

Ref#	Ongoing State Funds	One-time State Funds	Total Funds ¹	Base Total Funding/ Fund Balance(2)	Budget Reduction Options ³ - Subcommittee Proposal as of 2/10/2020	Requires Other Changes?
	(\$960,100)	(\$1,816,000)			Consensus Budget Reduction Items (green) 1-24-20	
14	(\$27,500)	\$13,800	(\$275,000)	\$550,800	DOH & DHS – Savings from Ending Building Lease The Department of Health currently pays \$550,800 annually to lease some of the Dan Jones (HK-Towers) in Salt Lake City. This lease expires at the end of December 2020 and there may be space in other Health buildings for these staff. This reduction lets the department keep 50% of the savings and backfills the savings for the first half of fiscal year 2021 where the lease must still be paid. Health: "The contract ends December 31, 2020. The Department is currently working through a space analysis and results are yet to be determined. If a sufficient number of staff across all divisions in the Cannon Building begin teleworking in 2020, the Department is considering allowing the 'Dan Jones' lease to expire and moving the PRISM team into the Cannon Building. Although there may be savings with the lease, additional moving costs will be incurred to relocate staff."	No
15	\$0	(\$100,000)	(\$100,000)	\$4,500,000	DOH - Medical Cannabis Payback State's Investment The Legislature passed the following in S.B. 2, Item 108 from the 2019 General Session: "The Legislature intends that the Department of Health repay to the General Fund by FY 2026 the start-up costs provided from the General Fund associated with the implementation of medical cannabis." This reduction assumes that the Department can pay back \$0.1 million or 2% of the State's \$4.5 million initial investment in FY 2021. Health: "The Department does not recommend this reduction for FY2021. State Law does not mandate purchases from the licensed cannabis pharmacies until January 2021. Fiscal year 2021 is the first full implementation year and exact revenues that will be collected to support the Department's responsibilities is uncertain."	No
16	(\$34,600)	\$0	\$34,600	\$580,000	DOH – Medicaid Funds for Utah Statewide Immunization Information System (USIS) In 2011 Medicaid provided a \$69,200 in total funding at a General Fund cost of \$34,600. This reduction assumes that the program could get that same amount and reduce General Fund 1:1 for the increased federal funds received and allows the department to keep 50% of the projected increase. Health: "It is uncertain if, or how, Medicaid contributions could be implemented and in what form. The Utah Medicaid eligible population is low, which, when coupled with a likely required 50% admin match for any funding, the possible Medicaid contribution to USIS would be small. If Medicaid funds were to become available, they would be used to defray increasing IT costs required to support the USIS system, and to support the system's growing customer base and data storage needs—not to replace ongoing state funding."	No

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17	(\$590,000)	\$590,000	\$590,000	\$1,670,000	DOH - Charge Water Systems for Quality Testing The Department of Health spends \$1,500,000 General Fund (\$1,670,00 total funds) annually testing water quality statewide. This reduction charges 79% of the costs to 60 water utilities each serving more than 10,000 individuals, which serve 79% of Utah's population beginning July 1, 2021. These water utilities charge their customers for their services and if these costs were spread across all customers, then the average customer would see an increase of \$0.47 per person in their household in their annual water bill. The annual charge per water utility would range from around \$5,000 to \$160,000. This would let the department keep 1/2 of the increase or \$590,000 from the new fee. Health: "There would be no guarantee that water utilities would pay the fee in a timely manner and the politics and policies that govern water utilities passing costs on to their customers are complex and often managed at the level of a city council."	Yes— Statute and/or new fees
18	(\$14,900)	(\$14,900)	(\$14,900)	\$120,250,000	DOH - Unspent Funds Annually for the Last Four Years Here are the unspent amounts annually from FY 2016 to FY 2019 including money that would have lapsed were it not for the nonlapsing authority for later deposits into the Traumatic Brain Fund - \$10,400, \$9,200, \$116,700, and \$14,900. This reduction assumes that the department will continue to not spend funds at the same level of FY 2019 going forward and the reduction will not have impact on programs. Health: "The unspent funds in FY 2019 were due to the module not costing as much as anticipated as well as unspent funds budgeted for ultrasounds. The number of ultrasound requests vary from year to year. Reducing the funds would potentially cause the Division not to be able to pay for ultrasounds as mandated to women potentially seeking abortion. In FY 2020 to date, in FINET we have paid a total of \$200 total for ultrasounds. Total 2020 appropriations for informed consent activities is \$17,500. Projected expenditures through the remainder of the fiscal year is \$12,500 leaving a projected unexpended lapsing balance of up to \$5,000 "	No
19	(\$4,000)	(\$1,700)	(\$4,600)	\$15,500	DOH - End of Child Care Licensing Mailings Effective January 28, 2019 Child Care Licensing will no longer mail postcards and other items to providers and will exclusively use electronic communications. This results in annual reduction in postage costs of \$8,100 General Fund (\$9,100 total fund). This reduction allows the department to keep 50% of the projected increase. Health: "There are no cost savings to the Department. The decision to no longer mail items utilizing general funds was a budgetary decision to be able to reduce costs in this area and redirect budget to other areas of the program as needed such as maintaining the data system."	No
20	(\$37,000)	\$0	(\$37,000)	\$37,000	DOH - Increase Child Care Licensing Fee The base fee for child care annual licensing is \$31. This would double the fee to \$62. The fee would need to be raised to around \$800 in order for the fee to cover all \$1,040,000 in inspection costs. Other states' similar fees Colorado, Washington, and Wyoming have fees ranging from \$30 to \$225 (fees vary depending on the number of children among other variables). This fee revenue goes into the General Fund.	Yes - Yes - fee change

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21	(\$320,000)	(\$450,000)	(\$1,000,000)	\$140,000,000	DOH - More Savings From 90 Day Supply of Generic Drugs in Medicaid The savings from the first six months of a mandatory 90 day supply of certain generic drugs in Medicaid has been \$1.1 million total fund. If this trend continue, annual savings would be \$2.2 million total fund vs \$1.0 taken in FY 2020 and \$1.4 million taken in FY 2021. The reductions assume \$2.2 million ongoing savings and reflect the 30%+ state match in Medicaid. Health: "Projected savings for FY2020 are difficult to evaluate. The newness of the three-month program, the changes related to Medicaid expansion, and the switch from Fee for Service to more managed care in January 2020 limit a longer term projection at this time." For more information please visit https://medicaid.utah.gov/wp-content/uploads/2019/11/SS-Report-90-Day-Supply-of-Prescription-	No
22	(\$3,200,000)	(\$770,000)	(\$9,800,000)	\$25,000,000	DOH - End Paying Percentage of Billed Charges for Medicaid Rural Inpatient Hospital Claims Rural inpatient hospitals are paid 89% of billed charges for covered services. Urban inpatient-hospitals are paid based on Medicare's methodology which has set fees primarily based on diagnosis-codes. This reduction changes rural hospital inpatient hospital payment to match urban inpatient-hospital methodology starting April 2020.	Yes— Medicaid- State Plan- Amendme nt
23	(\$231,400)	\$0	(\$231,400)	\$4,312,200	DHS - Reduce Aging Alternatives Allocation to Match Actual Spending The State provides General Fund to support the Aging Alternatives program, which is operated locally by the Area Agencies on Aging (AAAs). At the close of FY 2019, the AAAs had not used the full allocation. This reduction would reduce the ongoing funding commensurately beginning in FY 2021.	No
24	(\$457,100)	\$0	(\$457,100)	\$1,219,800	DHS - Reduce Aging Waiver Allocation to Match Actual Spending The State provides General Fund to support the Medicaid Aging Waiver program, which is operated locally by the Area Agencies on Aging (AAAs). At the close of FY 2019, the AAAs had not used the full allocation. This reduction would reduce the ongoing funding commensurately beginning in FY 2021.	No
25	(\$28,300)	(\$53,500)	(\$28,300)	\$79,500	DHS - Reduce Funding for Manual Record Expungements The Legislature appropriated \$70,800 from the General Fund beginning in FY 2019 for requested manual expungements from the Child and Family Services database. The division has received fewer requests than anticipated, amounting to costs of about \$17,300 in FY 2020 and \$42,500 in future years.	No
26	\$0	(\$2,000,000)	\$0	\$18,716,000	DHS - Use Social Services Block Grant Reserve The department has a reserve balance of \$6.8 million. This flexible funding source could cover various expenses one time and leave a balance for planned projects and spending flexibility.	No
27	(\$423,100)	\$0	(\$423,100)	\$2,500,000	DHS - Recover Federal Medicaid Match and Commercial Reimbursement for Mobile Crisis Outreach Teams The Legislature has provided \$2.5 million ongoing from the General Fund for mobile crisis outreach teams (MCOTs). Approximately 10-40% percent of clients receiving services are Medicaid eligible. This item assumes 25% of clients could receive federal reimbursement. Additionally, there are other states, such as Oregon, that have billed commercial insurance for these services; the department reports that legislative changes would be needed.	No

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28	\$0	(\$59,000)	(\$948,100)	\$2,595,000	DHS - Recover Unspent Funds for Mobile Crisis Outreach Teams The Legislature appropriated \$2,595,000 for five new mobile crisis outreach teams (MCOTs) in H.B. 370 (2018 G.S.). The teams began operating in January 2019, which left about one-third of the funding unspent in FY 2019.	No
29	\$0	(\$300,000)	(\$300,000)	\$2,000,000	DHS - Use Increased Medicare and Private Insurance Collections Starting in FY 2018, the Utah State Hospital (USH) was authorized to bill Medicare for eligible individuals who are served in the forensic unit and has collected significant additional funds since then. USH estimates increased collections from Medicare and private insurance of about \$650,000 in FY 2020 and FY 2021. With this new revenue, General Fund could be reduced while leaving some new revenue for safety upgrades required by accreditation standards.	No
30	(\$245,800)	(\$245,800)	\$0	\$1,000,000	DHS - Use Federal Funds for Family Residential Treatment Programs The Legislature appropriated \$1 million ongoing for family treatment programs starting in FY 2020. There is now federal match available, so the program could be continued at the current resource-level with less General Fund, both for the current year and future years.	No
31	(\$15,600)	(\$7,800)	(\$15,600)	\$36,000	DHS - Recover New Revenue for Theater Rentals The Utah State Developmental Center (USDC) rents a theater on their property for use by the public and charges fees for that use. USDC uses a contractor to handle the theater rentals and receives a flat fee in return. Beginning January 2020, the contractor is paying \$1,300 more per month. Because USDC has maintained the theater and equipment at the previous contracted rate, the additional revenue is not needed for operations.	No
32	\$0	(\$5,282,900)	(\$15,904,300)	\$26,226,700	DHS - Recover Unspent Funds for Intermediate Care Facility Transition to Community Services (DSPD) In FY 2020, the Legislature appropriated \$8.6 million ongoing, minus (\$4.2 million) one time, from the General Fund in FY 2020 to the Division of Services for People with Disabilities (DSPD) to transition 250 residents of intermediate care facilities to community-based services by FY 2024. At most, only 75 individuals will transition during FY 2020. With the slow rate of individuals transitioning, even if 150 individuals are served in FY 2021, the division will not expend all funds for this purpose: unspent funds will likely total more than \$1.8 million in FY 2020 and \$3.5 million in FY 2021.	No
33	\$0	(\$160,700)	(\$160,700)	\$531,100	DHS - Recover Unspent Funds for Juvenile Competency Attainment Services The Legislature appropriated \$364,300 ongoing for these services but the department did not expend all funds in FY 2019 for this purpose. The department anticipates needing the full appropriation in future years.	No
34	\$0	(\$116,000)	(\$194,000)	\$194,000	DHS - Recover Unspent Funds for Intermediate Care Facility Transition to Community Services (OPG) In FY 2020, the Legislature appropriated \$116,000 ongoing from the General Fund to the Office of Public Guardian (OPG) to assist in the transition of 250 residents of intermediate care facilities to community-based services by FY 2024. The office has hired one of two funded FTEs. At most, only 75 individuals will transition during FY 2020. With the slow rate of individuals transitioning, additional staffing is not likely to be needed until after FY 2021. This item recovers unused funding for one FTE one-time in FY 2020 and one-time in FY 2021.	No

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35	(\$14,000)	(\$10,500)	(\$14,000)	\$14,000	DHS - Recover Savings from Automation of Child Support Payment Collection The Office of Recovery Services previously accepted cash child support payments, which required routine pick-ups by armored truck. The office now only accepts payments into an automated teller machine.	No
36	\$0	(\$72,600)	(\$145,200)	\$264,000	DHS - Recover Unspent Funds for Medical Benefit Recovery The Legislature appropriated \$196,000 for FY 2019 and \$264,000 for FY 2020 (half from General Fund, half from federal match) for additional Office of Recovery Services staff to pursue TEFRA liens in accordance with S.B. 241 (2018 G.S.). The office did not expend \$117,800 in FY 2019 and \$27,400 in FY 2020 (total funds) for this purpose.	No
37	(\$105,000)	\$0	(\$105,000)	\$160,000	DWS - Eliminate Work is the Way Work is the Way was funded for 40 students, but the first four sessions show a trend of declining enrollments: 10 students, eight students, seven students, and six students respectively (for a total of 31 enrollments in FY19). It is unlikely that this trend will change. Work is the Way is a restaurant and food industry training program targeted to underserved populations, including the homeless, refugees, and veterans. This proposed reduction combined with the consensus reduction \$55,000 would eliminate all funding for the program.	No
38	(\$1,000,000)	\$0	(\$1,000,000)	\$9,315,800	DWS - Utah Weatherization Assistance Program Case Load Decline Weatherization Assistance caseloads declined by 33% over the last four years (FY2016-2019). \$1,000,000 was appropriated one-time for FY20 and \$1,000,000 ongoing to expand services to a new population. Yet projected spending for FY20 is \$271,000 based on first quarter spending (approx. \$67,700). In addition to state funds, the program receives ongoing federal funds of \$8,534,800 and \$2,000 one-time, as well as \$700 in dedicated credits and \$777,500 in expendable receipts. The Weatherization Assistance program helps reduce energy consumption and utility bills for low-income households.	No
39	\$0	(\$2,585,000)	\$0	\$3,750,000	DWS - Redirect SAEA Balances to Higher Priority Needs DWS estimates Special Administrative Expense Account (Fund 1281) realistic collections (available for use) at \$3.75 million for FY 2021. Thirty one percent of these funds, or \$1,165,500, will go towards collection costs associated with collecting the debts on this fund, leaving \$2,585,000 available for legislatively determined purposes. DWS has requested approval to spend FY 2021 funds on the following programs: Adult Education and Technical Skill Partnerships (\$450,000), Apprenticeships (\$500,000), Employment for Blind and Visually Impaired (\$75,000), Urban to Rural Job Partnership (\$500,000), Veterans Credentials (\$560,000), and Workforce NOW (\$500,000). Annual caseloads for job seekers served has declined 32% over the past four years, from 221,200 in FY16 to 149,900 in FY19, indicating a lower demand for job related services.	No
20	\$ (2,730,300)	\$ (3,162,700)		\$ 365,517,400	Grand Total - Budget Reduction Options	
		-0.5%	\$ (5,893,000)	\$ 1,097,559,200	Grand Total - State Funds (Ongoing and One-time)	

(1) If there are numbers in both the Ongoing and One-Time State Funds columns, Total Funds represents ongoing funds.

(2) The Base Total Funding is ongoing FY 2021 funding from all sources and may be broader or more targeted depending on the scope of the item. For accounts the base is the balance in the account.

(3) DOH = Department of Health, DHS = Department of Human Services, DWS = Department of Workforce Services

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Please visit <https://cobi.utah.gov/2020/5/issues> for updated descriptions of reduction options.

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