Enhancements” which allocated

funding to each USHE institution (except Utah Valley State College) for areas their presidents have identified as high priority funding needs. The total amount appropriated by the bill is \$7.5 million.

- **Mission and Name Change:** S.B. 70, “Utah Valley University Institutional Name Change” takes UVSC the first step toward university status by changing its name and providing \$8 million for additional faculty, advisors, and other resources. UVSC will become Utah Valley University on July 1, 2008.
- **Center on Aging:** With the passage of S.B. 26, “Commission on Aging”, the Legislature established the Center on Aging at the University of Utah to carry on the functions of the current Commission on Aging. The funding for the Center is \$180,400 (\$5,900 one-time).
- **Merger of Southeast Applied Technology College (SEATC) with the College of Eastern Utah:** Based on a recommendation from the State Board of Regents, lawmakers approved a merger of the SEATC from the Utah College of Applied Technology to the College of Eastern Utah. H.B. 371, “ATE Amendments” resulted in an increase in the CEU budget of \$1,609,700 (\$39,500 one-time), and a similar decrease in the UCAT budget.
- **Background Checks for Higher Education Employees:** The Legislature passed H.B. 196, “Higher Education Criminal Background Checks” which authorizes institutions, as employers, to subject specific employees to criminal background checks. To cover the costs of some of these checks, the Legislature approved a one-time appropriation of \$250,000.
- **H.B. 241, “Appropriation for Terrel H. Bell Program”** added \$1,200,000 in additional funds to provide incentive loans (included above in Financial Aid statement).

Funding Detail

Utah System of Higher Education					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
General Fund	231,642,100		231,642,100	360,773,500	129,131,400
General Fund, One-time		(16,186,800)	(16,186,800)	(301,894,100)	(285,707,300)
Uniform School Fund				18,137,400	18,137,400
Uniform School Fund, One-time		17,000,000	17,000,000	(147,800)	(17,147,800)
Education Fund	467,248,200		467,248,200	407,878,100	(59,370,100)
Education Fund, One-time	2,548,800	2,820,600	5,369,400	313,509,900	308,140,500
Federal Funds	4,205,400		4,205,400	4,205,400	
Dedicated Credits Revenue	357,989,700		357,989,700	369,004,700	11,015,000
Dedicated Credits - Land Grant	1,608,500		1,608,500	1,608,500	
Federal Mineral Lease	1,745,800		1,745,800	1,745,800	
GFR - Cigarette Tax Rest	4,284,500		4,284,500	4,284,500	
GFR - Land Exchange Distribution Account				64,700	64,700
GFR - Prison Telephone Surcharge Account	1,000,000		1,000,000	1,000,000	
GFR - Tobacco Settlement	4,000,000		4,000,000	4,000,000	
Transfers - Commission on Criminal and Juve	34,500		34,500	34,500	
Total	\$1,076,307,500	\$3,633,800	\$1,079,941,300	\$1,184,205,100	\$104,263,800
Agencies					
University of Utah	368,283,300	229,200	368,512,500	395,227,800	26,715,300
Utah State University	211,127,900	70,800	211,198,700	228,463,200	17,264,500
Weber State University	103,975,700	111,500	104,087,200	110,792,400	6,705,200
Southern Utah University	46,814,300	135,300	46,949,600	50,408,200	3,458,600
Snow College	23,958,700	568,700	24,527,400	27,110,000	2,582,600
Dixie State College	27,674,700		27,674,700	31,039,800	3,365,100
College of Eastern Utah	17,358,100	86,300	17,444,400	21,495,100	4,050,700
Utah Valley State College	100,048,200	246,900	100,295,100	114,400,300	14,105,200
Salt Lake Community College	96,966,900	479,900	97,446,800	105,377,600	7,930,800
Utah College of Applied Technology	54,551,600	1,575,100	56,126,700	61,179,400	5,052,700
State Board of Regents	25,548,100	130,100	25,678,200	38,711,300	13,033,100
Total	\$1,076,307,500	\$3,633,800	\$1,079,941,300	\$1,184,205,100	\$104,263,800
Budgeted FTE	13,343.6	0.0	13,343.6	13,343.6	0.0

Utah Medical Education Program

The Utah Medical Education Program (UMEP) determines the types and numbers of health care professionals needed to provide appropriate levels of health care in future years. In addition, the UMEP seeks public and private funding for clinical training and determines the method of reimbursement for the entities sponsoring clinical training. The UMEP is identifying ways to maximize the revenue sources and stabilize funding for clinical training programs.

Legislative Action

The appropriated budget for UMEP for FY 2008 is \$453,000 in General Funds, \$674,300 in dedicated credits, and \$292,000 in nonlapsing balances for a total of \$1,419,300. The Legislature increased funding for the Utah Medical Education Program by \$89,500 over the FY 2007 revised budget of \$1,329,800. The new funding for the Utah Medical Education Program for FY 2008 is for compensation (\$32,700), lease costs (\$56,200), and ISF rate changes (\$600).

Funding Detail

Higher Education - Medical Education Program Appropriations Subcommittee					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
General Fund	364,100		364,100	453,000	88,900
Dedicated Credits Revenue	673,700	(300)	673,400	674,300	900
Beginning Nonlapsing	292,000		292,000	292,000	
Total	\$1,329,800	(\$300)	\$1,329,500	\$1,419,300	\$89,800
Agencies					
Medical Education Program	1,329,800	(300)	1,329,500	1,419,300	89,800
Total	\$1,329,800	(\$300)	\$1,329,500	\$1,419,300	\$89,800
Budgeted FTE	8.0	0.0	8.0	8.0	0.0

Utah Education Network

The Utah Education Network (UEN), a partnership of Utah's public and higher education institutions, delivers distance learning educational services statewide. It operates public television station KUEN-9; provides closed-circuit, two-way video services; and connects state institutions to each other and the Internet. Its mission is to "provide the citizens of Utah access to the highest quality, most effective instructional experiences, administrative support services, library services, student services, and teacher resources regardless of location or time."

Legislative Action

The Legislature increased state fund appropriations to the Utah Education Network by \$1,332,800 in FY 2008 plus a one-time supplemental of \$2,100,000 in FY 2007 for a total increase of 17 percent when compared to the agency's FY 2007 original General/Education Fund budget of \$19,993,900. UEN's total budget for FY 2008 is \$35,114,800, of which \$21,326,700 is from state tax funds.

Supplemental changes to the Utah Education Network budget for FY 2007 include the following:

- **Satellite Conversion:** The Legislature appropriated one-time funding of \$2,100,000 from the Education Fund to convert UEN's satellite-based distance education videoconferencing network to internet protocol video conferencing.
- **Change in Funding Source:** Legislators restored \$12,824,000 in Uniform School Fund appropriations to the UEN budget. This amount represents the proportion of UEN's efforts that benefit public education. UEN's budget was more than 80% Uniform School Fund prior to FY 2001, when income tax revenue shortfalls forced the Legislature to shift UEN's budget from the Uniform School Fund to the General Fund.

Changes to the Utah Education Network budget for FY 2008 include the following:

- **Network Capacity and Reliability:** Appropriators provided additional ongoing state funds of \$1.5 million for greater network capacity and improved reliability. These funds cover ongoing costs for network improvements funded in FY 2007. This funding installment represents the final appropriation increase for the Network Capacity and Reliability project.
- **Internet Based Video Conferencing:** The Legislature appropriated one-time funding of \$865,000 and provided an ongoing budget increase of \$200,000 to complete the conversion of UEN's EdNet system to internet based video conferencing.
- **Enterprise Content Management System:** Appropriators approved an ongoing budget increase of \$630,000 and one-time funding of \$480,000 to expand UEN's centralized on-line course management system. The core of the system, which supports Dixie State College, the College of Eastern Utah, Snow College, and the Utah College of Applied Technology, was funded by UEN using internal resources. This appropriation will allow UEN to add the University of Utah, Utah State University, and Utah Valley University.
- **Compensation:** For FY 2008, lawmakers approved an additional \$406,800 to cover a 3.5 percent cost of living increase, a discretionary salary increase equal to 1.5% on average, and changes in health a costs for UEN employees.
- **Line Item Consolidation:** Legislators combined UEN's two line items into one to facilitate the conversion of the UEN Satellite System to Internet Protocol video. The Legislature also approved a transfer of \$245,000 from UEN to USU.

Funding Detail

Utah Education Network					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
General Fund	261,100		261,100	261,100	
Uniform School Fund				14,506,000	14,506,000
Uniform School Fund, One-time		12,824,000	12,824,000	640,000	(12,184,000)
Education Fund	17,232,800		17,232,800	5,214,600	(12,018,200)
Education Fund, One-time	2,500,000	(10,724,000)	(8,224,000)	705,000	8,929,000
Federal Funds	10,492,000		10,492,000	13,492,000	3,000,000
Dedicated Credits Revenue	170,900		170,900	170,900	
Transfers	125,200		125,200	125,200	
Beginning Nonlapsing	515,800		515,800	80,000	(435,800)
Closing Nonlapsing	(80,000)		(80,000)	(80,000)	
Total	\$31,217,800	\$2,100,000	\$33,317,800	\$35,114,800	\$1,797,000
Line Items					
Utah Education Network	29,753,900	2,100,000	31,853,900	35,114,800	3,260,900
UEN Satellite System	1,463,900		1,463,900		(1,463,900)
Total	\$31,217,800	\$2,100,000	\$33,317,800	\$35,114,800	\$1,797,000
Budgeted FTE	112.0	0.0	112.0	112.0	0.0

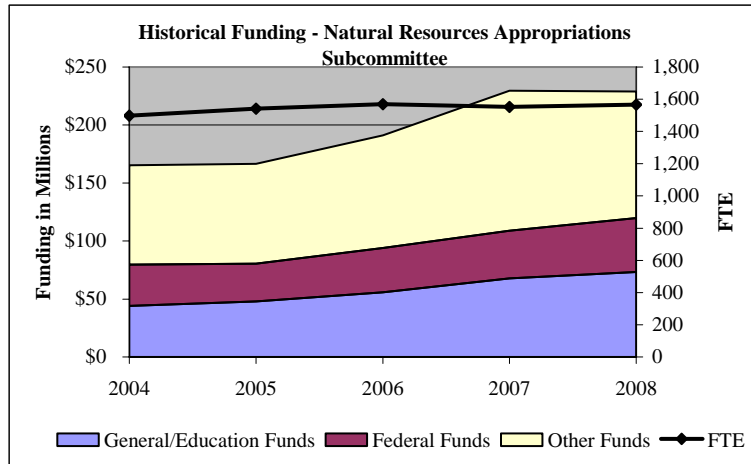
Funding Detail

Higher Education Appropriations Subcommittee					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
General Fund	232,267,300		232,267,300	361,487,600	129,220,300
General Fund, One-time		(16,186,800)	(16,186,800)	(301,894,100)	(285,707,300)
Uniform School Fund				32,643,400	32,643,400
Uniform School Fund, One-time		29,824,000	29,824,000	492,200	(29,331,800)
Education Fund	484,481,000		484,481,000	413,092,700	(71,388,300)
Education Fund, One-time	5,048,800	(7,903,400)	(2,854,600)	314,214,900	317,069,500
Federal Funds	14,697,400		14,697,400	17,697,400	3,000,000
Dedicated Credits Revenue	358,834,300	(300)	358,834,000	369,849,900	11,015,900
Dedicated Credits - Land Grant	1,608,500		1,608,500	1,608,500	
Federal Mineral Lease	1,745,800		1,745,800	1,745,800	
GFR - Cigarette Tax Rest	4,284,500		4,284,500	4,284,500	
GFR - Land Exchange Distribution Account				64,700	64,700
GFR - Prison Telephone Surcharge Account	1,000,000		1,000,000	1,000,000	
GFR - Tobacco Settlement	4,000,000		4,000,000	4,000,000	
Transfers	125,200		125,200	125,200	
Transfers - Commission on Criminal and Juve	34,500		34,500	34,500	
Beginning Nonlapsing	807,800		807,800	372,000	(435,800)
Closing Nonlapsing	(80,000)		(80,000)	(80,000)	
Total	\$1,108,855,100	\$5,733,500	\$1,114,588,600	\$1,220,739,200	\$106,150,600
Agencies					
University of Utah	368,283,300	229,200	368,512,500	395,227,800	26,715,300
Utah State University	211,127,900	70,800	211,198,700	228,463,200	17,264,500
Weber State University	103,975,700	111,500	104,087,200	110,792,400	6,705,200
Southern Utah University	46,814,300	135,300	46,949,600	50,408,200	3,458,600
Snow College	23,958,700	568,700	24,527,400	27,110,000	2,582,600
Dixie State College	27,674,700		27,674,700	31,039,800	3,365,100
College of Eastern Utah	17,358,100	86,300	17,444,400	21,495,100	4,050,700
Utah Valley State College	100,048,200	246,900	100,295,100	114,400,300	14,105,200
Salt Lake Community College	96,966,900	479,900	97,446,800	105,377,600	7,930,800
Utah College of Applied Technology	54,551,600	1,575,100	56,126,700	61,179,400	5,052,700
State Board of Regents	25,548,100	130,100	25,678,200	38,711,300	13,033,100
Utah Education Network	31,217,800	2,100,000	33,317,800	35,114,800	1,797,000
Medical Education Program	1,329,800	(300)	1,329,500	1,419,300	89,800
Total	\$1,108,855,100	\$5,733,500	\$1,114,588,600	\$1,220,739,200	\$106,150,600
Budgeted FTE	13,463.6	0.0	13,463.6	13,463.6	0.0

Natural Resources

Subcommittee Overview

The Natural Resources Appropriations Subcommittee oversees the budgets of the Department of Natural Resources, the Department of Agriculture and Food, the Utah State Fair Corporation, the School and Institutional Trust Lands Administration, and the Public Lands Policy Coordinating Office.



Legislative Action

The full-time equivalent (FTE) count for these agencies is over 1,500. The Legislature increased the Subcommittee's FY 2007 budget by providing supplemental appropriations totaling \$10,141,700. This brings the total FY 2007 budget to \$229,627,800. For FY 2008, the total Subcommittee appropriation is \$228,923,600, a decrease of 0.3 percent from the FY 2007 adjusted appropriations.

General Subcommittee Issues

Compensation: In order to alleviate the pressure on the restricted accounts for employee compensation increases, the Legislature appropriated \$589,300 from the General Fund to the Divisions of Parks and Recreation, Wildlife Resources, and Oil, Gas, and Mining, and the Department of Agriculture and Food.

The Legislature also appropriated \$300,000 for market-comparability adjustments for DNR Law Enforcement staff.

Department of Natural Resources

The Department of Natural Resources (DNR) is comprised of DNR Administration and the following seven divisions:

- Forestry, Fire and State Lands
- Oil, Gas and Mining
- Parks and Recreation
- Utah Geological Survey
- Water Resources
- Water Rights
- Wildlife Resources

The total appropriation for DNR for FY 2008 was \$172,048,700, with \$51,535,500 from the General Fund.

DNR Administration

DNR Administration includes the Executive Director's office, Law Enforcement oversight, Species Protection, the Internal Service Funds, building maintenance, and pass-through funding for the Bear Lake Regional Commission.

Legislative Action

The FY 2008 appropriation for DNR Administration is \$3,291,200, all of which comes from the General Fund.

H.B. 102, "Land and Water Reinvestment" appropriates \$2 million to DNR for watershed projects and \$2 million to the Rangeland Improvement Fund administered by Agriculture and Food.

Fleet Transfer to Division of Fleet Operations: The Legislature appropriated \$29,300 to DNR Administration to cover additional costs incurred by transferring the DNR Fleet to the Division of Fleet Operations.

Completion of Endangered Species Projects: To complete three projects for land and water rights acquisition initiated in 2006 by the Endangered Species Program, the Legislature provided a FY 2007 supplemental appropriation of \$414,200 from the Species Protection restricted account.

Intent Language

The Legislature approved intent language to transfer the Core Sample Library to the Utah Geological Survey fixed asset account. The Legislature also passed intent language directing the Department to terminate its motor pool and utilize the Division of Fleet Operations.

Forestry, Fire, and State Lands

The Division of Forestry, Fire, and State Lands (FFSL) manages the sovereign lands of the state, which are lands - exposed or submerged - that were navigable waterway areas at the time of statehood. The Division also assists individuals and organizations in the use of the scientific forestry practices. During the wildland fire season, the Division carries out the state's commitment to fighting fires.

Legislative Action

The total FY 2008 appropriation for the Division is \$18,249,600, with \$4,184,600 from the General Fund. The new appropriations are detailed below and are from the General Fund, except as noted.

Wildland Fire Suppression: To cover the fire suppression cost exceeding funds available in the Fire Suppression Program, the Legislature appropriated supplemental funding of \$8,225,000.

Re seeding: The Legislature appropriated \$1,000,000 (one-time) for re seeding after fires.

Urban and Community Forestry Program: The Legislature appropriated \$125,000 from the restricted fund to the Division to hire an urban and community forester in Southern

Utah, as well as to provide cost-share grants for tree planting and care in communities. This will be used as the in-kind contribution to match the federal grant that funds Utah's Urban and Community Forestry Program.

Full-Time Fire Wardens: The Legislature appropriated \$175,000 from the restricted account to the Division in order to convert 11 of the Fire Warden positions to full-time. The total cost is \$350,000 per year, with one-half of the cost covered by participating counties.

Wildland Fire Coordinator: The Legislature appropriated \$70,000 from the restricted account for hiring a wildland fire coordinator, who will work closely with counties helping them meet the new standards, in order for them to participate in cooperative wildland fire agreements with the State. In addition, this position will also participate in the wildland urban interface program in the Wasatch Front area, where workload has increased 25-30 percent in the last four years.

Intent Language

The Legislature authorized nonlapsing language for the Project Management Program.

Oil, Gas, and Mining

The division of Oil, Gas, and Mining regulates exploration for, and development of, Utah's oil, gas, coal and other mineral resources. When exploration and developmental activities are completed, the division ensures that oil and gas wells are properly abandoned and mining sites are satisfactorily reclaimed.

Legislative Action

The FY 2008 appropriation to the Division of Oil, Gas and Mining is \$9,490,600 of which \$1,800,400 from the General Fund. The new appropriations are detailed below and are from the General Fund, except as noted. The Legislature appropriated \$102,000 from the General Fund for employee

compensation increases to alleviate the pressure on the Division's restricted accounts.

Market and Mineral Research Analyst: The Legislature appropriated \$75,000 from the restricted account and authorized the Division to hire a market and mineral research analyst. The Division's goal is to provide strategic plans for energy and mineral development in Utah and to expedite the permitting and monitoring of industrial activities.

Wireless Equipment: The Legislature appropriated \$40,000 (one-time) from the Division's restricted account to purchase laptop computers with wireless capability. It is anticipated that the new technology will improve staff's efficiency and will provide information in a more timely manner.

Coal Program Shortfall: The Legislature provided a supplemental appropriation of \$400,000 and an ongoing appropriation of \$400,000 from the restricted account to help the Division with a shortfall in the federal Coal Program.

Salt Lake City Office Remodel: The Legislature appropriated \$121,000 (one time) from the restricted account for the remodeling of the Division's facility in Salt Lake City.

Wildlife Resources

The Division of Wildlife Resources (DWR) is the wildlife authority for the state under the policymaking authority of the Wildlife Board and manages all fish and wildlife species, regulates hunting, fishing and trapping, and conducts non-consumptive activities.

Legislative Action

The Wildlife Resources operation line item was appropriated for FY 2008 a total of \$47,426,500, with General Fund of \$6,016,200. The new funding is from the General Fund, except where noted. The Legislature appropriated \$102,000 from the General Fund for employee compensation increases to alleviate the pressure on the Division's restricted accounts.

MCA to Law Enforcement Staff: The Legislature appropriated \$150,000 for market-comparability adjustments (MCA) for DWR law enforcement staff.

DWR/SITLA Access Agreement: The Legislature appropriated \$500,000 (one-time) to the Division to cover higher fees for providing access to fishermen and hunters on trust land property charged by the State and Institutional Trust Lands Administration (SITLA).

Cougar and Bear: To assist in covering farmers' losses to cougar and bear, the Legislature approved a one-time funding allocation of \$100,000 to the Predator Control line item.

Phragmites Control: The Legislature provided a one-time appropriation of \$200,000 from the GFR - Wildlife Resources for treating the areas around the Great Salt Lake for Phragmites (noxious weeds).

Walk-In Access Program: The Legislature appropriated \$450,000 (one-time) from the GFR - Wildlife Resources to expand the Division's Walk-In Access Program, which has been successful as a pilot program in northern Utah.

Wildlife Habitat Council Fees: The Legislature approved the license fee restructure as proposed by DWR, which will generate additional revenues for the Division. The Legislature appropriated \$420,000 from the GFR - Wildlife Habitat to the Wildlife Habitat Council.

S.B. 161, "Hunting License Amendments" amends provisions for hunting licenses and permits. This bill, in conjunction with the fees, will allow the Division of Wildlife Resources (DWR) to generate an additional \$4.8 million per year. The restructuring will make DWR also eligible to receive approximately \$1.2 million in Federal Funds per year.

Intent Language

The Legislature authorized nonlapsing language for the Predator Control Program.

Parks and Recreation

The responsibility for the management and development of the state's parks system is entrusted to the Division of Parks and Recreation under the Parks Board. Utah's state parks are a combination of heritage, scenic, and recreation parks. The Division is also responsible for the statewide boating safety and statewide off-highway vehicle programs.

Legislative Action

The total FY 2008 appropriation for the Division of Parks and Recreation is \$38,367,800, of which \$ 15,567,200 is from General Fund. The new funding is from the General Fund, except where noted. The Legislature appropriated \$302,300 from the General Fund for employee compensation increases to alleviate the pressure on the Division's restricted accounts.

MCA to Law Enforcement Staff: The Legislature also appropriated \$150,000 for market-comparability adjustments (MCA) for Parks law enforcement staff.

S.B. 148, "Boat Registration Amendments" removes the cap on the boat registration fee. If the Board were to increase the fee by \$5, the Division of Parks and Recreation would generate approximately \$380,000 in additional restricted revenues per year.

Renovation and Repairs: The Legislature appropriated a total of \$620,000 (\$300,000 from the General Fund and \$320,000 from restricted funds) to the Division for the purpose of providing four additional journey maintenance positions, as well as funding for the parks' ongoing maintenance and emergency repairs.

Avalanche Center: The Legislature appropriated \$122,000 (one-time) for the Avalanche Center.

Capital Projects: The Legislature appropriated \$3,450,000 in one-time funds for the Division's capital projects.

This Is The Place Park: The Legislature appropriated \$100,000 (one-time) to This Is The Place Park Foundation.

Park Improvement Funds as Incentives for Meeting Revenue Goals: The Legislature provided a one-time appropriation of \$317,300 from the GFR - State Park Fees for the Parks' incentive program, as a reward to those parks that have met their revenue goals. The parks receiving these funds can use them for specific one-time park improvements or programs, such as construction of interpretive kiosks or development of a nature program.

Parks Automated Entry System: The Legislature provided a one-time appropriation of \$100,000 from the GFR - State Park Fees for the purchasing and installation of automated gates at specific parks.

OHV Maintenance Projects: The Legislature appropriated \$850,000 (one-time) from the GFR - OHV for off-highway vehicle maintenance projects.

Golf Tournament Promotions: The Legislature provided a supplemental appropriation of \$15,000 from the GFR - State Park Fees for the Division to partner with Heber Valley Chamber of Commerce to promote golf tournaments for state park golf courses.

County Economic Development Partnerships: The Legislature appropriated \$68,000 (one-time) from the GFR - State Park Fees to form partnerships with counties and private sponsors, with the goal of increasing park visitation and stimulating local economies.

Utah Geological Survey

The Utah Geological Survey (UGS) generates, interprets, preserves, and distributes geological information. The survey cooperates with local, state, and federal agencies; universities;

industry; and private groups to promote economic development and public safety. The UGS emphasizes making timely geological information available.

Legislative Action

The FY 2008 appropriation for the UGS is \$9,190,500, with General Fund of \$4,206,400.

H.B. 134, “School and Institutional Trust Land Administration Amendments” changes the distribution of mineral revenue generated from lands acquired by the School and Institutional Trust Lands Administration from the federal government. It is estimated that through this bill the Utah Geological Survey will receive \$357,100 per year in restricted funds for a two-year period.

H.B. 351, “Revolving Loan Fund for Certain Energy Efficient Projects” appropriates \$5 million from the Uniform School Fund to a newly created revolving loan fund for the purpose of improving energy efficiency in school district buildings. The bill authorizes the Board of Utah Geologic Survey to make rules establishing eligibility, and grants the Board powers to make loans from the fund.

Snake Valley Project: The Legislature appropriated \$1.4 million (one-time) for drilling of monitoring wells in the West Desert area.

Intent Language

The Legislature authorized nonlapsing language for the appropriation for wells drilling and monitoring in the West Desert.

Water Resources

The Division of Water Resources provides comprehensive water planning, protects Utah’s rights to interstate waters, and manages Utah’s water development programs. In addition, the Division promotes the orderly and timely planning, conservation, development, utilization, and protection of Utah’s water resources.

Legislative Action

The total FY 2008 appropriation for the Division of Water Resources is \$11,162,500, of which \$4,502,400 is from the General Fund.

The Legislature appropriated funding from the Conservation and Development restricted account for the Cloud Seeding Program (\$150,000 ongoing and \$150,000 supplemental) and for hiring two new employees (\$200,000 and \$120,000 supplemental).

Water Rights

The Division of Water Rights is the office of record for water rights in the State of Utah. The Division acts as a quasi-judicial body that submits its rulings to the courts for final action. The division also oversees dam safety, stream alteration permits, and well drilling.

Legislative Action

The total appropriation for FY 2008 for the Division of Water Rights is \$8,122,400, of which \$7,207,400 comes from the General Fund.

Snake Valley Project Reimbursements: In FY 2007, the Division was directed to provide all available resources and help Utah protect its existing water rights in negotiations with Nevada. To reimburse the Division for the additional expenses from the Snake Valley project, the Legislature provided a General Fund supplemental appropriation of \$60,000.

Title Specialist: The growth in Utah's population has increased the number of changes in water rights ownership, impacting the workload on Division staff. The Legislature appropriated \$65,000 from Dedicated Credits to the Division and authorized one new FTE employee to meet these demands.

Intent Language

The Legislature authorized nonlapsing language for the appropriation for the Division of Water Rights.

Funding Detail

Department of Natural Resources					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
General Fund	40,239,200		40,239,200	44,863,500	4,624,300
General Fund, One-time	4,970,900	8,318,700	13,289,600	6,672,000	(6,617,600)
Federal Funds	34,554,800	18,900	34,573,700	41,564,500	6,990,800
Dedicated Credits Revenue	9,727,000	4,100	9,731,100	10,701,900	970,800
Federal Mineral Lease	2,158,500		2,158,500	2,495,400	336,900
GFR - Boating	4,068,900		4,068,900	4,262,200	193,300
GFR - Off-highway Vehicle	3,260,500		3,260,500	4,382,500	1,122,000
GFR - Oil & Gas Conservation Account	2,839,100	522,300	3,361,400	3,382,200	20,800
GFR - Sovereign Land Mgt	4,865,600	1,100	4,866,700	3,482,900	(1,383,800)
GFR - Species Protection	568,800	414,200	983,000	584,600	(398,400)
GFR - State Fish Hatch Maint	1,205,000		1,205,000	1,205,000	
GFR - State Park Fees	10,424,700	340,800	10,765,500	10,509,500	(256,000)
GFR - Wildlife Habitat	2,121,800		2,121,800	2,558,700	436,900
GFR - Wildlife Resources	25,952,400	28,200	25,980,600	27,430,400	1,449,800
GFR - Wolf Depredation & Mgt				15,000	15,000
Water Resources C&D	6,011,800	269,300	6,281,100	6,479,400	198,300
Water Res Construction	150,000		150,000	150,000	
Transfers	999,500		999,500	999,500	
Beginning Nonlapsing	13,949,500		13,949,500	435,800	(13,513,700)
Closing Nonlapsing	(435,800)		(435,800)	(126,300)	309,500
Total	\$167,632,200	\$9,917,600	\$177,549,800	\$172,048,700	(\$5,501,100)
Line Items					
Administration	3,225,300	8,600	3,233,900	3,291,600	57,700
Species Protection	3,018,800	414,200	3,433,000	3,034,600	(398,400)
Building Operations	1,660,700		1,660,700	1,660,700	
Range Creek	160,700		160,700	164,600	3,900
Watershed	2,631,700		2,631,700	2,500,000	(131,700)
Forestry, Fire and State Lands	16,459,100	8,242,700	24,701,800	18,249,600	(6,452,200)
Oil, Gas and Mining	8,975,300	528,500	9,503,800	9,490,600	(13,200)
Wildlife Resources	43,955,100	42,700	43,997,800	47,426,500	3,428,700
Predator Control	66,700		66,700	59,600	(7,100)
License Reimbursement	74,800		74,800	74,800	
Contributed Research	355,600		355,600	355,600	
Cooperative Agreements	5,248,800		5,248,800	5,372,000	123,200
Wildlife Resources Capital	14,868,400		14,868,400	13,525,300	(1,343,100)
Parks & Recreation	29,598,500	50,300	29,648,800	31,723,600	2,074,800
Parks & Recreation Capital	11,072,500	317,300	11,389,800	6,644,200	(4,745,600)
Utah Geological Survey	7,542,700	7,000	7,549,700	9,190,500	1,640,800
Water Resources	5,364,500	235,100	5,599,600	5,780,200	180,600
W Res Revolving Const	4,339,100		4,339,100	4,339,100	
W Res Conserv & Develop	1,043,200		1,043,200	1,043,200	
Water Rights	7,970,700	71,200	8,041,900	8,122,400	80,500
Total	\$167,632,200	\$9,917,600	\$177,549,800	\$172,048,700	(\$5,501,100)
Budgeted FTE	1,256.9	2.0	1,258.9	1,269.4	10.5

Department of Agriculture and Food

The Department of Agriculture and Food (DAF) is responsible for the administration of Utah's agricultural laws, which mandate a wide variety of activities including inspection, regulation, information, rulemaking, loan issuance, marketing and development, pest and disease control, improving the economic position of agriculture, and consumer protection. Though not a part of DAF, the Utah State Fair Corporation has been included as a line item in DAF's budget since FY 2003.

Legislative Action

For FY 2008, the Legislature appropriated \$27,491,000, of which \$13,900,900 is from the General Fund. The new funding is from the General Fund, except where noted. The Legislature appropriated \$83,000 from the General Fund for employee compensation increases to alleviate the pressure on the Division's restricted accounts.

H.B 102, "Land and Water Reinvestment" appropriates \$2 million to DNR for watershed projects and \$2 million to the Rangeland Improvement Fund administered by Agriculture and Food.

Utah's Own Promotion: The Legislature appropriated \$125,000 (one-time) for the Utah's Own campaign, which will be used for advertising and promotion focused on consumers, grocers, distributors, restaurants, etc.

Meat Inspector: To meet the demand for adequate meat inspection in rural areas, the Legislature provided \$60,000 and authorized the Department to hire an additional meat inspector.

State Fair Reimbursement for Capital Projects: The Legislature provided a \$100,000 supplemental appropriation as reimbursement for some of the costs the State Fair Corporation incurred for capital projects during FY 2007.

Resource Conservation: The Legislature appropriated \$200,000 to the Resource Conservation line item.

Compensation Increase for UACD Employees: The Legislature appropriated \$49,400 for salary increase for the Utah Association of Conservation District (UACD) employees and included intent language directing the purpose of this funding.

Agricultural Energy Development Program: The Legislature appropriated \$45,000 (one-time) from the Rural Rehabilitation Loan restricted funds for the Department to start an Agricultural Energy Development Program. The funding will be used to partially fund a new position.

Grazing Improvement Staff: The Legislature appropriated \$175,000 from the Agricultural Resource Development Loan restricted funds for the hiring of two new employees in the Grazing Improvement Program.

Pesticides Fee Increases: The Legislature approved a fee increase for pesticide registration and appropriated the revenue increase of \$270,000 in Dedicated Credits to the Grain Inspection Program (\$80,000), Homeland Security (\$60,000), and the Weed Program (\$130,000).

Funding Detail

Department of Agriculture and Food					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
General Fund	12,858,200		12,858,200	13,755,900	897,700
General Fund, One-time	600,900	77,500	678,400	145,000	(533,400)
Federal Funds	6,425,600	600	6,426,200	5,063,200	(1,363,000)
Dedicated Credits Revenue	4,716,800		4,716,800	5,589,600	872,800
Restricted Revenue	5,700		5,700		(5,700)
GFR - Horse Racing	50,000		50,000	50,000	
GFR - Livestock Brand	916,000	200	916,200	877,000	(39,200)
GFR - Wildlife Damage Prev	611,700	100	611,800	633,900	22,100
Agri Resource Development	623,700		623,700	804,400	180,700
Utah Rural Rehab Loan	18,000		18,000	63,000	45,000
Transfers	675,600		675,600	657,100	(18,500)
Beginning Nonlapsing	3,468,700		3,468,700	569,200	(2,899,500)
Closing Nonlapsing	(569,200)		(569,200)	(717,300)	(148,100)
Total	\$30,401,700	\$78,400	\$30,480,100	\$27,491,000	(\$2,989,100)
Line Items					
Administration	23,396,800	(1,800)	23,395,000	19,867,600	(3,527,400)
Building Operations	270,000		270,000	270,000	
Utah State Fair Corporation	3,655,700	100,000	3,755,700	3,907,300	151,600
Predatory Animal Control	1,303,600	200	1,303,800	1,336,200	32,400
Resource Conservation	1,461,500	(20,000)	1,441,500	1,575,800	134,300
Loans	314,100		314,100	534,100	220,000
Total	\$30,401,700	\$78,400	\$30,480,100	\$27,491,000	(\$2,989,100)
Budgeted FTE	220.1	0.0	220.1	223.1	3.0

School and Institutional Trust Lands Administration

The School and Institutional Trust Lands Administration (SITLA), a quasi-governmental state agency, is established to manage lands that Congress granted to the State of Utah for the support of common schools and other beneficiary institutions under the Utah Enabling Act. Management in this sense refers to maximizing revenue from the lands. All of the funding for SITLA's operations is provided through the Land Grant Management Fund, which consists of revenues derived from trust lands. Unexpended appropriations are distributed back to the beneficiaries or the Permanent School Fund.

Legislative Action

For FY 2008, the Legislature appropriated \$18,125,700 from the Land Grant Management Fund to SITLA. The Legislature also created a new Capital line item in SITLA budget.

Legal Investigator: The Legislature appropriated \$85,000 (one-time) for a contract with the Attorney General's office to provide support to local law enforcement officials, county attorneys general, and to assist in the prosecution of crimes committed against trust land assets.

Contract Auditor: The Legislature appropriated \$50,300 for a contract auditor.

Office Space Expansion: To allow SITLA to expand its office space in Salt Lake City, the Legislature appropriated \$52,500 in ongoing funds and \$40,000 in supplemental funds.

Specialized Legal Contracts: The Legislature appropriated \$38,900 (one-time) for specialized legal services that SITLA may need in the negotiations on the land exchanges.

Rangeland Improvements: The Legislature appropriated \$70,000 to make rangeland improvements.

Solid Minerals Coordinator: The Legislature appropriated \$78,000 to hire a Solid Minerals Coordinator.

Funding Detail

School and Institutional Trust Lands Administration					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
Land Grant Mgt Fund	17,539,600	45,600	17,585,200	18,125,700	540,500
Total	\$17,539,600	\$45,600	\$17,585,200	\$18,125,700	\$540,500
Line Items					
School & Inst Trust Lands	17,539,600	45,600	17,585,200	9,325,700	(8,259,500)
SITLA Capital				8,800,000	8,800,000
Total	\$17,539,600	\$45,600	\$17,585,200	\$18,125,700	\$540,500
Budgeted FTE	64.0	0.0	64.0	65.0	1.0

Public Lands Office

Created in 2005, the Public Lands office is charged with partnering with state agencies and political subdivisions in an effort to: prepare coordinated public lands policies, develop consistent reviews and responses to public lands policies, develop management plans that relate to public lands policies, and develop and maintain a statewide land use plan.

Legislative Action

For FY 2008, the Legislature appropriated \$2,901,100 to the Public Lands Office, with \$864,000 from the General Fund.

Litigation in Kane and Garfield Counties: The Legislature appropriated \$100,000 (one-time General Fund) for litigation expenses in Kane and Garfield counties.

Statewide Grazing Policy: The Legislature appropriated \$150,000 (one-time General Fund) to develop a statewide grazing policy.

Budget Reduction: The Legislature reduced the Agency's appropriation by \$23,000 from the GFR—Constitutional Defense Restricted Account.

Funding Detail

Public Lands Policy Coordinating Office					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
General Fund	703,900		703,900	714,000	10,100
General Fund, One-time	(1,100)	100,100	99,000	150,000	51,000
GFR - Constitutional Defense	2,030,500		2,030,500	2,037,100	6,600
Beginning Nonlapsing	1,179,300		1,179,300		(1,179,300)
Total	\$3,912,600	\$100,100	\$4,012,700	\$2,901,100	(\$1,111,600)
Line Items					
Office of Public Lands	3,912,600	100,100	4,012,700	2,901,100	(1,111,600)
Total	\$3,912,600	\$100,100	\$4,012,700	\$2,901,100	(\$1,111,600)
Budgeted FTE	9.0	0.0	9.0	9.0	0.0

Funding Detail

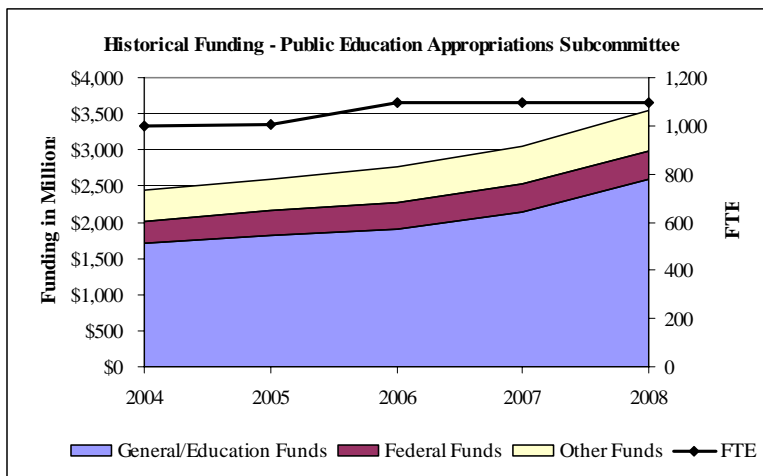
Natural Resources Appropriations Subcommittee					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
General Fund	53,801,300		53,801,300	61,333,400	7,532,100
General Fund, One-time	5,570,700	8,496,300	14,067,000	6,967,000	(7,100,000)
Uniform School Fund, One-time				5,000,000	5,000,000
Federal Funds	40,980,400	19,500	40,999,900	46,627,700	5,627,800
Dedicated Credits Revenue	14,443,800	4,100	14,447,900	16,291,500	1,843,600
Federal Mineral Lease	2,158,500		2,158,500	2,839,900	681,400
Restricted Revenue	5,700		5,700		(5,700)
GFR - Boating	4,068,900		4,068,900	4,262,200	193,300
GFR - Constitutional Defense	2,030,500		2,030,500	2,037,100	6,600
GFR - Horse Racing	50,000		50,000	50,000	
GFR - Livestock Brand	916,000	200	916,200	877,000	(39,200)
GFR - Mineral Bonus				12,600	12,600
GFR - Off-highway Vehicle	3,260,500		3,260,500	4,382,500	1,122,000
GFR - Oil & Gas Conservation Account	2,839,100	522,300	3,361,400	3,382,200	20,800
GFR - Sovereign Land Mgt	4,865,600	1,100	4,866,700	3,482,900	(1,383,800)
GFR - Species Protection	568,800	414,200	983,000	584,600	(398,400)
GFR - State Fish Hatch Maint	1,205,000		1,205,000	1,205,000	
GFR - State Park Fees	10,424,700	340,800	10,765,500	10,509,500	(256,000)
GFR - Wildlife Damage Prev	611,700	100	611,800	633,900	22,100
GFR - Wildlife Habitat	2,121,800		2,121,800	2,558,700	436,900
GFR - Wildlife Resources	25,952,400	28,200	25,980,600	27,430,400	1,449,800
GFR - Wolf Depredation & Mgt				15,000	15,000
Agri Resource Development	623,700		623,700	804,400	180,700
Agri Rural Dev Loan Fund				1,000,000	1,000,000
Land Grant Mgt Fund	17,539,600	45,600	17,585,200	18,125,700	540,500
Utah Rural Rehab Loan	18,000		18,000	63,000	45,000
Water Resources C&D	6,011,800	269,300	6,281,100	6,479,400	198,300
Water Res Construction	150,000		150,000	150,000	
Transfers	1,675,100		1,675,100	1,656,600	(18,500)
Beginning Nonlapsing	18,597,500		18,597,500	1,005,000	(17,592,500)
Closing Nonlapsing	(1,005,000)		(1,005,000)	(843,600)	161,400
Total	\$219,486,100	\$10,141,700	\$229,627,800	\$228,923,600	(\$704,200)
Agencies					
Natural Resources	167,632,200	9,917,600	177,549,800	172,048,700	(5,501,100)
Public Lands Office	3,912,600	100,100	4,012,700	2,901,100	(1,111,600)
Agriculture	30,401,700	78,400	30,480,100	27,491,000	(2,989,100)
School & Institutional Trust Lands	17,539,600	45,600	17,585,200	18,125,700	540,500
Restricted Revenue - NRAS				8,357,100	8,357,100
Total	\$219,486,100	\$10,141,700	\$229,627,800	\$228,923,600	(\$704,200)
Budgeted FTE	1,550.0	2.0	1,552.0	1,566.5	14.5

Public Education

Subcommittee Overview

Public education represents the largest budget appropriated by the Legislature. During the 2007 General Session, the Legislature appropriated more than \$3.5 billion to support Utah public schools in FY 2008, a 16 percent increase over the FY 2007 revised budget. In total, appropriations supporting public education represent 43.5 percent of the total appropriations made from State revenue sources in FY 2008.

The Public Education Appropriations Subcommittee oversees the budgets for the Minimum School Program and School Building Program that provide funds directly to the 40 school districts and 55 charter schools operating in the state. In addition, the subcommittee oversees the budgets for state agencies that administer and support the public education system. These agencies include: the Utah State Office of Education, Educator Licensing, Utah State Office of Rehabilitation, Utah Schools for the Deaf and Blind, State Charter School Board, Parents for Choice in Education Act, Child Nutrition Programs, Fine Arts Outreach Programs, Science Outreach Programs, and Education Contracts.



The State Board of Education is constitutionally charged with the general control and supervision of the public school system. The Board, along with its appointed Superintendent, oversees the administration of the education system and services provided through the school districts and charter schools.

Currently, the state's school districts and charter schools enroll 525,660 students. Projections indicate that in FY 2008 (2007-2008 school year); an additional 14,530 students may enroll in Utah's public schools. This increased enrollment brings the statewide enrollment total to approximately 540,190 students, a 2.8 percent increase over FY 2007.

Minimum School Program

The Minimum School Program (MSP) is the largest budget appropriated by the Legislature each year. Programs within the MSP support all public schools in Utah. Five programs comprise the MSP: the Basic School Program, Related to Basic School Program, Special Populations, Board and Voted Leeway Programs, and Other Programs.

MSP programs provide revenue to school districts and charter schools to support educational programs in all grades. Additional funding is provided to supplement higher costs associated with Special Education, Career and Technology Education, Rural Schools, Professional Staff, Administration Costs, and Class Size Reduction.

As an equalization program, the MSP adjusts state revenues allocated to school districts through the Basic School Program to balance revenue differences between otherwise unequal school districts. The creation of the MSP established a mechanism for the state and local school districts to share in the cost of educating Utah's school children. Charter schools participate in the equalized revenue distribution formula.

Legislative Action

The Legislature appropriated a budget of \$2,945,165,229 to the Minimum School Program for FY 2008. This appropriation is a 17.7 percent increase over the FY 2007 revised appropriation. Included in the total budget is an increase of \$398,797,063 in state Uniform School Fund revenues, of which \$256,397,063 is ongoing and \$142,200,000 is one-time and a \$6,000,000 increase in School LAND Trust revenue. The total state fund increase to the Minimum School Program totals 19.9 percent over FY 2007.

Funding Detail – Total Minimum School Program

The following table shows the total Minimum School Program budget appropriated by the Legislature in FY 2008, along with a comparison to the FY 2007 appropriation. Changes to the total Minimum School Program are detailed in the budget sections following the comprehensive table.

Minimum School Program - 2007 General Session Comprehensive Summary of Appropriations Bills							
	A	B	C	D	E	F	G
Revenues	Fiscal Year 2007		FY 2008 Total (2007 General Session)				
	Sources of Finance	Basic Rate	Amount	Basic Rate	Amount	Difference	% Change
I. State Revenue							
A. Uniform School Fund			\$1,996,119,545		\$2,252,516,608	\$256,397,063	12.8%
B. Uniform School Fund One-time			21,100,000		163,500,000	142,400,000	674.9%
C. School LAND Trust			15,000,000		21,000,000	6,000,000	40.0%
D. General Fund One-time			200,000		0	(200,000)	-100.0%
Subtotal State Revenue:			\$2,032,419,545		\$2,437,016,608	\$404,597,063	19.9%
II. Local Revenue							
A. Basic Levy	0.001515		\$232,483,090	0.001474	\$245,254,790	\$12,771,700	5.5%
B. Voted Leeway			175,340,351		195,491,527	20,151,176	11.5%
C. Board Leeway			47,981,239		52,402,304	4,421,065	9.2%
D. Board Leeway - Reading Levy			15,000,000		15,000,000	0	0.0%
Subtotal Local Revenue:			470,804,680		508,148,621	37,343,941	7.9%
Total Revenue:			\$2,503,224,225		\$2,945,165,229	\$441,941,004	17.7%
Expenditures	Fiscal Year 2007		FY 2008 Total (2007 General Session)				
	Programs of Expenditure	# of WPU's	Amount	# of WPU's	Amount	Difference	% Change
		WPU Value	\$2,417	WPU Value	\$2,514	\$97	4.0%
I. Basic School Program							
A. Regular Basic School Program							
1. Kindergarten	23,680	\$57,234,560	24,590	\$61,819,260	\$4,584,700	8.0%	HB 160
2. Grades 1-12	462,579	1,118,053,443	478,300	\$1,202,446,200	\$84,392,757	7.5%	HB 160
3. Necessarily Existent Small Schools	7,649	18,487,633	7,649	\$19,229,586	\$741,953	4.0%	HB 160
4. Professional Development	43,909	106,128,053	44,724	\$112,436,136	\$6,308,083	5.9%	HB 160
5. Administrative Costs	1,629	3,937,293	1,620	\$4,072,680	\$135,387	3.4%	HB 160
Subtotal Regular Program:	539,446	\$1,303,840,982	556,883	\$1,400,003,862	\$96,162,880	7.4%	
B. Restricted Basic School Program							
1. Special Education - Add-on WPU's	56,413	\$136,350,221	56,895	\$143,034,030	\$6,683,809	4.9%	HB 160
2. Special Education - Self-Contained WPU's	13,301	32,148,517	13,360	\$33,587,040	\$1,438,523	4.5%	HB 160
3. Special Education - Pre-school	8,158	19,717,886	8,321	\$20,918,994	\$1,201,108	6.1%	HB 160
4. Special Education - Extended Year Program	367	887,039	367	\$922,638	\$35,599	4.0%	HB 160
5. Special Education - State Programs	1,443	3,487,731	1,627	\$4,090,278	\$602,547	17.3%	HB 160
Subtotal Special Education:	79,682	\$192,591,394	80,570	\$202,552,980	\$9,961,586	5.2%	
6. Career and Technology Education - Add-on	24,797	59,934,349	25,914	\$65,147,796	\$5,213,447	8.7%	HB 160
7. Career and Technology Education - Set-Aside	1,060	2,562,020	1,091	\$2,742,774	\$180,754	7.1%	HB 160
Subtotal Career and Technology Education:	25,857	\$62,496,369	27,005	\$67,890,570	\$5,394,201	8.6%	
8. Class Size Reduction	30,773	\$74,378,341	32,749	\$82,330,986	\$7,952,645	10.7%	HB 160
Subtotal Restricted Program:	136,312	\$329,466,104	140,324	\$352,774,536	\$23,308,432	7.1%	
Total Basic School Program:	675,758	\$1,633,307,086	697,207	\$1,752,778,398	\$119,471,312	7.3%	

Expenditures	Non-WPU Driven Programs (Below-the-Line)					
Tax Leeways	II. Related to Basic Program					
	A. Related to Basic Programs					
	1. Social Security and Retirement	\$310,891,038		333,315,119	22,424,081	7.2% HB 160
	2. Pupil Transportation - To and From School	62,601,763		70,928,797	8,327,034	13.3% HB 160
	3. Pupil Transportation - Guarantee Transportation Levy	500,000		500,000	0	0.0% HB 160
	4. Public Education Job Enhancement Program	2,500,000		2,430,000	(70,000)	-2.8% HB 160
	5. FY 2008 Educator Compensation Increase			68,700,000	68,700,000	HB 382
	6. Concurrent Enrollment			8,874,516	8,874,516	HB 79
	Subtotal Related to Basic Programs:	\$376,492,801		484,748,432	108,255,631	28.8%
	B. Block Grant Programs					
	1. Quality Teaching	\$62,993,704		73,947,829	10,954,125	17.4% HB 160
	2. Local Discretionary	21,820,748		21,820,748	0	0.0% HB 160
	3. Interventions for Student Success	16,792,888		17,953,612	1,160,724	6.9% HB 160
	Subtotal Block Grants:	\$101,607,340		113,722,189	12,114,849	11.9%
	C. Special Populations					
	1. Highly Impacted Schools	\$5,123,207		5,123,207	0	0.0% HB 160
	2. Youth At-Risk Programs Total	27,992,056		29,926,867	1,934,811	6.9% HB 160
	3. Adult Education	9,148,653		9,781,008	632,355	6.9% HB 160
	4. Accelerated Learning Programs Total	12,010,853		4,316,527	(7,694,326)	-64.1% HB 79
	Subtotal Special Populations:	\$54,274,769		49,147,609	(5,127,160)	-9.4%
	D. Other Programs					
	1. Charter Schools					
	a. Local Replacement Funding	\$21,552,450		28,509,000	6,956,550	32.3% HB 164
	b. Ongoing Per Student Funding			3,512,488	3,512,488	HB 164
	c. School Administration	100,000		0	(100,000)	-100.0% HB 164
	d. School Level Administration			750,000	750,000	HB 164
	e. Appropriation for Student Growth in FY 2009			3,000,000	3,000,000	HB 164
	2. Electronic High School	1,300,000		2,000,000	700,000	53.8% HB 160
	3. Reading Program	12,500,000		15,000,000	2,500,000	20.0% HB 461
	4. School LAND Trust Program	15,000,000		21,000,000	6,000,000	40.0% HB 160
	5. Library Books & Electronic Resources			1,500,000	1,500,000	HB 160
	6. Matching Fund for School Nurses			1,000,000	1,000,000	HB 160
	7. Critical Languages			230,000	230,000	SB 80
	Subtotal Other Programs:	\$50,452,450		76,501,488	26,049,038	51.6%
	Total Related to Basic Program:	\$582,827,360		\$724,119,718	\$141,292,358	24.2%
One Time Appropriations	III. Voted and Board Leeway Programs					
	A. Voted Leeway	\$196,085,303		227,700,777	31,615,474	16.1% HB 3
	B. Board Leeway					
	1. Board Leeway	54,704,476		62,066,336	7,361,860	13.5% HB 3
	2. Reading Program	15,000,000		15,000,000	0	0.0% HB 3
	Total Voted and Board Leeway Programs:	\$265,789,779		\$304,767,113	\$38,977,334	14.7%
	IV. One Time Appropriations Total					
	A. Teacher Supplies and Materials	\$7,000,000		10,000,000	3,000,000	42.9% HB 160
	B. Pupil Transportation	5,000,000		8,000,000	3,000,000	60.0% HB 160
	C. Library Books and Materials	2,000,000		(2,000,000)	(2,000,000)	-100.0% HB 164
	D. Charter Schools	7,100,000		4,750,000	(2,350,000)	-33.1% HB 164
	E. Charter Schools Administration	200,000		750,000	550,000	275.0% HB 164
	F. Charter Schools - Start Up/Revolving Loan Fund			6,000,000	6,000,000	HB 164
	G. One Time Teacher Bonus			33,000,000	33,000,000	HB 382
	H. Computers in the Schools			50,000,000	50,000,000	HB 160
	I. Online Testing			10,000,000	10,000,000	HB 160
	J. Optional Extended Day Kindergarten (4 Year Pilot)			30,000,000	30,000,000	SB 49
	K. Charter School Student Growth in FY 2009			4,000,000	4,000,000	HB 164
	L. One Time Bonus for Classified Personnel			7,000,000	7,000,000	HB 382
	Total One Time Programs:	21,300,000		163,500,000	142,200,000	667.6%
	Total Minimum School Program Expenditures:	\$2,503,224,225		\$2,945,165,229	\$441,941,004	17.7%

Basic School Program

Formulas within the MSP Basic School Program equalize revenue generated through the Basic Levy (the property tax rate assessed by each school district as a condition to receiving state funds). State revenue equalizes the local property taxes collected by the school districts to mitigate revenue differences among school districts. Although charter schools cannot assess property taxes, they participate in the equalized Basic School Program and receive state revenues commensurate to their qualifying students.

Weighted Pupil Unit

The basis for the distribution of State revenues through the MSP is the Weighted Pupil Unit (WPU). The WPU represents one pupil in average daily membership (ADM). School districts and charter schools generate WPUs based on statutory guidelines governing MSP programs. Most of the time, this is based on students who qualify for educational services. For example, students enrolled in Kindergarten generate .55 of a WPU, where students enrolled in Special Education may generate more than one WPU.

Value of the Weighted Pupil Unit

Each year, the Legislature establishes a value for each WPU. Funding levels for each Basic School Program is determined by the number of WPUs in the program multiplied by the value of the WPU. When the Legislature increases the value of the WPU, it is increasing the overall value of the Basic School Program.

Basic Tax Levy

School districts must impose the Basic Tax Levy in order to participate in the Minimum School Program. The Legislature sets the Basic Tax Rate required of all school districts in the statute each year. During the 2007 General Session, the Legislature set the Basic Tax Rate at 0.001474 for FY 2008. For the current fiscal year (FY 2007) the Basic Tax Rate is 0.001515.

Legislative Action

Weighted Pupil Unit (WPU) Increase: The Legislature increased the value of the WPU by \$97 to a total of \$2,514 for FY 2008. The cost of this increase totaled \$67.5 million for the Basic School Program and raised the value of the WPU by 4.0 percent over FY 2007. Total revenues appropriated to support the 4.0 percent WPU increase total over \$88 million when programs related to the Basic School Program are included.

Enrollment Growth: Legislators provided \$72.8 million in additional Uniform School Fund revenue to support the anticipated 14,530 new students expected to enroll in Utah's public schools in fall 2007. Revenues appropriated to support enrollment growth include increases to the Basic School Programs as well as several programs related to the Basic School Program.

Foreign Exchange Students: Legislators provided \$439,950 to support 175 foreign exchange students enrolled in Utah's public schools during FY 2007 (the 2006-07 school year). The Grades 1-12 program in the Basic School Program was increased by 175 WPUs. Statute provides reimbursement to school districts and charter schools for foreign exchange students enrolled during the previous school year, up to a total of 328. Additional WPUs may be required in future years as the number of enrolled foreign exchange students approaches the enrollment cap set in statute.

Comprehensive Guidance: Legislators increased the revenue supporting Comprehensive Guidance (school counselors) in the school districts and charter schools by \$1,000,000. In order to receive increased funding, school districts and charter schools must provide matching funds and not supplant current revenues supporting Comprehensive Guidance counseling.

Intent Language

The Legislature passed intent language directing the Public Education Appropriations Subcommittee to study state funding for Foreign Exchange students and determine an optimal number of students for enrollment in the state's public schools.

Related to Basic School Programs

The Related to Basic School Program includes several categorical programs often referred to as ‘below-the-line’ or ‘non-Weighted Pupil Unit (WPU) driven’ programs. These programs supplement the Basic School Program offered in the school districts and charter schools.

Unlike the Basic School Program, the Related to Basic Programs do not increase each year based on the total number or value of the Weighted Pupil Unit. The Legislature determines program funding levels, as well as additional categorical programs, through the appropriations process each year. Programs most often increased with the value of the WPU include: Social Security and Retirement, Pupil Transportation To and From School, Interventions for Student Success Block Grant, Quality Teaching Block Grant, Youth at Risk Programs, Adult Education, Concurrent Enrollment, and Accelerated Learning Programs.

In most cases, school districts and charter schools receive state revenues on a base plus student enrollment formula. Each school district receives the same base allocation (charter schools are treated as one school district) with the remaining revenues allocated proportionally based on the total number of students enrolled in the school district or charter school.

Legislative Action

The following represent the major increases/(decreases) approved by the Legislature during the 2007 General Session:

Educator Compensation Increases: Legislators approved \$68.7 million in ongoing and \$33 million in one time Uniform School Fund revenue to increase the compensation offered to qualifying educators. H.B. 382, “Amendments to Education Funding” lists categories of educators that are eligible to receive the compensation increases. Each qualifying educator will receive an equal amount when compared to other qualifying educators for both the ongoing compensation increase and the one time bonus.

Classified Employee Bonus: The Legislature also provided \$7 million (one time) to provide bonuses for classified employees in the school districts and charter schools.

Pupil Transportation – To and From School: Pending the outcome of a report by the Utah State Board of Education on the formulas reimbursing school districts for transportation expenditures, the Legislature provided \$12 million (\$8 million one time) to assist school districts in meeting transportation costs.

Quality Teaching: Legislators increased the Quality Teaching Block Grant by \$6.6 million to allow school districts and charter schools to provide additional professional development opportunities for educators.

Concurrent Enrollment: The Legislature adopted H.B. 79, “Concurrent Enrollment Amendments”, which separated the Concurrent Enrollment program from the Accelerated Learning Programs into its own categorical program. In addition, the Legislature increased funding for Concurrent Enrollment with \$350,000 in ongoing revenue.

Public Education Job Enhancement Program (PEJEP): Legislative action transferred \$70,000 from the Minimum School Program – Public Education Job Enhancement Program to the Utah State Office of Education to pay for program administration costs.

Critical Languages: The Legislature adopted S.B. 80, “Education Reform”, which establishes the Critical Language program and provides \$230,000 for incentives to public schools to offer classes in critical languages, namely, Chinese, Arabic, Russian, Farsi, Hindi, and Korean. The Legislature also appropriated \$100,000 ongoing revenue from the Uniform School Fund for staff support at the Utah State Office of Education.

Electronic High School: Funding for the Electronic High School was increased by \$700,000 to support program and student growth in FY 2008.

K-3 Reading Program: An appropriation of \$2.5 million was approved to support the K-3 Reading Readiness Program.

This increase brings the state contribution to the program up to \$15 million, matching local revenues that support the program.

Teacher Supplies and Materials: Legislators provided \$10 million (one time) to reimburse educators for out-of-pocket expenditures on instructional supplies and materials. Funding of \$7.5 million is distributed to all teachers on a sliding scale based on relative position on the salary schedule and grade level. Additional funding of \$2.5 million is distributed to teachers in their first year of teaching, but may include teachers in their second through fifth year of teaching depending on the mechanism established by the State Board of Education for distributing funds to school districts and charter schools.

Education Technology – Computers in the Schools: Legislators provided \$50,000,000 (one time) to assist school districts and charter schools in updating instructional technology that enhances and facilitates learning. Five percent of funding is allocated on an equal basis to all school districts (charter schools are treated as one district), with the remaining revenue distributed on a per pupil basis. The State Board of Education may also use up to \$3 million to fund one-time startup costs for an electronic student achievement and management data system.

On-Line Testing: The Legislature approved \$10 million (one-time) to support the continued development of a uniform online summative test system. Legislators directed the State Board of Education to use \$350,000 of this revenue to expand online test delivery, analysis, and reporting for Career and Technical Education programs.

School Nurses: Legislators approved \$1 million to increase the number of school nurses in Utah public schools. Funding provides grants to school districts and charter schools that provide an equal amount of matching funds and commit not to supplant monies used to provide school nurses.

Library Books and Electronic Resources: \$1.5 million was appropriated to support the acquisition of books and electronic media for school libraries. School districts and charter schools may not supplant current expenditures on library books and electronic resources.

Optional Extended Day Kindergarten: Legislators passed S.B. 49, “Optional Extended Day Kindergarten”, which establishes a four-year pilot program in selected schools. The Legislature provided \$30 million (one time) to support the pilot program over the four-year period.

Charter Schools: The Legislature passed H.B. 164, “Charter School Amendments”, which included the following budget items:

- **Local Replacement Funding:** Legislators provided \$6.9 million to provide for program increases due to increased student enrollment and local revenue increases in the local school district. The increase provides \$1,184 per student enrolled in charter schools. Estimates for FY 2008 indicate that 24,079 students will enroll in charter schools beginning fall 2007. Of this revenue, \$5.4 million is also included in “Enrollment Growth” discussed in the previous section.
- **School Level Administration:** The Legislature provided \$1.5 million (\$750,000 one time) to assist charter schools with data reporting and other administrative expenses. Funding provides approximately \$62 per student. Legislators also transferred \$100,000 used for charter school administration prior to FY 2008 to the State Charter School Board for additional staff support.
- **Additional Per Student Support:** An additional \$8.25 (\$4.75 million one time) was appropriated to provide charter schools with additional per student revenue. When combined with the Local Replacement Funding, charter schools may receive up to \$1,527 per student.
- **FY 2009 Local Replacement Funding:** Legislators provided \$7 million (\$4 million one time) to support anticipated growth in the Local Replacement Funding program in FY 2009.
- **Revolving Loan Account:** The Legislature provided \$6 million (one time) to capitalize a revolving loan

fund to assist charter schools with construction, renovation, and start-up expenses.

- **Staff Support:** The Legislature provided \$200,000 to support the State Charter School Board.

Intent Language

Legislators passed language directing the State Board of Education to conduct two studies and report its findings to the Legislature. The first report to the Public Education Appropriations Subcommittee will provide detail on the progress in implementing online testing programs and per test cost estimates. The second report to the Executive Appropriations Committee includes a proposal for unifying charter schools and district schools into the same district local funding formulas. This is a joint study with the State Board of Education and State Charter School Board developing a common proposal (H.B. 164).

The following table shows the number of Public Education teachers and other staff, by district (FY 2005 data).

Public Education - School District & Charter School Employees							
Comparison by School District and Charter Schools with Instructional and Support Staff Break-Outs							
FY 2006							
School Districts & Charter Schools	Instructional Staff			Support Staff			Total FTEs
	Classroom Teachers	Supervisors, Coordinators & Aides	Counselors, Librarians & Lib. Support	District Admin.	School Admin.	Other Support	
Alpine	2,229	671	132	91	311	810	4,243
Beaver	73	21	4	5	9	25	138
Box Elder	493	159	32	37	52	281	1,054
Cache	578	257	33	24	62	296	1,250
Carbon	177	90	14	18	26	82	407
Daggett	13	6	0	3	2	9	32
Davis	2,713	1,024	169	143	325	1,032	5,405
Duchesne	224	90	11	12	32	98	468
Emery	125	41	6	8	21	58	258
Garfield	63	31	4	5	12	24	139
Grand	86	43	4	6	13	42	193
Granite	3,201	954	117	144	542	1,464	6,421
Iron	370	213	24	18	43	146	814
Jordan	3,120	925	198	63	434	1,259	5,999
Juab	91	38	6	5	13	37	189
Kane	73	60	7	6	12	34	191
Logan	288	138	17	16	34	89	582
Millard	163	67	6	6	21	82	345
Morgan	97	25	5	5	10	36	178
Murray	299	85	21	13	38	116	572
Nebo	1,041	388	56	22	149	424	2,080
North Sanpete	124	73	6	6	16	53	277
North Summit	55	14	4	3	8	33	117
Ogden	588	209	50	45	100	165	1,157
Park City	241	73	20	14	29	119	498
Plute	26	16	2	3	3	12	61
Provo	640	255	29	26	78	182	1,210
Rich	33	6	1	3	4	12	59
Salt Lake	1,164	575	82	77	174	490	2,562
San Juan	199	80	13	11	36	107	446
Sevier	216	63	13	12	24	93	422
South Sanpete	153	93	11	9	32	64	361
South Summit	71	25	6	4	9	36	150
Tintic	23	7	2	3	4	8	46
Tooele	533	181	34	22	87	215	1,071
Uintah	284	125	22	11	37	131	609
Wasatch	204	76	13	14	27	65	399
Washington	1,087	307	109	39	141	312	1,994
Wayne	37	10	2	4	6	15	74
Weber	1,266	367	98	39	161	399	2,330
Charters	532	208	27	51	87	52	957
State Total:	22,992	8,084	1,411	1,043	3,225	9,003	45,759

Source: Utah State Office of Education, Superintendent's Annual Report, 2006.

School Building Program

The School Building Program contains two primary programs: the Capital Outlay Foundation Program and the Enrollment Growth Program. These programs assist school districts in constructing or renovating school facilities and paying debt service obligations.

Legislative Action

The Legislature appropriated a budget of \$77,288,900 to the School Building Program for FY 2008. This appropriation is a 107 percent increase over the FY 2007 revised appropriation.

Legislators increased the appropriation for the School Building Program by \$40,000,000. (The one-time appropriation of \$50,000,000 was offset by the \$10,000,000 FY 2007 one-time appropriation for a net increase of \$40,000,000). Of the total appropriation, the Enrollment Growth Program was appropriated the base of \$2,930,900 in ongoing revenue and one-time funding of \$35,000,000 for FY 2008. The Capital Outlay Foundation Program was appropriated the base of \$24,358,000 in ongoing revenue and one time funding of \$15,000,000 for FY 2008.

Funding Detail

School Building Program					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
Uniform School Fund	27,288,900		27,288,900	27,288,900	
Uniform School Fund, One-time	10,000,000		10,000,000	50,000,000	40,000,000
Total	\$37,288,900	\$0	\$37,288,900	\$77,288,900	\$40,000,000
Programs					
School Building Program	37,288,900		37,288,900	77,288,900	40,000,000
Total	\$37,288,900	\$0	\$37,288,900	\$77,288,900	\$40,000,000

Public Education Agencies

The education agencies supplement the basic educational program provided to students through the Minimum School Program. Under the direction of the State Board of Education and State Superintendent, these agencies provide educational services and support to the state's school districts, charter schools, disabled population, students in state custody, and the public. Education Agencies include: the Utah State Office of Education (USOE), Utah State Office of Rehabilitation (USOR), Utah Schools for the Deaf and Blind (USDB), Child Nutrition Programs (CNP), State Charter School Board (SCSB), Fine Arts and Science Outreach Programs, and Education Contracts. Combined, these agencies provide the support framework for the state's public education system.

Legislative Action

Appropriations to the public education agencies total \$521,137,700 for FY 2008. This amount includes \$83,002,900 from the Uniform School Fund and \$15,065,100 from the General Fund. Legislators increased the total FY 2008 budget for the education agencies by \$7,616,700 from the FY 2007 revised appropriation, representing a 4.1 percent increase. State funds appropriated to the education agencies increased by 27.3 percent.

Funding Detail

State Board of Education: Education Agencies					
	2007	2007	2007	2008	Change from
Sources of Finance	Estimated	Supplemental	Revised	Appropriated	2007 Revised
General Fund	254,900		254,900	11,165,100	10,910,200
General Fund, One-time	7,500,000	100,000	7,600,000	3,900,000	(3,700,000)
Uniform School Fund	72,531,600		72,531,600	80,456,900	7,925,300
Uniform School Fund, One-time	13,123,800	193,100	13,316,900	2,546,000	(10,770,900)
Federal Funds	382,668,300	10,500	382,678,800	385,674,300	2,995,500
Dedicated Credits Revenue	29,953,000	100	29,953,100	30,059,000	105,900
Federal Mineral Lease	1,007,200		1,007,200	1,110,500	103,300
GFR - Substance Abuse Prevention	494,500		494,500	495,900	1,400
USFR - Interest and Dividends Account	81,900		81,900	83,300	1,400
USFR - Professional Practices	226,100		226,100	1,434,800	1,208,700
Transfers				3,820,800	3,820,800
Transfers - Child Nutrition	(349,800)		(349,800)		349,800
Transfers - Health	2,568,500		2,568,500		(2,568,500)
Transfers - Interagency	746,800		746,800	359,800	(387,000)
Transfers - State Office of Education	1,185,500		1,185,500	31,300	(1,154,200)
Beginning Nonlapsing	12,144,900		12,144,900	5,783,300	(6,361,600)
Closing Nonlapsing	(10,919,900)		(10,919,900)	(5,783,300)	5,136,600
Total	\$513,217,300	\$303,700	\$513,521,000	\$521,137,700	\$7,616,700
Line Items					
State Office of Education	279,372,100	(4,300)	279,367,800	272,974,700	(6,393,100)
State Charter School Board	12,419,700		12,419,700	8,503,600	(3,916,100)
Educator Licensing				1,432,800	1,432,800
Parent Choice in Education Act		100,000	100,000	12,400,000	12,300,000
State Office of Rehabilitation	55,948,400	18,700	55,967,100	58,832,000	2,864,900
Child Nutrition	129,260,300	(700)	129,259,600	129,353,300	93,700
Fine Arts Outreach	2,639,600		2,639,600	3,103,600	464,000
Science Outreach	1,339,400		1,339,400	1,689,400	350,000
Educational Contracts	3,854,800		3,854,800	3,854,800	
School for the Deaf and Blind	27,480,600	190,000	27,670,600	28,374,500	703,900
USDB - Institutional Council	902,400		902,400	619,000	(283,400)
Total	\$513,217,300	\$303,700	\$513,521,000	\$521,137,700	\$7,616,700
Budgeted FTE	1,093.9	0.0	1,093.9	1,094.0	0.1

Utah State Office of Education

As the largest of the public education agencies, the Utah State Office of Education (USOE) functions as support staff to the State Board of Education and the State Superintendent. The USOE provides information and direction relating to public education policy, procedures, as well as the development and implementation of education programs, development of core curricula standards, and student assessment procedures. USOE staff provides statewide service, support, and direction to local school districts and charter schools on education issues.

The USOE budget provides operating revenue for the State Board of Education and the three USOE operating divisions, namely, Student Achievement and School Success; Data and Business Services; and Law, Legislation and Educational Services.

The State Board of Education operates two internal service funds to provide for administrative expenses, printing, and mail services.

Legislative Action

The Legislature appropriated \$272,974,700 to USOE for FY 2008. Of the total USOE appropriation, approximately 20 percent provides for the operation of the State Office itself. The remaining 80 percent, or \$218,379,760, is passed through to local school districts.

Carson Smith Special Needs Scholarship authorized \$2.4 million (\$900,000 one-time) from the General Fund to provide private school scholarship to special needs students.

U-PASS Assessment authorized \$3,456,900 from the Uniform School Fund to support U-PASS functions previously funded with surplus federal revenue.

Regional Service Center authorized \$150,000 from the Uniform School Funds to support increased costs in health insurance.

Assistant Board Auditor position was funded with \$70,000 from the Uniform School Funds to support the State Board of Education in conducting more audits and program performance and compliance by districts.

Student Writing Skills authorized \$542,300 from the Uniform School Funds to complete funding for writing skills improvement software.

Electronic High School Staff Support authorized \$42,100 in Uniform School Funds to replace funding for No Child Left Behind after it was determined that No Child Left Behind monies may not be appropriate for Electronic High School support staff.

Utah State University Autism Support Services authorized \$200,000 from the Uniform School Funds to support training for pre-service educators in autism training methods. It

will also provide technical assistance to educators who serve children with autism.

Career and Technology Education-Pro-Start authorized \$100,000 (one-time) Uniform School Fund to support the Pro-Start program that works in conjunction with the Utah Restaurant Association to train students in high school in restaurant operations.

Hill Air Force Base Busing authorized \$80,700 (one-time) Uniform School Funds for busing at Hill Air Force Base.

Agricultural Education provides \$25,000 (one-time) to support curriculum and material for middle school and high school teachers.

Alternative Preparation Programs authorized \$400,000 (one-time) to support the Utah State Office of Education for a teacher development program to further knowledge, skills and abilities for teachers.

Educator Licensing Fees authorized \$1,432,800 in teacher licensing fees to be moved to their own line item and then deposited into the Professional Practices Restricted Account. The Legislature also required that all full time equivalent staff associated with Teacher Licensing be moved to the newly created line item, Professional Practices Restricted Account.

The following two bills affecting the State Office of Education will impact the funding of the Office.

Student Achievement: H.B. 155, “Student Achievement Amendments” authorized \$54,600 (one-time) to modify the U-PASS system and requirements for reading achievement plans and reporting students’ reading grade level.

School Discipline: H.B. 212, “School Discipline Amendments” authorized \$30,000 (one-time) to research, report, and publish, a study on school discipline methods. This study is to look at methods for motivating and providing incentives to disciplining students.

Funding Detail

State Office of Education					
	2007	2007	2007	2008	Change from
Sources of Finance	Estimated	Supplemental	Revised	Appropriated	2007 Revised
General Fund				1,500,000	1,500,000
General Fund, One-time	7,500,000		7,500,000	900,000	(6,600,000)
Uniform School Fund	21,674,900		21,674,900	26,214,800	4,539,900
Uniform School Fund, One-time	8,704,400	(2,100)	8,702,300	1,432,000	(7,270,300)
Federal Funds	233,394,100	(2,000)	233,392,100	234,913,100	1,521,000
Dedicated Credits Revenue	5,897,900	(200)	5,897,700	5,932,000	34,300
Federal Mineral Lease	1,007,200		1,007,200	1,110,500	103,300
GFR - Substance Abuse Prevention	494,500		494,500	495,900	1,400
USFR - Interest and Dividends Account	81,900		81,900	83,300	1,400
USFR - Professional Practices	226,100		226,100	2,000	(224,100)
Transfers - Interagency	391,100		391,100	359,800	(31,300)
Transfers - State Office of Education				31,300	31,300
Beginning Nonlapsing	10,439,900		10,439,900	5,303,300	(5,136,600)
Closing Nonlapsing	(10,439,900)		(10,439,900)	(5,303,300)	5,136,600
Total	\$279,372,100	(\$4,300)	\$279,367,800	\$272,974,700	(\$6,393,100)
Programs					
Board of Education	1,395,000		1,395,000	1,484,700	89,700
Student Achievement	242,902,600	(6,200)	242,896,400	236,380,400	(6,516,000)
Data and Business Services	5,053,100	3,000	5,056,100	9,767,200	4,711,100
Law, Legislation and Education Services	30,021,400	(1,100)	30,020,300	25,342,400	(4,677,900)
Total	\$279,372,100	(\$4,300)	\$279,367,800	\$272,974,700	(\$6,393,100)
Budgeted FTE	224.0	0.0	224.0	213.0	(11.0)

Educator Licensing					
	2007	2007	2007	2008	Change from
Sources of Finance	Estimated	Supplemental	Revised	Appropriated	2007 Revised
USFR - Professional Practices				1,432,800	1,432,800
Total	\$0	\$0	\$0	\$1,432,800	\$1,432,800
Programs					
Educator Licensing				1,432,800	1,432,800
Total	\$0	\$0	\$0	\$1,432,800	\$1,432,800
Budgeted FTE	0.0	0.0	0.0	11.0	11.0

Parents Choice in Education Act

The Legislature created the Parents Choice in Education Act during the 2007 General Session. The Parents Choice in Education Act creates a program to award scholarships to students to attend private school.

Funding Detail

Parent Choice in Education Act					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
General Fund				9,400,000	9,400,000
General Fund, One-time		100,000	100,000	3,000,000	2,900,000
Total	\$0	\$100,000	\$100,000	\$12,400,000	\$12,300,000
Programs					
Administration		100,000	100,000	200,000	100,000
Scholarships				12,200,000	12,200,000
Total	\$0	\$100,000	\$100,000	\$12,400,000	\$12,300,000

State Charter School Board

The Legislature created the State Charter School Board during the 2004 General Session. The board authorizes, supports, and promotes the establishment of charter schools and advises the State Board of Education on charter school issues. Prior to the 2005 General Session, the State Charter School Board was part of the Utah State Office of Education line item.

Currently, the state has over 50 approved charter schools. Projections indicate that in Fall 2007, approximately 24,079 will enroll in charter schools.

Legislative Action

The Legislature appropriated \$8,503,600 to the State Charter School Board, including \$696,900 from the Uniform School Fund and \$7,806,700 in Federal Funds. The Legislature also authorized an additional 3 FTE for the State Charter School Board.

Funding Detail

State Charter School Board					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
Uniform School Fund	384,500		384,500	696,900	312,400
Uniform School Fund, One-time	4,099,500		4,099,500		(4,099,500)
Federal Funds	7,800,000		7,800,000	7,806,700	6,700
Beginning Nonlapsing	135,700		135,700		(135,700)
Total	\$12,419,700	\$0	\$12,419,700	\$8,503,600	(\$3,916,100)
Programs					
State Charter School Board	12,419,700		12,419,700	8,503,600	(3,916,100)
Total	\$12,419,700	\$0	\$12,419,700	\$8,503,600	(\$3,916,100)
Budgeted FTE	4.0	0.0	4.0	4.0	0.0

Utah State Office of Rehabilitation

The Utah State Office of Rehabilitation (USOR), under the direction of the Utah State Board of Education, operates programs designed to assist individuals with disabilities to prepare for and obtain gainful employment and increase their independence. USOR contains an Executive Director's Office and four operating divisions: Rehabilitation Services, Disability Determination Services, Services to the Deaf and Hard-of-Hearing, and Services to the Blind and Visually Impaired.

USOR provides tailored services focusing on the need, interest, ability, and informed choice of individuals. Services are time-limited and designed to increase and maintain levels of independence and community participation. USOR works in concert with other community service and resource providers to offer rehabilitative services throughout the state.

Legislative Action

The Legislature appropriated \$58,832,000 to USOR, including \$22,310,100 from the Uniform School Fund and \$265,100 from the General Fund. This appropriation represents an increase of \$2,864,900 from FY 2007 revised, including an increase in state funds of \$1,448,400. The following items are funded from the Uniform School Fund.

Assistive Technology Legislators provided \$1,000,000 (one-time) to provide for assistive technology products and services. The program provides assistive technology devices for individuals that meet financial needs test requirements and cannot obtain funding from another source.

Rural Community Outreach for the Blind and Visually Impaired authorized \$70,000 to provide outreach and training to individuals that are blind and visually impaired in their local environment.

Independent Living authorized \$150,000 for outreach in rural services areas throughout the state.

Deaf Center Case Management authorized \$71,000 to support increased costs in interpretive services and case management services.

Funding Detail

State Office of Rehabilitation					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
General Fund	254,900		254,900	265,100	10,200
Uniform School Fund	20,488,800		20,488,800	21,310,100	821,300
Uniform School Fund, One-time	378,400	4,700	383,100	1,000,000	616,900
Federal Funds	33,790,200	13,600	33,803,800	35,195,400	1,391,600
Dedicated Credits Revenue	1,036,100	400	1,036,500	1,042,100	5,600
Transfers				19,300	19,300
Total	\$55,948,400	\$18,700	\$55,967,100	\$58,832,000	\$2,864,900
Programs					
Executive Director	1,598,800	(400)	1,598,400	1,350,000	(248,400)
Blind and Visually Impaired	5,526,500	2,400	5,528,900	5,585,800	56,900
Rehabilitation Services	38,313,200	17,200	38,330,400	40,943,200	2,612,800
Disability Determination	8,425,200	(3,800)	8,421,400	8,720,100	298,700
Deaf and Hard of Hearing	2,084,700	3,300	2,088,000	2,232,900	144,900
Total	\$55,948,400	\$18,700	\$55,967,100	\$58,832,000	\$2,864,900
Budgeted FTE	431.0	0.0	431.0	431.0	0.0

Utah Schools for the Deaf and Blind

The Utah Schools for the Deaf and Blind (USDB) provides educational services to hearing and/or visually impaired children from birth to age twenty-one. The two main divisions of USDB are Instruction and Support Services. Instructional Services provides educational programs for the deaf, blind, and deaf-blind children of Utah, including residential, daytime, and extension programs in a number of locations across the State. Support Services provides services related to administration, educational support, residential care, transportation and other operational services.

Legislative Action

Legislators appropriated \$28,374,500 to USDB, including \$23,537,900 from the Uniform School Fund for FY 2008. This appropriation represents a total increase of \$703,900 from FY 2007 revised, including a state fund increase of \$1,413,000.

Teacher Salary Adjustments: The Legislature increased USDB's FY 2008 budget by \$1,088,900 (\$191,600 one-time) to provide for statutory teacher salary adjustments. Under Utah Code 53A-25-111, USDB instructors are given a compensation adjustment equal to the average of that given to school district teachers the previous year.

Funding Detail

School for the Deaf and Blind					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
Uniform School Fund	21,992,200		21,992,200	23,537,900	1,545,700
Uniform School Fund, One-time	(58,100)	190,800	132,700		(132,700)
Federal Funds	166,400	(700)	165,700	169,900	4,200
Dedicated Credits Revenue	833,300	(100)	833,200	865,200	32,000
Transfers				3,801,500	3,801,500
Transfers - Child Nutrition	(349,800)		(349,800)		349,800
Transfers - Health	2,568,500		2,568,500		(2,568,500)
Transfers - Interagency	355,700		355,700		(355,700)
Transfers - State Office of Education	1,185,500		1,185,500		(1,185,500)
Beginning Nonlapsing	786,900		786,900		(786,900)
Total	\$27,480,600	\$190,000	\$27,670,600	\$28,374,500	\$703,900
Programs					
Instructional Services	16,004,600	191,600	16,196,200	16,766,200	570,000
Support Services	11,476,000	(1,600)	11,474,400	11,608,300	133,900
Total	\$27,480,600	\$190,000	\$27,670,600	\$28,374,500	\$703,900
Budgeted FTE	401.9	0.0	401.9	402.0	0.1

USDB - Institutional Council

As an advisory panel to the State Board of Education, the USDB Institutional Council “makes recommendations to and advises the superintendent of schools, the state superintendent of public instruction, and the [State] board with respect to the continued employment of the superintendent of schools, staff positions, policy, budget, operations and other duties as assigned by the board”.

Legislative Action

Legislators appropriated \$619,000 for FY 2008 to USDB – Institutional Council. The Institutional Council only receives the interest and dividends generated off of the investment of the permanent fund created for the Schools for the Deaf and Blind in Section 12 of the Utah Enabling Act, commonly referred to as “Trust Lands” revenue. The appropriation represents an estimate of expected revenue.

Funding Detail

USDB - Institutional Council					
	2007	2007	2007	2008	Change from
Sources of Finance	Estimated	Supplemental	Revised	Appropriated	2007 Revised
Dedicated Credits Revenue	600,000		600,000	619,000	19,000
Beginning Nonlapsing	782,400		782,400	480,000	(302,400)
Closing Nonlapsing	(480,000)		(480,000)	(480,000)	
Total	\$902,400	\$0	\$902,400	\$619,000	(\$283,400)
Programs					
Institutional Council	902,400		902,400	619,000	(283,400)
Total	\$902,400	\$0	\$902,400	\$619,000	(\$283,400)
Budgeted FTE	7.0	0.0	7.0	7.0	0.0

Child Nutrition Programs

The Child Nutrition Programs offer high quality, nutritionally well-balanced meals to students and develop nutritional awareness among students. Qualifying students in public and non-profit private schools may receive low-cost or free meals through the program.

Child Nutrition Programs are federal assistance programs including, National School Lunch, National School Breakfast, the Special Milk Program, Summer Food Service Program, and several Food Distribution Programs. The state contribution to the nutrition programs represents about 15 percent of the overall funding, most of which is generated through the liquor tax.

Legislative Action

For FY 2008, the Legislature appropriated \$129,353,300 to the Child Nutrition Programs, including \$163,400 from the Uniform School Fund and \$21,600,700 in Dedicated Credits generated by the sale of liquor. This appropriation represents a total increase of \$93,700 from FY 2008 revised.

Funding Detail

Child Nutrition					
	2007	2007	2007	2008	Change from
Sources of Finance	Estimated	Supplemental	Revised	Appropriated	2007 Revised
Uniform School Fund	157,400		157,400	163,400	6,000
Uniform School Fund, One-time	(400)	(300)	(700)		700
Federal Funds	107,517,600	(400)	107,517,200	107,589,200	72,000
Dedicated Credits Revenue	21,585,700		21,585,700	21,600,700	15,000
Total	\$129,260,300	(\$700)	\$129,259,600	\$129,353,300	\$93,700
Programs					
Child Nutrition	129,260,300	(700)	129,259,600	129,353,300	93,700
Total	\$129,260,300	(\$700)	\$129,259,600	\$129,353,300	\$93,700
Budgeted FTE	26.0	0.0	26.0	26.0	0.0

Fine Arts and Science Outreach Programs

The Fine Arts and Science Outreach Programs enable Utah's professional art and science organizations to provide their expertise and resources in the teaching of the state's fine art and science curricula. The program ensures that each of the 40 school districts have the opportunity to receive services in a balanced and comprehensive manner over a three year time frame.

Legislative Action

For FY 2008, the Legislature appropriated from the Uniform School Fund \$3,103,600 to the Fine Arts Outreach Program and \$1,689,400 to the Sciences Outreach Program. This appropriation represents an increase of \$814,000 over the FY 2007 appropriation. The following items are funded from the Uniform School Fund.

Professional Outreach Program in the Schools (POPS): Legislative action provided an increase of \$450,000 (\$100,000 one-time), which will allow professional organizations to provide services to an estimated 100,000 more students and teachers throughout the state.

Art in a Box: The Legislature increased the Fine Arts Outreach – Subsidy Program by \$14,000 (one time) to support the Art in a Box program.

New Informal Science Education Enhancement (iSee)
Provider: Legislators increased the Science Outreach Program by \$120,000 to fund Red Butte Garden as a state wide science outreach provider.

Science Enhancement Program: The Legislature provided \$230,000 to start a teacher training pilot program. Professional organizations participating in the iSee Program will provide professional development opportunities to teachers in the various science specialties offered by the programs.

Funding Detail- Fine Arts

Fine Arts Outreach					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
Uniform School Fund	2,639,600		2,639,600	2,989,600	350,000
Uniform School Fund, One-time				114,000	114,000
Total	\$2,639,600	\$0	\$2,639,600	\$3,103,600	\$464,000
Programs					
Professional Outreach Programs	2,515,100		2,515,100	2,965,100	450,000
Requests for Proposals	70,000		70,000	70,000	
Subsidy Program	54,500		54,500	68,500	14,000
Total	\$2,639,600	\$0	\$2,639,600	\$3,103,600	\$464,000

Funding Detail-Science Outreach

Science Outreach					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
Uniform School Fund	1,339,400		1,339,400	1,689,400	350,000
Total	\$1,339,400	\$0	\$1,339,400	\$1,689,400	\$350,000
Programs					
Science Outreach Programs	959,400		959,400	1,079,400	120,000
Requests for Proposals	180,000		180,000	180,000	
Science Enhancement	200,000		200,000	430,000	230,000
Total	\$1,339,400	\$0	\$1,339,400	\$1,689,400	\$350,000

Education Contracts

The Utah State Board of Education takes responsibility for the education of students in the custody of the state and acts as the “school board” governing their education. The two programs in Education Contracts provide the educational services to these students. The Youth Center provides services to students at the State Hospital in Provo, and Corrections Institutions provide services to inmates in the state’s correctional facilities.

The State Board contracts with various school districts to provide educational services at the Youth Center, State Prisons and some county jails. The Provo school district receives contract funds for the State Hospital, and the Jordan, South Sanpete, and Iron school districts receive contract funding for correctional facilities in those areas.

Legislative Action

For FY 2007, the Legislature appropriated \$3,854,800 from the Uniform School Fund to Education Contracts. This is the same level of funding as in FY 2008.

Funding Detail

Educational Contracts					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
Uniform School Fund	3,854,800		3,854,800	3,854,800	
Total	\$3,854,800	\$0	\$3,854,800	\$3,854,800	\$0
Programs					
Youth Center	1,153,200		1,153,200	1,153,200	
Corrections Institutions	2,701,600		2,701,600	2,701,600	
Total	\$3,854,800	\$0	\$3,854,800	\$3,854,800	\$0

Utah State Office of Education – Internal Service Funds

The State Office of Education operates two internal service funds (ISF). The Indirect Cost Pool (ICP) includes accounting, budgeting, purchasing, and government liaison functions of the State Office of Education. This ICP does not receive Uniform School Funds, but rather takes a portion of all federal and state funds that support personal services to fund its operations. Further, the State Board of Education Internal Service Fund supports the Board's print shop and mailroom. The ISF receives funding entirely through Dedicated Credits collected from the operating entities at the State Office.

Legislative Action

Lawmakers approved an FY 2008 operating budget of \$900,500 for the USOE – Internal Service Fund and \$4,012,000 for the USOE – Indirect Cost Pool. The Legislature also approved \$36,800 in combined capital outlay authorization.

Funding Detail- USOE Internal Service Fund

ISF - USOE Internal Service Fund					
	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
Sources of Finance					
Dedicated Credits - Intragvt Rev	962,100		962,100	982,900	20,800
Total	<u>\$962,100</u>	<u>\$0</u>	<u>\$962,100</u>	<u>\$982,900</u>	<u>\$20,800</u>
Programs					
ISF - State Board ISF	962,100		962,100	900,500	(61,600)
Total	<u>\$962,100</u>	<u>\$0</u>	<u>\$962,100</u>	<u>\$900,500</u>	<u>(\$61,600)</u>
Profit/(Loss)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$82,400</u>	<u>\$82,400</u>
FTE/Other Data					
Vehicles	0	0	0	0	0
Authorized Capital Outlay	0	0	0	22,000	22,000
Budgeted FTE	8	0	8	8	0
Retained Earnings	0	0	0	28,000	28,000

Funding Detail-USOE Indirect Cost Pool

ISF - USOE Indirect Cost Pool					
	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
Sources of Finance					
Dedicated Credits - Intragvt Rev				4,103,700	4,103,700
Transfers	3,909,100		3,909,100		(3,909,100)
Total	<u>\$3,909,100</u>	<u>\$0</u>	<u>\$3,909,100</u>	<u>\$4,103,700</u>	<u>\$194,600</u>
Programs					
ISF - Superintendent Indirect Cost Pool	4,045,000		4,045,000	4,012,000	(33,000) #
Total	<u>\$4,045,000</u>	<u>\$0</u>	<u>\$4,045,000</u>	<u>\$4,012,000</u>	<u>(\$33,000)</u>
Profit/(Loss)	<u>(\$135,900)</u>	<u>\$0</u>	<u>(\$135,900)</u>	<u>\$91,700</u>	<u>\$227,600</u>
FTE/Other Data					
Vehicles	1	0	1	1	0
Authorized Capital Outlay	0	0	0	14,800	14,800
Budgeted FTE	43	0	43	43	0
Retained Earnings	0	0	0	0	0

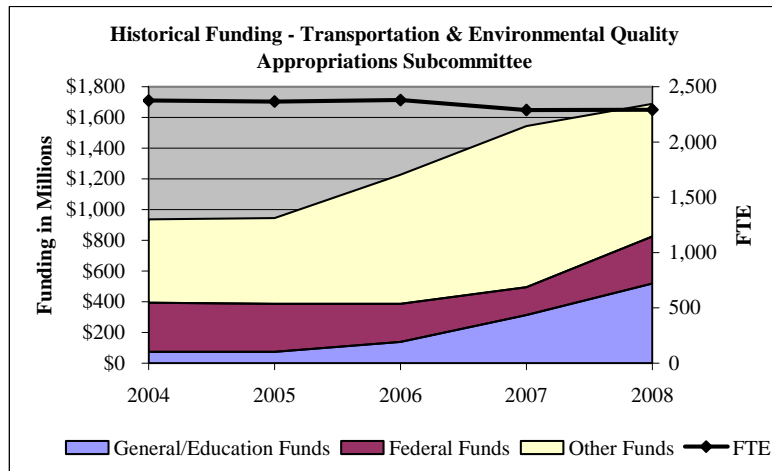
Funding Detail

Public Education Appropriations Subcommittee					
	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
Sources of Finance					
General Fund	254,900		254,900	11,165,100	10,910,200
General Fund, One-time	7,500,000	100,000	7,600,000	3,900,000	(3,700,000)
Uniform School Fund	2,095,940,045		2,095,940,045	2,360,262,408	264,322,363
Uniform School Fund, One-time	44,423,800	193,100	44,616,900	216,046,000	171,429,100
Federal Funds	382,668,300	10,500	382,678,800	385,674,300	2,995,500
Dedicated Credits Revenue	29,953,000	100	29,953,100	30,059,000	105,900
Federal Mineral Lease	1,007,200		1,007,200	1,110,500	103,300
GFR - Substance Abuse Prevention	494,500		494,500	495,900	1,400
USFR - Interest and Dividends Account	15,081,900		15,081,900	21,083,300	6,001,400
USFR - Professional Practices	226,100		226,100	1,434,800	1,208,700
Local Property Tax	470,804,680		470,804,680	508,148,621	37,343,941
Transfers				3,820,800	3,820,800
Transfers - Child Nutrition	(349,800)		(349,800)		349,800
Transfers - Health	2,568,500		2,568,500		(2,568,500)
Transfers - Interagency	746,800		746,800	359,800	(387,000)
Transfers - State Office of Education	1,185,500		1,185,500	31,300	(1,154,200)
Beginning Nonlapsing	12,144,900		12,144,900	5,783,300	(6,361,600)
Closing Nonlapsing	(10,919,900)		(10,919,900)	(5,783,300)	5,136,600
Total	\$3,053,730,425	\$303,700	\$3,054,034,125	\$3,543,591,829	\$489,557,704
Agencies					
State Board of Education	513,217,300	303,700	513,521,000	521,137,700	7,616,700
Minimum School Program	2,503,224,225		2,503,224,225	2,945,165,229	441,941,004
School Building Program	37,288,900		37,288,900	77,288,900	40,000,000
Total	\$3,053,730,425	\$303,700	\$3,054,034,125	\$3,543,591,829	\$489,557,704
Budgeted FTE	1,093.9	0.0	1,093.9	1,094.0	0.1

Transportation, Environmental Quality, and National Guard

Subcommittee Overview

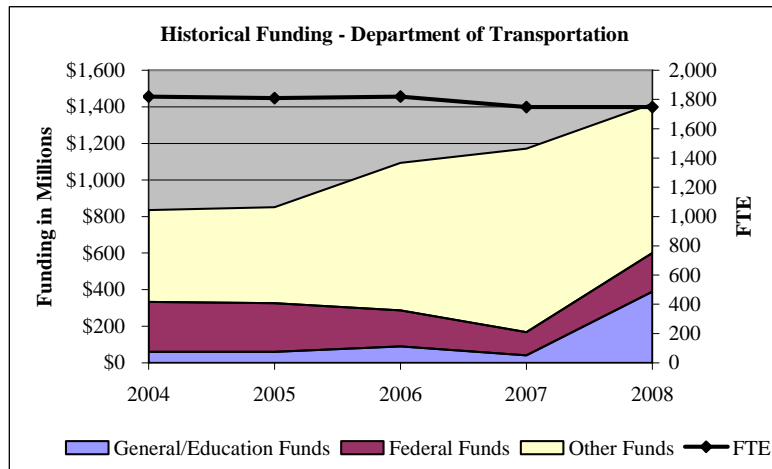
The Legislature provided funding of \$1,688,463,600 to the Department of Transportation, Department of Environmental Quality, and the Utah National Guard for FY 2008. Major sources of funding for these agencies include: General Fund, Transportation Fund and Federal Funds. The following chart shows funding trends and sources of funding for the agencies under the purview of the Transportation and Environmental Quality Subcommittee.



Department of Transportation

State highways in Utah are constructed and maintained, for the most part, with highway user revenues. Principal revenue sources are motor fuel taxes, motor vehicle registration fees, and special transportation permit revenues. These funds are deposited into the State's Transportation Fund. Other sources of revenue for the Department of Transportation include federal grants from the Federal Highway Trust Fund, bonding, and General Fund appropriations. Revenue estimates adopted by the Legislature for FY 2008 for the Transportation Fund total \$433,650,000 plus an additional \$211,523,900 in federal funds.

The Legislature approved FY 2008 expenditures for the Department of Transportation in the amount of \$1,417,127,200. This includes \$438,536,000 to fund the FY 2008 portion of the Centennial Highway Program and \$6,870,700 in compensation adjustments. State Internal Service Fund rate changes decreased the Department's operating budget by \$186,300 from the Transportation Fund.



Support Services

The Support Services Division is comprised of the following programs: Administration, Data Processing, Human Resource Management, Procurement, Building and Grounds, Loss Management, Motor Carrier/Ports of Entry, Comptroller's Office, Internal Auditor, and Community Relations.

Legislative Action

The Legislature approved a FY 2008 budget of \$33,456,500 for Support Services which is an increase of \$4,122,300 from the FY 2007 appropriation.

Local highway projects: One time funding for two local highway projects was approved from the General Fund. These

include a county road in Duchesne County (\$5 million) and bridge improvements in Clearfield (\$300,000).

Engineering Services

The Engineering Services Division includes the following programs: Program Development, Preconstruction Administration, Structures, Research, Materials Lab, Research, Engineering Services, Right of Way, Civil Rights, and Contract Management.

Legislative Action

The FY 2008 budget approved for the Engineering Services Division is \$29,766,400 which is a decrease of \$23,200 from FY 2007 appropriation. The FY 2008 appropriation includes FTE assignment changes within the divisional budgets as well.

Adjustment Improvements, Efficiencies, Cost Reductions and FTE Assignments: The Department recommended efficiency cost reductions for the FY 2005 budget of approximately \$5 million and a decrease of 98.5 FTE. These FTE reductions came throughout the Department Program Line Items with major adjustments when the maintenance and field crew personnel were combined to become the operational crews' personnel. Those efficiencies were discussed by the Subcommittee for Transportation, Environmental Quality, and National Guard and were recommended to be continued in the FY 2008 budget.

The Transportation, Environmental Quality, and National Guard Appropriations Subcommittee encouraged the Department of Transportation to continue efforts to increase efficiencies and effectiveness. The subcommittee will follow up with a report on the Department's progress during the interim.

Construction

The Construction line item includes the Rehabilitation/Preservation, Federal Construction-New, Transportation Investment Fund, and State Construction-New.

Legislative Action

The Legislature approved a total FY 2008 budget for the Construction line item of \$537,175,200. In addition to Transportation Funds and Federal Funds, the appropriation includes funding from the following sources:

H.B. 1008, “Transportation Investment Act” passed during the First Special Session of 2005, created the Transportation Investment Fund (TIF) and the Centennial Highway Fund Restricted Account. H.B. 112, “Transportation Investment Act,” passed in the 2006 General Session, codifies that 8.33 percent of the General Sales Tax revenue be transferred to the Centennial Highway Fund Restricted Account. For FY 2008, that transfer is estimated to be \$172,935,000. After general obligation bonds for the Centennial Highway Program are paid off, those Sales Tax revenues will be deposited into the new TIF.

H.B. 314, “Transportation Funding Revisions” created the Critical Highway Needs Fund and requires the Division of Finance to deposit \$90,000,000 of sales and use tax revenue into the Critical Highway Needs Fund. The bill further requires the Department of Transportation to establish a list of highway projects to be built with those funds or through bonding as authorized in the bill.

One-time appropriations of \$100,000,000 from the General Fund were approved for construction related functions. Those funds will be divided \$40,000,000 for “choke point” projects, \$30,000,000 for advanced right of way purchases, and \$30,000,000 for bridge replacement projects.

Intent Language

The Legislature approved intent language directing how funding should be spent for construction and authorized the Department to adjust the field crews to accommodate the Federal Construction Program.

Centennial Highway Fund

A commitment was made by the Legislature during the 1996 General Session to provide funding over a ten-year period for the rebuild of the I-15 corridor in the Salt Lake Valley from 700 North to approximately 10800 South and to fund an additional \$1.24 billion dollars in highway construction statewide. These expenditures are in addition to the existing revenue sources that were available at the time. The Centennial Highway Fund was created by action of the Legislature during the 1996 General Session to segregate the increased highway construction funding from the regular ongoing funding revenues. The FY 2008 commitment to the Centennial Highway Fund is \$438,536,000. The following are some of the key funding sources:

Fuel Tax Revenues: For FY 2008, revenues from taxes on fuel are estimated to generate \$73,833,000

Vehicle Registration Fees: Centennial Highway Fund Restricted Account revenues are expected to increase by \$22,292,000 in FY 2008 from vehicle registration fees.

Designated Sales Tax: H.B. 112, "Transportation Investment Act,"(2006) codifies that 8.33 percent of the General Sales Tax revenue be transferred to the Centennial Highway Fund Restricted Account. For FY 2008, that transfer is estimated to be \$172,935,000. In addition, there is expected to be \$28,490,000 from beginning balances in the Centennial Highway Fund.

Federal Funds: An estimated \$15,013,000 will be available for Centennial Highway Projects from federal funds. Revenue Transfers of \$6,000,000 from the Department of Transportation and Closing Balances of \$398,000 will also be available to the Centennial Highway Program for FY 2008.

A one-time General Fund appropriation of \$249,000,000 eliminated the need for General Obligation bonds for FY 2008 for use on projects within the Centennial Highway Program. Debt service on previous bond issues is estimated to be \$135,659,000 for FY 2008.

Region Management

The Legislature approved a total FY 2008 budget for Region Management of \$25,795,900 which is an increase of \$597,900 from the FY 2007 estimated level.

Equipment Management

The Legislature approved a total FY 2008 budget for Equipment Management of \$18,364,300; an increase of \$1,271,100 from the FY 2007 estimated level.

Operations and Maintenance Management

The Legislature approved a FY 2008 budget for Operations and Maintenance Management of \$130,008,700. The appropriation includes an additional \$1,500,000 from the Transportation Fund to increase maintenance of state highways. Additional Transportation Fund increases to this line item include \$3,300,000 for traffic signals and systems and \$3,800,000 for petroleum based materials increases.

Intent Language

The Legislature approved intent language directing how funding should be spent for construction and authorized the Department to adjust the field crews to accommodate the Federal Construction Program.

Sidewalk Construction

The Legislature approved a FY 2008 budget of \$500,000 for the Sidewalk Construction Program.

Intent Language

Included in the appropriations act is Legislative intent language that restricts the use of the funds appropriated in this line

item. Additional intent encourages local participation in the construction of pedestrian devices.

Mineral Lease/Payment in Lieu

The Legislature approved FY 2008 expenditures for the Mineral Lease/Payment in Lieu programs of \$49,669,000.

Intent Language

Legislative intent language requires that the Federal Mineral funds be used in areas that have been heavily impacted by energy development and private industries in this industry be encouraged to participate in such highway construction.

B & C Road Fund

The Legislature approved \$126,608,700 for distribution to local governments through the B & C Road Account for FY 2008. This is an estimate only since the actual disbursement will depend on the total free revenues collected in the Transportation Fund in FY 2008.

H.B. 383 “Amendments to Transportation Funding Provisions” redirected the 1/16 of one percent sales tax funding previously deposited into the B & C Road Account to the Construction line item. Those funds were replaced by increasing the Transportation Funds deposited into the B & C Roads Account as directed by Title 72-2-107 U.C.A. from 25% of the revenue collected in the Transportation fund to 30% for distribution to local governments for B & C Roads.

Aeronautics

The Legislature approved a total FY 2008 budget for the Aeronautics Division of \$27,246,800 which is an increase of \$53,100 from the estimated FY 2007 level. This increase is primarily due to an increase in Federal Funding for airport construction.

Funding Detail

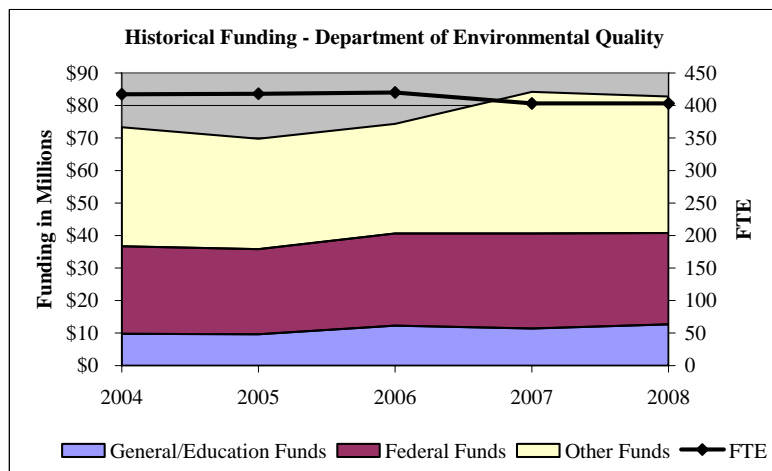
Department of Transportation					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
General Fund	35,088,100		35,088,100	35,000,000	(88,100)
General Fund, One-time	1,640,000	3,500,000	5,140,000	354,490,000	349,350,000
Transportation Fund	410,550,100		410,550,100	419,729,100	9,179,000
Transportation Fund, One-time	68,665,200	240,100	68,905,300		(68,905,300)
Transportation Investment Fund of 2005				105,000,000	105,000,000
Centennial Highway Fund				631,000	631,000
Centennial Highway Fund Restricted Account	378,439,700		378,439,700	194,596,000	(183,843,700)
Federal Funds	127,234,400		127,234,400	211,523,900	84,289,500
Dedicated Credits Revenue	19,480,000	1,000,000	20,480,000	19,462,000	(1,018,000)
Federal Mineral Lease	39,469,000		39,469,000	49,669,000	10,200,000
TFR - Aeronautics Fund	6,810,100		6,810,100	6,863,200	53,100
Critical Highway Needs Fund				90,000,000	90,000,000
Debt Service				(135,659,000)	(135,659,000)
Designated Sales Tax	18,743,000		18,743,000	31,730,000	12,987,000
Transfers - Within Agency	6,000,000		6,000,000	6,000,000	
Beginning Nonlapsing	55,277,600		55,277,600	28,490,000	(26,787,600)
Closing Nonlapsing	(510,000)		(510,000)	(398,000)	112,000
Total	\$1,166,887,200	\$4,740,100	\$1,171,627,300	\$1,417,127,200	\$245,499,900
Line Items					
Support Services	29,434,200	168,900	29,603,100	33,456,500	3,853,400
Engineering Services	29,806,000	3,405,300	33,211,300	29,766,400	(3,444,900)
Operations/Maintenance Management	119,335,700	116,400	119,452,100	130,008,400	10,556,300
Construction Management	317,951,900		317,951,900	447,175,200	129,223,300
Region Management	24,590,900	49,500	24,640,400	25,795,900	1,155,500
Equipment Management	17,193,200	1,000,000	18,193,200	18,364,300	171,100
Aeronautics	27,193,700		27,193,700	27,246,800	53,100
B and C Roads	120,013,800		120,013,800	126,608,700	6,594,900
Safe Sidewalk Construction	2,375,100		2,375,100	500,000	(1,875,100)
Mineral Lease	39,469,000		39,469,000	49,669,000	10,200,000
Centennial Highway Program	439,523,700		439,523,700	438,536,000	(987,700)
Critical Highway Needs				90,000,000	90,000,000
Total	\$1,166,887,200	\$4,740,100	\$1,171,627,300	\$1,417,127,200	\$245,499,900
Budgeted FTE	1,748.5	0.0	1,748.5	1,748.5	0.0

Department of Environmental Quality

The responsibility of the Department of Environmental Quality is to safeguard public health and quality of life by protecting and improving environmental quality while considering the benefits to public health, the impacts on economic development, property, wildlife, tourism, business, agriculture, forests, and other interests. The Legislature approved FY 2008 expenditures for the Department of Environmental Quality of \$82,771,400.

Budgetary issues that will be felt Department wide include funding for a 3.5 percent cost of living adjustment, a 1.5 percent discretionary salary increase, health rate increases, and funding for other post employment benefits in FY 2008. These increases total \$1,916,900, of which \$602,500 is from the General Fund. State

Internal Service Fund rate changes increased the Department budget by \$62,100.



Executive Director's Office

The Executive Director's Office provides administrative direction to the entire department. This office has the responsibility of implementing state and federal environmental laws and regulations, coordinating department programs with local health departments, and providing fiscal oversight for the department.

Legislative Action

The Legislature approved a total FY 2008 budget for the Executive Director's Office of \$5,773,200. This appropriation includes salary and benefit adjustments of \$223,000.

Mercury Source Assessment: A one-time appropriation of \$66,500 in FY 2008 from the General Fund Restricted – Environmental Quality Account was approved to fund a study of record high mercury levels in the Great Salt Lake.

Air Quality

The mission of the Air Quality Program is to protect the public health, property and vegetation in Utah from the affects of air pollution.

Legislative Action

The Legislature approved a FY 2008 budget for Air Quality of \$10,846,700. Included in that budget was one time funding of \$1,500,000 to address air quality planning for PM 2.5 emissions.

Intent Language

The Legislature approved intent language allowing unexpended funds to be used to reduce emission fees.

Response and Remediation

The mission of the Division of Environmental Response and Remediation is to protect the health and environment of the citizens of Utah from exposure to hazardous substances.

Legislative Action

The Legislature appropriated \$7,605,900 to the Response and Remediation Program for FY 2008.

Radiation Control

Radiation Control has the responsibility of assuring the citizens of the state the lowest exposure to any form of radiation.

Legislative Action

The Legislature appropriated \$3,451,400 as an expenditure level for FY 2008 for the Radiation Control Program.

Water Quality

Water Quality protects the public health and ensures the beneficial use of water by maintaining and enhancing the chemical, physical, and biological integrity of Utah's waters.

Legislative Action

An expenditure level of \$10,638,200 was approved by the Legislature for the Water Quality Program for FY 2008. In addition, \$19,085,800 was approved for the water quality loan program for FY 2008.

Intent Language

The Legislature approved intent language allowing unexpended Groundwater Permit Administration fees to be used to reduce permit fees the following year.

Drinking Water

The mission of the Drinking Water Division is to see that public water systems in Utah provide safe and adequate drinking water to all residents and visitors.

Legislative Action

The Legislature approved an operating budget for the Division of Drinking Water for FY 2008 of \$4,266,700. In addition, an appropriation of \$12,985,500 was approved for the Drinking Water Loan Program for FY 2008.

Solid and Hazardous Waste

The Division of Solid and Hazardous Waste protects the public health and environment by ensuring proper management of solid and hazardous wastes within the State of Utah.

Legislative Action

The Legislature approved a FY 2008 budget for Solid and Hazardous Waste of \$7,718,000.

Funding Detail

Department of Environmental Quality					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
General Fund	11,012,500		11,012,500	11,668,700	656,200
General Fund, One-time	393,500	38,100	431,600	1,000,000	568,400
Federal Funds	29,226,000	(3,400)	29,222,600	28,093,100	(1,129,500)
Dedicated Credits Revenue	9,925,200	(2,900)	9,922,300	8,591,500	(1,330,800)
GFR - Environmental Quality	5,925,000	8,600	5,933,600	7,207,000	1,273,400
GFR - Underground Wastewater System	76,000		76,000	128,000	52,000
GFR - Used Oil Administration	727,600		727,600	737,000	9,400
GFR - Voluntary Cleanup	611,500		611,500	614,700	3,200
GFR - WDS - Drinking Water	129,300		129,300	159,400	30,100
GFR - WDS - Water Quality	904,600	(200)	904,400	948,100	43,700
ET - Petroleum Storage Tank	1,246,600		1,246,600	1,255,100	8,500
ET - Waste Tire Recycling	118,900		118,900	125,000	6,100
Clean Fuel Vehicle Loan	101,300		101,300	106,000	4,700
Designated Sales Tax	7,175,000		7,175,000	7,175,000	
Petroleum Storage Tank Account	50,000		50,000	50,000	
Petroleum Storage Tank Loan	149,000		149,000	155,600	6,600
Transfers - Within Agency	1,797,200		1,797,200	715,500	(1,081,700)
Repayments	13,502,500		13,502,500	13,938,000	435,500
Beginning Nonlapsing	2,442,400		2,442,400	756,900	(1,685,500)
Closing Nonlapsing	(756,900)		(756,900)	(5,800)	751,100
Lapsing Balance	(647,400)		(647,400)	(647,400)	
Total	\$84,109,800	\$40,200	\$84,150,000	\$82,771,400	(\$1,378,600)
Line Items					
Environmental Quality	52,474,000	40,200	52,514,200	50,300,100	(2,214,100)
Water Security Dev Acct - Water Pollution	18,650,300		18,650,300	19,085,800	435,500
Water Security Dev Acct - Drinking Water	12,985,500		12,985,500	12,985,500	
Hazardous Substance Mitigation Fund				400,000	400,000
Total	\$84,109,800	\$40,200	\$84,150,000	\$82,771,400	(\$1,378,600)
Budgeted FTE	403.0	0.0	403.0	403.0	0.0

National Guard

The primary purposes of the Utah National Guard are to provide military forces to assist with national military actions to quell civil disturbances, and to provide public assistance during natural disasters. The Utah Army and Air National Guard serve both state and federal governments by providing organized, trained, and equipped air and ground units to perform state missions, as directed by the Governor, while supporting the mobilization programs of the federal government.

Legislative Action

The Legislature approved FY 2008 expenditures for the Utah National Guard of \$73,565,000.

Budgetary issues that will be felt Department-wide include funding for a 3.5 percent cost of living adjustment, a 1.5 percent discretionary salary increase, health rate increases, and funding for other post employment benefits in FY 2008. These increases total \$712,900, of which \$139,000 is from the General Fund.

State Internal Service Fund rate changes decreased the National Guard budget by \$50,100.

The appropriation included the following new items:

Tuition Assistance for National Guard members: An appropriation of \$1,088,100 (\$500,000 one time) was approved to assist members of the National Guard with educational pursuits.

Air Guard FTE Increase: An appropriation of \$71,300 was approved to fund two FTEs to assist with maintenance of the Air Guard facilities.

Current Expense increase: The Legislature approved an appropriation of \$82,800 to fund operations and maintenance of the facility to house the 144th Medical Support Company and data processing for the National Guard.

H.B. 426, “Change to Department of Veterans’ Affairs” creates the Department of Veterans’ Affairs. Full-year funding for this department will be addressed through a supplemental appropriation during the 2008 General Session.

A one-time appropriation of \$300,000 was granted to the Division of Veterans’ Affairs to provide outreach and assistance services for veterans throughout the state.

Funding Detail

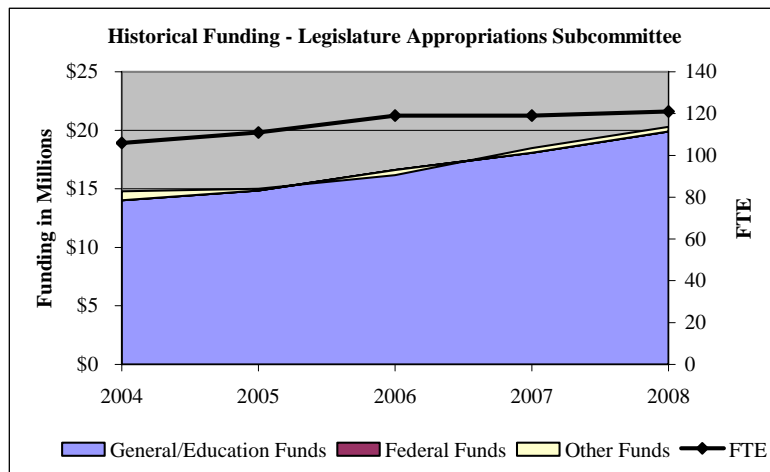
Utah National Guard					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
General Fund	5,277,500		5,277,500	6,098,200	820,700
General Fund, One-time	1,041,000	46,400	1,087,400	800,000	(287,400)
Federal Funds	24,535,300	3,500	24,538,800	66,380,500	41,841,700
Dedicated Credits Revenue	149,200		149,200	182,100	32,900
Transfers	84,400		84,400	104,200	19,800
Beginning Nonlapsing	119,400		119,400		(119,400)
Total	\$31,206,800	\$49,900	\$31,256,700	\$73,565,000	\$42,308,300
Line Items					
Utah National Guard	31,206,800	49,900	31,256,700	73,565,000	42,308,300
Total	\$31,206,800	\$49,900	\$31,256,700	\$73,565,000	\$42,308,300
Budgeted FTE	139.0	0.0	139.0	141.0	2.0

Funding Detail

Transportation & Environmental Quality Appropriations Subcommittee					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
General Fund	106,378,100		106,378,100	107,766,900	1,388,800
General Fund, One-time	204,074,500	3,584,500	207,659,000	411,290,000	203,631,000
Transportation Fund	410,550,100		410,550,100	419,729,100	9,179,000
Transportation Fund, One-time	68,665,200	240,100	68,905,300		(68,905,300)
Transportation Investment Fund of 2005				110,000,000	110,000,000
Centennial Highway Fund				631,000	631,000
Centennial Highway Fund Restricted Account	378,439,700		378,439,700	194,596,000	(183,843,700)
Federal Funds	180,995,700	100	180,995,800	305,997,500	125,001,700
Dedicated Credits Revenue	29,554,400	997,100	30,551,500	28,235,600	(2,315,900)
Federal Mineral Lease	39,469,000		39,469,000	49,669,000	10,200,000
GFR - Environmental Quality	5,925,000	8,600	5,933,600	7,207,000	1,273,400
GFR - Underground Wastewater System	76,000		76,000	128,000	52,000
GFR - Used Oil Administration	727,600		727,600	737,000	9,400
GFR - Voluntary Cleanup	611,500		611,500	614,700	3,200
GFR - WDS - Drinking Water	129,300		129,300	159,400	30,100
GFR - WDS - Water Quality	904,600	(200)	904,400	948,100	43,700
TFR - Aeronautics Fund	6,810,100		6,810,100	6,863,200	53,100
ET - Petroleum Storage Tank	1,246,600		1,246,600	1,255,100	8,500
ET - Waste Tire Recycling	118,900		118,900	125,000	6,100
Clean Fuel Vehicle Loan	101,300		101,300	106,000	4,700
Critical Highway Needs Fund				90,000,000	90,000,000
Debt Service				(135,659,000)	(135,659,000)
Designated Sales Tax	25,918,000		25,918,000	38,905,000	12,987,000
Petroleum Storage Tank Account	50,000		50,000	50,000	
Petroleum Storage Tank Loan	149,000		149,000	155,600	6,600
Transfers	84,400		84,400	104,200	19,800
Transfers - Within Agency	7,797,200		7,797,200	6,715,500	(1,081,700)
Repayments	13,502,500		13,502,500	13,938,000	435,500
Beginning Nonlapsing	57,839,400		57,839,400	29,246,900	(28,592,500)
Closing Nonlapsing	(1,266,900)		(1,266,900)	(403,800)	863,100
Lapsing Balance	(647,400)		(647,400)	(647,400)	
Total	\$1,538,203,800	\$4,830,200	\$1,543,034,000	\$1,688,463,600	\$145,429,600
Agencies					
National Guard	31,206,800	49,900	31,256,700	73,565,000	42,308,300
Environmental Quality	84,109,800	40,200	84,150,000	82,771,400	(1,378,600)
Transportation	1,166,887,200	4,740,100	1,171,627,300	1,417,127,200	245,499,900
Restricted Revenue - TEQ	256,000,000		256,000,000	115,000,000	(141,000,000)
Total	\$1,538,203,800	\$4,830,200	\$1,543,034,000	\$1,688,463,600	\$145,429,600
Budgeted FTE	2,290.5	0.0	2,290.5	2,292.5	2.0

Legislature

Overview



Legislative Action

The revised FY 2007 ongoing General Fund appropriation for the Legislature and staff agencies is \$17,429,290.

The Legislature approved a total FY 2008 spending level for the Legislature and its staff agencies of \$20,296,770, with \$19,914,120 from the General Fund. The total appropriation represents a General Fund increase of ten percent over the FY 2007 revised appropriation. This funding includes resources for the annual General Session, Interim Committees of the Legislature, and staff offices.

Funding was approved for the following items:

- A 3.5 percent cost-of-living adjustment, a 1.5 percent discretionary salary adjustment, health insurance increases, and funding of post employment benefits adjustments in FY 2008. These increases total \$648,900 from the General Fund.
- State Internal Service Fund rate charges increased Legislative budgets by \$42,200.

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- The budget of the Office of Legislative Research and General Counsel was increased by \$341,000 to fund selected salary increases, current expense increases, and additional FTE support for legislative BlackBerry communication devices.
 - The Legislative Auditor General's budget was increased by \$246,000 for selected salary adjustments and funding for an FTE increase of two mid-level auditors.
 - Increases to the Office of Legislative Fiscal Analyst of \$213,000 will cover telephone equipment expenditures for the Legislature to move back to the capitol and funding for an additional FTE.
 - An ongoing appropriation of \$37,200 for the Senate and \$141,000 for the House of Representatives to fund the increased expenditures for Legislator salaries and per diem costs.
 - H.B. 59, "Utah International Trade Commission" added funding in the amount of \$9,200.
 - Increased assessments from the National Conference of State Legislatures (NCSL) and Council of State Governments for dues for 2008 resulted in increases of \$5,100 for the Senate and \$10,200 for the House of Representatives.
 - Increased expenditures for retired legislators' health insurance resulted in funding of \$31,900 for the House of Representatives and \$15,600 for the Senate.
 - An appropriation of \$406,300 was approved for the House of Representatives for increased current expenses and data processing costs.
 - The Senate received an appropriation of \$261,600 for selected salary adjustments, increased current expenses and data processing costs.

- S.B. 131, “Retirement and Independent Entities Committee” added an additional legislator and funding in the amount of \$2,000 for the committee.
- A one-time appropriation of \$100,000 was approved within the Legislative Fiscal Analyst’s budget to study Mental Health Efficiencies.
- The Technology Commission was repealed which reduced the budget of the Office of Research and General Counsel by \$35,000.

The Legislature approved the continuation of the Medicaid Task Force and added three new task forces for interim work during FY 2007 and FY 2008. To cover the expected costs, the Legislature approved an \$86,060 appropriation. The three new task forces are:

1. Local Issues Task Force
2. Higher Education Task Force
3. Judicial Selection Procedures and Retention Election Task Force

Funding Detail

Legislature Appropriations Subcommittee					
Sources of Finance	2007 Estimated	2007 Supplemental	2007 Revised	2008 Appropriated	Change from 2007 Revised
General Fund	17,429,600		17,429,600	19,071,900	1,642,300
General Fund, One-time	265,200	390,440	655,640	842,220	186,580
Dedicated Credits Revenue	240,000	300	240,300	240,200	(100)
Beginning Nonlapsing	3,348,000		3,348,000	3,571,200	223,200
Closing Nonlapsing	(3,181,250)		(3,181,250)	(3,428,750)	(247,500)
Total	\$18,101,550	\$390,740	\$18,492,290	\$20,296,770	\$1,804,480
Line Items					
Senate	1,783,150	83,690	1,866,840	2,147,900	281,060
House of Representatives	3,521,300	244,450	3,765,750	4,181,470	415,720
Legislative Auditor General	2,740,500	3,400	2,743,900	3,138,900	395,000
Legislative Fiscal Analyst	2,452,100	4,000	2,456,100	2,886,300	430,200
Legislative Printing	761,700	1,200	762,900	780,000	17,100
Legislative Research and General Counsel	6,737,800	54,000	6,791,800	7,057,200	265,400
Tax Review Commission	50,000		50,000	50,000	
Constitutional Revision Commission	55,000		55,000	55,000	
Total	\$18,101,550	\$390,740	\$18,492,290	\$20,296,770	\$1,804,480
Budgeted FTE	119.0	0.0	119.0	121.0	2.0

Glossary

Glossary of Terms

Administrative Rules - the detailed procedures established by Departments to implement statute and programs.

Allocation - The division of an appropriation into parts which are designated for expenditure by specific units or for specific purposes.

Appropriation - A legislative authorization to make expenditures and incur obligations.

Bill - A proposed law or statute presented to the Legislature for their consideration.

Bill of Bills (Supplemental Appropriations Act II) - A bill which contains funding for legislation that has fiscal impact and funding for other legislative action. It covers two fiscal years.

Bond - A certificate of indebtedness issued by a government entity as evidence of money borrowed. It is a written promise to pay a specified sum at a specified date or dates together with specific periodic interest at a specified rate. The primary bonds used by the State are General Obligation Bonds, Lease Revenue Bonds, and Revenue Bonds.

Budget - Estimates of proposed expenditures and expected revenues for a fiscal year.

Building Blocks - Funding increases or decreases to existing programs.

Calendar Year - The year beginning 1 January and ending 31 December.

Capital Outlay - Expenditures which result in the acquisition or replacement of fixed assets other than computers and related hardware.

Current Expense - An expenditure category which includes general operational expenses of the programs including: consultants, contracts, building maintenance, small office supplies, etc.

Data Processing (DP) - An expenditure category which includes costs incurred to operate information technology systems, such as LAN connections, software under \$5,000, and supplies.

Data Processing Capital (DP Capital) - An expenditure category which includes funding for computer hardware, support equipment, systems, and software over \$5,000.

Debt (General Obligation) - Debt issued backed by the full faith and credit of the state. In Utah's case, G. O. Debt is secured by property tax and paid from general tax revenue.

Debt (Revenue) - A bond that does not carry the "full faith and credit" of the State but rather pledges a revenue or lease stream to pay for debt service.

Debt Limit (Constitutional) - Caps total general obligation debt at 1.5 percent of total fair market value of taxable property.

Debt Limit (Statutory) - UCA 63-38c-402 limits general obligation debt to 45 percent of the allowable spending limit from the General Fund, Uniform School Fund and Transportation Fund, less debt service. The limit may be exceeded with a two-thirds vote of the Legislature.

Debt Service - The money required to pay the current outstanding principle and interest payments on existing obligations according to the terms of the obligations.

Dedicated Credits Revenue - Money that is paid to an agency by other agencies or the public for services or goods. These funds are usually dedicated to paying for expenses of the agency.

Education Fund - The funding source for public and higher education. The Education Fund receives all revenues from taxes on intangible property or from income tax.

Encumbrance - An obligation in the form of purchase orders, contracts or salary commitments which are chargeable to an appropriation and for which a portion of an appropriation is reserved.

Enterprise Fund - Fund established by a governmental unit which operates like a business. Used by governmental units that cover most or all of their operating costs through user charges.

Expenditures - Expense categories for personnel, goods and services needed by the State programs. These include: personal services, travel, current expense, DP processing, DP capital, capital outlay, pass-through, and other.

Federal Funds - Money made available to the State by an Act of the Federal Congress. The Governor is authorized to accept, on behalf of the state, any federal assistance funds for programs that are consistent with the needs and goals of the state and its citizens and that are not prohibited by law. Generally, money comes to the State from the federal government with specific requirements. In many cases, the state must provide a match in State funds.

Fiscal Note - The estimate by the Legislative Fiscal Analyst of the amount of present or future revenue and/or expenditures that will be affected by the passage of a given bill.

Fiscal Year (FY) - An accounting period of 12 months at the end of which the organization ascertains its financial conditions. The State fiscal year (FY) runs from July 1 through June 30. The federal fiscal year (FFY) is from Oct. 1 through Sept. 30.

Fee - A fixed charge for a good or service. This is often recorded as Dedicated Credit Revenue.

Fixed Assets - Long-term assets which will normally last in excess of one year, such as land, buildings, machinery, furniture, etc.

FTE - is the abbreviation for “**Full Time Equivalent**” position or employee. It is a method of standardizing the personnel count. One person working a full 40 hour week for one year is equal to 1 FTE. Two people working part-time 20 hour weeks are equal to 1 FTE. Any combination of hours that would be the equivalent of a full-time, 40-hour a week employee.

Full Faith and Credit - A pledge of the general taxing power of the government for the payment of a debt obligation.

Fund - An independent fiscal and accounting entity with a self-balancing set of accounts.

General Fund (GF) - A major revenue source for the State. These funds can be spent at the discretion of the Legislature, as the Constitution allows. The primary source of this revenue is the sales tax, although there are several other taxes and fees that contribute to the General Fund.

General Obligation Bonds (G.O.) - G.O. debt is secured by the full faith and credit of the State and its ability to tax its citizens and is limited both by the Constitution and statute. G.O. debt is the least expensive tool available to the state for long term borrowing and is usually issued for six-year terms.

Grant - A contribution by one entity to another without expectation of repayment. This is usually made in support of some specified function or goal.

Income Tax - A major source of revenue for the Uniform School Fund and a potential source of revenue for Higher Education.

Indirect Charges - Also called Overhead Shared Expenses, which cannot be exactly identified to a specific product or service that are often allocated rather than computed.

Initiative - A procedure by which citizens can propose a law and ensure its submission to the electorate.

Intent Language - A statement, added to appropriations bills to explain or put conditions on the use of line item appropriations. These statements are part of an Appropriations Act, but expire at the end of the fiscal year. Intent language cannot replace or supersede current statutes.

Interim - The period between regular sessions of the Legislature.

Internal Service Fund - A fund established by a governmental unit to provide goods and services, primarily to other governmental agencies which will be financed through user charges.

Lapse - The automatic termination of an appropriation and the return of the unexpended funds to the base fund.

Lapsing Funds - Money that is left over at the end of the year reverts (or lapses) back to the base fund, unless otherwise designated.

Lease Revenue Bonds - The State Building Ownership Authority, issues lease revenue bonds as the official owner of state facilities. Debt service (usually paid over 20 years) is funded through rents collected from user agencies and carries an interest rate slightly higher than general obligation debt.

Legislative Oversight - The responsibility of the Legislature to review operations of executive and judicial agencies.

Line Item - Each appropriated sum is identified by an item number in an appropriations bill. Each line item appropriation may have several programs. Once the appropriation becomes law, funds can be moved from program to program within the line item, but, cannot be moved from one line item to another.

Nonlapsing Funds - The Legislature can authorize an agency to keep unused funds at the end of a fiscal year. This can be done in statute or through intent language. Otherwise, unexpended funds are returned to their account of origin.

Obligations - Amounts which a governmental unit may be legally required to pay out of its resources.

One-time vs. Ongoing Funding - Both revenue and expenditures may be one-time (short, distinct period of time) or ongoing (lasting from year to year).

Operating Expenses - Those costs which are necessary to the operations of an agency and its program(s).

Operations and Maintenance (O&M) - Expenses to clean and maintain facilities on a regular basis.

Pass-Through - An expenditure category where funds that are collected by a program or agency and “passed-through” to another group for services or expenditure.

Per Diem - Literally, per day, daily expense money rendered legislators and State personnel.

Personal Services - An expenditure category which includes all personnel costs, including salary and benefits.

Referendum - A method by which a measure, adopted by the Legislature, may be submitted to a popular vote of the electorate.

Regulation - A rule or order of an agency promulgated under the authority of a statute.

Restricted Funds (GFR, USFR, Transportation Fund Restricted) - These accounts restrict revenue for specific purposes or programs.

Retained Earnings - The accumulated earnings of an Internal Service Fund (ISF) or Enterprise Fund (EF) which have been retained in the fund which are not reserved for any specific purpose.

Revenue - The yield of taxes and other sources of income that the state collects.

Revenue Bonds - Revenue bonds are funded through a dedicated source other than a lease payment. Revenue debt service comes primarily from sales revenue such as at State Liquor stores or from auxiliary functions (such as student housing) at institutions of higher education.

Rule - The precise method or procedure of action to govern as determined by each house or both houses.

Shared Revenue - Revenue levied by one governmental unit and distributed to one or more other governmental units.

Short-Term Debt - Debt of less than one year.

Statute - A written law enacted by a duly organized and constituted legislative body and approved by the Governor.

Supplemental Appropriation - The adjustment of funds allocated over/under the original appropriation. Generally, an increase in current year appropriations above the original legislative appropriation.

Surety Bond - A written commitment to pay damages for losses caused by the parties named due to non-performance or default.

Tax - A compulsory charge or contribution levied by the government on persons or organizations for financial support.

Transfers - Movement of money from one governmental unit account to another governmental unit account. (Usually reflects the exchange of funds between line items.)

Transportation Fund - The funding is primarily from the gas tax. This revenue is constitutionally restricted to road and highway related issues.

Travel, In-State and Out-of-State - An expenditure category which includes funding for program travel and supportive services, e.g. airline tickets, rental cars, hotels, meals, etc.

Uniform School Fund (USF) – The source of revenue for purposes of public education. Funds for the Uniform School Fund are appropriated from the Education Fund.

Veto - An official action of the governor to nullify legislative action. The legislature may override the action by a constitutional 2/3 vote of each house if still in Session or if called back into veto override session.

Glossary of Federal Budget Terms

Appropriation - An appropriation is an act of Congress that generally provides legal authority for federal agencies to incur obligations and spend money for specific purposes, usually through the enactment of 13 separate appropriation bills.

Authorization - An authorization is an act of Congress that establishes or continues a federal program or agency, and sets forth the guidelines to which it must adhere.

Balanced Budget - A balanced budget occurs when total revenues equal total outlays for a fiscal year.

Budget Authority (BA) - Budget authority is what the law authorizes, or allows, the federal government to obligate funds for programs, projects, or activities. Budget Authority is usually provided by an appropriation, but may be provided by other means.

Budget Enforcement Act (BEA) of 1990 - The BEA is the law that was designed to limit discretionary spending while ensuring that any new entitlement program or tax cuts did not make the deficit worse. It set annual limits on total discretionary spending and created "pay-as-you-go" rules for any changes in entitlements and taxes. (See "pay-as-you-go.")

Budget Resolution - The budget resolution is the annual framework within which Congress makes its decisions about spending and taxes. This framework includes targets for total spending, total revenues, and the deficit or surplus, as well as allocations, within the spending target, for discretionary and mandatory spending.

"Cap" - A budget "cap" is a legal limit on total annual discretionary spending. A program "cap" usually limits the availability of an entitlement.

Deficit - The deficit is the difference produced when spending exceeds revenues in a fiscal year.

Deficit Reduction Omnibus Reconciliation Act of 2005 - This act trims about \$40 billion out of the federal budget over the next five years mainly through cuts to Medicaid, Medicare, and student loan subsidies, among other programs.

Discretionary Spending - Discretionary spending refers to outlays controllable through the congressional appropriations process. Examples include money for such activities as all federal agencies, Congress, the White House, highway construction, defense and foreign aid. Approximately one-third of all federal spending is discretionary.

Entitlement - An entitlement is a program that legally obligates the federal government to make payments to any person, institution, or government which meets the legal criteria for eligibility unless and until Congress changes the law. Examples include Social Security, Medicare, Medicaid, unemployment benefits, food stamps, and federal pensions.

Excise Taxes - Excise taxes are placed on the sale of various products, including alcohol, tobacco, transportation fuels, and telephone service.

Federal Debt - The gross federal debt is divided into two categories: debt held by the public, and debt the government owes itself. An additional Federal Debt term is **Debt subject to legal limit**, which is roughly the same as gross federal debt, is the maximum amount of federal securities that may be legally outstanding at any time. When the limit is reached, the President and Congress must enact a law to increase it.

Debt Held by the Public - Debt held by the public is the total of all federal deficits, minus surpluses, over the years. This is the cumulative amount of money the federal government has borrowed from the public, through the sale of notes and bonds of varying sizes and time periods. This includes debt held by the Federal Reserve

Debt the Government Owes Itself - Debt the government owes itself is the total of all trust fund surpluses over the years, like the Social Security surpluses, that the law says must be invested in federal securities.

Fiscal Year - The fiscal year is the federal government's accounting period. It begins October 1 and ends on September 30.

Gross Domestic Product (GDP) - GDP is the standard measurement of the size of the economy. It is the total production of goods and services within the United States.

Mandatory Spending - Mandatory spending is authorized by permanent law. Examples of mandatory spending are Social Security, Medicaid, Medicare, and interest paid to holders of federal debt. Congress can change the law to change the level of spending on mandatory programs. Mandatory spending accounts for two-thirds of all federal spending.

"Off-Budget" - Congress defines some programs as "off-budget", and their accounting is separate from the budget totals. Social Security and the Postal Service are "off-budget."

Outlays - Outlays are the amount of money the government actually spends in a given fiscal year. It is a synonym for spending or expenditure.

"Pay-As-You-Go" (PAYGO) - Set forth by the BEA, "pay-as-you-go" refers to requirements that new spending proposals on entitlements or tax cuts must be offset by cuts in other entitlements or by other tax increases, to ensure that their enactment does not cause the deficit to rise. (See Budget Enforcement Act.)

Reconciliation - The process by which tax laws and spending programs are legislatively amended to meet outlay and revenue targets set in the congressional budget resolution.

Rescission - The legislative cancellation of previously-appropriated budget authority. A rescission bill is an appropriation bill and must be passed by Congress and signed by the President.

Revenue - Revenue is money collected by the federal government.

Sequester - The cancellation of spending authority or to constrain spending to preset budget caps. Appropriations exceeding the caps will trigger a sequester that will cut all budget authority not exempted or partially protected by the amount of the excess. A tax cut or entitlement expansion that are not offset under PAYGO rules will also trigger a sequester of nonexempt entitlement programs.

Social Insurance Payroll Taxes - This tax category includes Social Security taxes, Medicare taxes, unemployment insurance taxes, and federal employee retirement payments.

Special Funds - Special funds are government accounts, as set forth by law as special funds, for revenues and spending designated for specific purposes. Special fund balances are generally held without investment.

Surplus - A surplus is the amount by which annual revenues exceed outlays.

Trust Funds - Trust funds are government accounts, set forth by law as trust funds, for revenues and spending designated for specific purposes. Trust fund balances are generally inserted in special U.S. Treasury securities.

Unified Budget - The unified budget is the presentation of the federal budget in which revenues from all sources and outlays to all activities are consolidated.