



# DEPARTMENT OF COMMERCE ACCOUNTABLE BUDGET REVIEW

BUSINESS, ECONOMIC DEVELOPMENT, AND LABOR APPROPRIATIONS SUBCOMMITTEE  
STAFF: TIM DINEHART AND GARY SYPHUS

## ISSUE BRIEF

### SUMMARY

JR3-2-501 as amended in HJR 18, 2019 General Session requires each appropriations subcommittee to “create an accountable process budget for approximately 20% of the budgets that fall within the subcommittee’s responsibilities” ensuring “that each of the budgets for which the appropriations subcommittee has responsibility is the subject of an accountable budget process at least once every five years.” Subcommittees first implemented this rule during the 2019 Interim. During the 2020 Interim, the Legislature suspended the rule due to the heightened scrutiny budgets were already receiving in the pandemic.

The Business, Economic Development, and Labor Appropriations Subcommittee (BEDL) hears and oversees nine budget areas of the state government: Department of Alcoholic Beverage Control, Department of Commerce, Department of Financial Institutions, Department of Cultural and Community Engagement, Department of Insurance, Governor’s Office of Economic Opportunity, Labor Commission, Public Service Commission, and Utah State Tax Commission. The Department of Commerce and the Department of Financial Institutions are the agencies selected for an accountable budget review during the 2022 Interim.

This brief and subsequent briefs in the August and October meetings are intended to assist BEDL members’ review the Department of Commerce by starting from zero, answering detailed questions on the policies that drive the budget, and providing recommendations on the extent to which funding should be included in a base budget bill for Fiscal Year 2024. This brief will provide an initial overview of line item and program budgets with further in-depth analysis of vendor-level expenditure data, personnel costs, and other items at the subcommittee’s request provided in later documentation.

This brief includes the following recommendations for the August Interim Meeting:

1. Ask the agency to review its various “education” funds to determine if any policy changes can make their usage more uniform. See Expendable Revenue Funds on page 3.
2. Review potential use of PURF funds for administrative needs related to the Public Utilities division. See page 15.
3. Update performance measures reported to policy makers.

Further recommendations may be made and voted on by the Subcommittee in later meetings.

### OVERVIEW

The Utah Department of Commerce is the licensing and registration agency for Utah's professional and corporate community. Business registrations, professional licensing, consumer protection and education, oversight of public utilities, and monitoring real estate and securities industries are all included within department responsibilities. The mission of the Department of Commerce is to “strengthen trust in Utah’s Commercial Activities.” The vision of the Department of Commerce is that “the Department of Commerce helps Utah’s commercial activities operate efficiently and fairly.” The Department creates this environment through defining a regulatory space for professionals and commercial endeavors to engage in business without fear of fraud or misconduct.

### KEY TERMS

The Budgetary Procedures Act (UCA Title 63J Chapter 1) governs how agencies use legislative appropriations. The act defines several key terms that will be helpful while reviewing the Department of Commerce’s budget. These include:

"Dedicated credits" means collections by an agency that fund agency operations. Dedicated credits include fees, donations, assessments, sales, fines, and other revenues.

"Federal revenues" means collections by an agency from a federal source that are deposited into an account for expenditure by the agency.

"Line item" means a unit of accounting within an agency, that contains one or more programs. An appropriation or any surplus of any appropriation may not be diverted from any line item to any other line item unless approved by the Legislature.

"Program" means a unit of accounting included on a schedule of programs within a line item used to track budget authorizations, collections, and expenditures on specific purposes or functions. An agency may transfer money appropriated to it from one program to another program if the agency revises its budget execution plan with the Division of Finance.

"Restricted revenue" means collections that are deposited, by law, into a separate fund, sub-fund, or account, and designated for a specific program or purpose. The Commerce Service Fund serves as an element of restricted revenue for this review.

The Department of Commerce has two categories of appropriation – or "appropriation types." These include "Operating and Capital Budgets" and "Expendable Funds and Accounts." These categories are defined as follows:

"Operating and Capital Budgets" are what people typically mean when they talk about "the budget". They grant to agencies, divisions, and programs of state government authority to expend public money. With a few exceptions, spending is "capped" at the amount appropriated.

"Expendable Funds and Accounts" are, for the most part, "expendable special revenue funds" – funds and accounts that have a dedicated revenue source and can be spent without legislative action. The exceptions are enterprise funds and general fund restricted accounts that act like expendable special revenue funds. In some cases, the Legislature may authorize the Division of Finance to move resources from one fund or account into another fund or account where the recipient fund or account can be spent without additional legislative action.

Legislative Joint Rule 3-2-402 instructs that in a base budget, appropriations from the General Fund, the Education Fund, and the Uniform School Fund shall be set as follows: 1) if the next fiscal year ongoing revenue estimates are equal to or greater than the current fiscal year ongoing appropriations, the new fiscal year base budget is not changed; 2) if the next fiscal year ongoing revenue estimates are less than the current fiscal year ongoing appropriations, the new fiscal year base budget is reduced by the same percentage that projected next fiscal year ongoing revenue estimates are lower than the total of current fiscal year ongoing appropriations.

### **BUDGET ORGANIZATION**

The Legislature approves budgets for the Department of Commerce in four distinct line items, each with programs as shown below the line item name:

1. Commerce General Regulation line item
  - a. Administration
  - b. Building Operations and Maintenance
  - c. Consumer Protection
  - d. Corporations and Commercial Code

- e. Occupational and Professional Licensing
- f. Office of Consumer Services
- g. Public Utilities
- h. Real Estate
- i. Securities

- 2. Building Inspector Training line item
- 3. Office of Consumer Services – Professional and Technical Services line item (Technical Line Item for previously authorized non-lapsing balances)
- 4. Public Utilities – Professional and Technical Services line item (Technical Line Item for previously authorized non-lapsing balances)

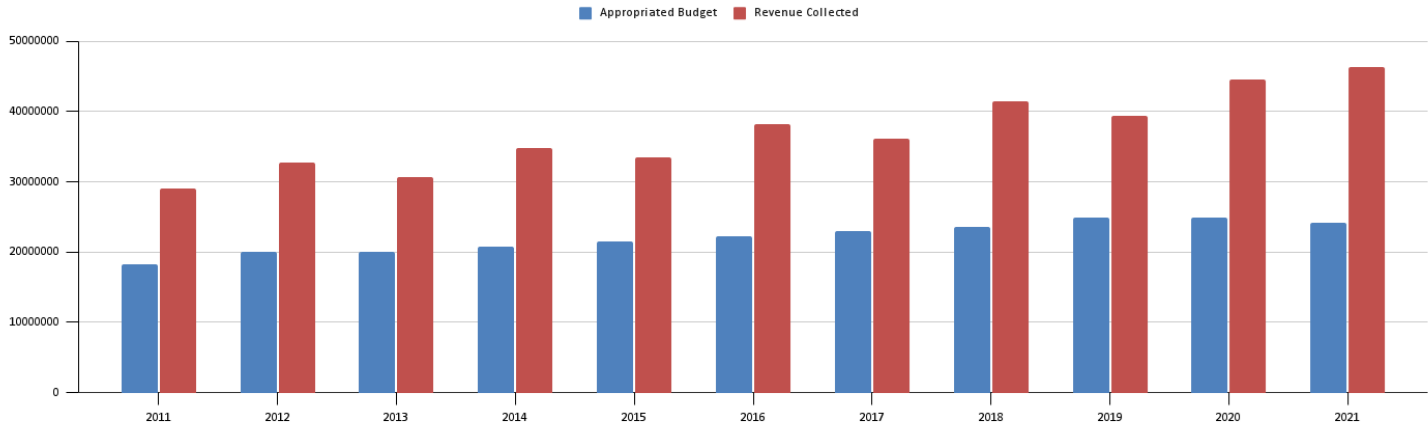
The Legislature also approves appropriations from expendable revenue funds. These funds can technically operate without appropriations by the Legislature, but they are included “on budget” for transparency purposes. These items are shown below:

- 1. Architecture Education and Enforcement Fund
- 2. Consumer Protection Education and Training Fund
- 3. Cosmetologist/Barber, Esthetician, Electrologist Fund
- 4. Land Surveyor/Engineer Education and Enforcement Fund
- 5. Landscapes Architects Education and Enforcement Fund
- 6. Physicians Education Fund
- 7. Real Estate Education, Research, and Recovery Fund
- 8. Residence Lien Recovery Fund
- 9. Residential Mortgage Loan Education, Research, and Recovery Fund
- 10. Securities Investor Education/Training/Enforcement Fund

Please refer to the [Compendium of Budget Information](#) (COBI) for additional detail about each program.

## COMMERCE SERVICE FUND - REVENUES VS. APPROPRIATIONS

One important element of the Department of Commerce’s budget to remember during this analysis is the Commerce Service Fund, also known as the Commerce Service Account. Unlike many agencies in state government, the Department of Commerce generates its own funding through fines and fees. All fees collected by each division of the department are deposited into a restricted account within the General Fund known as the “Commerce Service Account.” This account may not exceed \$1,000,000 at the end of any fiscal year, leading to any undesignated funds in the account over the limit being transferred to the General Fund. As a result of this structure, the agency technically covers its own expenses with any additional generated revenue acting as a surplus included in yearly revenue.



The above graphic showcases the difference between the Department of Commerce’s collections through fees and the appropriations that compose their budget for the ten-year period from 2011 to 2021. By the late 2010’s, the Department was collecting more than \$15 million per year with limited increases to services or alterations to the Department’s fee schedule. Most of these increased revenues came through two divisions: Securities and Corporations. The table below illustrates the difference in collections.

Division	2018 Actual		2019 Actual		2020 Actual		2021 Actual		2022 YTD*		2023 Projected**	
	Appropriation	Revenue	Appropriation	Revenue	Appropriation	Revenue	Appropriation	Revenue	Appropriation	Revenue YTD*	Appropriation	Revenue Projected
Administration / IT	4,262,800	31,400	4,234,700	37,600	4,885,100	38,000	4,770,000	52,300	7,317,700	43,100	9,260,000	44,000
DOPL	9,427,200	13,712,300	9,707,200	10,715,700	9,793,100	15,540,600	9,538,300	13,663,500	9,607,800	17,225,600	11,240,300	14,700,000
Securities	2,058,400	13,265,000	2,188,600	13,700,000	2,351,800	13,624,500	2,448,000	14,445,900	2,483,900	15,507,000	3,854,200	11,827,000
Consumer Protection	1,962,300	1,036,100	2,025,100	1,057,500	2,084,600	1,065,000	2,111,000	1,006,200	2,144,100	1,040,200	2,300,600	1,010,000
Corporations	2,383,000	11,522,700	2,639,500	12,081,200	2,771,900	12,380,800	2,787,000	14,734,900	2,824,400	15,757,300	4,513,700	14,097,300
Real Estate	2,149,600	1,865,300	2,187,700	1,833,500	2,227,500	1,883,500	2,237,800	2,381,500	2,269,000	2,448,500	2,326,100	2,440,000
Building / Rent	288,100	0	314,400	0	314,400	0	298,900	0	374,700	0	374,700	0
Commerce Service Fund	22,531,400	41,432,800	23,297,200	39,425,500	24,428,400	44,532,400	24,191,000	46,284,300	27,021,600	52,021,700	33,869,600	44,118,300

Three clear takeaways emerge that should be interesting to policymakers related to appropriations and revenue generation. First, the Division of Corporations and the Division of Securities from 2018-2022 earn between \$11 and \$16 million in revenue versus stable appropriations of around \$2 to \$3 million. Second, the Division of Consumer Protection, Division of Real Estate, and Administration all collect less revenue from 2018-2022 than their appropriations. These two points illustrate the tradeoffs in policy related to coordinating fees and services as the types of customers, the fees paid, and the services rendered vary from division to division. The last and possibly most important takeaway from this table is the significant increases to the Division of Securities and Division of Corporations seen in FY 2023 and how those changes coincide with a policy choice that legislators made on fees to lower the disparity between the Commerce Service Fund’s revenues and appropriations. Two significant budget requests in the Governor’s Budget were approved by the Business, Economic Development, and Labor Appropriations Subcommittee, the Executive Appropriations Committee, and the Legislature to close some of the gap between revenues and appropriations in these two main revenue-generating divisions.

**COMMERCE SERVICE FUND – FEE CHANGES**

When policymakers and the Department of Commerce decided to make changes to the difference between Commerce Service Fund appropriations and revenues, they decided on a two-pronged approach. The first half of the equation was mentioned previously as a significant budget increase to divisions that were generating larger amounts of revenue. The second half was a series of decreases to fees to reduce collections on the revenue-side of the equation.

<b>Securities</b>	Current fee	FY 2020 Volume	FY 2021 Volume	<b>Two-year average</b>	New Proposed Fee	Projected Revenue Reduction
<b>Licensing Fees</b>						
Broker Dealer Agent Applications	\$60	163,231	176,892	<b>170000.5</b>	<b>\$40</b>	\$3,400,010
Broker-Dealers	\$200	1,488	1,506	<b>1,497</b>	<b>\$130</b>	\$104,790
Investment Advisers	\$100	241	254	<b>248</b>	<b>\$40</b>	\$14,850
Federal Covered Advisers	\$100	1,266	1,351	<b>1,309</b>	<b>\$70</b>	\$39,255
I.A. Representatives	\$50	5,839	6,281	<b>6,060</b>	<b>\$30</b>	\$121,200
<b>Grand Total</b>		<b>172,065</b>	<b>186,284</b>	<b>179113.5</b>		<b>\$3,680,105</b>
<b>Corporations</b>						
LLC Domestic and Foreign Application	70	47,928	60,458	54193	<b>54</b>	\$867,088
LLC Domestic and Foreign Renewal	15	200,850	227,521	214185.5	<b>13</b>	\$428,371
DBA Renewals	22	13,213	13,404	13308.5	<b>13</b>	\$119,777
DBA Registrations	22	17,934	20,513	19223.5	<b>22</b>	\$0
Domestic & Foreign Profit Application	70	6,388	7,740	7064	<b>54</b>	\$113,024
Domestic & Foreign Profit Renewal	20	64,610	68,376	66493	<b>18</b>	\$132,986
<b>Grand Total</b>		<b>350,923</b>	<b>398,012</b>	<b>374467.5</b>		<b>\$1,661,246</b>

The above table may seem familiar to members of the Business, Economic Development, and Labor Appropriations Subcommittee. During the subcommittee's last meeting on February 8, 2022, the chairs brought forth a proposal for "fee flexibility" that looked somewhat like the changes above. The proposal allowed for the Department of Commerce to charge a range for each proposed fee between the "Current Fee" and "New Proposed Fee." The Executive Appropriations Committee and final fee bill as voted on by the Legislature went a step further by locking in fees at the values shown in red. These changes were significant decreases, with the Division of Securities having an expected revenue reduction of \$3,680,105 and the Division of Corporations having an expected decrease of \$1,661,246 for a total of around \$5.3 million in fee reductions.

**FY 2024 OPERATING AND CAPITAL BASE BUDGET**

Per Joint Rule 3-2-402, if FY 2024 revenue estimates are equal to or greater than the FY 2023 ongoing appropriations, the Department of Commerce's FY 2024 Operating and Capital base budget starting point will be as follows:

FY 2024 Base Budget		
Dollars	Ops & Cap	Percentage of Total Budget
Commerce Service Fund	33,085,400	75.53
Public Utility Restricted Account	6,966,900	15.90
Dedicated Credits	1,568,000	3.58
Beginning Nonlapsing	1,453,100	3.32
Transfers	1,032,400	2.36
Federal Funds	445,700	1.02
Pawnbroker Operations (GFR)	149,100	0.34
Pass-Through	140,200	0.32
Factory Built Housing Fees (GFR)	110,000	0.25
Nurses Ed and Enf Account (GFR)	52,800	0.12
Geologist Ed. And Enf. (GFR)	21,500	0.05
Utah Housing Opportunity Restricted Account (GFR)	20,400	0.05
Latino Community Support Restricted Account (GFR)	12,500	0.03
General Fund	600	0.00
Closing Nonlapsing	(1,253,100)	(2.86)
Total	43,805,500	

- The Operating and Capital base budget has 270 full-time equivalent (FTE) employees and 36 vehicles.
- 91% of the Department's Operating and Capital Budget comes from two sources: The Commerce Service Fund and the Public Utility Restricted Account (sometimes known as the PURF).
- When combining the prior mentioned funds with dedicated credits and beginning/closing nonlapsing balances, 95.5% of total budget is fully accounted for under the Operating and Capital Budget.

**FY 2024 EXPENDABLE FUNDS BASE BUDGET**

Per Joint Rule 3-2-402, if FY 2024 revenue estimates are equal to or greater than the FY 2023 ongoing appropriations, the Department of Commerce's FY 2024 Expendable Fund base budget starting point will be as follows:

FY 2024 Base Budget		
Dollars	Expendable Special Funds	Percentage of Total Budget
Beginning Nonlapsing	5,668,400	140.69
Licenses/Fees	797,100	19.78
Dedicated Credits	1,010,900	25.09
Interest Income	11,800	0.29
Closing Nonlapsing	(3,459,300)	(85.86)
Total	4,028,900	

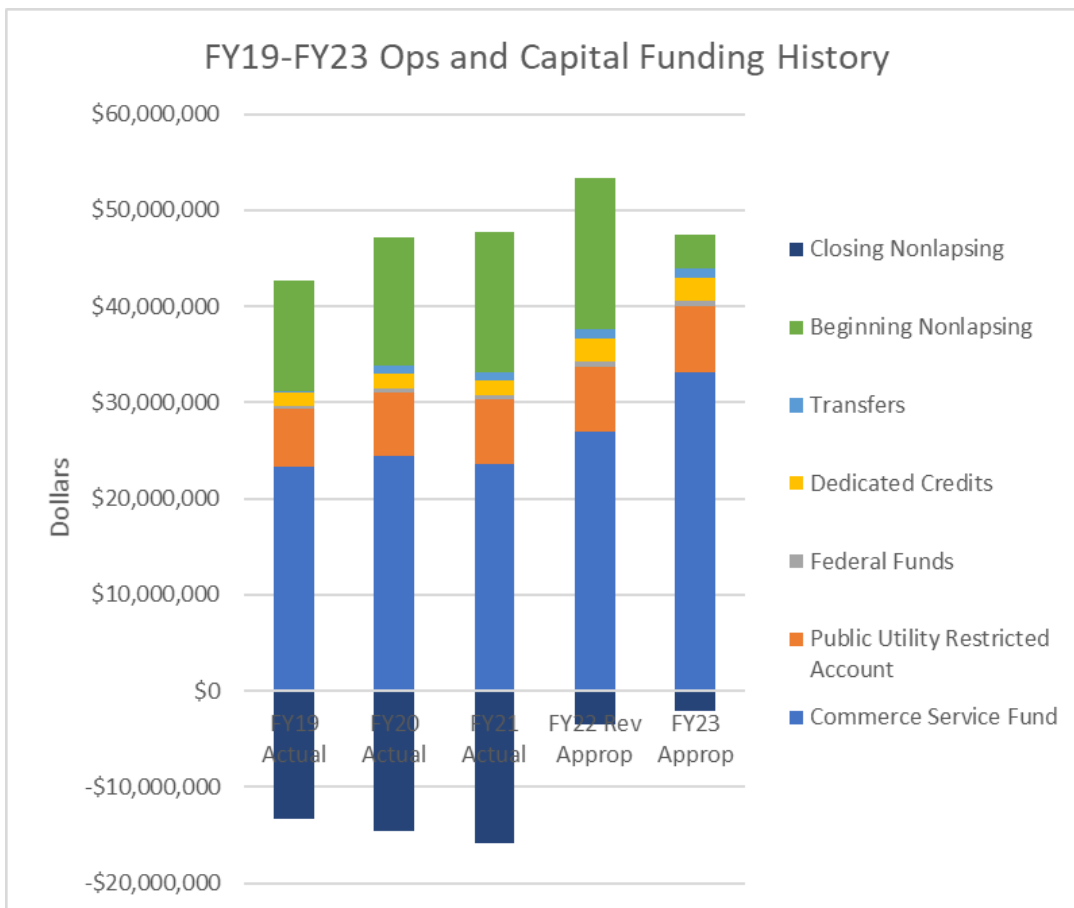
- Beginning and Closing Nonlapsing Balances can often be distorting and confusing when not taken as a whole. While both categories are included in the "Percentage of Total Budget Column" to stay consistent with the Ops and Cap base budget, they should generally be considered as two sides of the same coin. To get a better picture of the full expected budget, combine their totals to get an idea of the "flow" of nonlapsing balances for the agency. For this table, we would consider there to be \$2,209,100 or 54.83% of total funds locked into "balances used as part of the budget." This difference between beginning and closing nonlapsing represents the portion of funds expected for use in the budget and will change when actuals are reported.
- Expendable Funds constitute 8% of the total combined Ops and Capital/Expendable Fund budget for the Department of Commerce.
- Licenses/Fees reflect targeted fees for trainings and fines related to enforcement for the specific "education-focused" expendable revenue funds mentioned on page 3 of this document. These funds do not deposit into the Commerce Service Account like other fees (DOPL).
- The Expendable Fund base budget has 9 full-time equivalent (FTE) employees and 0 vehicles.

## FIVE-YEAR BUDGET HISTORY

The following information provides a five-year history of the Department of Commerce's budgets and expenditures beginning with total budgets, then broken down by line item, in numerical and graphical format. All dollars are in thousands. After showing the "Commerce General Regulation Line Item," this brief will show individual program level data to better showcase the various divisions of the Department of Commerce.

### **Total Budget – Ops and Capital Funding History**

	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Rev Approp	FY23 Approp
Commerce Service Fund	23,359,100	24,422,200	23,598,600	26,917,900	33,085,400
Commerce Service Fund One-Time	166,800	75,400	520,200	103,100	783,600
Public Utility Restricted Account	5,942,100	6,678,700	6,750,100	6,845,800	6,985,200
Federal Funds	356,200	344,700	460,900	492,700	445,700
Federal Funds One-Time	0	0	0	1,500	1,700
Dedicated Credits	1,347,000	1,577,100	1,550,800	2,351,700	2,409,500
Transfers	222,200	863,800	752,500	1,004,000	1,036,100
Pass-Through	53,000	88,400	109,800	137,300	140,800
GFR Accounts	299,300	416,400	341,300	388,100	367,800
General Fund	69,800	71,200	600	600	600
General Fund, One-Time	200	(71,200)	71,600	0	0
Transfer for COVID-19 Response	0	21,700	15,500	0	0
Single Sign-On Expendable Special Revenue Fund	0	0	0	300,000	0
Beginning Nonlapsing	11,458,100	13,262,600	14,637,200	15,777,800	3,553,100
Closing Nonlapsing	(13,262,600)	(14,637,100)	(15,777,800)	(3,553,100)	(2,086,400)
Lapsing	(346,300)	(388,200)	(607,200)	0	0
Total	29,664,900	32,725,700	32,424,100	50,767,400	46,723,100

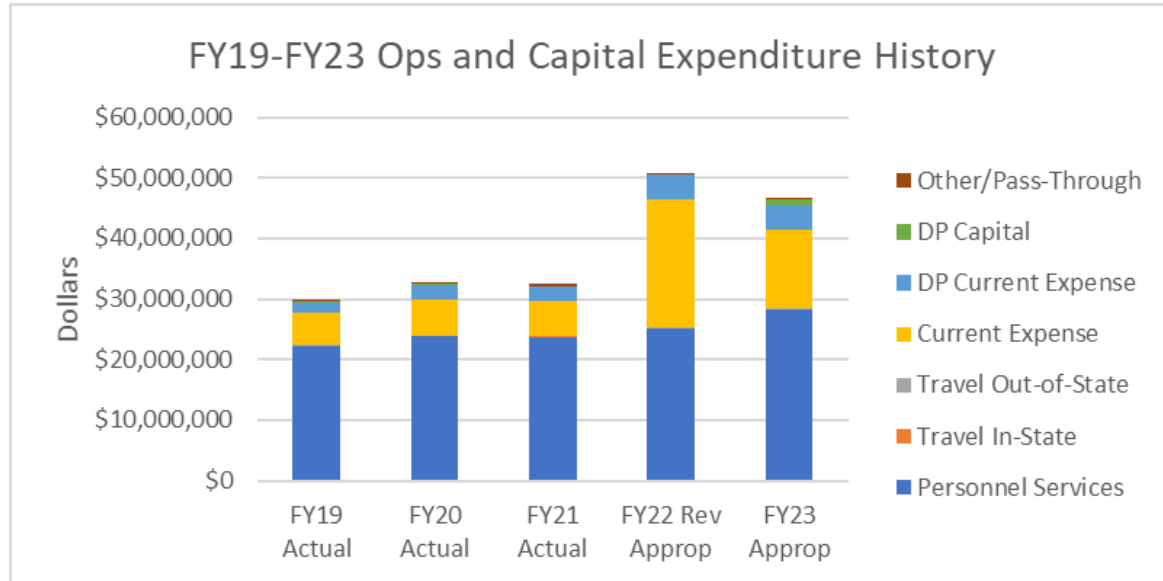


***Takeaways from Five-Year Budget History (Appropriations)***

- First, it's important when looking at more than five categories of data to avoid areas of excess noise. General Fund, General Fund Restricted Accounts (GFR), Transfers, Federal Funds, and Pass-Through have remained relatively stable in the last three years. While there are policy decisions related to these areas and they may be points of interest for a later meeting, their stability tells less of the story about the last five years of budget history.
- FY 2021 Actual tells the first interesting story. We see that the light blue bar, Commerce Service Fund, has not followed general trends of adjusting for inflation and compensation. This is directly connected to the COVID-19 pandemic recession, and the budget cuts implemented during the 2020 Fifth Special Session. Policymakers were faced with an abrupt economic change-of-course and responded with a push for agencies to determine 2%, 5%, and 10% levels for budget cuts related to the General/Education funds. As the Commerce Service Fund is the only major source connected to General/Education Fund, a 5% cut was implemented during the FY 2021 budget.
- FY 2022's Revised Appropriation tells a second interesting story related to the Green and Dark Blue bars on the above chart. In previous years, the beginning and closing nonlapsing balances for the agency have been oddly large. This may seem like the agency is harboring funds that they aren't spending, but it's not the full story. The bulk of these funds are related to Public Utilities and Consumer Services (the two technical line items that are used for expert witnesses and testimony related to rate cases), with these balances distorting expected beginning and closing nonlapsing balances. The cyclical nature of energy rate cases sometimes exceeds appropriations (leading to emptying of portions of these balances) before they begin accumulating again.
- FY 2023's appropriation tells the last important story. With the distortions provided by Nonlapsing Balances out of the way, the growth in the light blue bar here reflects actual restoration of budget cuts from the 2020 Fifth Special Session, and several increases to the Department of Commerce's budget. These major changes include approximately \$3 million in increases for services at the Divisions of Securities and Corporations along with a new Office of Licensure Review. Total Commerce Service Fund appropriations increased by \$6,167,500 from FY 2022 to FY 2023, an increase of 22%.

## Total Budget – Ops and Capital Expenditure History

	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Rev Approp	FY23 Approp
Personnel Services	22,220,000	23,845,000	23,766,700	25,118,800	28,241,600
Travel In-State	77,400	46,100	10,500	80,500	68,100
Travel Out-of-State	64,800	44,400	300	107,000	107,000
Current Expense	5,328,900	5,877,400	5,901,500	21,090,100	13,038,700
DP Current Expense	1,691,000	2,401,000	2,366,100	4,224,200	3,993,900
DP Capital	223,500	242,900	90,300	0	1,127,000
Other/Pass-Through	59,300	268,900	288,700	146,800	146,800
Total	29,664,900	32,725,700	32,424,100	50,767,400	46,723,100

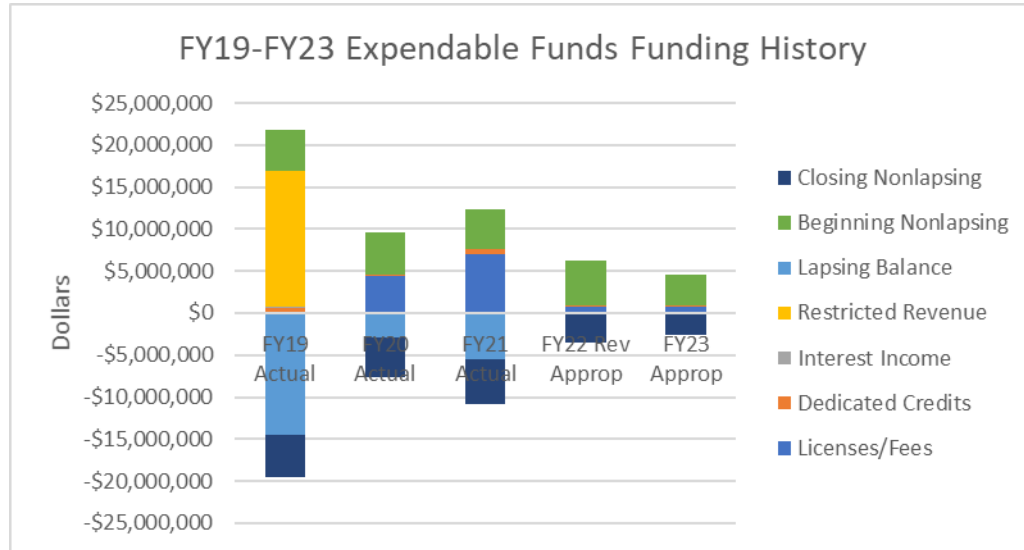


## Takeaways from Five-Year Budget History (Expenditures)

- 2021 expenditures show the effects of budget reductions and the COVID-19 Pandemic. Personnel Services decreased by \$78,300, In-State travel decreased by 78% and Out-of-State travel effectively decreased to zero (99% decrease).
- Personnel Services is still the dominant expenditure category for the Department of Commerce, but other categories are slowly lowering its percentage of total expenditures from 74% of total budget in FY 2019 to 60% in FY 2023.
- After restorations, DP Current Expense, DP Capital, and Current Expense have increased significantly from pre-FY 2021 levels. From FY 2020 to FY 2023, Current Expense has risen 122% (excluding the distortions of FY 2022), DP Capital has risen 364%, and DP Current Expense has increased 66%. Two significant factors behind this growth are increased expenses related to the Attorney General's office and the Department of Technology Services.

**Total Budget – Expendable Funds Funding History**

	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Rev Approp	FY23 Approp
Licenses/Fees	0	4,346,900	6,964,400	785,900	799,100
Dedicated Credits	602,100	189,200	646,800	156,200	163,100
Interest Income	112,100	85,700	20,100	11,400	11,800
Restricted Revenue	16,170,400	0	(22,300)	0	0
Lapsing Balance	(14,508,200)	(2,925,400)	(5,491,600)	0	0
Beginning Nonlapsing	4,919,300	5,028,800	4,727,800	5,277,200	3,568,400
Closing Nonlapsing	(5,028,800)	(4,727,800)	(5,277,200)	(3,534,800)	(2,626,000)
Total	2,266,900	1,997,400	1,568,000	2,695,900	1,916,400

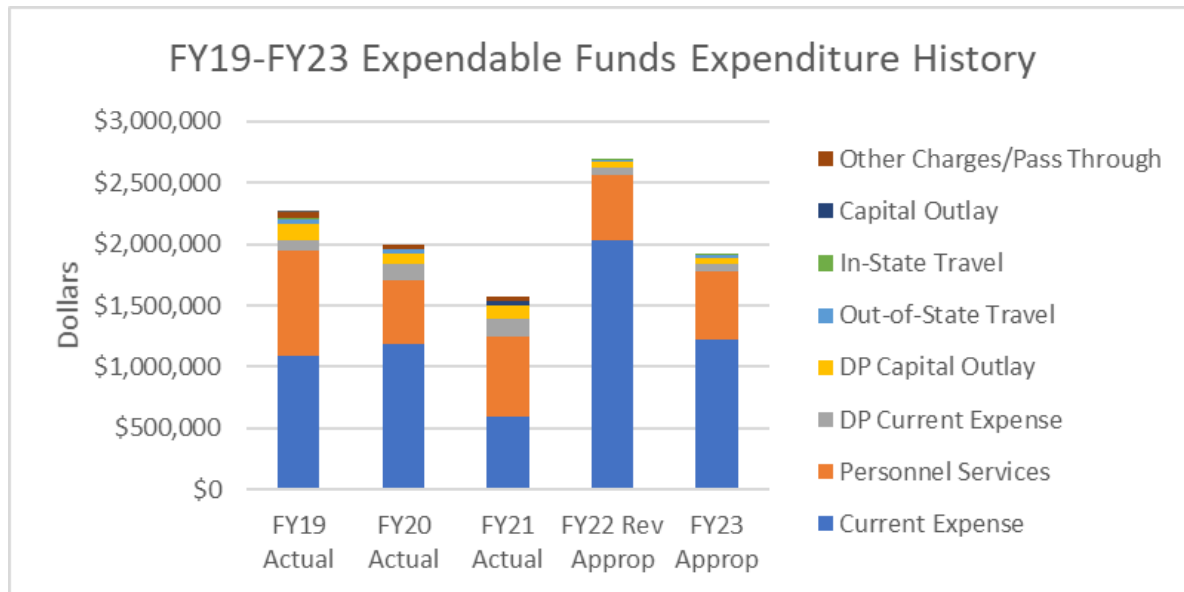


**Takeaways from Five-Year Budget History (Appropriations)**

- FY 2019 has a large yellow bar that stands out when compared to the rest of FY 2019 – FY 2023. This is related to both an event and a classification of that event. The sudden flow of funds comes from a settlement of around \$10 million from Wells Fargo that year which was classified in our system as restricted revenue. Since FY 2020, these settlement funds (mostly in the Division of Consumer Protection) have been classified under Licenses/Fees in FINET.
- There are currently no indicated Licenses/Fees included in the FY 2022 Revised Appropriation and the FY 2023 Appropriation. The Department of Commerce believes that these settlements are rare in nature and should not be budgeted outside of actuals due to uncertainty. Any funds gathered would lapse to the General Fund.

**Total Budget – Expendable Funds Expenditure History**

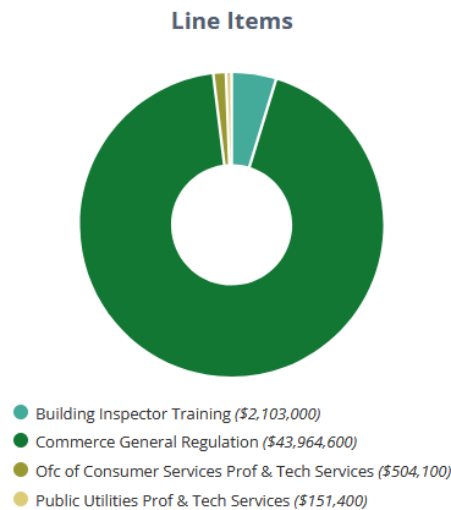
	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Rev Approp	FY23 Approp
Current Expense	1,092,400	1,181,900	600,100	2,027,600	1,227,600
Personnel Services	859,600	523,000	645,600	538,900	556,600
DP Current Expense	83,000	137,100	144,600	55,000	57,800
DP Capital Outlay	135,600	85,400	116,000	50,000	50,000
Out-of-State Travel	31,500	32,700	400	14,000	14,000
In-State Travel	8,000	2,300	0	10,400	10,400
Capital Outlay	0	0	31,300	0	0
Other Charges/Pass Through	56,800	35,000	30,000	0	0
Total	2,266,900	1,997,400	1,568,000	2,695,900	1,916,400

**Takeaways from Five-Year Budget History (Expenditures)**

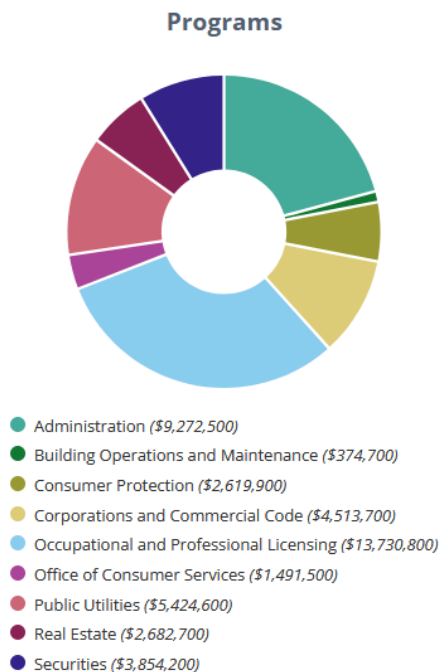
- Personnel Services has been stable in recent years. Current expense did spike in FY 2022's Revised Appropriation based on expected \$1 million arriving from a known major settlement.

### Line Items – Ops and Capital Overview

As mentioned previously in this document, there are four main line items within the Department of Commerce: Building Inspector Training, Office of Consumer Services – Professional and Technical Services, and Public Utilities Professional and Technical Services. The Professional and Technical Service line items exist to hold nonlapsing balances and dedicated credits payment of expert witnesses/testimony related to those respective offices. The Building Inspector Line Item exists so the Department can collect funds from building permit surcharges and then use those funds to educate the construction industry on changes in building code while providing continuing education for licensure. As seen by the chart below (FY 22-23 budget), the focus, operational center, and largest part of the Department of Commerce’s budget is its General Regulation Line Item. The rest of this document will show five-year budget histories for these programs and provide any takeaways relevant to the Accountable Budget Process.

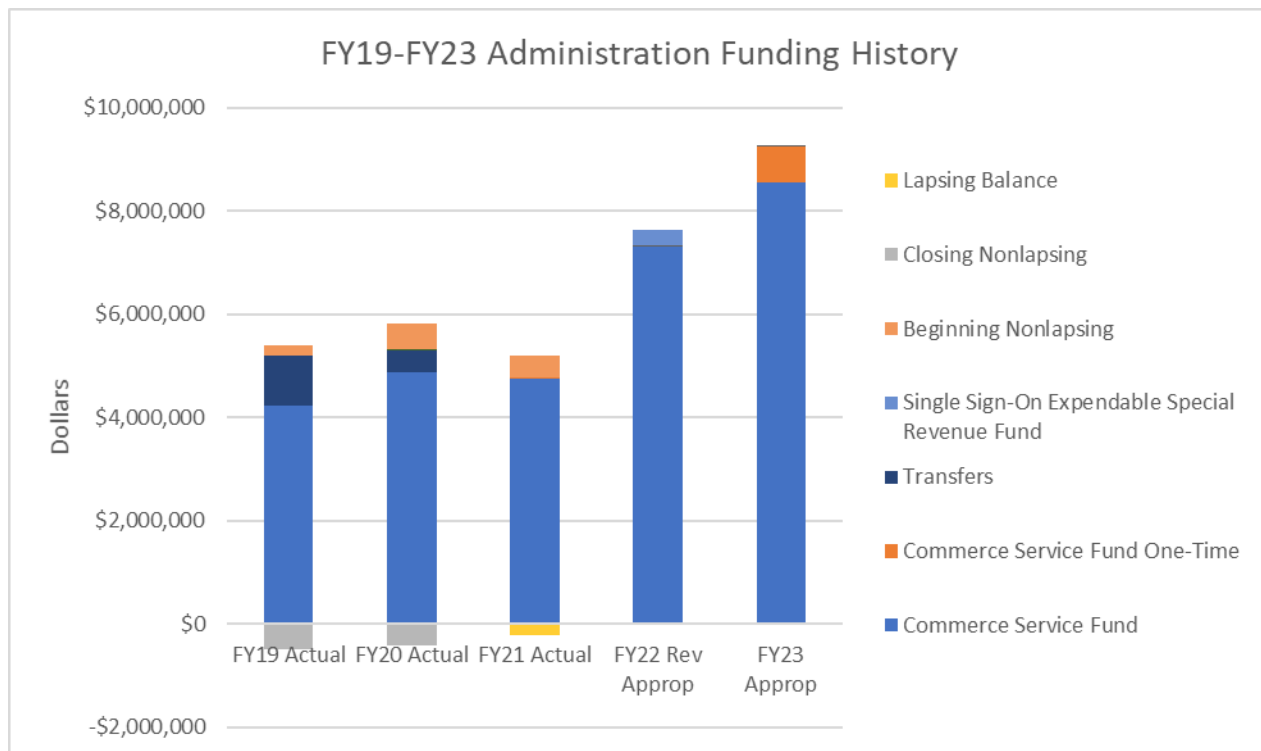


The division of funds amongst programs within the Commerce General Regulation is as follows (FY 22-23 budget shown):

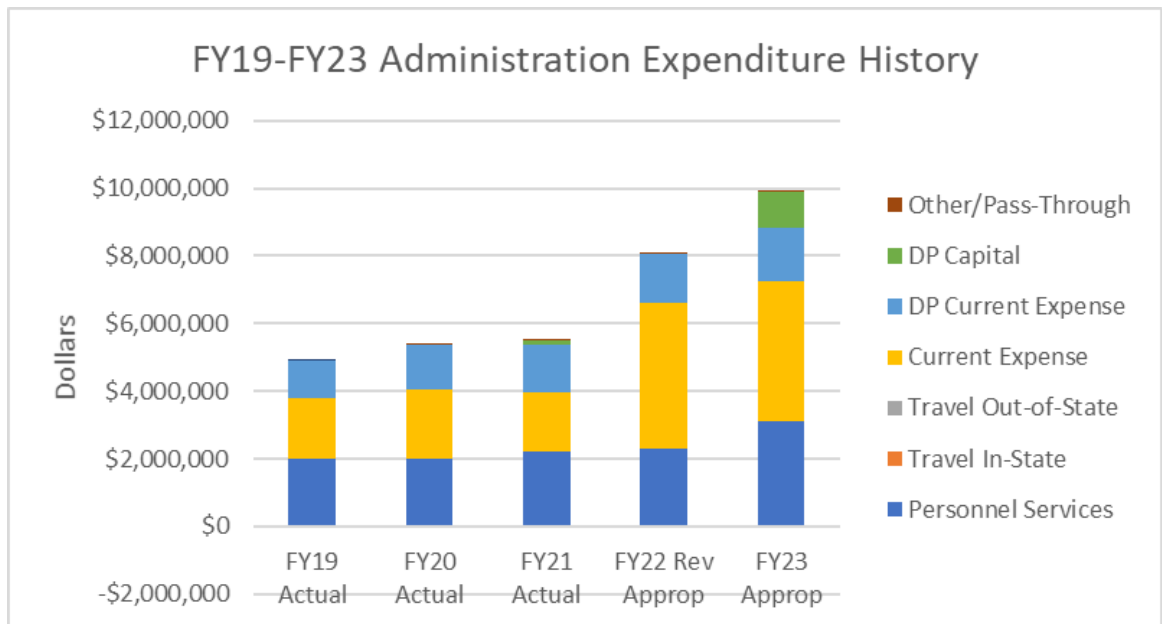


**General Regulation – Administration Funding History**

	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Rev Approp	FY23 Approp
Commerce Service Fund	4,227,600	4,877,200	4,762,300	7,309,900	8,551,300
Commerce Service Fund One-Time	7,100	7,900	7,700	7,800	708,700
Dedicated Credits	1,300	2,400	0	0	0
Transfers	967,400	412,600	0	0	0
GFR Accounts	0	0	0	12,500	12,500
Transfer for COVID-19 Response	0	21,700	15,500	0	0
Single Sign-On Expendable Special Revenue Fund	0	0	0	300,000	0
Beginning Nonlapsing	186,300	500,000	418,800	0	0
Closing Nonlapsing	(500,000)	(418,800)	0	0	0
Lapsing Balance	0	0	(214,800)	0	0
Total	4,889,700	5,403,000	4,989,500	7,630,200	9,272,500

**General Regulation – Administration Expenditure History**

	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Rev Approp	FY23 Approp
Personnel Services	2,003,200	2,011,100	2,221,100	2,303,000	3,120,000
Travel In-State	900	500	300	2,000	(10,400)
Travel Out-of-State	0	0	200	5,000	5,000
Current Expense	1,770,500	2,046,600	1,756,100	4,287,900	4,128,500
DP Current Expense	1,115,100	1,334,600	1,416,300	1,480,800	1,575,900
DP Capital	0	0	90,300	0	1,050,000
Other/Pass-Through	0	10,200	5,700	12,500	12,500
Transfers			(500,500)	(461,000)	(609,000)
Total	4,889,700	5,403,000	4,989,500	7,630,200	9,272,500

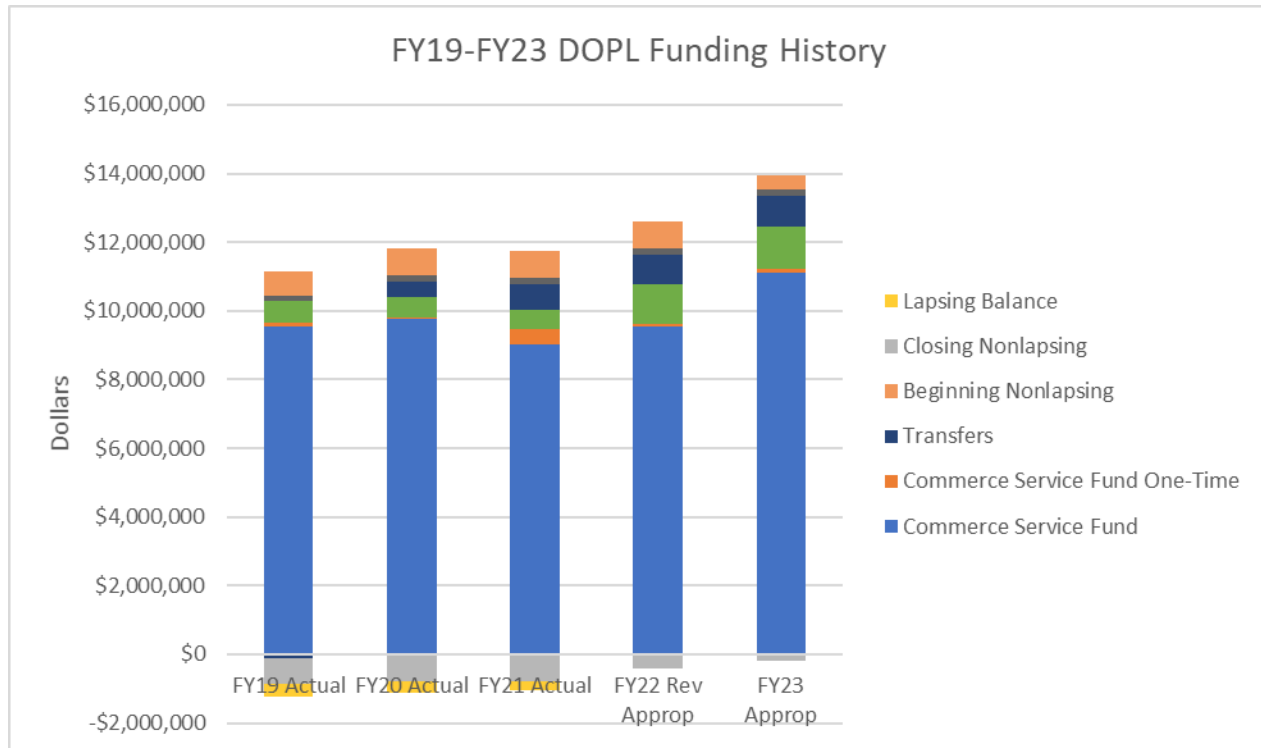


#### ***Takeaways from Five-Year Budget History - Administration***

- Commerce Service Fund appropriations to the Administration program increased significantly in FY 2022 due to the item “AG Criminal Division ISF Transition” and FY 2023 due to programmatic expansions: “Office of Licensure Review” and “Licensing and Enforcement System Upgrade.”
- Currently no Public Utilities Restricted Account funds are used in administration. There may be reason to use this funding source pursuant to 54-5-1.5 (4)(c) for administrative costs connected to the Division of Public Utilities and the Office of Consumer Services.

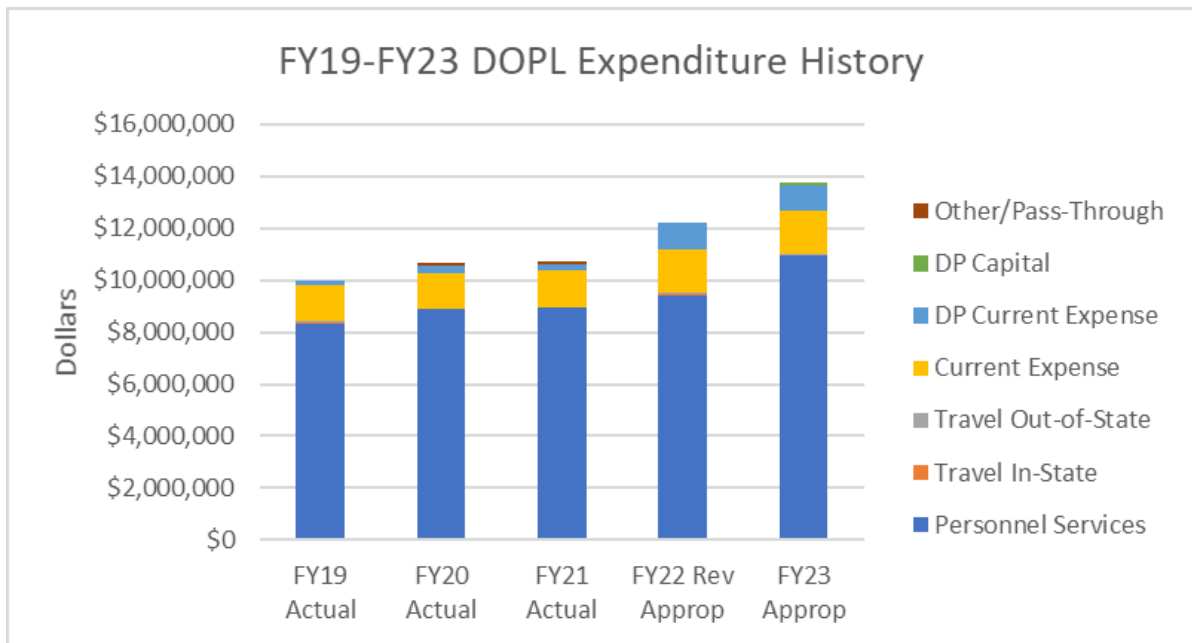
## General Regulation – DOPL Funding History

	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Rev Approp	FY23 Approp
Commerce Service Fund	9,562,300	9,764,700	9,008,400	9,557,600	11,096,900
Commerce Service Fund One-Time	74,900	28,400	457,700	49,600	142,800
Dedicated Credits	649,400	594,100	552,900	1,180,700	1,227,200
Transfers	(98,600)	467,400	752,500	850,800	878,300
GFR Accounts	139,600	176,700	177,700	180,000	185,000
General Fund	69,800	71,200	600	600	600
General Fund One-Time	200	(71,200)	71,600	0	0
Beginning Nonlapsing	715,000	775,400	782,000	783,300	400,000
Closing Nonlapsing	(775,400)	(782,000)	(783,300)	(400,000)	(200,000)
Lapsing Balance	(346,300)	(335,100)	(262,200)	0	0
Total	9,990,900	10,689,600	10,757,900	12,202,600	13,730,800



## General Regulation – DOPL Expenditure History

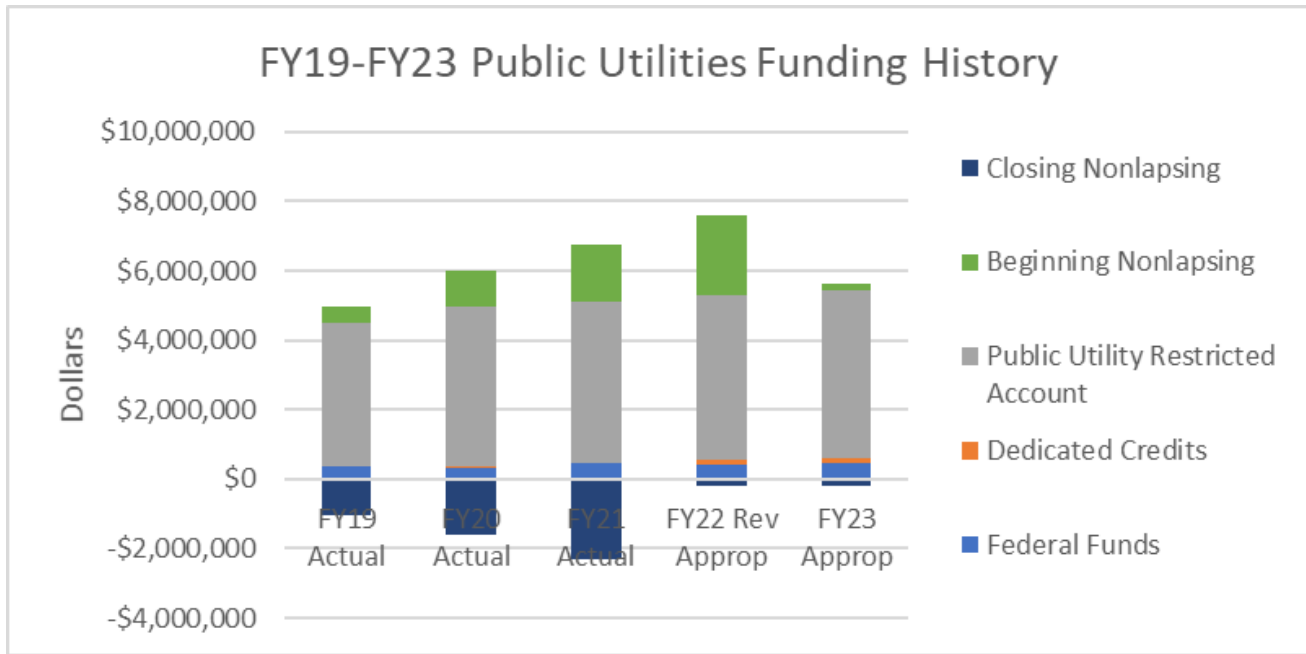
	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Rev Approp	FY23 Approp
Personnel Services	8,332,500	8,867,200	8,967,700	9,416,000	10,925,100
Travel In-State	54,100	31,200	8,300	50,000	50,000
Travel Out-of-State	20,700	15,400	100	34,500	34,500
Current Expense	1,428,500	1,328,200	1,424,300	1,694,800	1,640,400
DP Current Expense	155,100	315,300	207,700	1,007,300	1,003,800
DP Capital	0	0	0	0	77,000
Other/Pass-Through	0	132,300	96,300	0	0
Transfers			53,500	0	0
Total	9,990,900	10,689,600	10,757,900	12,202,600	13,730,800

**Takeaways from Five-Year Budget History - DOPL**

- Significant increases in personnel services (22% from FY 2021 to FY 2023 after stagnation during the COVID-19 pandemic stem from the following: “Occupational Licensing Investigator” and “Restoration of Funding for Operations and Administration.”

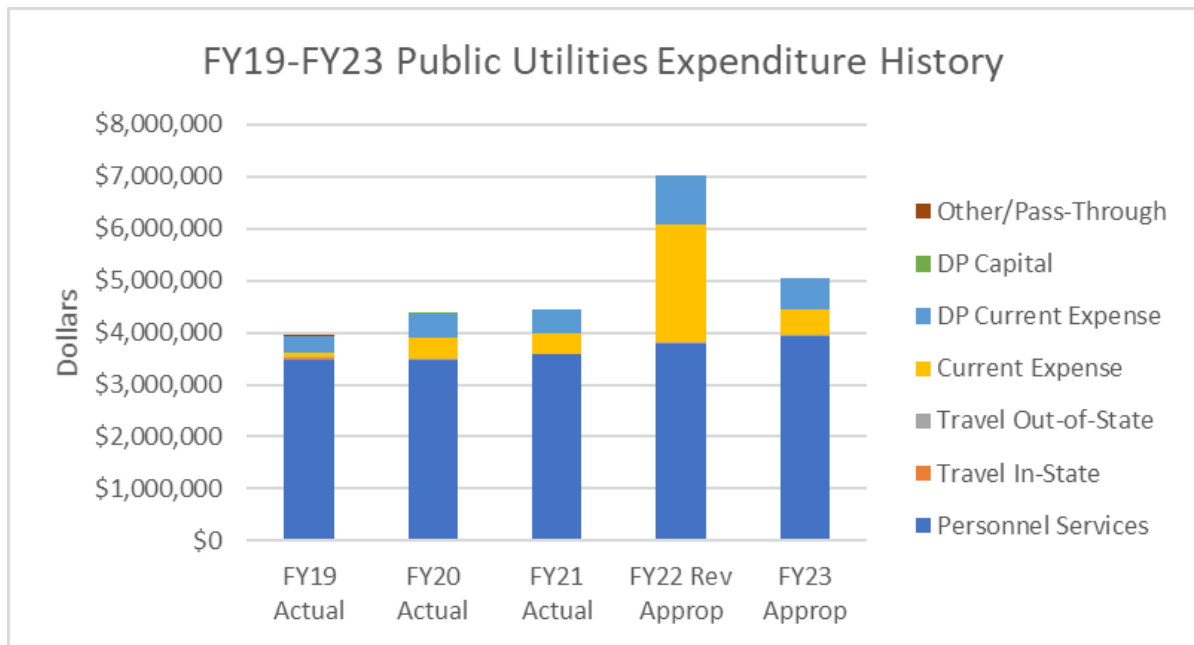
## General Regulation – Public Utilities Funding History

	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Rev Approp	FY23 Approp
Federal Funds	356,200	344,700	460,900	432,700	444,000
Federal Funds One-Time	0	0	0	1,500	1,400
Dedicated Credits	0	4,800	0	137,700	141,000
Public Utility Restricted Account	4,167,000	4,610,200	4,651,800	4,720,600	4,838,200
Beginning Nonlapsing	445,600	1,022,600	1,622,500	2,302,800	200,000
Closing Nonlapsing	(1,022,600)	(1,622,600)	(2,302,800)	(200,000)	(200,000)
Total	3,946,200	4,359,700	4,432,400	7,395,300	5,424,600



## General Regulation – Public Utilities Expenditure History

	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Rev Approp	FY23 Approp
Personnel Services	3,479,300	3,477,000	3,595,900	3,781,000	3,921,100
Travel In-State	10,900	8,200	1,900	15,000	15,000
Travel Out-of-State	27,700	20,800	0	20,000	20,000
Current Expense	100,600	399,300	379,100	2,274,300	482,300
DP Current Expense	321,400	447,400	455,500	932,000	613,200
DP Capital	0	7,000	0	0	0
Other/Pass-Through	6,300	0	0	0	0
Transfers	0	0	0	373,000	373,000
Total	3,946,200	4,359,700	4,432,400	7,395,300	5,424,600

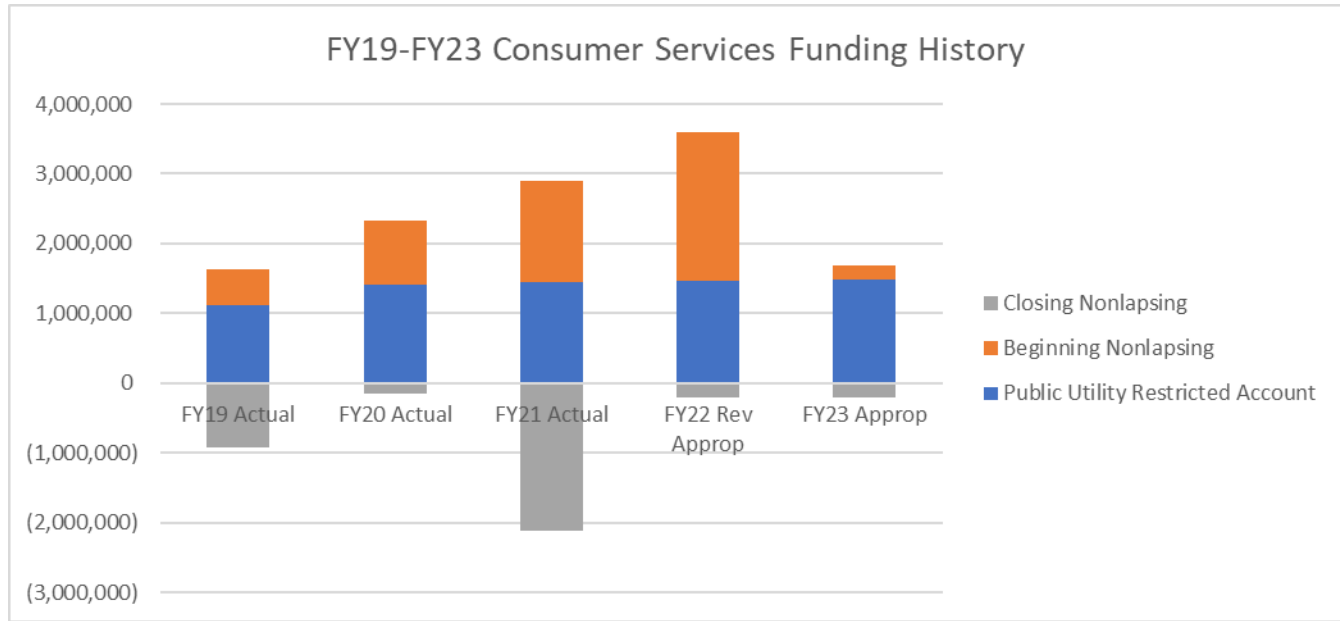


**Takeaways from Five-Year Budget History – Public Utilities**

- The large Current Expense reflects the occasional aberrations involved in the transition from appropriations to actuals. The Agency does not currently factor in an expected closing nonlapsing balance into their FY 2022 revised appropriation. Actuals will most likely fix this aberration in Current Expense, resulting in an eventual funding/expenditure set that looks closer to the previous three years.

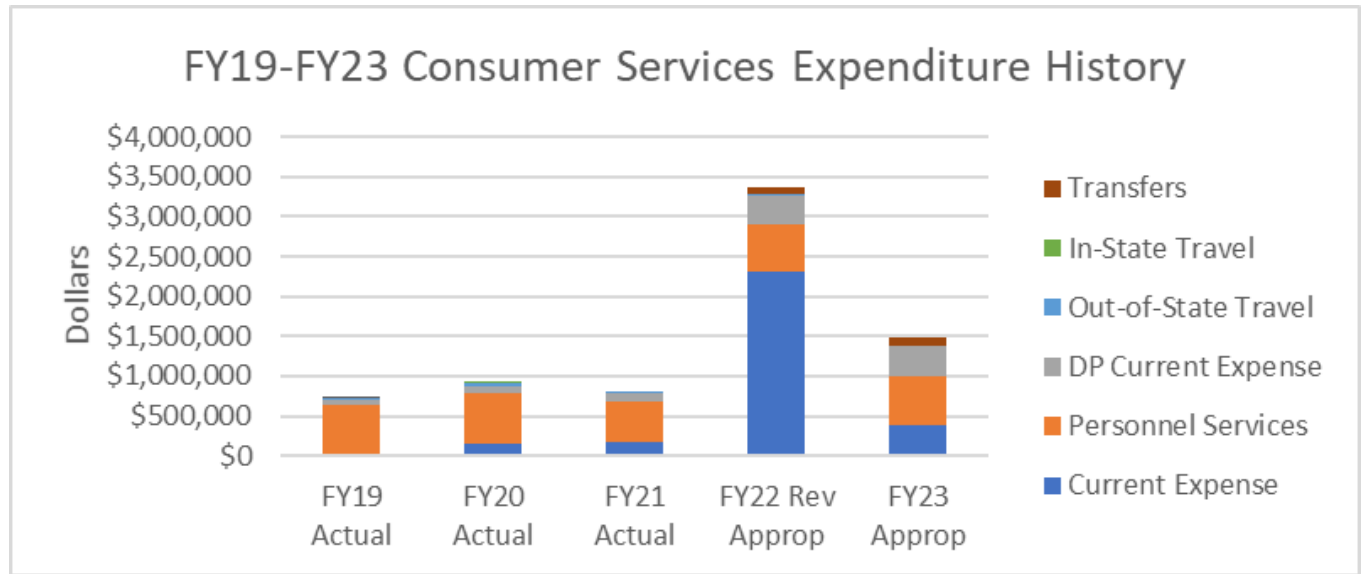
## General Regulation – Consumer Services Funding History

	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Rev Approp	FY23 Approp
Public Utility Restricted Account	1,122,000	1,415,400	1,445,200	1,472,100	1,491,500
Beginning Nonlapsing	502,700	917,600	1,450,500	2,118,399	200,000
Closing Nonlapsing	(917,600)	(145,400)	(2,119,300)	(200,000)	(200,000)
Total	707,100	2,187,600	776,400	3,390,499	1,491,500



## General Regulation – Consumer Services Expenditure History

	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Rev Approp	FY23 Approp
Current Expense	26,000	144,800	180,000	2,310,400	388,500
Personnel Services	603,300	643,800	507,500	594,800	616,900
DP Current Expense	66,200	89,300	88,900	366,200	366,100
Out-of-State Travel	31,500	32,700	400	14,000	14,000
In-State Travel	1,000	2,000	0	2,000	2,000
Transfers	0	0	0	88,000	88,000
Total	728,000	912,600	776,800	3,375,400	1,475,500

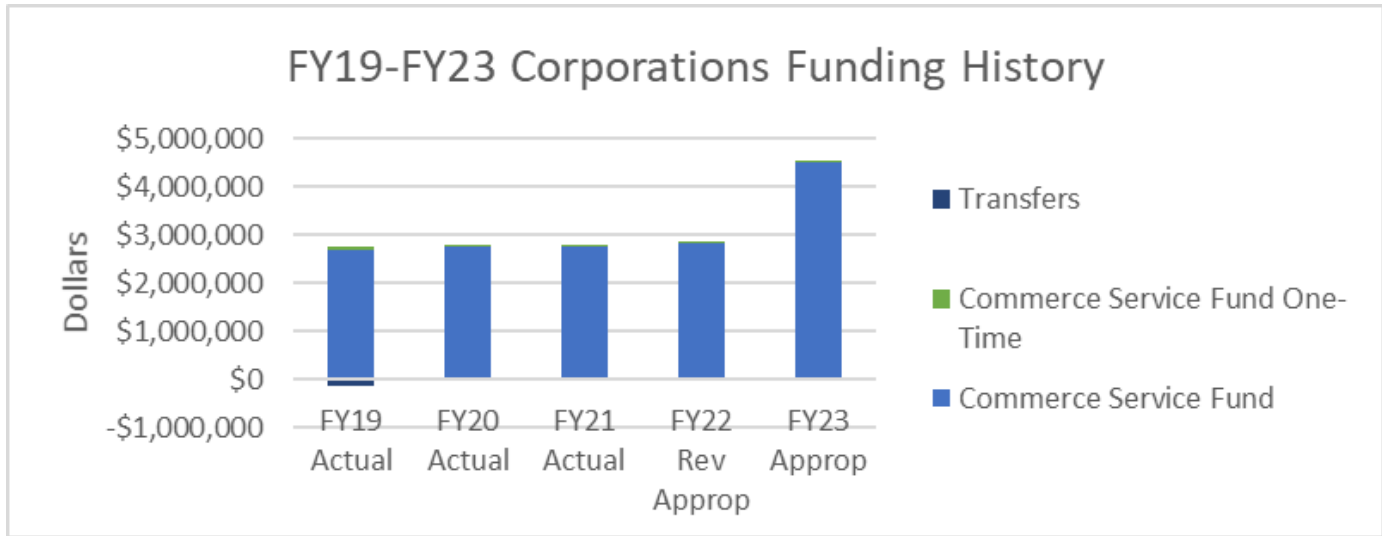


***Takeaways from Five-Year Budget History – Consumer Services***

- Along with the Division of Public Utilities, this is one of two divisions that use the Public Utilities Restricted Account as its main funding source.
- As with the Division of Public Utilities, the large Current Expense reflects the occasional aberrations involved in the transition from appropriations to actuals. The Agency does not currently factor in an expected closing nonlapsing balance into their FY 2022 revised appropriation. Actuals will most likely fix this aberration in Current Expense, resulting in an eventual funding/expenditure set that looks closer to the previous three years.

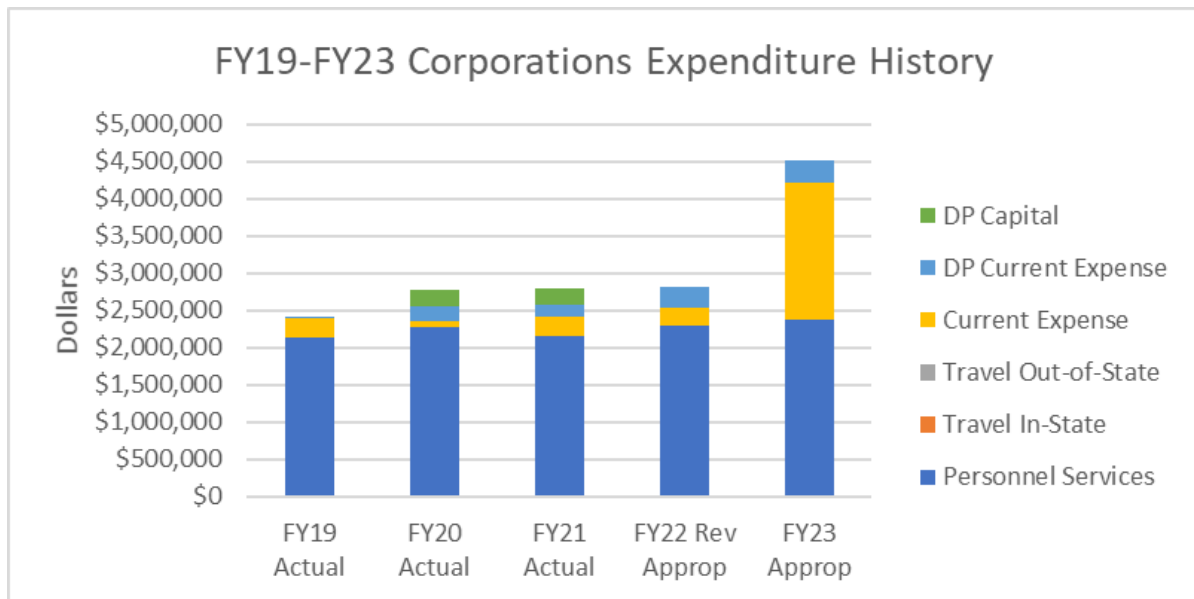
**General Regulation – Corporations Funding History**

	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Rev Approp	FY23 Approp
Commerce Service Fund	2,701,800	2,759,200	2,774,100	2,812,800	4,501,200
Commerce Service Fund One-Time	56,100	12,700	12,900	11,600	12,500
Transfers	(118,400)	0	0	0	0
Total	2,639,500	2,771,900	2,787,000	2,824,400	4,513,700



**General Regulation – Corporations Expenditure History**

	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Rev Approp	FY23 Approp
Personnel Services	2,137,500	2,278,800	2,160,300	2,286,700	2,376,700
Travel In-State	0	0	0	500	500
Travel Out-of-State	3,300	1,400	0	5,000	5,000
Current Expense	262,800	76,500	251,000	244,200	1,842,600
DP Current Expense	12,400	190,100	163,800	288,000	288,900
DP Capital	0	223,500	225,100	0	0
Transfers	0	0	211,900	0	0
Total	2,416,000	2,770,300	3,012,100	2,824,400	4,513,700

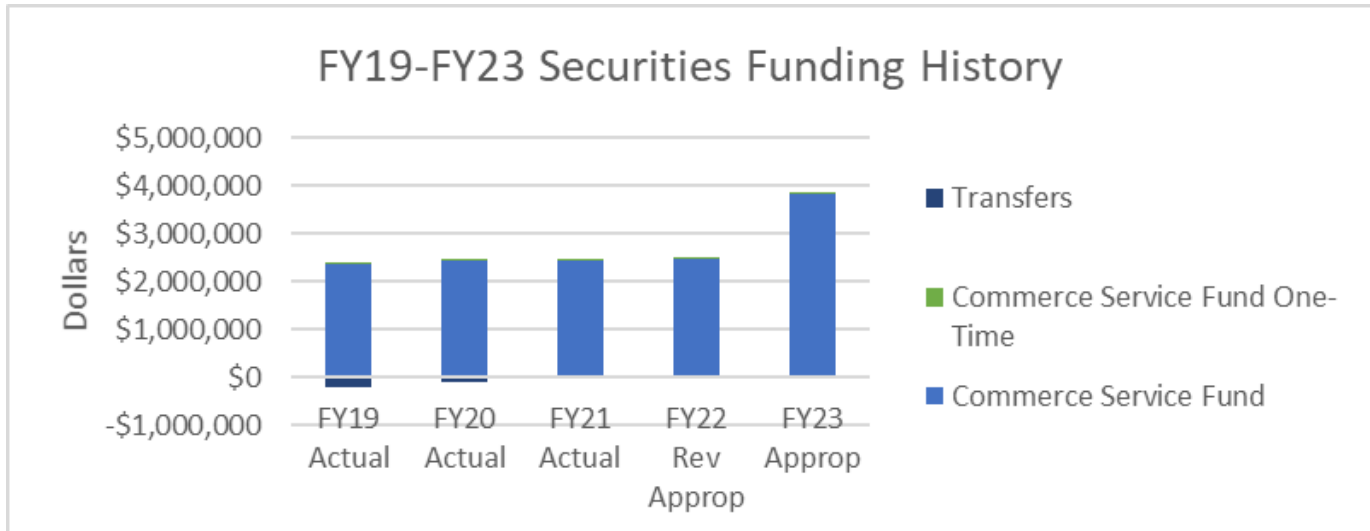


**Takeaways from Five-Year Budget History – Corporations**

- The Division of Corporation's FY 2023 budget has a significant increase in current expense related to the approved increase in services as part of the previously mentioned approach to fee /appropriation disparity.

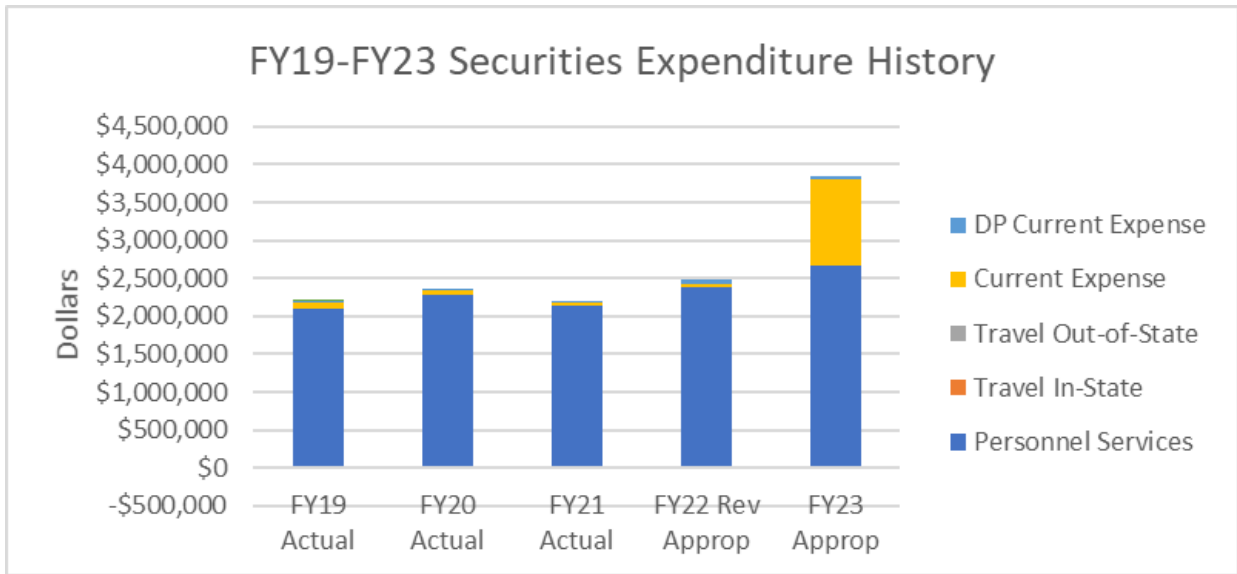
## General Regulation – Securities Funding History

	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Rev Approp	FY23 Approp
Commerce Service Fund	2,373,700	2,426,200	2,437,400	2,472,100	3,841,600
Commerce Service Fund One-Time	10,700	10,300	10,600	11,800	12,600
Transfers	(195,800)	(84,700)	0	0	0
Total	2,188,600	2,351,800	2,448,000	2,483,900	3,854,200



## General Regulation – Corporations Expenditure History

	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Rev Approp	FY23 Approp
Personnel Services	2,093,800	2,278,000	2,130,500	2,381,500	2,662,600
Travel In-State	500	300	0	500	500
Travel Out-of-State	(1,500)	0	0	2,000	2,000
Current Expense	86,100	61,900	44,300	45,000	1,136,200
DP Current Expense	9,700	11,600	5,100	54,900	52,900
Transfers	0	0	268,100	0	0
Total	2,188,600	2,351,800	2,448,000	2,483,900	3,854,200

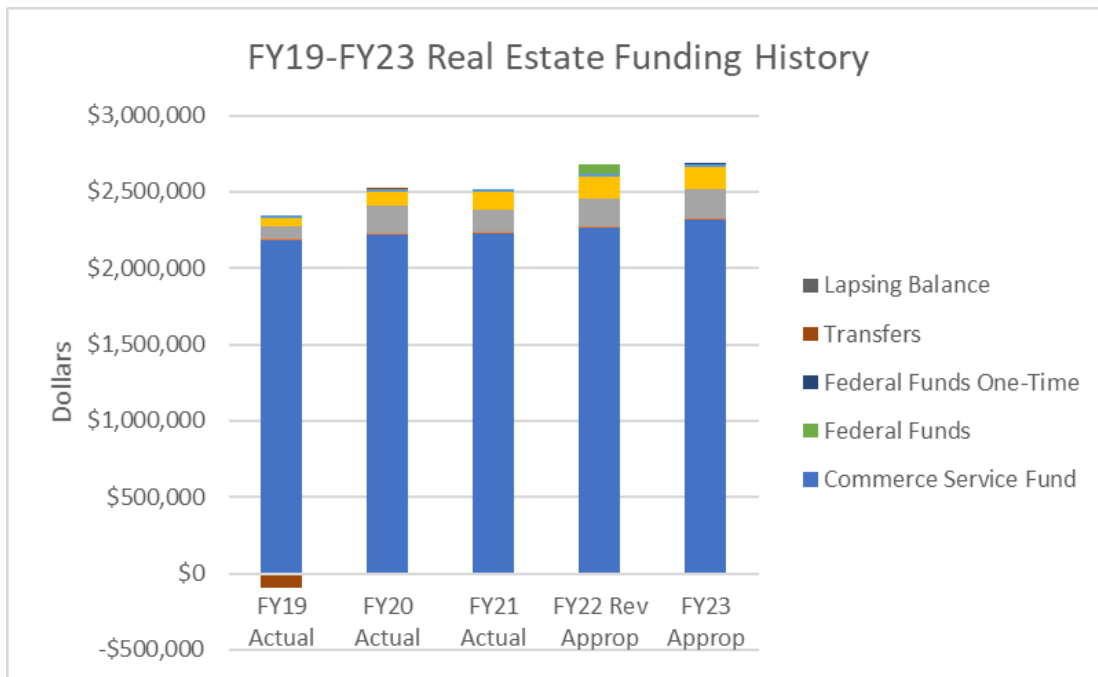


***Takeaways from Five-Year Budget History – Corporations***

- The Division of Securities FY 2023 budget has a significant increase in Current Expense related to the approved increase in services as part of the previously mentioned approach to fee /appropriation disparity. DP Current Expense has also risen which relates to a larger trend of increased tech costs as percentage of budget.

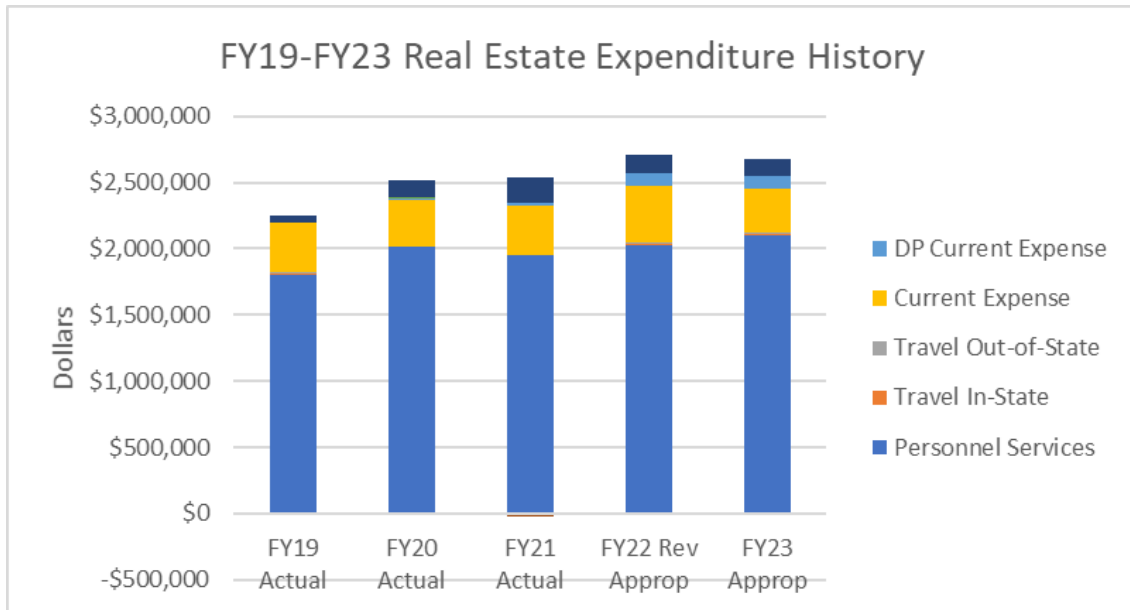
## General Regulation – Real Estate Funding History

	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Rev Approp	FY23 Approp
Commerce Service Fund	2,180,200	2,220,100	2,230,100	2,259,300	2,316,400
Commerce Service Fund One-Time	7,500	7,400	7,700	9,700	9,700
Dedicated Credits Revenue	84,200	181,200	146,800	188,500	193,400
Pass Through	53,000	88,400	109,800	137,300	140,800
Utah Housing Opportunity Restricted Account	20,400	20,400	20,400	20,400	20,400
Federal Funds	0	0	0	60,000	1,700
Federal Funds One-Time	0	0	0	0	300
Transfers	(91,100)	300	0	0	0
Lapsing Balance	0	(400)	0	0	0
Total	2,271,900	2,408,700	2,514,800	2,675,200	2,682,700



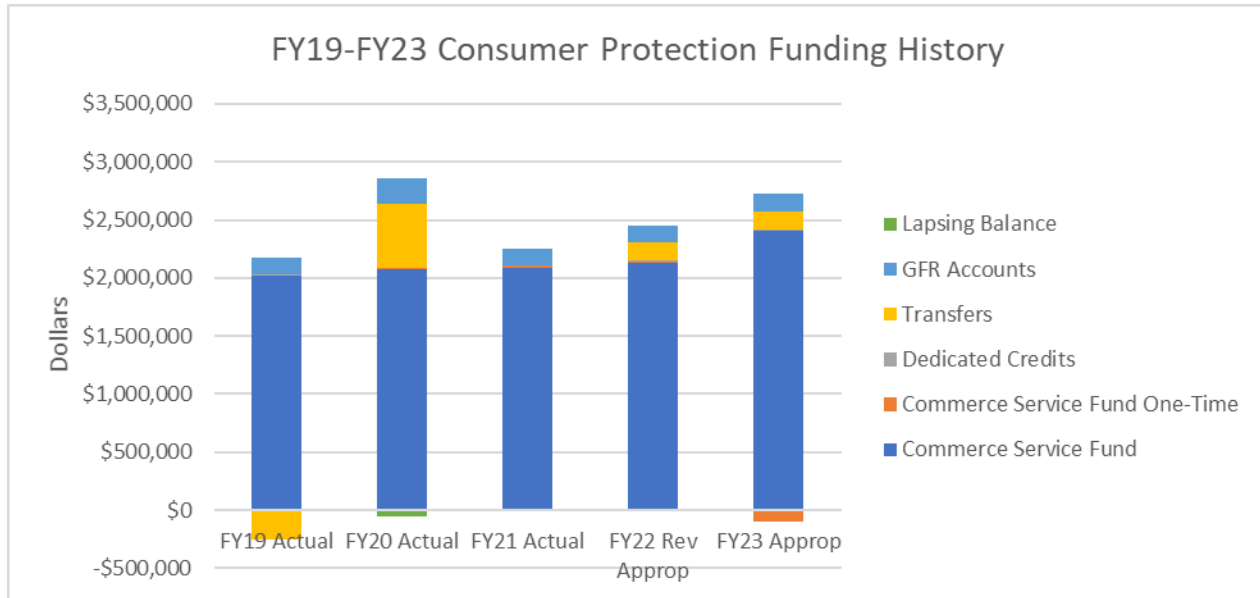
## General Regulation – Real Estate Expenditure History

	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Rev Approp	FY23 Approp
Personnel Services	1,806,100	2,011,400	1,948,700	2,023,500	2,103,000
Travel In-State	9,500	3,900	0	10,000	10,000
Travel Out-of-State	3,500	600	0	10,000	10,000
Current Expense	375,800	357,100	376,800	432,000	331,300
DP Current Expense	6,300	7,200	21,700	95,000	94,100
DP Capital Outlay	0	10,800	0	0	0
Other Charges/Pass Through	53,000	126,400	186,700	134,300	134,300
Transfers	0	0	(19,100)	0	0
Total	2,254,200	2,517,400	2,514,800	2,704,800	2,682,700



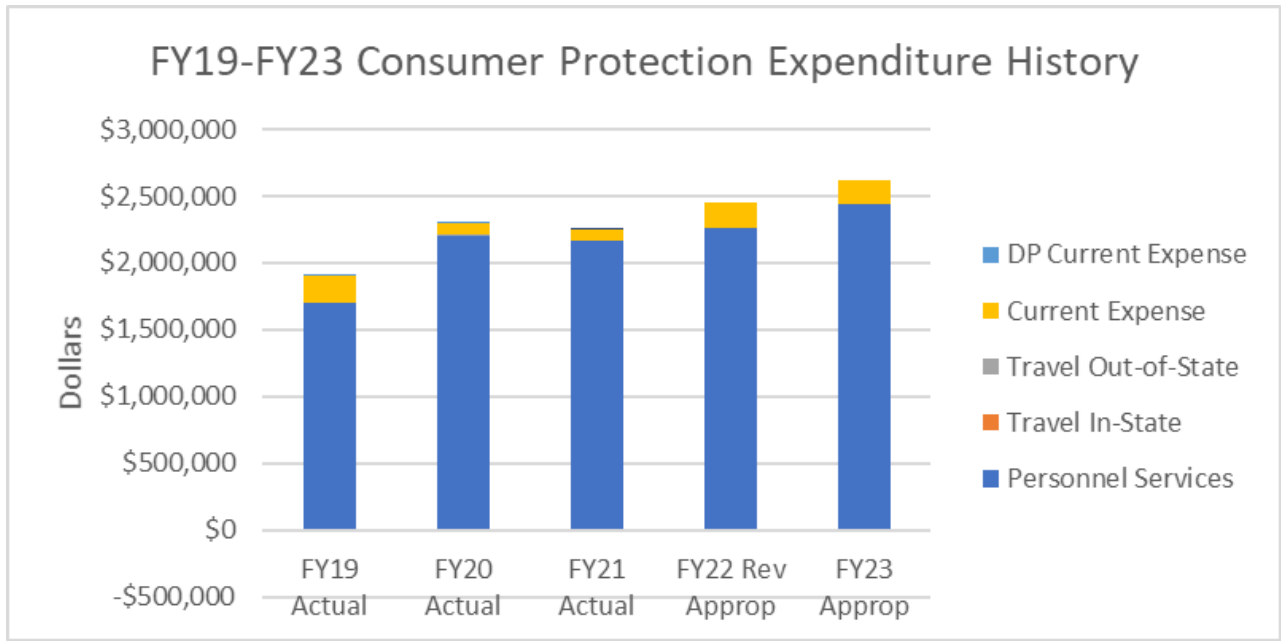
## General Regulation – Consumer Protection Funding History

	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Rev Approp	FY23 Approp
Commerce Service Fund	2,014,600	2,075,900	2,087,400	2,131,500	2,403,300
Commerce Service Fund One-Time	10,500	8,700	23,600	12,600	(102,700)
Dedicated Credits	5,000	1,800	900	11,200	11,600
Transfers	(256,800)	552,700	0	153,200	157,800
GFR Accounts	139,300	219,300	143,200	145,600	149,900
Lapsing Balance	0	(52,700)	0	0	0
Total	1,912,600	2,805,700	2,255,100	2,454,100	2,619,900



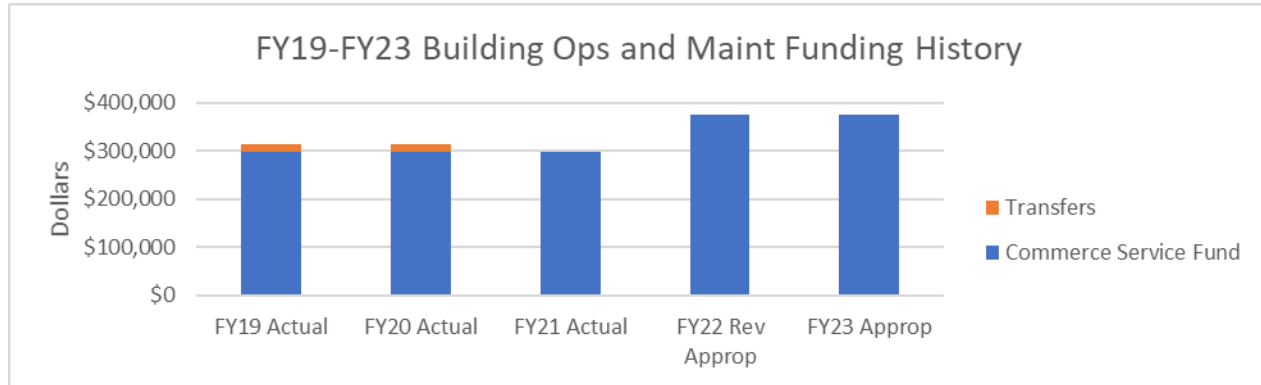
## General Regulation – Consumer Protection Expenditure History

	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Rev Approp	FY23 Approp
Personnel Services	1,695,900	2,207,200	2,164,100	2,259,300	2,440,500
Travel In-State	500	0	0	500	500
Travel Out-of-State	0	1,000	0	500	500
Current Expense	211,400	92,000	82,300	193,800	179,400
DP Current Expense	4,800	5,500	7,100	0	(1,000)
DP Capital Outlay	0	0	0	0	0
Transfers	0	0	1,600	0	0
Total	1,912,600	2,305,700	2,255,100	2,454,100	2,619,900



**General Regulation – Building Operation and Maintenance  
Funding History**

	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Rev Approp	FY23 Approp
Commerce Service Fund	298,900	298,900	298,900	374,700	374,700
Transfers	15,500	15,500	0	0	0
Total	314,400	314,400	298,900	374,700	374,700



**General Regulation – Building and Operation Expenditure  
History**

	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Rev Approp	FY23 Approp
Current Expense	314,400	314,400	314,400	374,700	374,700
Transfers	0	0	(15,500)	0	0
Total	314,400	314,400	298,900	374,700	374,700

