



EAC AGENCY BUDGET RECOMMENDATIONS

EXECUTIVE APPROPRIATIONS COMMITTEE
STAFF: STEVEN ALLRED AND JONATHAN BALL

ISSUE BRIEF

SUMMARY

The Executive Appropriations Committee directly oversees the budgets of the following agencies:

- Capitol Preservations Board
- Utah National Guard
- Department of Veterans and Military Affairs
- Legislature

This document includes the Analyst's recommendations for budgets, intent language, and fees for these agencies.

STATE FUNDED ITEMS RECOMMENDED FOR PRIORITIZATION

Capitol Preservation Board

- Increase the General Fund appropriation by \$280,000 ongoing for Risk Management Internal Service Fund – Property Insurance.

Explanation: Normally, the CPB pays internal service fund rates from its dedicated credit collections. However, this year the rate increase is unusually high. The Division of Risk Management hired an actuary to help set rates. The actuary found that buildings on Capitol Hill had higher values than reflected in premiums. Other agencies, particularly UDOT, were paying more than their share based on values. For UDOT, this meant a premium reduction of \$963,400 from the Transportation Fund. For CPB, it meant a premium increase which would be a challenge for them to fund by generating an additional \$280,000 in dedicated credits revenue. We recommend the Legislature fund the CPB premium increase from the General Fund.

Utah National Guard

- Increase the General Fund appropriation by \$1,200,000 one-time in FY 2021 for the West Traverse Sentinel Landscape (WTSL) Fund.

Explanation: The WTSL Fund's purpose is to identify and establish a "buffer" of land around the Camp Williams training area with the vision of being mutually beneficial to Camp Williams and surrounding communities. It helps mitigate some of the effects of military training: noise, dust, safety hazards, and fire. The communities benefit by the preservation of open land of compatible use, such as parks, trails, wildlife habitat, erosion control, agriculture, and wildfire mitigation. The WTSL committee has identified 11,314 acres for participation in the program. State funds provide a 25 percent match and, if approved, will be used in the amount of \$1 million for 205 acres on the south boundary, and \$200,000 for 46 acres on the north boundary. The 2019 Legislature appropriated \$1,000,000 one-time from the General Fund. Since 2015, about \$25 million in federal funds have been invested in the project, and about \$8 million in matching funds have been donated by stakeholders.

Veterans and Military Affairs

- Increase the General Fund appropriation by \$500,000 one-time in FY 2021 to continue the Veteran First Time Home Buyer Program.

Explanation: The Veterans First Time Home Buyer Program assists Utah resident veterans who have separated from the military within the past five years and resident Utahns currently serving in uniform with a \$2,500 grant at time of closing on the purchase of their first primary residence dwelling in Utah. The focus of the program is to keep veterans in Utah, bring them back to Utah (if they are from here or served here previously), and attract them in recognizing that Utah is a great place to live and raise a family. The program is managed by Olene Walker Housing Fund Program and Utah Housing Corporation. This would be the third appropriation of \$500,000 one-time from the General Fund. The Legislature appropriated \$500,000 one-time in each of the 2018 and 2019 General Sessions.

OTHER BUDGET ADJUSTMENTS

Capitol Preservation Board

1. Increase dedicated credits appropriation by:
 - a. \$29,100 one-time in FY 2020
 - b. \$29,100 ongoing in FY 2021
 - c. \$109,600 one-time in FY 2021

Explanation: The CPB's FY 2020 dedicated credits appropriation, and therefore its FY 2021 base appropriation, is \$498,900. This recommendation will increase the appropriation to \$528,000 in FY 2020 and \$637,600 in FY 2021. Of the FY 2021 amount, we recommend \$109,600 be one-time because of uncertainty over future collections during demolition of the north building. This appropriation will go in the State Capitol Fund line item. Because this line item is over 90 percent dedicated credits, the agency can spend whatever it collects. We suggest the increased appropriation for improved accuracy.

Legislature

1. Adjust appropriations for the Criminal Code Task Force. We recommend changing ongoing funding to one-time in FY 2021, reduced by half, as follows:
 - a. LRGC: From \$40,000 ongoing to \$20,000 one-time
 - b. Senate: From \$4,700 ongoing to \$2,300 one-time
 - c. House of Representatives: From \$4,700 ongoing to \$2,300 one-time

Explanation: House Bill 335, 2019 General Session, gave the task force a sunset date of December 31, 2020 (halfway through FY 2021).

2. Reallocate \$94,200 one-time General Fund in FY 2020 from Legislative Research and General Counsel (LRGC) to Legislative Services for Constitutional Defense.

Explanation: During FY 2019 the Legislature appropriated \$157,500 ongoing General Fund to LRGC. During FY 2020, the Legislature moved the ongoing appropriation to Legislative Services, but left the FY 2019 portion in LRGC. LRGC has spent \$63,300, leaving \$94,200 one-time available to reallocate to Legislative Services.

3. Reallocate \$48,500 one-time General Fund in FY 2020 from the Legislative Fiscal Analyst (LFA) to Legislative Services for employee compensation.

Explanation: Soon after the Legislature created the Legislative Services line item, an employee from LFA moved to Legislative Services. The employee had accumulated annual leave, comp time, and other benefits while at LFA. We recommend the one-time transfer of \$48,500 from LFA to Legislative Services to cover the liability.

- 4. Consolidate the Legislative Support line item into the Legislative Services line item in FY 2021.

Explanation: The Legislature established the Legislative Support line item in FY 2014 to centrally account for certain enterprise-level information technology expenses shared among legislative organizations. In FY 2018, the Legislature created the Legislative Services line item to centrally account for all other enterprise costs. Now that the Legislative Services line item is well established, we recommend consolidating Legislative Support into Legislative Services, so all enterprise-wide costs are in the same line item. The FY 2021 base appropriation for Legislative Support is \$413,200 from the General Fund and \$306,100 from nonlapsing balances.

Utah National Guard

- Increase the FY 2021 federal funds appropriation by \$314,100. The UNG base federal funds appropriation is \$58,232,600. This increase would raise the base appropriation by .5%, to a new total of \$58,546,700.

Federal Funds Request Summary for State FY 2021

July 1, 2020 through June 30, 2021

Grant Title	CFDA Number	ARRA mark "X"	Federal Annual Award	Annual Match Requirement								% Pass-Through	New Permanent Staff	
				Matching State Funds										
				General Fund	Dedicated Credits	Restricted Funds	Other Funds	In Kind	Maint. Of Effort	Total State Match	Local/Other			
NATIONAL GUARD														
1 National Guard Military Operations & Maintenance	12.401		\$37,979,000	\$7,280,200	\$0	\$0	\$0	\$0	\$0	\$0	\$7,280,200	\$0	0%	0.00
2 Military Construction National Guard	12.400		\$14,392,700	\$5,464,300	\$0	\$0	\$0	\$0	\$0	\$0	\$5,464,300	\$0	0%	0.00
3 DOJ Law Enforcement Assistance	16		\$6,125,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	0.00
4 DOJ Equitable Sharing Program	16.922		\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	0.00
Division/Program Totals			\$58,546,700	\$12,744,500	\$0	\$0	\$0	\$0	\$0	\$0	\$12,744,500	\$0	0%	0.00
NATIONAL GUARD TOTALS														
State FY 2021				\$58,546,700	\$12,744,500	\$0	\$0	\$0	\$0	\$0	\$12,744,500	\$0	0%	0.00

Item #2, Military Construction, is one-time and represents the Nephi armory for which state funds were approved during the 2019 General Session.

- Increase dedicated credits appropriations to the Morale, Welfare, and Recreation (MWR) Fund to bring lodging revenue into the fund:
 - \$2,500,000 one-time in FY 2020
 - \$1,500,000 ongoing in FY 2021

Explanation: We recommend bringing the Camp Williams lodging program into the MWR Fund. Army and National Guard regulations allow for a lodging fund to charge for rooms at training installations. The fund has been operating independently for years with oversight from a lodging board of directors. Bringing it into the state system will improve oversight of the program. The funds will be in the state’s accounting system, audited by the Division of Finance, and reported to the public.

Veterans and Military Affairs

- Increase the FY 2020 federal funds appropriation by \$5,100 for the State Approving Agency.

Supplemental Federal Funds Request Summary for State FY 2020

July 1, 2019 through June 30, 2020

Grant Title	CFDA Number	ARRA mark "X"	Federal Annual Award	Annual Match Requirement							% Pass-Through	New Permanent Staff	
				Matching State Funds									
				General Fund	Dedicated Credits	Restricted Funds	Other Funds	In Kind	Maint. Of Effort	Total State Match			Local/Other
VETERANS' AFFAIRS													
1 State Approving Agency for Veterans Education	None		\$5,100	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	0.00
Division/Program Totals			\$5,100	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	0.00
VETERANS' AFFAIRS TOTALS				\$5,100	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	0.00

- Increase the FY 2021 federal funds appropriation by \$3,700. The DVMA base federal funds appropriation is \$41,130,300. This increase would raise the base appropriation by .01% to a new total of \$41,134,000.

Federal Funds Request Summary for State FY 2021

July 1, 2020 through June 30, 2021

Grant Title	CFDA Number	ARRA mark "X"	Federal Annual Award	Annual Match Requirement							% Pass-Through	New Permanent Staff	
				Matching State Funds									
				General Fund	Dedicated Credits	Restricted Funds	Other Funds	In Kind	Maint. Of Effort	Total State Match			Local/Other
VETERANS' AFFAIRS													
1 Veterans State Nursing Home Care	64.015		\$38,782,400	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	0.00
2 Veterans Prescription Service	64.012		\$1,700,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	0.00
3 Veterans Burial Allowance	64.201		\$410,900	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	0.00
4 State Approving Agency for Veterans Education	None		\$280,700	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	0.00
Division/Program Totals			\$41,134,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	0.00
VETERANS' AFFAIRS TOTALS				\$41,134,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	0.00

INTENT LANGUAGE

Capitol Preservation Board

The Legislature intends that the Capitol Preservation Board report by October 31, 2020 to the Executive Appropriations Committee on the following performance measures for the Capitol Preservation Board line item: (1) Stewardship plan for a safe, sustainable environment through maintenance, facility operations, and improvements (Target = 100 year life); (2) Provision of high quality tours, information, and education to the public (Target = 50,000 students and 200,000 visitors annually); (3) Provision of event and scheduling program for all government meetings, free speech activities, and public events (Target = 4,000 annually); and (4) Provision of exhibit and curatorial services on Capitol Hill to maintain the collections of artifacts for use and enjoyment of the general public (Target = 9,000 items).

Under terms of Section 63J-1-603(3)(a) Utah Code Annotated, the Legislature intends that appropriations provided for the Capitol Preservation Board in item 15, Chapter 6, Laws of Utah 2019 not lapse at the close of Fiscal Year 2020. Use of any nonlapsing funds is limited to one-time operations costs.

Legislature

(LRGC) The Legislature intends that the Office of Legislative Research and General Counsel report by October 31, 2020 to the Subcommittee on Oversight on the following performance measures: (1) Bills ready for introduction within two business days after receiving approval from the sponsor (Target: 95%); (2) Bills numbered and ready for introduction on the first day of the annual general session (Target: 225 bills); (3) Priority bills completed or abandoned by the 5th Wednesday of the session (Target: 98%); (4) Legislator satisfaction regarding the quality of interim committee support and analyst standing committee support (Target: 90% rate “very good” or “excellent” on the biennial legislator survey); (5) Legislator satisfaction regarding timeliness and quality of research and information (Target: 90% rate “very good” or “excellent” on the biennial legislator survey); (6) Timely distribution of “Interim Highlights” to the Legislature (Target: Four business days after interim); (7) New employee computer account set up within one business day after receiving notification of hire (Target: 100%); and (8) Legislative committee rooms opened, tested, and ready for meetings no later than one hour before any scheduled meetings (Target: 100%).

(LFA) The Legislature intends that the Legislative Fiscal Analyst report by October 31, 2020 to the Subcommittee on Oversight on the following performance measures: (1) On-target revenue estimates (Target = 92% accurate for estimates 18 months out, 98% accurate for estimates four months out); (2) Correct appropriations bills (Target = 99%); (3) Unrevised fiscal notes (Target = 99.5%); (4) Timely fiscal notes (Target = 95%); and (5) Timely performance notes (Target = 85%).

(LAG) The Legislature intends that the Legislative Auditor General report by October 31, 2020 to the Subcommittee on Oversight on the following performance measures: (1) Total audits completed each year (Target = 18); (2) Agency recommendations implemented (Target = 98%); and (3) Legislative recommendations implemented (Target = 100%).

(Legislative Support - If budget consolidation is approved) The Legislature intends that, at the close of fiscal year 2020 accounting, the Division of Finance transfer any fiscal year 2020 closing nonlapsing balances in the Legislative Support line item to the Legislative Services line item as fiscal year 2021 beginning nonlapsing balances.

(Legislative Services – if budget consolidation is approved) The Legislature intends that, at the close of fiscal year 2020 accounting, the Division of Finance transfer any fiscal year 2020 closing nonlapsing balances in the Legislative Support line item to the Legislative Services line item as fiscal year 2021 beginning nonlapsing balances.

Utah National Guard

The Legislature intends that the Utah National Guard report by October 31, 2020 to the Executive Appropriations Committee on the following performance measures for the National Guard line item: (1) Personnel readiness (Target = 100% assigned strength); (2) Individual training readiness (Target = 90% Military Occupational Specialty qualification); (3) Collective unit training readiness (Target = 100% fulfillment of every mission assigned by the Commander in Chief and, for units in training years 3 and 4 of the Sustainment Readiness Model, 80% attendance at unit annual training); and (4) Installation readiness (Target = Installation Status Report of category 2 or higher for each facility).

The Legislature intends that the Utah National Guard be allowed to increase its vehicle fleet by up to three vehicles with funding from existing appropriations.

(MWR Fund) The Legislature intends that the Utah National Guard report by October 31, 2020 to the Executive Appropriations Committee on the following performance measures for the Morale, Welfare, and Recreation Fund line item: (1) Sustainability (Target = Income equal to or greater than expenses); and (2) Enhanced morale (Target = 70% positive feedback).

Veterans and Military Affairs

The Legislature intends that the Department of Veterans and Military Affairs report by October 31, 2020 to the Executive Appropriations Committee on the following performance measures for the Veterans and Military Affairs line item: (1) Provide programs that assist veterans with filing and receiving compensation, pension, and educational benefits administered by the U.S. Veterans Administration (Target = 5% annual growth); (2) Assist in ensuring veterans are employed in the Utah workforce (Target = Veterans unemployment rate no greater than the statewide unemployment rate); (3) Increase the number of current conflict veterans that are connected to appropriate services (Target = 10% annual increase); (4) Provide veterans with a full range of burial services and related benefits that reflect dignity, compassion, and respect (Target = 95% satisfaction); and (5) Identify, plan, and advise on military mission workload opportunities through engagement with federal and state parties and decision makers (Target = 95%).

Under terms of Section 63J-1-603(3)(a) Utah Code Annotated, the Legislature intends that appropriations provided for the Department of Veterans and Military Affairs in Item 25, Chapter 6, Laws of Utah 2019 not lapse at the close of Fiscal Year 2020. Use of any nonlapsing funds is limited to veterans outreach, cemetery, and First Time Home Buyer Program one-time operations costs.

(Nursing Home) The Legislature intends that the Department of Veterans' and Military Affairs report by October 31, 2020 to the Executive Appropriations Committee on the following performance measures for the Veterans' Nursing Home Fund line item: (1) Occupancy rate (Target = 95% average); (2) Compliance with all state and federal regulations for operations, licensing, and payments (Target = 95%); (3) Best in class rating in all national customer satisfaction surveys (Target = 80%); and (4) Deviations in operations, safety, or payments are addressed within specified times (Target = 95%).

FEE CHANGES**Capitol Preservation Board**

Eliminate the following fees:

1. Centennial Room #130/per hour: \$50.00. Previous Quantity: 6. Estimated Revenue Change: (\$300.00). *Explanation:* The Centennial Room was remodeled into office space and is no longer a rentable room.
2. Centennial Room #130/per hour during Legislative Session: \$0. Estimated Revenue Change: \$0. *Explanation:* The Centennial Room was remodeled into office space and is no longer a rentable room.
3. State Office Building Auditorium, General Public, during Legislative Session with use of preferred caterer: \$0. Estimated Revenue Change: \$0. *Explanation:* This fee was listed twice on the fee schedule which was not needed.
4. State Office Building Auditorium, Nonprofits, during Legislative Session: \$75. Previous Quantity: 1. Estimated Revenue Change: (\$75.00). *Explanation:* The fee was the same as the fee when not in legislative session; there is no need to break it out separately.
5. PA System (Podium and Microphone) with one speaker: \$50.00. Previous Quantity: 1. Estimated Revenue Change: (\$50.00). *Explanation:* No longer how CPB rents the equipment. The podium and the microphone are shown separately elsewhere in the fee schedule.
6. Table Pedestal Round 20": \$10.00. Previous Quantity: 1. Estimated Revenue Change: (\$10.00). *Explanation:* This fee was listed twice, one at 42" and one at 20". This is the same table with an adjustable base offering the two different heights, so the two fees are not needed.

Subtotal revenue change from eliminated fees: (\$435.00)

Add the following fee:

1. Speaker: \$15.00. Estimated Quantity: 1. Estimated Revenue Change: \$15.00. *Explanation:* CPB has new Bluetooth speakers that are rentable for use with computers, projectors, and other devices.

Subtotal revenue change from added fee: \$15.00

Total revenue change from CPB fee changes: (\$420.00)

Utah National Guard

No fee changes.

Veterans and Military Affairs

Amend the following fees:

1. Veterans' Burial: From \$796.00 to \$812.00. Increase of \$16.00. Estimated Quantity: 375. Estimated Revenue Change: \$6,000.00. *Explanation:* Rate set by the federal government.
2. Spouse/Dependent Burial: From \$796.00 to \$812.00. Increase of \$16.00. Estimated Quantity: 150. Estimated Revenue Change: \$2,400. *Explanation:* Rate set by the federal government.
3. Niche Vase: From \$0 to \$25.00. Increase of \$25.00. Estimated Quantity: 30. Estimated Revenue Change: \$750.00. *Explanation:* Rate set by the federal government.

Total revenue change from DVMA fee changes: \$9,150.00