

DAS DIVISION OF FINANCE - MANDATED

INFRASTRUCTURE AND GENERAL GOVERNMENT APPROPRIATIONS SUBCOMMITTEE

BUDGET BRIEF

SUMMARY

Each year the Legislature funds items that impact several agencies, solve problems that don't apply to any specific agency, or that pose a conflict of interest to agency management. For these programs, the Legislature directs the Division of Finance to administer payment as intended for each appropriation. In the past, the Legislature funded Y2K, critical land issues, and inmate issues by placing the funds in dedicated accounts managed by the Division of Finance.

The Division of Finance manages expenditures as provided in appropriations acts for each program, but is not empowered to make policy decisions regarding funding in these areas.

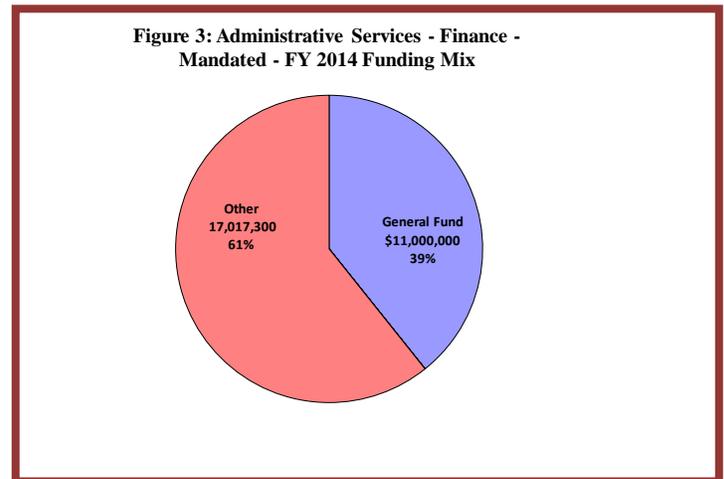
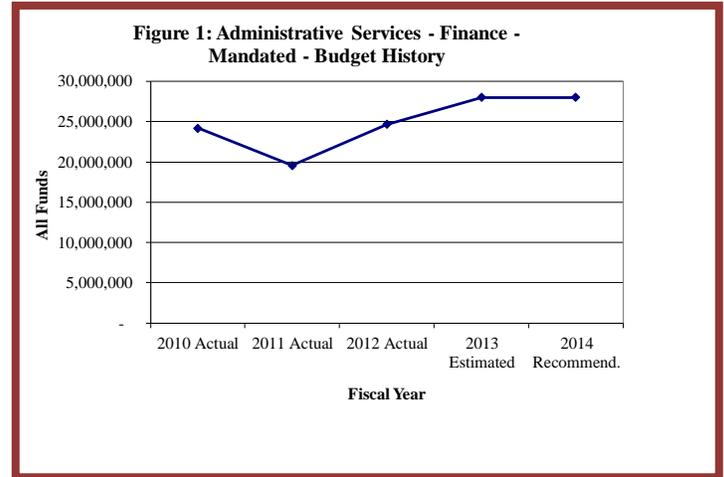
ISSUES AND RECOMMENDATIONS

Development Zone Partial Rebates

The Division of Finance is required by statute to make partial rebates from the Economic Incentive Restricted Account to certain industries which bring in new state revenues. Statute requires the account be used for any individual or company that enters into an agreement with the Governor's Office of Economic Development (GOED) and has generated verifiable new state revenues. The Analyst recommends a base budget amount of \$5,817,300 for FY 2014. The Governor recommended a FY 2013 supplemental increase of \$2,400,100 and an ongoing FY 2014 increase of \$2,748,300 to the Economic Incentive Restricted Account for this program. The Subcommittee might forward these recommended increases to the Executive Appropriations Committee for consideration.

Land Exchange Distribution Account

House Bill 134, *School and Institutional Trust Lands Amendments* (2007 G.S.) created the Land Exchange Distribution Account to be administered by the Division of Finance. The account collects the state's portion of Mineral Lease funds and distributes them to Utah counties and other entities in amounts determined by statutory formula. The funds are used by the counties to mitigate the impact caused by mineral development. By statute all money collected from mineral interests is deposited into the Land Exchange Distribution Account. However, in order for Finance to transfer money to the counties, the Legislature must appropriate funds from the Account. The Analyst recommends a base budget amount of \$11,200,000 for FY 2014.



Jail Reimbursement

House Bill 220, *State Payment and Reimbursement to County Correctional Facilities* (2009 G.S.), transferred the responsibility to disburse county jail reimbursement funds from Corrections to the Division of Finance. The Legislature transferred the Jail Reimbursement Program funding to the Finance Mandated line item beginning FY 2010. This program reimburses counties for housing state inmates in county jails. The Analyst recommends a base budget amount of \$11,000,000 for FY 2014.

LEGISLATIVE ACTION

The Analyst recommends the Legislature consider adopting a FY 2014 base appropriation of \$28,017,300 for the Finance Mandated programs as follows:

1. Development Zone Partial Rebates: \$5,817,300
2. Land Exchange Distribution: \$11,200,000
3. Jail Reimbursement: \$11,000,000

The Fiscal Analyst further recommends that the subcommittee forward to the Executive Appropriations Committee for further consideration:

1. A FY 2013 supplemental increase of \$2,400,100 and an ongoing FY 2014 increase of \$2,748,300 from available revenues for the Economic Incentive Restricted Account for the Development Zone Partial Rebates program.

BUDGET DETAIL TABLE

| Administrative Services - Finance - Mandated | | | | | | |
|---|---------------------------|---------------------------------|----------------------|----------------------------|----------------|--------------------------------|
| Sources of Finance | FY 2012 Actual | FY 2013 Appropriated | Changes | FY 2013 Revised | Changes | FY 2014* Recommended |
| General Fund | 8,000,000 | 11,000,000 | 0 | 11,000,000 | 0 | 11,000,000 |
| General Fund, One-time | 3,000,000 | 0 | 0 | 0 | 0 | 0 |
| GFR - Economic Incentive Restricted | 5,944,800 | 5,817,300 | 0 | 5,817,300 | 0 | 5,817,300 |
| GFR - Land Exchange Distribution Ac | 14,707,100 | 14,707,100 | (3,507,100) | 11,200,000 | 0 | 11,200,000 |
| Lapsing Balance | (6,965,300) | 0 | 0 | 0 | 0 | 0 |
| Total | \$24,686,600 | \$31,524,400 | (\$3,507,100) | \$28,017,300 | \$0 | \$28,017,300 |
| Programs | | | | | | |
| Land Exchange Distribution | 7,741,800 | 14,707,100 | (3,507,100) | 11,200,000 | 0 | 11,200,000 |
| Development Zone Partial Rebates | 5,944,800 | 5,817,300 | 0 | 5,817,300 | 0 | 5,817,300 |
| Jail Reimbursement | 11,000,000 | 11,000,000 | 0 | 11,000,000 | 0 | 11,000,000 |
| Total | \$24,686,600 | \$31,524,400 | (\$3,507,100) | \$28,017,300 | \$0 | \$28,017,300 |
| Categories of Expenditure | | | | | | |
| Other Charges/Pass Thru | 24,686,600 | 31,524,400 | (3,507,100) | 28,017,300 | 0 | 28,017,300 |
| Total | \$24,686,600 | \$31,524,400 | (\$3,507,100) | \$28,017,300 | \$0 | \$28,017,300 |

*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.