



OTHER FUNDING ISSUES FOR APPROVAL

SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE
STAFF: RUSSELL FRANSEN & STEPHEN JARDINE

ISSUE BRIEF

SUMMARY

This issue brief contains four dedicated credits increases for consideration for approval by the Social Services Appropriations Subcommittee.

LEGISLATIVE ACTION

The Analyst recommends that the Social Services Appropriations Subcommittee approve the following:

1. Authorize \$5,506,100 increase in dedicated credits for the Office of Recovery Services in the Department of Human Services for both FY 2014 and FY 2015.
2. Authorize \$47,800 increase in dedicated credits for the Administration line item in the Department of Workforce Services for both FY 2014 and FY 2015.
3. Authorize increases in dedicated credits of \$520,000 in FY 2014 and \$1,000,000 in FY 2015 in the Housing and Community Development line item in the Department of Workforce Services.
4. Authorize \$3,647,000 increase in dedicated credits for the Family Health and Preparedness line item in the Department of Health for FY 2014.

DISCUSSION AND ANALYSIS

Dedicated Credits

[UCA 63J-2-202\(2\)](#) states, "each agency that receives dedicated credits . . . revenues greater than the amount appropriated to them by the Legislature in the annual appropriations act may expend the excess up to 25% of the amount appropriated." There are four instances where agencies are requesting extra authority for dedicated credits.

1. ***Authorize \$5,506,100 increase in dedicated credits for the Office of Recovery Services in the Department of Human Services for both FY 2014 and FY 2015***

In requesting its FY 2014 Revised and its FY 2015 budget, the Office of Recovery Services (ORS) line item exceeded the FY 2014 appropriated amount of dedicated credits due to a technical change in the way the Division of Finance directed ORS to reflect certain revenues. This reclassification has no overall impact to total revenues. Instead of certain revenue being reported as federal funds, it is now reported as dedicated credits. Previously, money collected for the federal government and retained by ORS was used to offset the federal child support grant and was therefore called federal funds. ORS is now reflecting those funds as dedicated credits (collections).

2. ***Authorize \$47,800 increase in dedicated credits for the Administration line item in the Department of Workforce Services for both FY 2014 and FY 2015***

In requesting its FY 2014 and FY 2015 budgets, the Administration line item of the Department of Workforce Services (DWS) exceeded the FY 2014 appropriated amount of dedicated credits by \$47,800. DWS is requesting the Legislature authorize that increase in order to spend the additional dedicated credits in its Administrative Support unit. The department states, "The Department of Workforce Services receives the dedicated credits from existing contracts and will now be using

some of this revenue to pay for the central administrative costs associated with administering those contracts."

3. Authorize increases in dedicated credits of \$520,000 in FY 2014 and \$1,000,000 in FY 2015 in the Housing and Community Development line item in the Department of Workforce Services

The increase in dedicated credits is to hire up to five rural planners to work with community leaders to coordinate development of capital improvement projects in rural Utah. The Department hopes that this coordination will help to improve long-range planning and better utilized mineral lease revenues in the State.

4. Authorize \$3,647,000 increase in dedicated credits for the Family Health and Preparedness line item in the Department of Health for FY 2014

The Department of Health anticipates increase in dedicated credits primarily due to increases in rebates for the Women, Infants and Children Program. There are about 60,000 recipients in Utah who receive nutritional education and foods. FY 2013 saw an increase in rebates of 9% and increases may be even higher as the contract for rebates it out for bidding.