The purpose of this document is to highlight changes made to the budgets of the Department of Health, Department of Corrections, Governor’s Office of Economic Development, Department of Environmental Quality, and Tax Commission during the 2009 General Session. Because many ongoing cuts made to FY 2010 budgets were backfilled with one-time funds, the full impacts of cuts will be realized during FY 2011. Additional detail will be provided in separate spreadsheets and in agency presentations to the committee.

**Department of Health**

The discussion below highlights the largest reductions by budget line item:

1. **Children’s Health Insurance Program**: Underwent ongoing reductions of $4.2 million with $3.8 million from a funding swap from the Tobacco Settlement Account and another $0.3 million funding swap for federal funds due to a change in the federal matching rate. The federal matching rate became more favorable toward the state.

2. **Community and Family Health Services**: Absorbed ongoing reductions of $2.9 million with a $0.5 million reduction to this area’s personal services and program expenses and $1.0 million reduction to the Children with Special Health Care Needs clinics. Reductions are expected to result in a loss of approximately 5 FTE and services to 1,000 children.

3. **Epidemiology and Laboratory Services**: Took an ongoing reduction of $0.3 million mostly from personal services and program expenses.

4. **Executive Director’s Operations**: Underwent an ongoing reduction of $0.6 million primarily from $0.3 million less to this area’s personal services and program expenses and a $0.1 million reduction from closing three open FTE positions.

5. **Health Care Financing**: Took an ongoing reduction of $0.9 million with $0.3 million in a transfer to another budget line item and $0.2 million less to this area’s personal services and program expenses. Reductions are expected to impact approximately 3 FTE.

6. **Health Systems Improvement**: Budgets took an ongoing reduction of $1.7 million mainly from $0.5 million less in grants to Emergency Medical Services providers, $0.4 million less in grants to primary care providers of medical services to underinsured individuals, and $0.3 million to eliminate funding for teaching first responder skills to all high school 10th graders. The impact of cuts will primarily be reduced grants to urban providers.

7. **Local Health Departments**: Absorbed an ongoing reduction of $0.4 million in funds to comply with State health standards. The impact will be less state grants to help local agencies meet state standards.
8. **Medicaid Mandatory Services**: Took an ongoing reduction of $39.5 million, offset by transfers of $10.3 million from two other Medicaid budget line items. The reductions mostly come from $32.1 million less in rates paid to providers.

9. **Medicaid Optional Services**: Underwent ongoing reductions of $20.4 million primarily from a $10 million transfer to Medicaid Mandatory Services and $5.8 million in reduced rates paid to providers.

10. **Workforce Financial Assistance**: Ongoing funding of $0.4 million was eliminated in FY 2010. This will result in fewer grants and loans to medical providers to work in underserved areas of the state.

For more information of the funding reductions for the Department of Health please see the detailed spreadsheet.

---

**DEPARTMENT OF CORRECTIONS**

The Department employs 2,371 FTEs after budget implementation and has a General Fund budget of $232,974,200 for FY 2010. This includes a net General Fund reduction of $32,981,500 from their original FY 2009 appropriation and a net FTE reduction of 172 FTEs. An additional 15 positions will be lost in FY 2011. Nearly all budget implementation strategies have been initiated for the 2010 fiscal year and are on schedule for FY 2011.

**Programs and Operations**: This includes operations for both Draper and Gunnison. Also included is the Adult Probation and Parole (AP&P) unit and programming for inmates such as skill enhancement and treatment. Within these operations are 2,112 FTEs with a net General Fund budget of $191,091,300 for FY 2010.

Sections eliminated are: the Transition Center, the Diagnostic Center and the Institutional Parole Office. These programs provided services for certain inmates transitioning back into the community and other services such as providing additional information for sentencing. Many of these functions have been absorbed at a decreased level in other areas of the Department.

Other methods to meet budget requirements include reorganizing personnel. Changes include reductions in administration and upper ranking officer positions. Early retirement incentives and position changes have been employed to meet such changes.

Programming for inmates has been decreased. Treatments for sex offenders, drug offenders, including DORA and skill enhancement, has been decreased. Where possible, responsibilities have been given to specific divisions such as Adult Probation and Parole.

**Jail Contracting**: This line item has an appropriation of $20,125,200 for FY 2010 that includes a reduction of $1,801,400 from the original FY 2009 appropriation.
The funding reduction limits the number of contracted county beds to 1,225. This is a reduction of approximately 75 beds depending on the paid rate. Counties may have more unfilled bed space and fewer compensation possibilities for these beds.

**Jail Reimbursement:** The Jail Reimbursement Program is established by statute to reimburse the county jails for offenders sentenced to jail as a condition of felony probation. Under this program, counties bill the State for each day that a qualifying offender spends in their jail. Per HB 220 of the 2009 General Session, Jail Reimbursement funds moved from Corrections to Finance. Responsibility for the management of the program moved from Corrections to the Commission on Criminal and Juvenile Justice (CCJJ).

**Governor’s Office of Economic Development**

*Guiding Principles*

Programs were evaluated based on ROI, overall performance measures, scope of how well activities aligned with the department mission, and cost effectiveness

Reductions in FY 2010: ($2,654,500) [($3,188,000) ongoing + $533,500 one-time]

- Personnel Reductions - 4.5 FTE
- 0.5 Accounting Tech
- 1 Information Specialist
- 3 Account Executives
- FTE reductions represent 6.7% of total FTE’s

**GOED Administration**

- Eliminate a part time accounting tech
- Limit travel and conferences to only key personnel and mission-essential trips
- Reduce computer counts and reassess needs for items requiring ongoing service (telephone lines/servers/printers)
- Reevaluate memberships
- Strengthen efforts to leverage the costs of marketing Utah businesses and advertising available resources and services

These measures will continue through FY 2011
TOURISM AND FILM

- Eliminate an information specialist in the Film Commission through attrition
- Renegotiate contracted services
- Reevaluate memberships
- Postpone the update of a new travel guide
- Postpone reprints of existing travel guide and strategize on distribution
- Improve costs of printing and mailing outgoing informational materials by strategically targeting key audiences
- Balance increased workload and overtime hours in the Film Commission
- Reduced available cash incentives for films

These measures will continue through FY 2011

BUSINESS DEVELOPMENT

- Eliminate 3 account executives through program elimination, retirement, and an unfilled vacancy
- Eliminate two programs
- Eliminate/reduce funding for selected grant programs
- Limit travel and conferences to mission-essential trips
- Consistently evaluate and monitor performance measures of each program and realign resources accordingly

These measures will continue through FY 2011

PETE SUAZO UTAH ATHLETIC COMMISSION (FORMERLY UNDER THE SPORTS AUTHORITY)

- Reduce the number of long distance events, thereby leveraging travel budget
- Absorb workload growth from increased sporting events requiring regulation during FY 2010
- For FY 2011, a backfill in the amount of $13,500 will go away. Since there is only one FTE for this program, more events must be managed with overstretched resources which will be challenging to balance with required overtime hours. The commission will need to either
decrease the number of events they are able to regulate, or reassess their fee schedule and hire additional assistance.

**DEPARTMENT OF ENVIRONMENTAL QUALITY**

The original FY 2009 appropriated budget for the Department of Environmental Quality was $87,158,400, with 17 percent ($15,056,600) being funded from General Fund. During the September 2008 Special Session General Fund budget reductions of $572,300 were made and further reduced in the 2009 General Session by $1,185,700.

The Legislature approved a FY 2010 base for the Department of Environmental Quality of $81,655,900. The base General Fund reduction of $3,387,400 represents a 23.7 percent reduction. The Legislature approved ongoing increases in departmental fees that will be collected as dedicated credits to offset $275,000 of the reductions. Ongoing state funding from the General Fund is $10,919,200.

The FY 2010 budget for the Department of Environmental Quality required a reduction of 17 FTEs through eliminating temporary, vacant, or filled positions. DEQ Divisional adjustments are as follows:

- The Executive Director’s Office eliminated 3 positions, through retirement and reassignment of responsibilities. They also increased employee contribution for mass transit passes, reorganized the Office of Support Services (OSS), reduced National Organization membership dues, and reduced environmental health services through local health departments.

- The Division of Air Quality eliminated 3 vacant positions and reduced purchases of new or replacement monitoring equipment that could slow air quality database development.

- The Division of Water Quality shifted purchase of conservation easements to federal funds when federal funds are available along with reducing watershed studies.

- The Division of Radiation Control eliminated 2 vacant positions.

- The Drinking Water Division eliminated 3 positions.

- The Division of Environmental Response and Remediation eliminated 5 positions through elimination of 4 vacant positions and a reduction in force of 1 FTE.

- The Division of Solid and Hazardous Waste eliminated 1 vacant position and replaced General Fund to restricted revenues for an FTE.
**TAX COMMISSION**

The Auditing Division attempts to increase the compliance rate through selective examination of taxpayer returns and supporting records. Through the 2009 General Session, the Auditing Division has experienced a decrease of $482,900 in budgeted expenditures. To implement the budget adjustments, the Auditing Division eliminated seven vacant auditing positions and reduced out-of-state travel and expenses.

The Technology Management Division maintains and operates the Tax Commission’s 60 automated systems. The budget decrease of $261,000 eliminated three vacant programmer positions.

The Processing Division disseminates tax forms, instructions, and publications. To implement the budget adjustment of $673,400, the division eliminated three vacant processing positions, eliminated 8.5 seasonal FTEs, reduced the number of income tax forms mailed, and decreased other various expenses.

The Taxpayer Services Division promotes voluntary compliance with tax statute through outreach and education programs. To implement the budget adjustment of $161,900, the division eliminated three vacant collection and support positions and other various expenses.

The Property Tax Division appraises and audits natural resource extraction and transportation related properties in the state. Through the 2009 General Session, the Property Tax Division experienced a decrease of $280,300 in budgeted expenditures. To implement the budget adjustments, the Property Tax Division eliminated one vacant research position, the funding for expert testimony in tax appeals cases, and various other expenses.

The Motor Vehicle Division administers statewide vehicle title, registration, and related functions. Through the 2009 General Session, the Motor Vehicles Division has experienced a decrease of $478,400 in budgeted expenditures. To implement the budget adjustments, the Motor Vehicle Division eliminated four vacant motor vehicle staff positions, reduced the physical size of the motor vehicle renewal notice, and reduced other various current expenses.

The Motor Vehicle Enforcement Division regulates motor vehicle fraud and fosters a healthy motor vehicle sales environment. To offset the budget adjustment of $140,000 the division was allowed to increase the temporary permit fee.

The Administration Division provides direction and operational support to the Tax Commission. To implement the budget adjustment of $78,100 the division eliminated one general services position and other various current expenses.