

**2000-2001
APPROPRIATIONS
REPORT**

Office of the Legislative Fiscal Analyst

April, 2000

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Forward

This report is submitted in compliance with Utah Code Annotated 36-12-13(2j), which requires the Legislative Fiscal Analyst “to prepare, after each session of the legislature, a summary showing the effect of the final legislative program on the financial condition of the state.”

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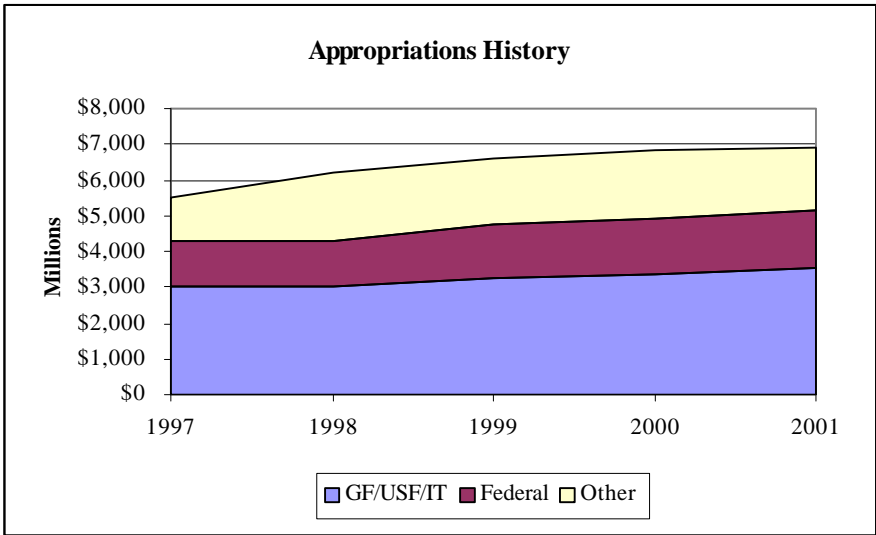
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Executive Summary

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Appropriations Overview

The Fifty Third Utah State Legislature passed three Appropriations Acts (House Bill 1, Senate Bill 1, and House Bill 3) as well as various other appropriation carrying legislation that, combined, authorize state spending of \$6.9 billion.



Revenue

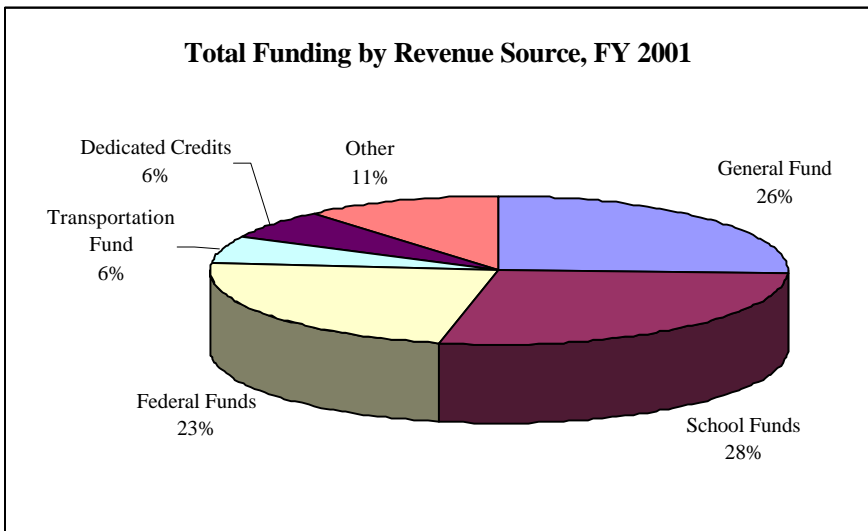
Legislators adopted FY 2001 State revenue projections for the General Fund and Uniform School Fund of \$3,493,275,000, the Transportation Fund of \$381,900,000 and the Mineral Lease Account of \$32,000,000. (See Table 5, page 27, “Revenue Estimates”). The General Fund/Uniform School Fund growth is estimated at 3.4 percent above FY 2000. No significant tax increases or decreases were adopted by the Legislature for FY 2001.

A comparison of total Uniform School Fund/General Fund FY 2001 ongoing revenue from Table 5, page 27 (\$3,493,275,000), with FY 2001 ongoing appropriations from Table 2, page 24 “General Fund, Uniform School Fund/Income Tax Ongoing and One-time Appropriations” (\$3,509,308,000) yields a difference of \$16,033,000. This difference represents intended ongoing expenditures that are funded with one-time money.

Unless the legislature makes other adjustments, those expenditures will need to be funded out of potential new revenues that maybe generated for the next fiscal year.

Appropriations

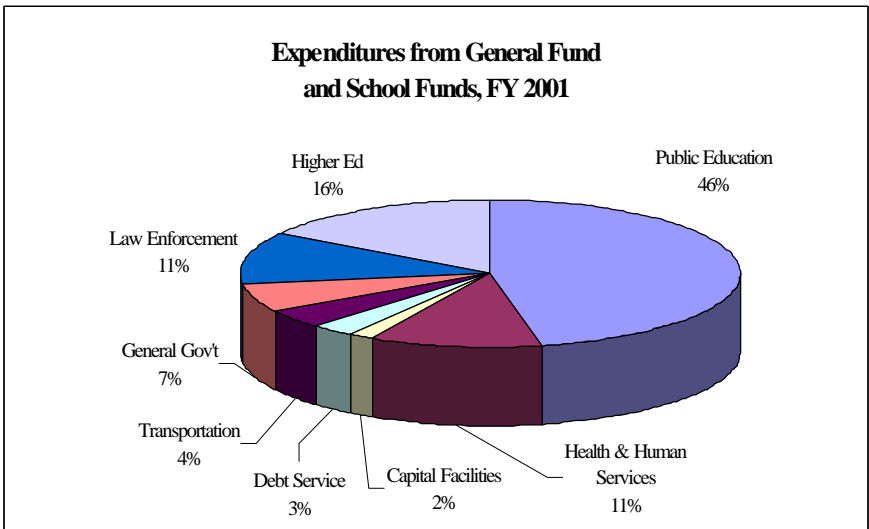
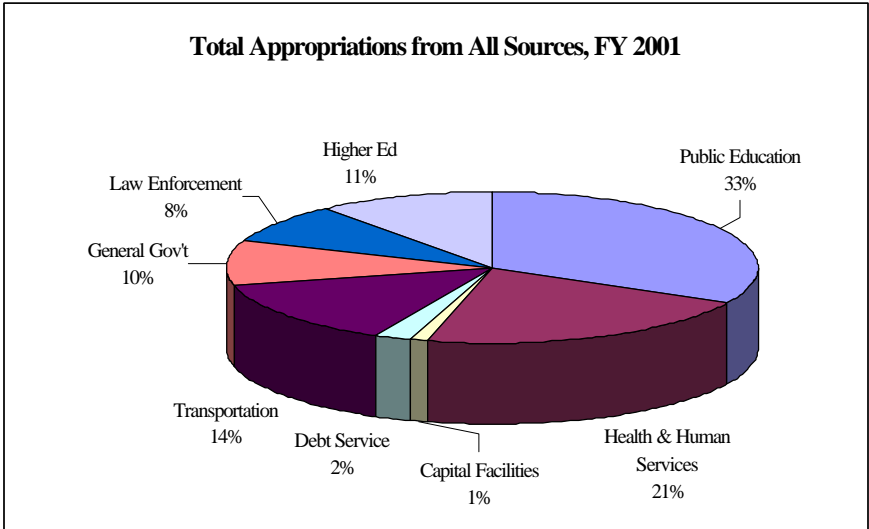
The Legislature appropriates from a number of sources including: the General Fund, supported primarily by sales taxes; the income tax based Uniform School Fund (USF); federal funds; and other resources including the Transportation Fund, dedicated credits (fee for service revenue), property tax and bond proceeds. The Legislature approved \$6.9 billion in total spending for FY 2001, a 0.7 percent increase over FY 2000 revised figures. Of that amount, ongoing and one-time resources from the General Fund and school funds total \$3.6 billion, a 5.7 percent increase, and account for 52 percent of the budget. Federal Funds account for \$1.6 billion or 23 percent. The following pie chart graphically illustrates the sources of funds used in FY 2001.



State Budget

Education programs dominate State spending. The combined appropriation to Public Education (K-12) and Higher Education account for more than 43 percent of the State's total expenditures from all revenue sources in FY 2001. When restricted to only State revenue sources, (General Fund/Uniform School Fund) education spending accounts for

approximately 62 percent of the budget for FY 2001. The allocation of expenditures authorized for FY 2001 is graphically portrayed in the charts below:



Tax Changes/Bills Affecting Revenue

No tax changes or bills affecting State revenue were passed in the 2000 General Session. However, House Bill 345, "Unemployment Insurance

Amendments”, reduced the unemployment tax rate by 30 percent, representing a \$26.5 million reduction.

House Bill 323, “Incentive to Purchase Clean Fuel Vehicles”, was enacted during the 2000 General Session. Provisions of this bill requires a transfer of \$104,000 from the General Fund appropriation for the Centennial Highway Fund in Item 266, Senate Bill 1, to the Uniform School Fund. The bill further establishes a fee that is estimated to generate \$104,000 as dedicated credits that are to be deposited into the Centennial Highway Fund. In as much as the bill passed during the last hour of the session these transfers will be accomplished as supplemental adjustments during the next general session of the Legislature.

Statewide Budget Reductions

In the 2000 Legislative Session, the Legislature reduced State budgets systemwide by \$22,062,100 with \$15,792,000 or about 72 percent of the decrease coming from State funds. The explanations for the across the board budget reductions are as follows:

- ▶ In FY 2001, there will be two less work days that will save the State approximately \$6,531,800.
- ▶ Retirement rate reductions up to 3.0 percent due to actuarial studies resulted in a savings of \$9,710,500 which covers personnel on the State Retirement System due to actuarial studies.
- ▶ Internal Service Fund rate reductions resulted in decreases of \$4,601,700.
- ▶ A 10 percent travel reduction generated \$1,218,100 in State funds.
- ▶ Various Appropriation Sub-Committees during the 2000 Legislative Session reduced agency budgets for specific programs that are not shown in the across the board budget reductions table.

The following table indicates the system-wide budget reductions by funding source and program.

FY 2001 Across-the-Board Budget Impacts

Plan of Financing	Shorter		10% Travel		Total
	Work Year	Retirement	ISF Rates	Reduction	
General Fund	(3,373,300)	(2,834,300)	(1,606,200)	(978,800)	(8,792,600)
General Fund, One-time	(236,800)				(236,800)
General Fund Restricted	(230,700)	(198,700)	(82,100)		(511,500)
Uniform School Fund	(409,400)	(5,401,230)	(200,800)	(116,900)	(6,128,330)
Uniform School Fund Restricted	(300)	(200)	100		(400)
Income Tax				(122,400)	(122,400)
Transportation Fund	(540,700)	(246,900)			(787,600)
Transportation Fund Restricted	(59,100)	(44,900)	(46,300)		(150,300)
Aeronautics Fund	(5,200)	(2,600)	(700)		(8,500)
Federal Funds	(1,017,500)	(598,300)	(1,344,800)		(2,960,600)
Dedicated Credits	(286,200)	(202,600)	(3,300)		(492,100)
Federal Mineral Lease	(3,200)	(3,400)	600		(6,000)
Trust and Agency Funds	(82,100)	(54,900)	(5,200)		(142,200)
Transfers	(287,300)	(122,500)	(1,313,000)		(1,722,800)
Total	(\$6,531,800)	(\$9,710,530)	(\$4,601,700)	(\$1,218,100)	(\$22,062,130)
Programs					
Legislature	(60,000)	(28,400)	5,400	(53,600)	(136,600)
Executive Offices	(238,200)	(122,400)	(19,300)	(56,800)	(436,700)
Courts	(577,600)	(198,000)	(173,000)	(62,400)	(1,011,000)
Corrections	(1,382,300)	(953,800)	(275,100)	(45,500)	(2,656,700)
Public Safety	(358,400)	(403,300)	169,400	(25,000)	(617,300)
Administrative Services	(81,600)	(39,800)	(540,400)	(9,400)	(671,200)
Health	(163,600)	(193,100)	(281,200)	(36,200)	(674,100)
Human Services	(982,400)	(546,100)	(1,076,900)	(80,100)	(2,685,500)
Public Education Agencies	(287,900)	(142,900)	27,400	(46,600)	(450,000)
Minimum School Program		(5,193,630)			(5,193,630)
Public Ed Applied Technology	(148,200)	(68,700)	9,100	(21,300)	(229,100)
Higher Education		(565,900)	209,500	(567,900)	(924,300)
Natural Resources Subcom.	(181,400)	(282,300)	91,200	(59,400)	(431,900)
Commerce & Revenue Subcom.	(1,072,000)	(541,800)	(2,741,800)	(87,900)	(4,443,500)
Ec Dev & Human Res Subcom.	(76,600)	(46,000)	18,200	(50,600)	(155,000)
National Guard	(46,400)	(2,800)	(5,600)	(2,400)	(57,200)
Environmental Quality	(178,600)	(87,500)	(17,900)	(13,000)	(297,000)
Transportation	(696,600)	(294,100)	(700)		(991,400)
Total	(\$6,531,800)	(\$9,710,530)	(\$4,601,700)	(\$1,218,100)	(\$22,062,130)

Employee Compensation

Public Employees: Compensation increases of 4.0 percent were approved for FY 2001. Health insurance rates were increased by an average of 8.63 percent while Dental insurance rates increased by an average of 3.0 percent. Public employees are now required to fund 5 percent of health insurance costs for certain program coverage. Other changes in compensation for public employees include: \$3.0 million for market comparability adjustments and \$1.5 million to the Department of Corrections for salary equity.

Higher Education: A compensation increase for the Utah System of Higher Education (USHE) and the Utah Education Network (UEN) of nearly 5 percent was approved for FY 2001. This includes a 4 percent salary increase plus health and dental insurance increases and \$3.8 million for selected salary equity adjustments. The compensation package includes an appropriation of \$1,000,000 in one-time funds. The State Board of Regents approved a 4 percent tuition rate increase which will generate approximately 25 percent of the funding for the compensation package.

Public Education: The Legislature approved a 5.5 percent compensation increase for in the value of the weighted pupil unit which can be used by local districts in salary negotiations.

The legislature passed the following intent language concerning public education compensation

It is the intent of the Legislature that school boards, in their negotiations with teachers, may determine in to allow a portion of the legislative appropriations for teacher compensation funds to be utilized for class size reduction, textbooks, and school supplies, so long as teachers with five or less years in the classroom receive additional significant compensation.

The funding for compensation includes all adjustments for salary increases and any premium rate increases for health and dental benefits.

Appropriation Highlights

The key issues of the 2000 Legislature are highlighted below:

Public Education

Total Public Education spending increased \$121,825,100 over last year. This results in a 5.7 percent increase in spending and a total of approximate \$2.3 billion for fiscal year 2001. Spending for fiscal year 2000 is estimated at about \$2.1 billion. The Minimum School Program increased 6.3 percent over the previous year, totaling \$1.9 billion compared to \$1.8 billion for fiscal year 2000. The Weighted Pupil Unit (WPU) increased from \$1,901 to \$2,006. Increased funding for Public Education provides:

- ▶ 5.5 percent increase in the value of the weighted pupil unit
- ▶ \$3.5 million for the Assessment and Accountability program
- ▶ \$6.0 million in one-time funding for Textbooks and Supplies
- ▶ \$4.4 million in one-time funds to be used specifically for teacher materials and supplies
- ▶ \$3,168,000 to the Necessarily Existent Small Schools Program base
- ▶ \$1,113,100 to local school districts for discretionary use
- ▶ \$500,000 for the Alternative Language Services program
- ▶ Preschool Special Education will receive \$729,100 additional funding
- ▶ A transportation increase of \$236,400 for Utah Schools for the Deaf and Blind

In addition, the State Office of Rehabilitation received an additional \$1,309,800, the Utah Schools for the Deaf and Blind had increases of \$1,241,800 while Applied Technology Education got \$2,410,200 in additional funding.

Higher Education

The Legislature appropriated \$740,389,500 for the Utah System of Higher Education (USHE) resulting in a 6 percent increase for FY 2001. Included in the FY 2001 budget for higher education is a 4 percent tuition rate increase. This generates approximately \$6.7 million in additional revenue. In addition to compensation funds, FY 2001 appropriations to higher education included:

- ▶ Operation and Maintenance (O&M) of New Facilities - \$2.5 million with \$1.5 million of that amount as one-time.
- ▶ Enrollment Funding - \$9.7 million with \$6.7 million from General Fund for 2,484 Full-time Equivalent (FTE) students.
- ▶ Allocation of \$4 million of the Tobacco Settlement Funds to Health Sciences at the University of Utah.
- ▶ Southern Utah University - \$355,000 for the Masters of Fine Arts Administration and Masters of Business Administration Programs.
- ▶ Weber State University - \$50,000 for program offerings.
- ▶ Americans With Disabilities - \$250,000 in one-time General Funds.
- ▶ Student Financial Aid - \$250,000 in one-time General Funds.

The FY 2001 appropriation to the Utah Education Network amounted to \$15,396,100. Included in this amount is \$2.0 million of one-time Uniform School Funds to finance the second phase of the KULC Channel 7 Digital Television Conversion and \$162,900 from ongoing Uniform School Fund to expand UEN Statewide Internet Bandwidth.

Law Enforcement

The appropriations for Executive Offices, Criminal Justice and the Legislature for FY 2001 totaled \$572,233,300 of which \$417,735,200, or about 73 percent, is from General Funds. The following highlights summarize actions taken by the Legislature during the 2000 Session:

-
- ▶ The Governor's Office was appropriated \$100,000 for the 21st Century Communities Program, \$307,900 for the biennial election, and \$1,196,000 for the Constitutional Defense Fund.
 - ▶ The Medicaid Fraud Unit along with \$952,400 was transferred from the Department of Public Safety to the Attorney General. The Attorney General was appropriated \$300,000 for the Children's Justice Centers in rural Utah to hire nurse practitioners, \$118,700 to implement the provisions of House Bill 107, "Utah Residential Mortgage Practice, and \$429,300 from the Tobacco Settlement Fund.
 - ▶ The Courts received additional funding of \$1.2 million for contracts and leases and \$500,000 for the Jury, Witness, and Interpreter Funds.
 - ▶ The Department of Corrections received \$1.5 million for selective salary increases in addition to the 4 percent salary increase, \$350,900 in Tobacco Settlement Funds, and \$7.9 million to accommodate the anticipated need for new beds including opening of the Draper Dormitory Facility. To offset the appropriations for FY 2001, \$7.7 million was removed from the base budgets for FY 2000 and 2001 due to delays in the opening of new state and privatized facilities.
 - ▶ The Department of Youth Corrections was appropriated \$5.6 million to open three new facilities. In addition \$309,000 in General Funds was transferred from the Division of Children and Family Services to enhance the Archway Project in Ogden.

Health

The Legislature approved appropriations of \$1.022 billion for the Department of Health for FY 2001. This represents an increase of 5.8 percent when compared to the FY 2000 budget. The areas most affected by the new funding include the Medicaid program, where nearly \$50 million was added to cover projected inflation and utilization, a small expansion of a program to help medically-fragile children, and one additional week's Medicaid payments which will occur during FY 2001. In addition, the Legislature allocated \$4 million of the Tobacco Settlement Funds to the Tobacco Prevention Program and \$5.5 million from the same source to cover the State's share of the Children's Health Insurance Program (CHIP). The

Health Policy Commission, originally scheduled to sunset at the end of FY 2001, will finish its operations at the end of FY 2000.

Human Services

The FY 2001 appropriation for the Department of Human Services was \$438.5 million, an increase of 4 percent over the FY 2000 appropriation. The significant increases include \$2.5 million for the 4th wing of the new forensic facility at the State Hospital, \$1.6 million for the expansion of drug courts and a pilot drug board program, and \$6.3 million in new funding to provide services for up to 300 individuals with disabilities who are currently on the waiting list.

Natural Resources

In Natural Resources, the Legislature appropriated \$650,000 in one-time funds to deepen the breach in the Great Salt Lake causeway. These funds were authorized as an FY 2000 Supplemental appropriation so that work can begin in the current year. Three consecutive years of declining brine shrimp populations in the Great Salt Lake have prompted concerns that the north arm is becoming too salty and the south arm too fresh. The Legislature also appropriated \$130,000 in one-time General Funds to combat an insect infestation in the spring of 2000. Funds were authorized as a FY 2000 Supplemental appropriation so that spraying and baiting could begin early in 2000. Last summer's infestation of crickets and grasshoppers is estimated to have cost Utah farmers about \$22.5 million.

Community and Economic Development

The Legislature appropriated \$2.6 million to Economic Development and Travel Development to take advantage of the promotional opportunity the State will have in the 2002 Olympics. For the first time the Legislature appropriated Custom Fit funding of \$870,000 as an economic development tool. The Legislature also started three new economic development projects with one-time funding: \$330,000 for the Spaceport, \$200,000 to promote the Heritage Highway, and \$100,000 to the new Sports Development Council.

Commerce and Revenue

The funding for FY 2001 for the Commerce and Revenue Appropriations Subcommittee is \$379,743,700 of which \$109,460,500 (approximately 29 percent) are State funds. The Utah State Tax Commission's five year phased funding for the UTAX project has been put on hold and will receive no additional funding for FY 2001. Funding of \$3.8 million was transferred from the Temporary Assistance for Needy Families (TANF) Block Grant from the Department of Workforce Services to the Department of Human Services for FY 2001 to offset federal reductions in Social Services Block Grant.

Capital Facilities and Administrative Services

The Capital Facilities and Administrative Service Appropriation (CF&AS) Subcommittee oversees authorized budget levels that totaled \$499 million for Fiscal Year 2001. Of the total, less than \$30 million goes toward statewide administration within the Department of Administrative Services. Debt service appropriations, facility approvals, and internal service funds each total more than \$150 million for the 2001 budget year.

For the first time in at least 15 years the State did not authorize issuance of new debt for state buildings. To complete the capital budget program, the Legislature redirected \$8.6 million of previously authorized but un-issued bonding to allow for the construction of a new treatment facility at the State Hospital in Provo. The FY 2001 capital budget allows the Legislature the option to pursue a program that could eliminate borrowing for capital facilities within five years.

Tobacco Settlement

In December of 1999, the State received approximately \$15.4 million, representing the first two initial payments from the settlement with the tobacco companies. An additional \$11.6 million is anticipated to be received in April of 2000. The Legislature approved Senate Bill 15, "Use of Tobacco Settlement Revenues", which allocated 50 percent of the funds received by the State to:

- ▶ The Children's Health Insurance Program (CHIP) to cover the State's share of the program (\$5.5 million);

- ▶ The Department of Health's substance abuse prevention, reduction, cessation, and control programs (\$4 million);
- ▶ Drug courts (\$2 million); and
- ▶ The University of Utah's Health Sciences (\$4 million).

The remaining 50 percent will be placed in an endowment fund for future substance abuse program needs. The expenditure/endowment ratio changes to 40/60 on July 1, 2003.

Funding Detail

The following tables present legislative budget action on a state-wide basis.

Table 1 compares by function and source of funds the FY 2001 appropriations to the Revised Budget for FY 2000. The FY 2000 Estimated column includes original appropriations made in the 1999 General Session and any changes in federal funds and dedicated credits or other sources of funds. The FY 2000 revised column reflects the effect of supplemental appropriations and other legislative actions of the 2000 General Session.

Table 2 compares General Fund, Uniform School Fund, and Income Tax appropriations for FY 2001 to the estimated FY 2000 budget. The table indicates one-time and ongoing expenditures for each fiscal year.

Tables 3 and 4 show allocation of General Fund and Uniform School Fund resources, respectively, in a format similar to that of Table 1.

Table 5 includes revenue projections for the General Fund, Uniform School Fund, Transportation Fund, and Mineral Lease Account.

Table 6 shows combined State appropriations to various agencies and programs from the General Fund, Uniform School Fund, and Income Tax revenue.

Table 1
Appropriations Comparison, FY 2000 - FY 2001
All Funds in Thousands

Financing	FY 2000 Estimated	FY 2000 Supplemental	FY 2000 Revised	FY 2001 Appropriated	Percent Change
General Fund	1,581,314	(5,604)	1,575,710	1,636,666	3.87%
General Fund, One-time	8,664	2,482	11,146	35,277	216.49%
General Fund Restricted	91,859	3,507	95,366	108,525	13.80%
Uniform School Fund	1,616,920	(127)	1,616,793	1,710,928	5.82%
Uniform School Fund, One-time	10,380	(134)	10,247	12,570	22.67%
Uniform School Fund Restricted	13,696		13,696	14,398	5.12%
Income Tax	148,394		148,394	161,715	8.98%
Income Tax, One-time	1,000		1,000	1,000	0.00%
Transportation Fund	362,494		362,494	388,329	7.13%
Transportation Fund, One-time				611	
Transportation Fund Restricted	15,709	20	15,729	17,109	8.78%
Centennial Highway Fund	58,598	2,680	61,278	59,136	-3.49%
Aeronautics Fund	8,416	49	8,465	9,769	15.40%
Federal Funds	1,546,575	4,620	1,551,196	1,605,319	3.49%
Dedicated Credits	543,366	(26)	543,340	438,986	-19.21%
Land Grant	753		753	753	0.00%
Federal Mineral Lease	30,621	(1,952)	28,669	26,975	-5.91%
Mineral Bonus		3,377	3,377	3,150	-6.72%
Restricted Revenue				320	
Trust and Agency Funds	406,432	97	406,529	394,635	-2.93%
Transfers	170,745	1,212	171,957	178,908	4.04%
Repayments/Reimbursements	42,408		42,408	34,060	-19.68%
Beginning Balance	426,834	87	426,921	152,891	-64.19%
Closing Balance	(219,071)	1,000	(218,071)	(78,259)	-64.11%
Lapsing Balance	(20,948)		(20,948)	(9,932)	-52.58%
Total	\$6,845,159	\$11,288	\$6,856,446	\$6,903,837	0.69%
Programs					
Legislature	12,943	87	13,030	14,055	7.87%
Executive Offices	61,010	142	61,153	63,722	4.20%
Criminal Justice	471,572	1,364	472,936	494,456	4.55%
Administrative Services	35,516	858	36,374	29,871	-17.88%
Debt Service	155,119	2,680	157,799	158,046	0.16%
Capital Facilities	131,231		131,231	73,886	-43.70%
Health	966,311	201	966,512	1,022,367	5.78%
Human Services	422,706	(1,100)	421,606	438,517	4.01%
Public Education Subcom	2,144,657	(134)	2,144,523	2,266,348	5.68%
Higher Education Subcom	713,483	250	713,733	755,786	5.89%
Natural Resources Subcom	165,088	4,195	169,283	156,399	-7.61%
Commerce & Revenue Subcom	374,171	208	374,379	379,744	1.43%
Ec Dev & Human Res Subcom	101,390	1,408	102,798	104,027	1.20%
Transp & Env Qual Subcom	1,089,961	1,130	1,091,090	946,613	-13.24%
Total	\$6,845,159	\$11,288	\$6,856,446	\$6,903,837	0.69%

Table 2
Ongoing and One-time Appropriations, FY 2000 - FY 2001
General Fund, Uniform School Fund, Income Tax in Thousands

	FY 2000			FY 2001		
	Ongoing	One-time	Total	Ongoing	One-time	Total
Financing						
General Fund	1,581,314	8,664	1,589,978	1,636,666	35,277	1,671,943
Uniform School Fund	1,616,920	10,380	1,627,300	1,710,928	12,570	1,723,497
Income Tax	148,394	1,000	149,394	161,715	1,000	162,715
Total	\$3,346,627	\$20,044	\$3,366,671	\$3,509,308	\$48,846	\$3,558,154
Programs						
Legislature	12,420	113	12,533	13,006	564	13,570
Executive Offices	27,927	875	28,802	29,739	148	29,886
Criminal Justice	354,192	67	354,259	381,411	(7,132)	374,279
Administrative Services	21,102	2,750	23,852	24,136	1,927	26,063
Debt Service	91,359		91,359	93,376		93,376
Capital Facilities	59,126		59,126	47,321	13,400	60,721
Health	183,090	684	183,774	193,862	455	194,317
Human Services	193,759	50	193,809	201,284	100	201,384
Public Education Subcom	1,554,373	10,430	1,564,803	1,651,463	10,570	1,662,033
Higher Education Subcom	524,319	3,814	528,133	554,586	5,010	559,596
Natural Resources Subcom	44,893	742	45,635	45,971	345	46,316
Commerce & Revenue Subcom	106,273	135	106,408	109,454	7	109,461
Ec Dev & Human Res Subcom	37,628	(116)	37,512	35,122	3,353	38,475
Transp & Env Qual Subcom	136,165	500	136,665	128,578	20,100	148,678
Total	\$3,346,627	\$20,044	\$3,366,671	\$3,509,308	\$48,846	\$3,558,154

Table 3
Appropriations Comparison, FY 2000 - FY 2001
General Fund in Thousands

	FY 2000	FY 2000	FY 2000	FY 2001	Percent
Financing	Estimated	Supplemental	Revised	Appropriated	Change
General Fund	1,581,314	(5,604)	1,575,710	1,636,666	3.87%
General Fund, One-time	8,664	2,482	11,146	35,277	216.49%
Total	\$1,589,978	(\$3,122)	\$1,586,856	\$1,671,943	5.36%
Programs					
Legislature	12,533	87	12,620	13,570	7.53%
Executive Offices	28,802	(14)	28,789	29,886	3.81%
Criminal Justice	354,259	(4,193)	350,066	374,279	6.92%
Administrative Services	23,852	(557)	23,295	26,063	11.88%
Debt Service	71,207		71,207	73,224	2.83%
Capital Facilities	47,310		47,310	48,905	3.37%
Health	183,774	(126)	183,648	194,317	5.81%
Human Services	193,809	(378)	193,431	201,384	4.11%
Public Education Subcom	330		330	255	-22.79%
Higher Education Subcom	364,247		364,247	383,689	5.34%
Natural Resources Subcom	45,635	631	46,266	46,316	0.11%
Commerce & Revenue Subcom	90,043	(611)	89,432	92,902	3.88%
Ec Dev & Human Res Subcom	37,512	802	38,314	38,475	0.42%
Transp & Env Qual Subcom	136,665	1,236	137,901	148,678	7.81%
Total	\$1,589,978	(\$3,122)	\$1,586,856	\$1,671,943	5.36%

Table 4
Appropriations Comparison, FY 2000 - FY 2001
Uniform School Fund/Income Tax in Thousands

	FY 2000	FY 2000	FY 2000	FY 2001	Percent
Financing	Estimated	Supplemental	Revised	Appropriated	Change
Uniform School Fund	1,616,920	(127)	1,616,793	1,710,928	5.82%
Uniform School Fund, One-time	10,380	(134)	10,247	12,570	22.67%
Income Tax	148,394		148,394	161,715	8.98%
Income Tax, One-time	1,000		1,000	1,000	0.00%
Total	\$1,776,693	(\$261)	\$1,776,433	\$1,886,212	6.18%
Programs					
Debt Service	20,153		20,153	20,153	0.00%
Capital Facilities	11,816		11,816	11,816	0.00%
Public Education Subcom	1,564,473	(134)	1,564,339	1,661,778	6.23%
Higher Education Subcom	163,887		163,887	175,907	7.33%
Commerce & Revenue Subcom	16,365	(127)	16,238	16,558	1.97%
Total	\$1,776,693	(\$261)	\$1,776,433	\$1,886,212	6.18%

Table 5
Revenue Estimates, FY 2000 - FY 2001
In Thousands

General Fund	FY 2000 Estimate	FY 2001 Estimate	Legislative Changes	FY 2001 Estimate
Sales and Use Tax	1,345,000	1,400,000		1,400,000
Liquor Profits	28,700	30,200		30,200
Insurance Premiums	50,000	52,000		52,000
Beer, Cigarette & Tobacco	58,000	60,000		60,000
Oil and Gas Severance	14,000	14,000		14,000
Metal Severance	5,000	5,500		5,500
Inheritance	63,000	9,000		9,000
Investment Income	14,000	15,000		15,000
Other	41,000	37,000		37,000
Property & Energy Tax Credit	(4,000)	(4,200)		(4,200)
Subtotal	\$1,614,700	\$1,618,500		\$1,618,500
Uniform School Fund				
Individual Income Tax	1,580,000	1,689,000		1,689,000
Corporate Franchise Tax	160,000	160,000		160,000
Mineral production Withholding	7,500	7,500		7,500
Gross Receipts Tax	7,340	7,500		7,500
Escheats	6,000	6,000		6,000
Permanent Fund Interest	4,000	4,775		4,775
Subtotal	\$1,764,840	\$1,874,775		\$1,874,775
Total	\$3,379,540	\$3,493,275		\$3,493,275
Transportation Fund				
Motor Fuel Tax	235,000	243,200		243,200
Special Fuel Tax	75,700	77,700		77,700
Motor Vehicle Registration	26,000	27,000		27,000
Other	32,000	34,000		34,000
Total	\$368,700	\$381,900		\$381,900
Federal Mineral Lease				
Regular	27,500	27,500		27,500
Bonus	4,500	4,500		4,500
Total	\$32,000	\$32,000		\$32,000

Table 6
Revenue to Expenditure Comparison, FY 2000 - FY 2001
General Fund, Uniform School Fund, Income Tax in Thousands

Plan of Financing	FY 2000 Estimated	FY 2001 Appropriated	Percent Change
Beginning Balance	\$36,151	\$57,898	
General Fund Estimate	1,614,700	1,618,500	0.24%
Uniform Sch. Fund/Income Tax Est.	1,764,840	1,874,775	6.23%
Subtotal Gen. & USF/Tax Estimates	\$3,379,540	\$3,493,275	3.37%
Mineral Lease Transfers	1,346	1,350	
Miscellaneous	491		
Revenue Bills	167	5,832	
Additional Judicial Collections	1,990		
Reserve For Industrial Assistance Fund	1,760		
Total	\$3,421,445	\$3,558,355	4.00%
Programs			
Legislature	\$12,620	\$13,570	7.53%
Ex. Off., Crts, Corr. & Pub. Safety	378,855	404,165	6.68%
Administrative Services	23,295	26,063	11.88%
Debt Service	91,359	93,376	2.21%
Capital Facilities	59,126	60,721	2.70%
Human Services	193,431	201,384	4.11%
Health	183,648	194,317	5.81%
Public Education	1,564,669	1,662,033	6.22%
Higher Education	528,133	559,596	5.96%
Natural Resources	46,266	46,316	0.11%
Commerce and Revenue	105,671	109,461	3.59%
Econ. Develop./Human Res.	38,573	38,475	-0.25%
Trans., DEQ, & Natl. Guard	137,901	148,678	7.82%
Total	\$3,363,547	\$3,558,155	5.79%
Ending Balance	\$57,898	\$200	

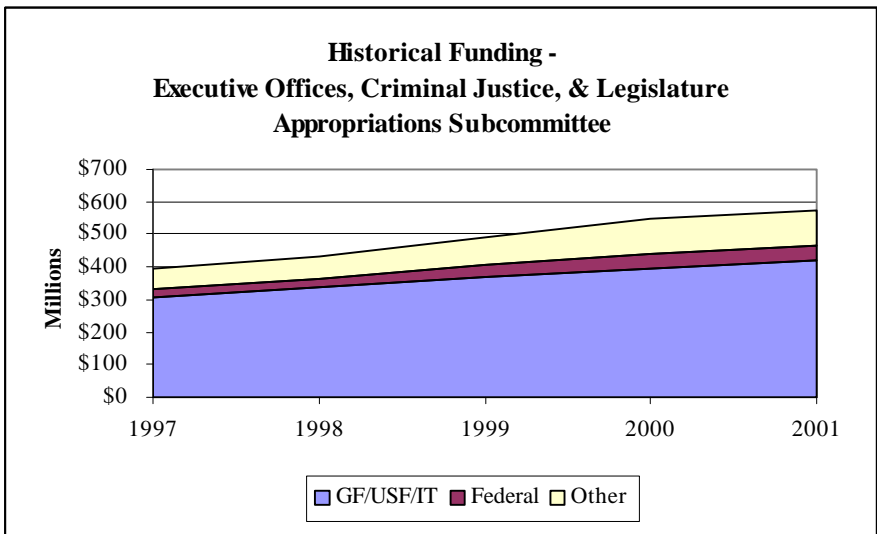
**Executive Offices, Criminal
Justice and Legislature**

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Subcommittee Overview

This subcommittee oversees agency budgets representing approximately 12 percent of all State General Funds, 31 percent of non-education State FTEs, and 15 percent of non-education State vehicles. The various departments, agencies and programs under this subcommittee saw an overall growth of 6.6 percent. Total funding for the nine departments amounted to \$572,233,300 of which \$417,735,200 is from General Funds. This subcommittee receives more General Funds than any other subcommittee.

Overall growth was driven by Legislative initiatives in the area of crime fighting and prevention. A major issue faced by the subcommittee for FY 2001 was the funding required for operations and maintenance of new criminal justice facilities, particularly in the area of adult and youth corrections, which are scheduled to come on line in FY 2001.



General Subcommittee Issues

Structural Changes: The Medicaid Fraud Unit, formerly a part of the Division of Investigations, Department of Public Safety, was transferred to the Office of the Attorney General. With the creation of the centralized motor pool in the Division of Fleet Operations, Department of Administrative Services, the Fleet Services program in the Department of Public Safety was

no longer needed. The Fleet services FTE's and funds were removed from Public Safety to Fleet Services will now come from the central motor pool.

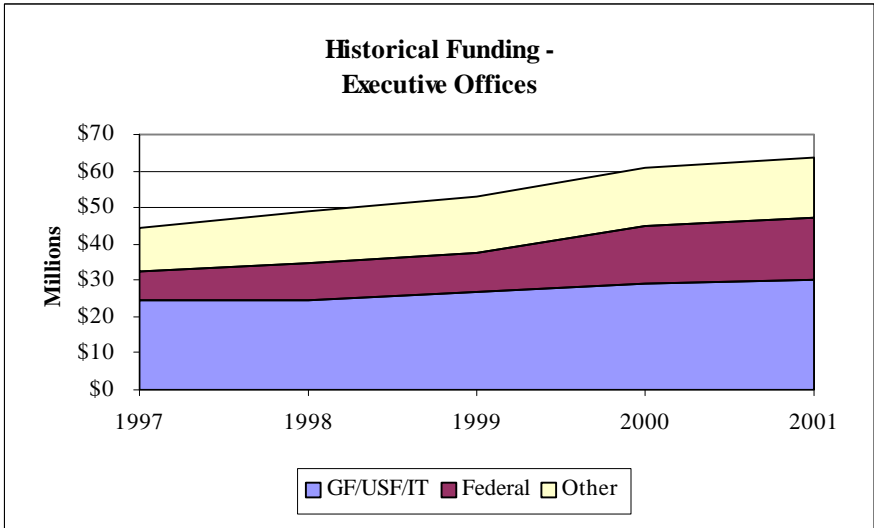
Criminal Justice: Reflecting the general feeling of the public, the Legislature views Utah's crime rate with some alarm. Even though the crime rate in almost all categories is down from the 1998 levels, the public perception keeps crime as a major issue. A major driving force in Utah crime statistics is the property crime rate which is higher than the national average. Property crime represents approximately 94 percent in the index of total crimes tracked and is one of several categories of crimes statistics sensitive to the age of the population. Utah, with the youngest population in the nation, can be expected to have a higher than average number of property crimes, and therefore, a higher total crime rate.

Decriminalization of Traffic: Fiscal Year 2000 saw the decriminalization of certain traffic offenses by two major cities in the state.

To forestall further decriminalization of traffic, the Legislature passed Senate Bill 240, "Decriminalization of Traffic Offenses." This bill guarantees the continued flow of the surcharge and that portion of the fines required for the Matheson Courthouse bond payments, to the State. It further enjoins any additional cities from decriminalizing traffic offenses until a Legislative Task Force has had an opportunity to study the issue.

Executive Offices

The Executive Offices of the state consist of the five state-wide elected officials (Governor, Lieutenant Governor, Attorney General, Treasurer, and Auditor) and their staffs. Several of these offices are the administrative location for a variety of programs that provide services to other state agencies as well as the public in general.



Legislative Action

Twenty-first Century Communities: Additional funding of \$100,000 was provided from the General Fund for the 21st Century Communities Program in the Office of Planning and Budget. FY 2001 appropriations bring ongoing funding for the initiative up to \$200,000.

Chief Information Officer Amendments: Funding of \$34,500 was provided from the General Fund to the Chief Information Office to implement the provisions of Senate Bill 77, "Chief Information Officer Amendments."

Governor's Administration: A General Fund increase of \$50,000 was provided for the Governor's Administration.

Election: Elections was made a separate line item and \$307,900 was provided from the General Fund for biennial elections.

Constitutional Defense Council: An appropriation of \$1,196,000 from the Constitutional Defense Fund was made to the Governor's Office – Constitutional Defense Council. Funding is to be used for the Constitutional Defense Council duties as defined in 63C-4-102 of the Utah Code Annotated.

Medicaid Fraud: The Medicaid Fraud unit, along with funding of \$952,400, was transferred from the Department of Public Safety to the Office of the Attorney General.

Children's Justice Centers: An appropriation of \$300,000 was provided from the General Fund to place nurse practitioners in Children's Justice Centers in rural areas of the state.

Investigator: An appropriation of \$75,000 was made from the General Fund to fund an investigator position in the Attorney General's Office.

Criminal Appeals Attorney: Funding of \$100,000 was provided from the General Fund for the Attorney General to hire a Post-conviction Appeals Attorney with expertise in death penalty cases.

Pornography and Obscenity Complaints Ombudsman: Funding of \$75,000 was provided from the General Fund for a Pornography and Obscenity Complaints Ombudsman. Funding is to be used to hire an attorney with expertise in obscenity and pornography law.

Attorney: Funding of \$118,700 was provided from the Commerce Service Fund to implement the provisions of House Bill 107, "Utah Residential Mortgage Practice Act."

Salary Adjustments for Children's Justice Centers: Funding of \$35,000 from the General Fund was provided to increase the salaries of individuals serving in Children's Justice Centers who are under state contract but have not historically received the authorized state salary increases.

Tobacco Settlement Funds: Funding from tobacco settlement revenues was provided for the ongoing defense of the Tobacco settlement. Funding is the result of a reimbursement settlement awarded to the National Association

of Attorneys General. The funding included a supplemental appropriation of \$160,000 and a FY 2001 one-time appropriation of \$269,300.

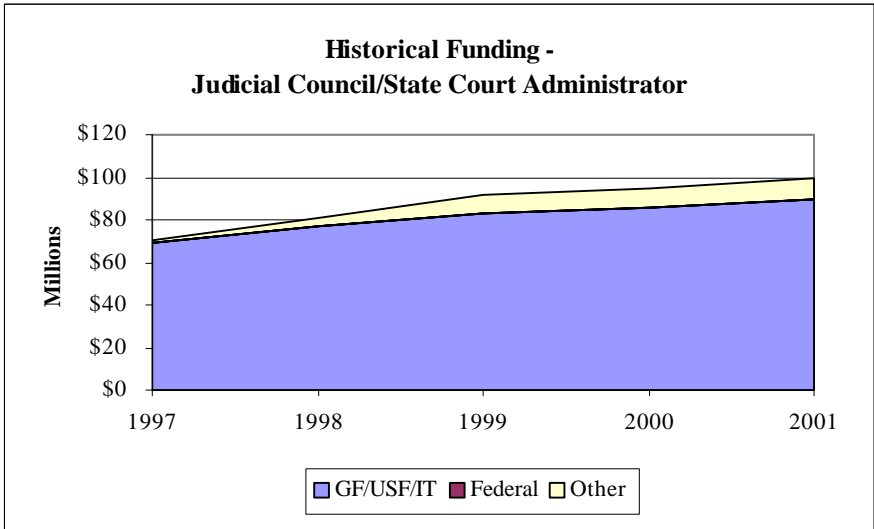
Unclaimed Property Program Expansion: An ongoing appropriation of \$174,300 was made from the Unclaimed Property Trust Fund to the Treasurer to improve the process of locating owners of unclaimed property. Funding for three additional positions was included as part of the appropriation.

Funding Detail

Executive Offices					
	FY 2000	FY 2000	FY 2000	FY 2001	Change From
Financing	Estimated	Supplemental	Revised	Appropriated	2000 Revised
General Fund	27,927,300	(13,800)	27,913,500	29,738,700	1,825,200
General Fund, One-time	875,000		875,000	147,700	(727,300)
Federal Funds	16,260,500		16,260,500	17,098,900	838,400
Dedicated Credits Revenue	10,618,300	(3,400)	10,614,900	11,137,900	523,000
GFR - Commerce Service	290,100	(100)	290,000	416,600	126,600
GFR - Public Safety Support	467,500		467,500	490,300	22,800
GFR - Tobacco Settlement		160,000	160,000	269,300	109,300
Antitrust Revolving	154,500		154,500	159,900	5,400
Crime Victims Rep Trust	711,000		711,000	734,200	23,200
Olympic Special Revenue	211,700		211,700	216,200	4,500
Unclaimed Property Trust	937,300	(300)	937,000	1,130,400	193,400
Transfers - Admin Services	162,000		162,000	1,358,000	1,196,000
Transfers - CCJJ	88,600		88,600	88,600	
Transfers - CEM	25,000		25,000	66,100	41,100
Transfers - DCED	329,100		329,100	332,000	2,900
Transfers - DEQ	4,000		4,000	4,000	
Transfers - Health	6,000		6,000	6,000	
Transfers - Human Services	6,000		6,000	6,000	
Transfers - ISF Retained Earnings				30,000	30,000
Transfers - Legislature				(50,000)	(50,000)
Transfers - Natural Resources	3,000		3,000	3,000	
Transfers - STLA	319,600		319,600	136,100	(183,500)
Transfers - Workforce Svcs	4,000		4,000	4,000	
Beginning Nonlapsing	1,808,200		1,808,200	198,400	(1,609,800)
Closing Nonlapsing	(198,400)		(198,400)		198,400
Total	\$61,010,300	\$142,400	\$61,152,700	\$63,722,300	\$2,569,600
Programs					
State Treasurer	1,975,200	(400)	1,974,800	2,222,300	247,500
Governor's Office	28,051,300	(3,200)	28,048,100	28,011,200	(36,900)
Attorney General	27,432,600	147,100	27,579,700	30,188,000	2,608,300
State Auditor	3,551,200	(1,100)	3,550,100	3,300,800	(249,300)
Total	\$61,010,300	\$142,400	\$61,152,700	\$63,722,300	\$2,569,600

The Courts

The Utah State Court System consists of: two appellate courts, the court of general jurisdiction (District Court) and a Juvenile Court. The state trial courts (District and Juvenile) are organized into eight Judicial Districts. These courts are fully funded and operated by the state. Additional courts not-of-record (Justice Courts) are funded and operated by local governments under standards established by the state.



Legislative Action

Jury, Witness and Interpreter funds were increased by \$500,000 for FY 2001.

The line item for Contracts and Leases was increased \$1,200,000 in General Funds to reflect increased costs throughout the State.

Senate Bill 15, “Use of Tobacco Settlement Revenues,” expanded the Drug Courts of the State and started a Drug Board Pilot Project. Funding for the Drug Court portion of the program consists of \$77,400 in Tobacco Settlement Funds. Additional funds were also provided to the Department of Human Services for program and services support.

Judicial Salaries: Under provisions of Section 67-8-2, UCA, judicial salaries were increased by 4 percent for FY 2001, with the setting of the District Court Judge salary at \$99,700. All other judicial salaries are calculated from the District Court benchmark.

Intent Language

A variety of bills adding workload to the courts amounted to over \$400,000 in General Funds. The following intent language (Senate Bill 1, item 37, page 14) recognized that these additions to the courts base budget are a de-facto addition of clerks:

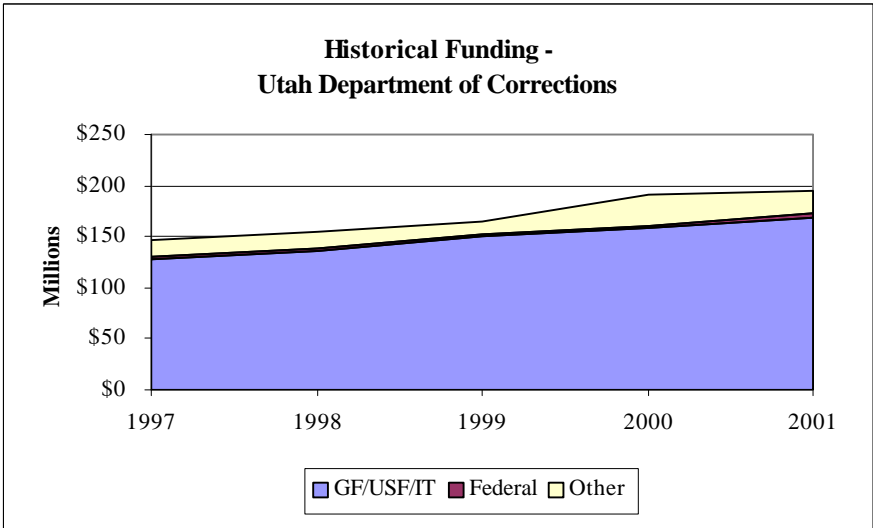
It is the intent of the Legislature that for every \$50,000 in accumulated fiscal note driven costs to the courts in any given year, that the courts be authorized an additional clerk FTE. These FTE clerk increases are to be included in all subsequent budget submittals under the appropriate appeals, trial, or juvenile court program budget category.

Funding Detail

Judicial Council/State Court Administrator					
Financing	FY 2000 Estimated	FY 2000 Supplemental	FY 2000 Revised	FY 2001 Appropriated	Change From 2000 Revised
General Fund	85,895,150	(192,800)	85,702,350	90,152,500	4,450,150
General Fund, One-time	57,800		57,800	(640,000)	(697,800)
Federal Funds	182,000		182,000	182,100	100
Dedicated Credits Revenue	1,149,500		1,149,500	1,138,800	(10,700)
GFR - Alt Dispute Resolution	140,000		140,000	144,400	4,400
GFR - Children's Legal Def	615,000		615,000	610,300	(4,700)
GFR - Court Reporter Tech		50,000	50,000	200,000	150,000
GFR - Court Trust Interest	290,000	300,000	590,000	273,000	(317,000)
GFR - Guardian Ad Litem Serv	240,500		240,500	230,000	(10,500)
GFR - Non-Judicial Assess	685,700		685,700	752,700	67,000
GFR - State Court Complex	3,323,200	72,400	3,395,600	3,500,000	104,400
GFR - Substance Abuse Prev	312,300		312,300	319,300	7,000
GFR - Tobacco Settlement				193,700	193,700
GFR - Transcriptions	150,000		150,000		(150,000)
Transfers - CCJJ	1,022,200		1,022,200	1,024,700	2,500
Beginning Nonlapsing	2,730,800		2,730,800	2,213,100	(517,700)
Closing Nonlapsing	(2,213,100)		(2,213,100)	(767,900)	1,445,200
Total	\$94,581,050	\$229,600	\$94,810,650	\$99,526,700	\$4,716,050
Programs					
Administration	73,885,650	157,200	74,042,850	76,941,300	2,898,450
Contracts and Leases	15,888,600	72,400	15,961,000	17,169,200	1,208,200
Grand Jury	1,000		1,000	900	(100)
Jury and Witness Fees	1,856,200		1,856,200	2,362,500	506,300
Guardian ad Litem	2,949,600		2,949,600	3,052,800	103,200
Total	\$94,581,050	\$229,600	\$94,810,650	\$99,526,700	\$4,716,050

Department of Corrections

The Department of Corrections, as the adult correctional authority for the State of Utah, has a primary mission of community protection. To accomplish this goal, the Department must develop and provide programs that identify and control the convicted offender's inappropriate behavior, and help the offenders learn to function as law-abiding citizens.



Legislative Action

Salary Issue: Recruitment and retention of correction officers are major concerns of the Administration and the Legislature. Competition from similar jobs in other states and with local government facilities has added pressure to the situation. The position of corrections officer is frequently used as a stepping stone to other law enforcement positions. This is true for all jurisdictions. The challenge is becoming particularly acute for the State along the Wasatch Front where new major facilities being brought on line by local governments are competing for experienced corrections officers from the Draper and other state run facilities.

Corrections Salaries: To help realign salaries within the Department of Corrections, \$1,500,000 was provided in addition to the statewide employee increase for FY 2001. This was a second year effort after the \$3.5 million provided via the Department of Human Resources last year.

Drug Courts - Board: Senate Bill 15, "Use of Tobacco Settlement Revenues," expanded the Drug Courts of the state and started a Drug Board Pilot Project. Funding for the Probation and Parole portion of the Drug Board program consists of \$350,900 in Tobacco Settlement Funds.

Demand for Prison Beds: Growth in the demand for new prison beds was slower in FY 2000, but has resumed its earlier rate with an anticipated need for approximately 450 new beds in FY 2001. To accommodate the new bed needs for the coming year, \$3,227,300 was added to the Jail Contracting budget. This equates to 205 new jail beds under contract to hold state prisoners. This figure is calculated using the current year base contract rate of \$43.07 per inmate per day. To cover the medical and transportation costs for those jail beds that may be contracted with counties that do not provide such services, the Department of Corrections was given an additional \$328,500.

To open the new Draper Dormitory facility (300 beds) an additional \$4,359,900 was provided. At the same time, the Camp Williams facility is scheduled to close and the 210 inmates now housed there will be transferred to the new Dormitory. The net gain in new beds is 90.

To better understand the bed needs for future years the Legislature included the following intent language in the Appropriations Act (Senate Bill 1, item 27, page 9):

It is the intent of the Legislature that the Department of Corrections report their projected bed needs. The report should include: the projected number of beds needed in state-owned facilities, contracted jails, and private correctional facilities. The report shall be provided to the Legislative Law Enforcement and Criminal Justice and Joint Executive Appropriations interim committees in September.

Savings from delayed openings: The savings from delayed and deferred openings of new state and privatized facilities were removed from the Department base budget for FY 2000/2001 as follows:

For the Privatized Prison	FY 2001	(\$ 1,900,000)
	FY 2000	(\$ 3,800,000)
For the Gunnison Prison	FY 2001	(\$ 1,958,300)

Funding Detail

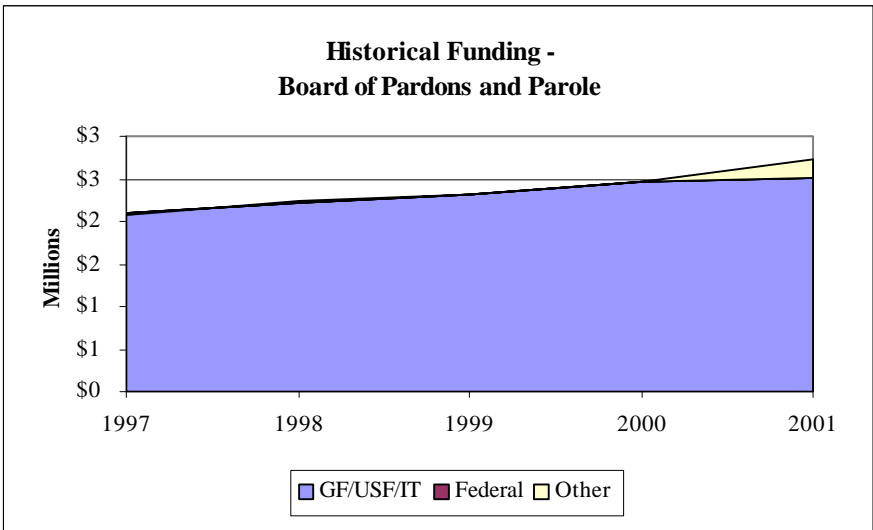
The appropriations history for the Department of Corrections has been relatively stable in form but growing in total for the last eight years. Department budget growth has reflected both fiscal note funding of a series of “get tough on crime” legislation items as well as strong legislative support for increased institutional facilities and staffing through the budget appropriations process.

Utah Department of Corrections					
	FY 2000	FY 2000	FY 2000	FY 2001	Change From
Financing	Estimated	Supplemental	Revised	Appropriated	2000 Revised
General Fund	161,790,700	(3,925,600)	157,865,100	176,172,100	18,307,000
General Fund, One-time	9,600		9,600	(6,508,300)	(6,517,900)
Federal Funds	2,574,300		2,574,300	2,308,300	(266,000)
Dedicated Credits Revenue	19,609,600		19,609,600	20,487,000	877,400
GFR - Tobacco Settlement				81,700	81,700
Transfers	3,500,000		3,500,000		(3,500,000)
Transfers - CCJJ	1,239,200		1,239,200	1,497,900	258,700
Beginning Nonlapsing	6,211,400		6,211,400	656,700	(5,554,700)
Closing Nonlapsing	(965,700)		(965,700)		965,700
Total	\$193,969,100	(\$3,925,600)	\$190,043,500	\$194,695,400	\$4,651,900
Programs					
Administration	8,580,400	(125,600)	8,454,800	8,893,600	438,800
Field Operations	38,517,600		38,517,600	38,718,400	200,800
Institutional Operations	96,455,200	(4,701,000)	91,754,200	90,778,700	(975,500)
Draper Medical Services	15,172,700		15,172,700	17,796,900	2,624,200
Utah Correctional Industries	14,500,000		14,500,000	15,849,000	1,349,000
Forensics	190,000		190,000	190,000	
Jail Programs - Jail Reimb	20,553,200	901,000	21,454,200	22,468,800	1,014,600
Total	\$193,969,100	(\$3,925,600)	\$190,043,500	\$194,695,400	\$4,651,900

Board of Pardons

The Board of Pardons is the release authority for all inmates in the State of Utah. The Board is responsible for reviewing an inmate's performance after the inmate is incarcerated, and determining when and under what conditions the inmate may be released after serving the minimum sentence required by law. In addition, the Board reviews violations of release conditions to decide whether an inmate should be sent back to prison, etc.

As of July 1, 1983, the Board of Pardons went from a part-time to a full-time Board. As a quasi-judicial body, the Board has a tremendous responsibility not only for public safety and inmate equity of treatment, but for the record keeping and process that must meet stringent legal scrutiny. In Utah most sentencing is indeterminate, and the Board, de facto becomes the final sentencing authority and sets the standard for length of confinement for most felons.



Legislative Action

Drug Board: Senate Bill 15, “Use of Tobacco Settlement Revenues”, expanded the Drug Courts of the state and started a Drug Board Pilot Project. To test a drug court like pilot operation for paroled inmates, a Drug Board in the Davis and Weber County areas was included. Funding for the

Board portion of the program consists of \$77,400 in Tobacco Settlement Funds and includes the hiring of one additional hearing officer.

Intent Language

In recognition of the special problems of dealing with the mentally ill in the criminal justice system, the Legislature called for a special study by including the following intent language in the Appropriations Act (Senate Bill 1, item 35, page 12):

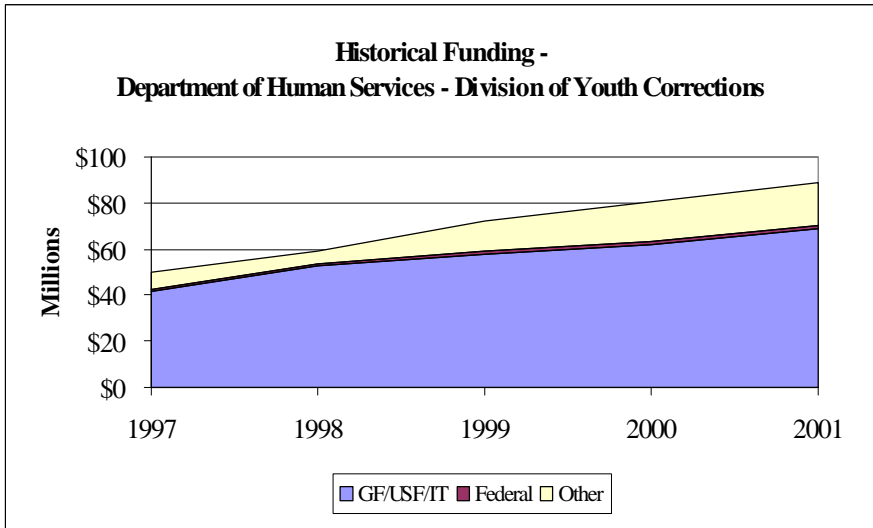
It is the intent of the Legislature that the Department of Corrections, Board of Pardons and Parole, and the Department of Human Services shall select an organization whose primary responsibility is representing people with disabilities, and is recognized under the Protection and Advocacy for Individuals with Mental Illness Act. Together these organizations shall study whether pre-adjudicated and mentally ill persons who are detained in jail or the Utah State Hospital should receive credit for time served. A report shall be produced and presented to the Law Enforcement and Criminal Justice Interim Committee in October.

Funding Detail

Board of Pardons and Parole					
	FY 2000 Estimated	FY 2000 Supplemental	FY 2000 Revised	FY 2001 Appropriated	Change From 2000 Revised
Financing					
General Fund	2,467,400	(5,800)	2,461,600	2,504,400	42,800
Dedicated Credits Revenue	2,000		2,000	2,000	
GFR - Tobacco Settlement				77,400	77,400
Beginning Nonlapsing	151,000		151,000	145,100	(5,900)
Closing Nonlapsing	(145,100)		(145,100)		145,100
Total	\$2,475,300	(\$5,800)	\$2,469,500	\$2,728,900	\$259,400
Programs					
Board Of Pardons and Parole	2,475,300	(5,800)	2,469,500	2,728,900	259,400
Total	\$2,475,300	(\$5,800)	\$2,469,500	\$2,728,900	\$259,400

Division of Youth Correction

The Division of Youth Corrections is responsible for all delinquent offenders committed by the State's Juvenile Court. The Division maintains the Youth Detention Centers for both pre-adjudication and post-adjudication confinement. For youth penetrating the system further, the youth are committed to either long-term secure confinement, short-term observation and assessment, or to alternative community residential placement.



Legislative Action

New Facilities: The Division of Youth Corrections received \$5,600,000 to open three new facilities:

Ogden Secure Facility	72 beds
Carbon/Emery Youth Center	32 beds
Richfield Youth Center	32 beds

Program transfer: To achieve operational efficiencies at the Archway Project in Ogden, 8.5 FTE and \$309,000 in General Funds were transferred from the Division of Children and Family Services to the Division of Youth Corrections.

Salary Correction: Just prior to the conclusion of the Legislative General session it was discovered that the compensation package for Adult Corrections, Youth Corrections, The Courts, and the Board of Pardons had been under-funded. To recognize this shortfall and provide future remedy, the Legislature included the following intent language in House Bill 3, Supplemental Appropriations Act II:

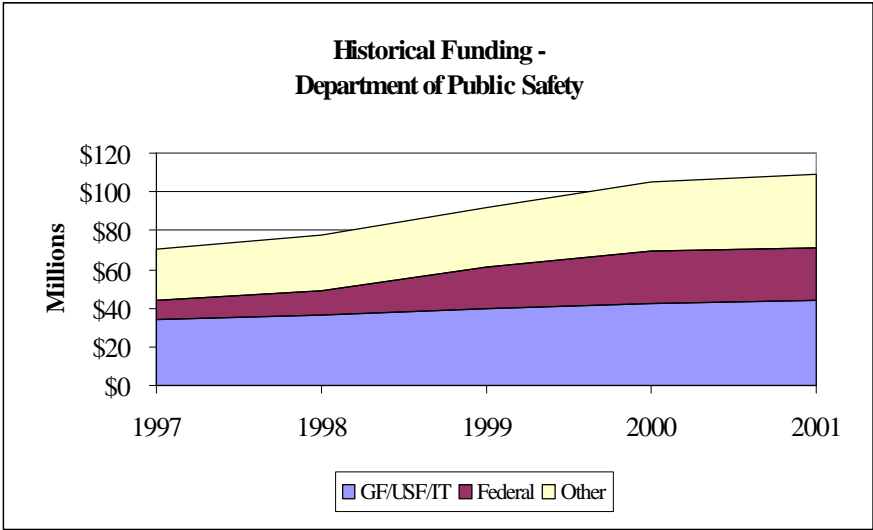
It is the intent of the Legislature that the unfunded compensation for Adult Corrections, Division of Youth Corrections, The Courts, and the Board of Pardons receive high priority for supplemental funding for Fiscal Year 2001. In addition, the Governor's Office of Planning and Budget shall include the amount in the Fiscal Year 2002 beginning base budgets.

Funding Detail

Department of Human Services - Division of Youth Corrections					
	FY 2000	FY 2000	FY 2000	FY 2001	Change From
Financing	Estimated	Supplemental	Revised	Appropriated	2000 Revised
General Fund	61,900,700	(68,200)	61,832,500	68,786,200	6,953,700
Federal Funds	1,572,700		1,572,700	1,580,200	7,500
Dedicated Credits Revenue	2,745,400		2,745,400	2,745,400	
Youth Crime Victims Restit	500,000		500,000	500,000	
Transfers - Child Nutrition	410,000		410,000	424,100	14,100
Transfers - CCJJ	4,519,000		4,519,000		(4,519,000)
Transfers - Interagency	767,800		767,800	458,800	(309,000)
Transfers - Medicaid	8,168,500		8,168,500	12,673,000	4,504,500
Transfers - Other Agencies	40,000		40,000	43,000	3,000
Beginning Nonlapsing	1,367,800		1,367,800	1,367,800	
Closing Nonlapsing	(1,367,800)		(1,367,800)		1,367,800
Total	\$80,624,100	(\$68,200)	\$80,555,900	\$88,578,500	\$8,022,600
Programs					
Services	55,749,300	23,287,600	79,036,900	88,578,500	9,541,600
Out-of-State Placements	2,456,400	(2,359,400)	97,000		(97,000)
Community Alternatives	22,083,700	(20,679,600)	1,404,100		(1,404,100)
Youth Parole Authority	334,700	(316,800)	17,900		(17,900)
Total	\$80,624,100	(\$68,200)	\$80,555,900	\$88,578,500	\$8,022,600

Department of Public Safety

The objectives of the Department of Public Safety are to preserve order by protecting lives, reducing the number and severity of accidents, and reducing damage to life, health, property, and finances caused by unlawful activity.



Legislative Action

New Troopers: The Department received \$102,100 in ongoing General Funds for two additional Highway Patrol Troopers. Legislative intent specified where the Legislature wished the new troopers to be assigned:

It is the intent of the Legislature that the two additional troopers be assigned to add to the Utah Highway patrol coverage on Route #6 between Spanish Fork and Price, until the road is reconstructed.

Laptop Technology: To continue the expansion of the laptop technology in Highway Patrol vehicles, \$250,000 was provided. These funds included the following intent language:

It is the intent of the Legislature that the additional funds for laptop technology be used to extend that capability to the Utah and Juab County areas of the State.

House Bill 161, “Background Checks for Weapons Purchase”, provided \$26,100 for the Bureau of Criminal Identification to reprogram their computer and then provide the checks required. House Bill 72, “Utah Telehealth Commission”, also included mental illness in the category of information to be reviewed as part of background checks.

Trooper Classifications: Last year the Legislature, by intent language, authorized the creation of a Trooper Grade III. To continue that program the following two items of intent language were included in the Appropriations Act (Senate Bill 1, item 509, page 20):

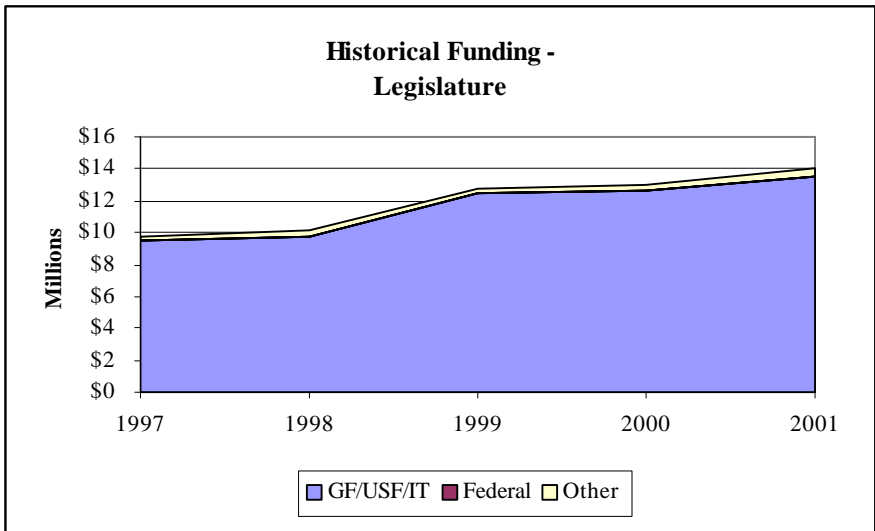
It is the intent of the Legislature that peace officers who may have current assignments within the programs of POST, Investigations and Technical Services, or programs of the Highway Patrol Division shall be equally considered as “troopers”. All “troopers” within the Department should be eligible for any appropriate promotions, awards, and incentives appertaining to the peace officers assigned as highway patrol troopers within the Department of Public Safety.

It is the intent of the Legislature that the Department is authorized to advance officers to the Senior Officer III grade positions using increases from savings in existing appropriations.

Funding Detail

Department of Public Safety					
Financing	FY 2000 Estimated	FY 2000 Supplemental	FY 2000 Revised	FY 2001 Appropriated	Change From 2000 Revised
General Fund	42,137,800	(600)	42,137,200	43,795,600	1,658,400
General Fund, One-time				16,500	16,500
Transportation Fund	5,495,500		5,495,500	5,495,500	
Federal Funds	22,417,500	4,989,800	27,407,300	27,120,400	(286,900)
Dedicated Credits Revenue	5,416,000	(3,000)	5,413,000	5,433,300	20,300
GFR - Drug Forfeiture	200,000		200,000	200,000	
GFR - Fire Academy Support	2,064,800	150,300	2,215,100	2,190,600	(24,500)
GFR - Nuclear Oversight	1,993,300		1,993,300	1,993,300	
GFR - Public Safety Support	2,340,700		2,340,700	2,365,800	25,100
GFR - Statewide Warrant Ops	343,000	(3,000)	340,000	397,100	57,100
TFR - Motorcycle Education	175,000		175,000	175,300	300
TFR - Public Safety	14,026,000		14,026,000	15,090,100	1,064,100
TFR - Unins Motorist I.D.	1,508,000		1,508,000	1,560,100	52,100
Transfers - CCJJ	1,042,600		1,042,600	938,200	(104,400)
Transfers - Other Agencies	616,500		616,500	616,200	(300)
Beginning Nonlapsing	1,684,500		1,684,500	1,538,400	(146,100)
Closing Nonlapsing	(1,538,400)		(1,538,400)		1,538,400
Total	\$99,922,800	\$5,133,500	\$105,056,300	\$108,926,400	\$3,870,100
Programs					
Commissioner's Office	10,894,500	4,999,400	15,893,900	16,716,400	822,500
Comp Emergency Mgt	9,212,300	(10,200)	9,202,100	9,442,000	239,900
Safety Promotion	143,400		143,400	145,400	2,000
Peace Officers' Stds & Train	5,789,700	(3,000)	5,786,700	5,684,200	(102,500)
Investigative & Tech Services	16,286,700	(3,000)	16,283,700	15,878,500	(405,200)
Liquor Law Enforcement	974,200		974,200	1,020,700	46,500
Driver License	15,063,200		15,063,200	16,575,500	1,512,300
Utah Highway Patrol Division	36,640,900		36,640,900	38,415,500	1,774,600
Information Management	1,829,600		1,829,600	1,825,100	(4,500)
Fire Marshal	3,088,300	150,300	3,238,600	3,223,100	(15,500)
Total	\$99,922,800	\$5,133,500	\$105,056,300	\$108,926,400	\$3,870,100

Legislature



Legislative Action

The total FY 2001 appropriation of \$13,778,900 for the Legislature and its staff agencies is an increase of 9.2 percent from estimated expenditures in FY 2000. This funding includes resources for the annual General Session and Interim Committees of the Legislature, as well as the following items:

- ▶ Funding was provided to increase compensation for in-session secretarial supervisors and security personnel.
- ▶ The Legislature approved funding of \$250,000 for the Office of Legislative Research and General Counsel to purchase data processing equipment for redistricting legislative districts after the 2000 United States Census.
- ▶ Funding of \$70,000 was provided to increase the stipend granted to legislative interns and \$60,000 to fund salary inequities between full time staff personnel of the Senate and House of Representatives.
- ▶ Funding of \$104,000 was provided for the expense and staff support of three task forces and commissions:

- ▶ Decriminalization of Traffic Offenses Task Force
 - ▶ Task Force on Utah Water Development
 - ▶ Electric Deregulation Task Force
- ▶ The Legislature also approved supplemental funding of \$77,000 in FY 2000 for two additional task forces and commissions:
- ▶ Public Education Task Force
 - ▶ Applied Technology Education Task Force

Funding Detail

Legislature					
Financing	FY 2000 Estimated	FY 2000 Supplemental	FY 2000 Revised	FY 2001 Appropriated	Change From 2000 Revised
General Fund	12,420,400	(200)	12,420,200	13,005,500	585,300
General Fund, One-time	112,600	87,200	199,800	564,300	364,500
Dedicated Credits Revenue	340,000		340,000	331,000	(9,000)
Transfers				50,000	50,000
Beginning Nonlapsing	319,100		319,100	249,000	(70,100)
Closing Nonlapsing	(249,000)		(249,000)	(144,700)	104,300
Total	\$12,943,100	\$87,000	\$13,030,100	\$14,055,100	\$1,025,000
Programs					
Senate	1,408,600	13,100	1,421,700	1,598,300	176,600
Legislative Printing	859,600		859,600	854,500	(5,100)
Leg Research & Gen Counsel	4,199,900	49,800	4,249,700	4,717,500	467,800
House of Representatives	2,458,800	24,100	2,482,900	2,736,700	253,800
Tax Review Commission	50,000		50,000	50,000	
Legislative Fiscal Analyst	1,895,700		1,895,700	1,939,100	43,400
Legislative Auditor General	1,853,100		1,853,100	1,936,900	83,800
Dues - CSG	72,500		72,500	74,700	2,200
Dues - NCSL	89,900		89,900	92,400	2,500
Constitutional Review Comm	55,000		55,000	55,000	
Total	\$12,943,100	\$87,000	\$13,030,100	\$14,055,100	\$1,025,000

Executive Offices, Criminal Justice, & Legislature Appropriations Subcommittee

Financing	FY 2000 Estimated	FY 2000 Supplemental	FY 2000 Revised	FY 2001 Appropriated	Change From 2000 Revised
General Fund	394,539,450	(4,207,000)	390,332,450	424,155,000	33,822,550
General Fund, One-time	1,055,000	87,200	1,142,200	(6,419,800)	(7,562,000)
General Fund Restricted	13,456,100	729,600	14,185,700	14,705,500	519,800
Transportation Fund	5,495,500		5,495,500	5,495,500	
Transportation Fund Rest	15,709,000		15,709,000	16,825,500	1,116,500
Federal Funds	43,007,000	4,989,800	47,996,800	48,289,900	293,100
Dedicated Credits	39,880,800	(6,400)	39,874,400	41,275,400	1,401,000
Trust and Agency Funds	2,514,500	(300)	2,514,200	2,740,700	226,500
Transfers	22,273,100		22,273,100	19,709,700	(2,563,400)
Beginning Balance	14,272,800		14,272,800	6,368,500	(7,904,300)
Closing Balance	(6,677,500)		(6,677,500)	(912,600)	5,764,900
Total	\$545,525,750	\$1,592,900	\$547,118,650	\$572,233,300	\$25,114,650
Programs					
Legislature	12,943,100	87,000	13,030,100	14,055,100	1,025,000
Governor's Office	28,051,300	(3,200)	28,048,100	28,011,200	(36,900)
State Auditor	3,551,200	(1,100)	3,550,100	3,300,800	(249,300)
State Treasurer	1,975,200	(400)	1,974,800	2,222,300	247,500
Attorney General	27,432,600	147,100	27,579,700	30,188,000	2,608,300
Corrections	193,969,100	(3,925,600)	190,043,500	194,695,400	4,651,900
Board of Pardons and Parole	2,475,300	(5,800)	2,469,500	2,728,900	259,400
Youth Corrections	80,624,100	(68,200)	80,555,900	88,578,500	8,022,600
Courts	94,581,050	229,600	94,810,650	99,526,700	4,716,050
Public Safety	99,922,800	5,133,500	105,056,300	108,926,400	3,870,100
Total	\$545,525,750	\$1,592,900	\$547,118,650	\$572,233,300	\$25,114,650

**Executive Offices, Criminal Justice, & Legislature Appropriations Subcommittee
One-time Funding Items**

Item Name	FY 2001 Appropriated
Legislature - Senate - Administration	9,500
Legislature - House of Representatives - Administration	94,500
Legislature - Legislative Research and General Counsel - Administration	460,300
Courts - Contracts and Leases	(640,000)
Governor's Office - Administration	(9,400)
Governor's Office - Governor's Residence	(1,000)
Governor's Office - Washington Office	(1,400)
Governor's Office - Elections	306,700
Governor's Office - Office of Planning and Budget - Science and Technology	(500)
Governor's Office - Office of Planning and Budget - Administration	(3,400)
Governor's Office - Office of Planning and Budget - Planning and Budget Analysis	(4,900)
Governor's Office - Office of Planning and Budget - Demographic and Economic Analysis	(3,500)
Governor's Office - Office of Planning and Budget - Resource Planning and Legal Review	(2,000)
Governor's Office - Office of Planning and Budget - Information Technology	(5,100)
Governor's Office - Office of Planning and Budget - State and Local Planning	(1,100)
Governor's Office - Commission on Criminal and Juvenile Justice - CCJJ Commission	(3,600)
Governor's Office - Commission on Criminal and Juvenile Justice - Extraditions	(100)
Governor's Office - Commission on Criminal and Juvenile Justice - Substance Abuse and Anti-vio	(600)
Governor's Office - Commission on Criminal and Juvenile Justice - Sentencing Commission	(1,500)
Governor's Office - Commission for Women and Families	(200)
Attorney General - State Counsel	(31,400)
Attorney General - Public Advocacy	(30,000)
Attorney General - Children's Justice	(4,100)
Attorney General - Water Rights Adjudication	(1,000)
Attorney General - Child Protection	(17,900)
Attorney General - Administration	(8,000)
Attorney General - Financial Crime	(600)
Attorney General - Children's Justice Centers	(2,500)
State Treasurer - Treasury and Investment	(4,400)
State Treasurer - Money Management Council	(400)
State Auditor - Administration	(1,600)
State Auditor - Auditing	(16,500)
State Auditor - State and Local Government	(2,300)
Public Safety - Investigative and Technical Services - Criminal Identification Bureau	16,500
Corrections - Institutional Operations - Central Utah/Gunnison	(1,968,300)
Corrections - Institutional Operations - Transition	(2,650,000)
Corrections - Institutional Operations - Privatized Facility	(1,890,000)
Total	<u>(\$6,419,800)</u>

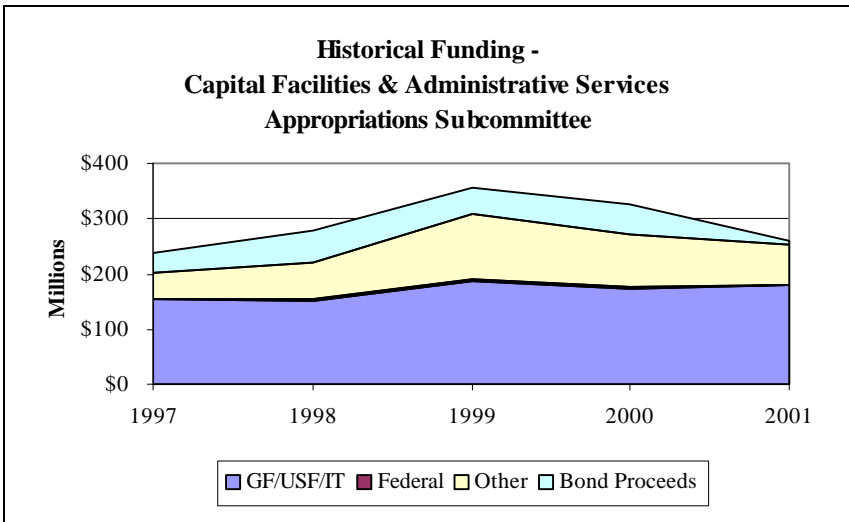


Capital Facilities and Administrative Services

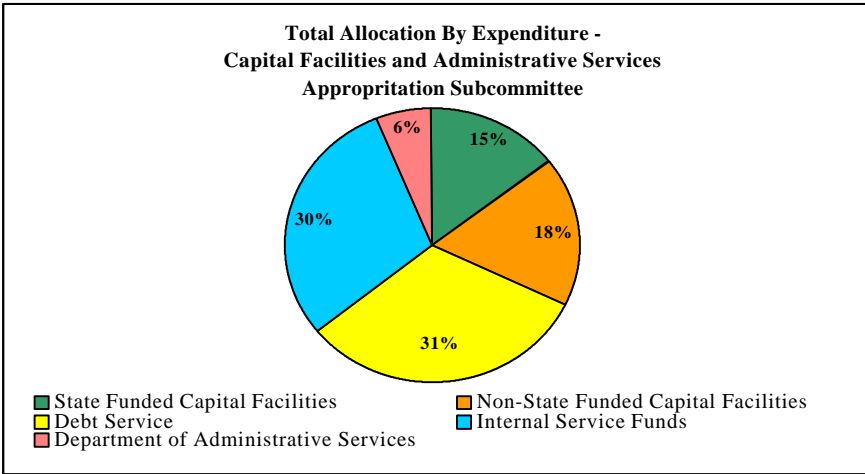
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Subcommittee Overview

The Capital Facilities and Administrative Service Appropriation (CF&AS) Subcommittee oversees four major areas of State Government: the Capitol Preservation Board, the Department of Administrative Services, Debt Service, and Capital Projects.



The CF&AS Subcommittee authorized budget totaled \$499 million for Fiscal Year 2001. Of that amount, less than \$30 million goes toward statewide administration within the Department of Administrative Services. Debt service appropriations, facility approvals and internal service funds each total more than \$150 million for the 2001 budget year.



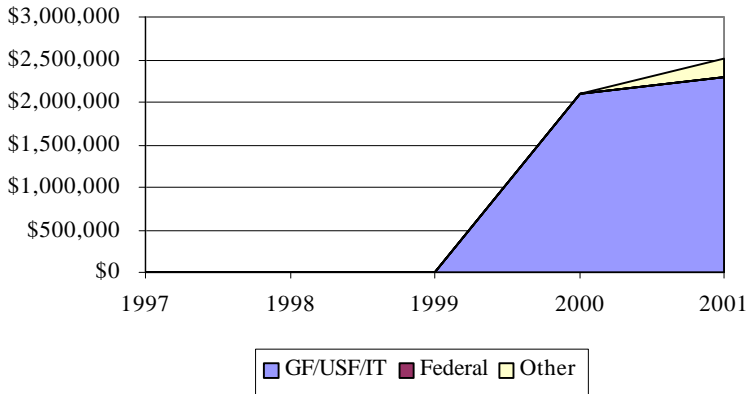
Bond proceeds over the previous five years exceed \$500 million, with half of the total coming from General Obligation Bonds. The other half of the bonding total is made up of Revenue Bond proceeds. Revenue bonds are financial tools that allow the State to convert existing agency revenue streams or lease payments to debt service in order to gain a more favorable interest rate or to take advantage of long term savings.

Capitol Preservation Board

The Capitol Preservation Board was established to operate and maintain Capitol Hill buildings and grounds, including renovation of the Capitol Building. The Board received a direct appropriation of \$2.1 million for the first time in the FY 2000 Supplemental Appropriations bill. It received an additional \$30,000 for in FY 2001 to cover operations and maintenance of the Capitol Greenhouse.

The Board will proceed in FY 2001 with assessing the most viable options for Capitol renovation and will receive recommendations from outside consultants regarding structural options in restoring the building.

Historical Funding - Capitol Preservation Board



Funding Detail

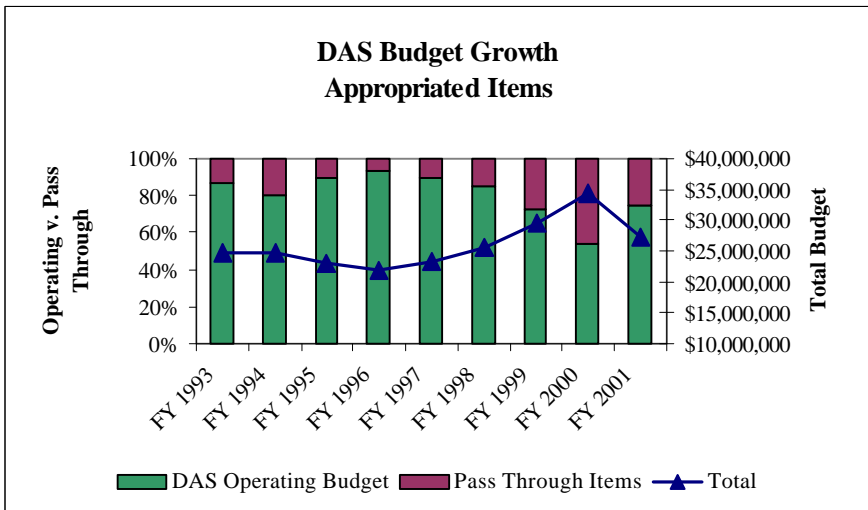
Capitol Preservation Board					
	FY 2000 Estimated	FY 2000 Supplemental	FY 2000 Revised	FY 2001 Appropriated	Change From 2000 Revised
Financing					
General Fund		2,098,400	2,098,400	2,287,100	188,700
Dedicated Credits Revenue				228,200	228,200
Total	<u>\$0</u>	<u>\$2,098,400</u>	<u>\$2,098,400</u>	<u>\$2,515,300</u>	<u>\$416,900</u>
Programs					
Capitol Preservation Board		2,098,400	2,098,400	2,515,300	416,900
Total	<u>\$0</u>	<u>\$2,098,400</u>	<u>\$2,098,400</u>	<u>\$2,515,300</u>	<u>\$416,900</u>

Department of Administrative Services

The Department of Administrative Services is responsible to:

- ▶ Provide specialized commonly needed agency support services;
- ▶ Provide effective, coordinated management of state administrative services;
- ▶ Serve the public interest by eliminating unnecessary duplication and providing services in a cost-effective and efficient manner;
- ▶ Enable administrators to respond effectively to technological improvements;
- ▶ Emphasize the service role of state administrative agencies in meeting the needs of user agencies;
- ▶ Permit flexibility in meeting the service needs of state agencies;
- ▶ Protect the public interest by developing professional accounting procedures and policies.

Thirteen divisions within the Department provide statewide coordination for payroll, facility management, record storage, debt collection, and risk management. The appropriated portion of the Department fluctuates widely from year to year due to financial centralization. The Division of Finance manages an appropriated line item called *Finance-Mandated*. The Finance-Mandated line item allows the Legislature to set aside funds for specific projects such as Quality Growth, Public Safety Radio Conversion, Constitutional Defense, or the Navajo Trust Fund. Finance does not expend the funds, but holds money for other agencies to draw on. When this line item is removed from operational cost calculations, the DAS operating budget totals \$24.9 million for FY 2001, \$676,000 over FY 2000 adjusted totals. The increase reflects a cost of living adjustment, new appropriations to the Automated Geographic Reference Center and savings in computing costs.



DAS Appropriated Divisions

The following divisions require an appropriation from the General Fund to meet their budgetary needs. The appropriated DAS budget for FY 2001 is just over \$27.3 million, with \$23.7 million coming from the General Fund. There are 209.7 FTE's spread across the six appropriated divisions of DAS and the Judicial Conduct Commission.

Executive Director's Office: The Executive Director's Office provides department financial management, strategic planning, organizational development, and public relations. The Division employs nine FTE's with a budget of \$879,400.

Administrative Rules: The Division of Administrative Rules establishes procedures for administrative rule-making. Statute requires the division to register administrative rules, make administrative rules available to the public, publish summaries of proposed rules, and compile and codify all effective rules in the Utah Administrative Code. The Division employs four FTE with a budget for FY 2001 of \$269,900.

Division of Archives: The Utah State Archives is the depository for official records of the State and its political subdivisions. It serves State government and the public by managing records created by the legislative, judicial, and executive branches of government. This includes the cataloging of vital records, storage of historic documents and the management of

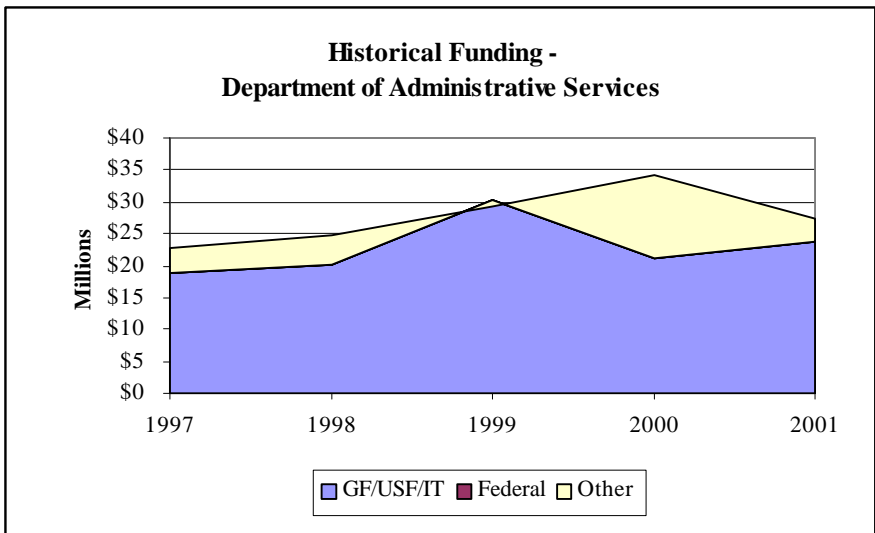
records created by the court system. Archives has 33.5 employees distributed over five divisions with a combined budget of \$1,901,700.

Division of Purchasing and General Services: The Division of Purchasing and General Services provides for the procurement of all supplies and services needed by the State. The Division's \$1,373,300 budget includes 24.2 FTE.

Division of Finance: The Director of the Division of Finance is the state's chief fiscal officer and is responsible for State government's accounting structure. The division produces the Comprehensive Annual Financial Report, ensures compliance with generally accepted accounting principles, issues warrants to vendors and manages the state payroll. The Division budget of \$9,393,900 is spread over five divisions with a combined FTE count of 91.5.

Division of Facilities Construction and Management: The Division of Facilities Construction and Management (DFCM) is responsible for construction, remodeling and equipping of buildings for all state institutions and agencies. The Division addresses the state's maintenance backlog by administering alteration, renovation, repair, and improvement projects on existing buildings. The Division carries 39 FTE and has an operating budget of \$3,095,300.

Judicial Conduct Commission: The Judicial Conduct Commission (JCC) is an independent agency charged with investigating and evaluating claims of inappropriate behavior by state judges. As the ethics monitor for the courts, the JCC is directed by a board that includes members of the Executive, Judicial and Legislative branch. Since the JCC maintains an oversight role within the Judicial Branch, the budget is accounted for by the Division of Finance to avoid appearances of conflicting interests. The Board employs 2 FTE and manages a \$225,000 budget.



Internal Service Funds (ISF)

In addition to the appropriated divisions, the Department has six other divisions that function as Internal Service Funds. These divisions provide goods and services based on legislatively approved rates and are mandated to operate in the manner of a private sector enterprise except in regard to profit – ISF’s are supposed to break even. ISF revenue is derived from fees charged to other agencies for services that would be more expensive were they not centralized. In all, Administrative Services ISF generate \$150 million in revenue and employ 512 FTE. (See table on page 75.)

Division of Purchasing and General Services (ISF): The ISF portion of this division includes, a stockless, vendor direct central store, central copy services and a central mail operation. The mail operation offers processing for forms, folding and special mailers. An electronic purchasing card allows agencies to order office supplies online and the centralized copier service coordinates statewide pools for copier services to reduce costs.

Division of Fleet Operations (DFO): The Division of Fleet Operations operates the State Central Motor Pool, the Surplus Property Program and the State fuel network.

Division of Information Technology Services: The Division of Information Technology Services (ITS) is required to provide cost effective,

reliable data processing and communication service to state and local government. The data processing area of ITS provides software development, computer time-sharing, main frame computing, and consultation services. The telecommunications area of ITS provides telecommunications services, delivers priority service to public safety agencies, and negotiates the purchase, lease or rental of private or public telecommunications services or facilities.

Division of Risk Management: Risk Management provides liability, property and auto damage coverage to state agencies, school districts, colleges, universities and eight city/county health departments. The liability insurance program is entirely self funded, while the property insurance program is self funded with a private carrier up to a \$2.5 million deductible.

Division of Facilities Construction and Management - Facilities Management (ISF): The DFCM internal service fund operation provides building management throughout the state. Included in this budget are building expenses such as utilities, janitorial, garbage collection, and security. DFCM also evaluates preventative maintenance programs by conducting building assessments for state owned buildings and college facilities.

Office of Debt Collection: The Office of State Debt Collection manages State receivables and develops policies governing collection of long-term outstanding debt. The private sector does most of the actual collection work. For FY 2001, the Division will operate entirely as an internal service fund, generating dedicated credits to fund all expenditures.

Legislative Action

State Office Building Security: The Legislature directed the Executive Director to fully implement the security system purchased for the State Office Building. This will result in the creation of a single access point for visitors to the building.

Capitol Connections: The monthly state employee newsletter will be published electronically, resulting in a savings to the state of \$16,000.

Personal vehicle use for state business: Finance will develop a rule that ties mileage reimbursement to Fleet Operation costs but also makes exception for instances where a state vehicle is not available.

800 MHz Conversion: Funding for 800 MHz radios and service was provided to the Division of Finance for allocation by the Chief Information Officer in consultation with the Director of the Division of Information Technology Services.

Design Ownership: The Legislature directed the Building Board to evaluate options in regard to state ownership of building designs and plans.

Facility Pool: The Legislative Fiscal Analyst will prepare a feasibility study regarding development of a common pool for facility management. A facility pool allows the state to combine costs of several buildings through a rent structure that recovers the full cost of operating a building.

Division of Fleet Operations: With the implementation of new systems to manage the state fleet, the Legislature requested a series of reports regarding fleet size, staffing, alternative fuel vehicle costs and repair records. The Legislature also directed DFO to purchase the least expensive alternative fuel vehicles available and to make regular updates to the fuel station locator book.

Information Technology Services: The Legislature directed the Department of Administrative Services to investigate and report rates that more accurately reflect total costs for microwave sites, disk storage, and the Automated Geographic Reference Center.

Reallocation of unexpended Y2K funds: The Legislature redirected \$666,900 in Y2K funds that were not needed to address problems associated with two digit date fields. The funds were reallocated as follows: Department of Commerce, \$330,000 for the Licensing and Enforcement System; Division of Archives, \$86,900 to preserve records of former Governors; Salt Lake Community College, \$225,000 for information technology; College of Eastern Utah, \$25,000 for information technology.

The Legislature also passed several new laws that affect the Department of Administrative Services:

House Bill 90, “Removing Barriers to Electronic Government Services Delivery”: Allows electronic submission of bids and proposals.

Senate Bill 20, “Government Competition with Private Sector”: Prohibits governmental entities from considering a submittal from a Higher Education entity for architect/engineer services after initiating a competitive selection process.

Senate Concurrent Resolution 3, “Resolution on Use of Devereaux Mansion”: Directs DFCM to explore ways to manage the Devereaux Mansion once its current lease expires.

House Bill 187, “Public Construction Contracts”: Increases by \$10,000 the level at which a general contractor must list a subcontractor.

House Bill 268, “Unprofessional Conduct in Construction Trade”: Allows the Division of Occupational and Professional Licensing to take actions against persons as well as companies.

Senate Bill 105, “Quality Assurance on Construction of Public Buildings”: Repeals requirement that concrete-testing labs used by DFCM be certified annually.

House Bill 324, “Contractor Licensing Amendments”: Repeals provisions for monetary limits. Existing method for determining financial responsibility is replaced with a certified questionnaire. Strengthens penalty provisions for unlawful conduct.

House Bill 154, “Appropriation for Mapping and Documentation of R.S. 2477 Rights-of-Way”: Provides \$300,000 in one-time FY 2001 funding to the Automated Geographic Reference Center for mapping of rural rights-of-way.

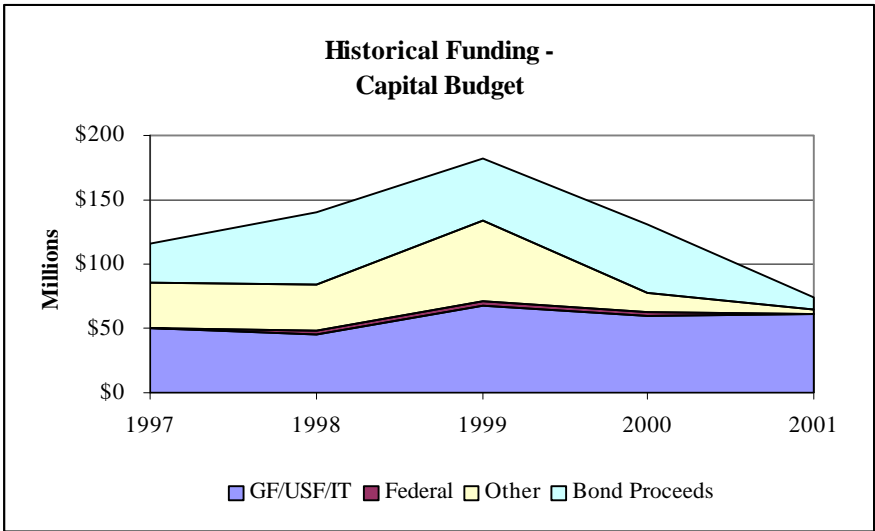
House Bill 167, “Information Technology Infrastructure Innovation Program”: Creates a program to foster cost-saving information technology projects. Funding for the program (\$1,656,000) is provided in the Finance - Mandated line item.

Funding Detail

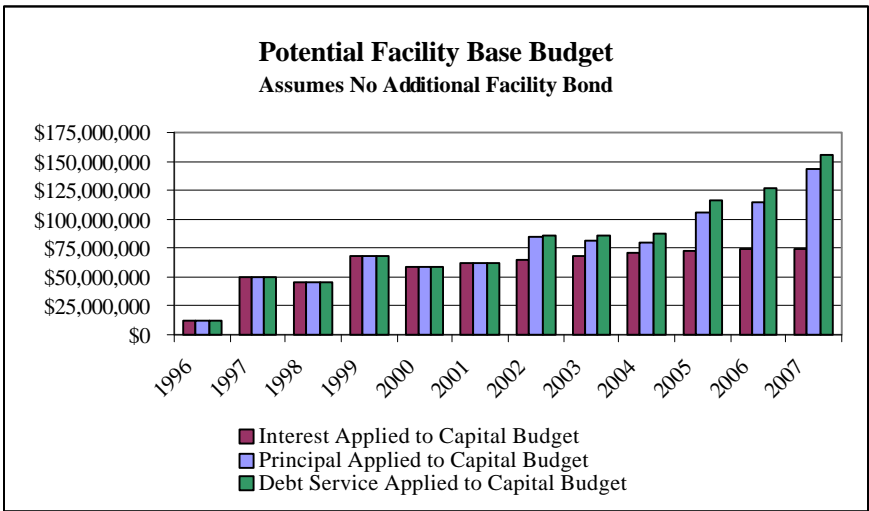
Department of Administrative Services					
	FY 2000	FY 2000	FY 2000	FY 2001	Change From
Financing	Estimated	Supplemental	Revised	Appropriated	2000 Revised
General Fund	21,101,900	(2,655,200)	18,446,700	21,848,900	3,402,200
General Fund, One-time	2,750,000		2,750,000	1,926,500	(823,500)
Transportation Fund	450,000		450,000	450,000	
Dedicated Credits Revenue	1,434,900		1,434,900	1,444,400	9,500
GFR - Constitutional Defense		338,700	338,700		(338,700)
GFR - ISF Overhead	1,318,700		1,318,700	1,486,300	167,600
Transfers	222,100	(666,900)	(444,800)	272,100	716,900
Transfers - ISF Retained Earnings		1,656,000	1,656,000		(1,656,000)
Beginning Nonlapsing	8,483,700		8,483,700	245,000	(8,238,700)
Beginning Nonlapsing - Y2K		86,900	86,900		(86,900)
Closing Nonlapsing	(245,000)		(245,000)	(318,000)	(73,000)
Total	\$35,516,300	(\$1,240,500)	\$34,275,800	\$27,355,200	(\$6,920,600)
Programs					
Executive Director	832,700	(100)	832,600	879,600	47,000
Exec Dir - Fuel Mitigation	449,100		449,100		(449,100)
Information Tech Services	391,600		391,600	876,600	485,000
Administrative Rules	299,300		299,300	269,900	(29,400)
DFCM Administration	3,037,500	(1,100)	3,036,400	3,095,300	58,900
DFCM Facilities Management	2,533,400	(2,098,400)	435,000	404,100	(30,900)
State Archives	1,859,700	86,800	1,946,500	1,901,700	(44,800)
Finance Administration	10,768,300	(554,600)	10,213,700	9,393,900	(819,800)
State Debt Collection	220,100		220,100		(220,100)
Finance - Mandated	9,512,600	1,327,800	10,840,400	4,935,800	(5,904,600)
Judicial Conduct Commission	265,100		265,100	225,000	(40,100)
Purchasing	1,346,900	(900)	1,346,000	1,373,300	27,300
Fleet Capitalization	4,000,000		4,000,000	4,000,000	
Total	\$35,516,300	(\$1,240,500)	\$34,275,800	\$27,355,200	(\$6,920,600)

Capital Budget

The capital budget provides funding to purchase, construct, and repair State facilities. Funding for these projects traditionally comes from cash and bonding. The FY 2001 capital budget does not issue any new debt, although it does redirect \$8.6 million of previously authorized bonding capacity.

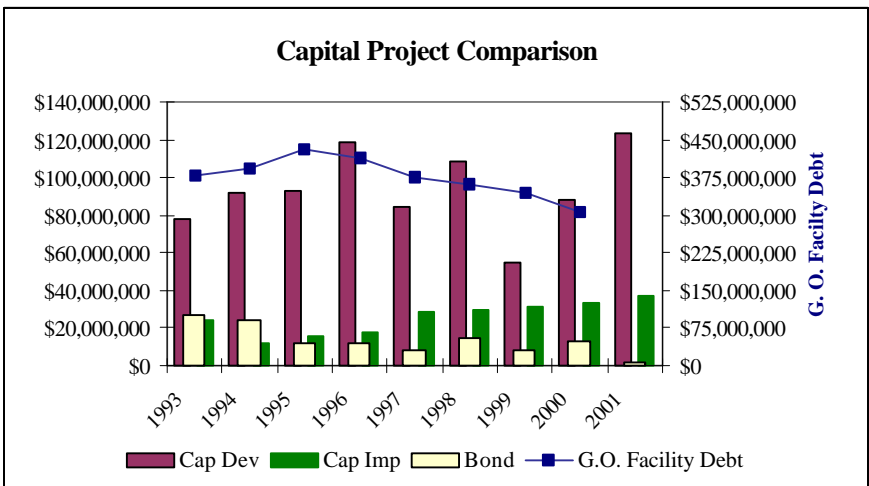


The new budget could be a first step toward a “pay as you go” system that will use savings from debt service to enhance the base budget for capital facilities. If the plan is followed for the next five years, the capital budget will rise to more than \$150 million per year and will provide more funding for new facility construction than has been available for the last five years (which includes bond proceeds).



Legislative Action

Capital Improvements - Maintaining existing facilities: Statute requires that 0.9 percent of the replacement values of state-owned facilities be funded for improvements before any new facilities are funded. This year the Legislature approved \$36,753,000 to be applied to statewide alteration, repair and improvement projects.



The chart above shows the historical relationship between funding for alterations, repairs, and improvements (capital improvements), new facilities

(capital developments) and annual bond authorizations. This year the Legislature approved more than \$120 million in new capital projects (including non-state funded) without issuing any new debt.

In FY 1995, funding for Capital Improvements shifted to a formula driven methodology to ensure that critical repairs were being made. The bulk of capital improvement funding, which has nearly tripled since the formula was adopted, directly addresses the state's maintenance backlog.

House Bill 292, "Capital Projects Approval and Administration", Clarifies when capital development projects require legislative approval; defines DFCM and Building Board role in administering projects, and establishes responsibility for inspection of construction on state property.

House Bill 153, "Utah Department of Transportation Maintenance Sheds", Exempts the exchange of existing UDOT facilities for replacement facilities from needing legislative approval. UDOT must notify the Speaker of the House, President of the Senate, and Co-Chairs of the Capital Facilities Committee of any exchanges.

Funding Detail

Capital Budget					
	FY 2000	FY 2000	FY 2000	FY 2001	Change From
Financing	Estimated	Supplemental	Revised	Appropriated	2000 Revised
General Fund	47,310,300		47,310,300	35,505,300	(11,805,000)
General Fund, One-time				13,400,000	13,400,000
Uniform School Fund	11,816,100		11,816,100	11,816,100	
Transportation Fund, One-time				611,000	611,000
Federal Funds	3,662,500		3,662,500	1,170,000	(2,492,500)
Dedicated Credits Revenue	9,028,000		9,028,000	428,000	(8,600,000)
Dedicated Credits - GO Bor	54,501,200		54,501,200	8,600,000	(45,901,200)
Transfers	4,949,000		4,949,000		(4,949,000)
Transfers - Project Reserve Fund				2,189,200	2,189,200
Transfers - Youth Corrections				130,000	130,000
Beginning Nonlapsing				36,500	36,500
Closing Nonlapsing	(36,500)		(36,500)		36,500
Total	\$131,230,600	\$0	\$131,230,600	\$73,886,100	(\$57,344,500)
Programs					
DFCM Capital Program	131,230,600		131,230,600	73,886,100	(57,344,500)
Total	\$131,230,600	\$0	\$131,230,600	\$73,886,100	(\$57,344,500)

State Funded Capital Projects	
Capital Improvements	\$36,753,000
USU Heating Plant Design	\$9,198,800
State Hospital - Rampton II	\$14,300,000
Capitol Preservation Board	\$2,086,500
UVSC Classroom Additions	\$1,465,000
OWATC Maintenance Building	\$1,669,800
Heber Valley Historic RR Depot	\$260,000
Bear Lake Campground	\$2,195,000
Snow College South Land Purchase	\$425,000
Logan Courts Land Purchase/Design	\$2,000,000
Dixie Fine Arts Building Demolition	\$220,000
UCDHH Addition	\$1,102,000
UDOT Station - Cache Junction	\$911,000
Youth Corrections - Washington County	\$1,300,000

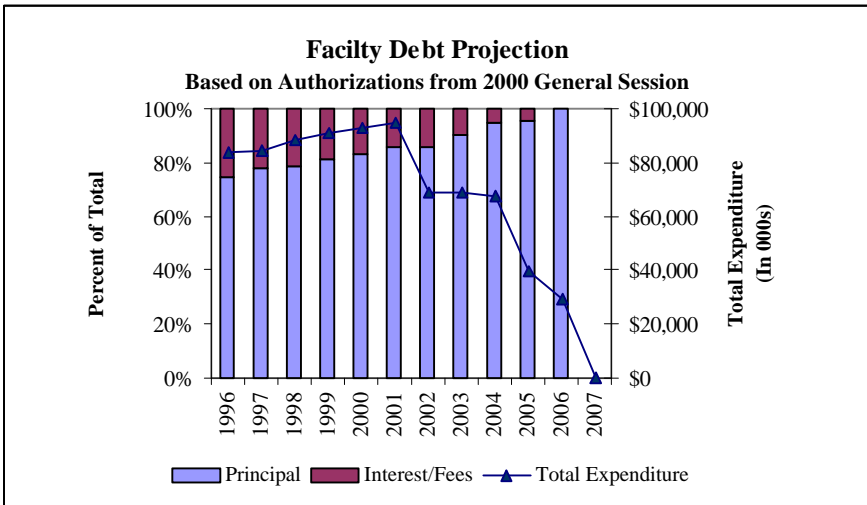
Approved Non-State Funded Projects			
Agency	Project	Amount	Estimated O/M
Board of Regents	Office Building	\$8,000,000	Not Requested
Utah State	Edith Bowen Renovation/Expansion	\$9,989,000	\$210,000
U of U	College of Science Math Center	\$1,814,000	\$29,340
	Health Sciences/Basic Sciences Bldg	\$27,990,000	\$532,000

Debt Service

FY 2001 Debt Service for facilities, UTAX, revenue bonds, and highway projects increased \$4,456,500 over FY 2000.

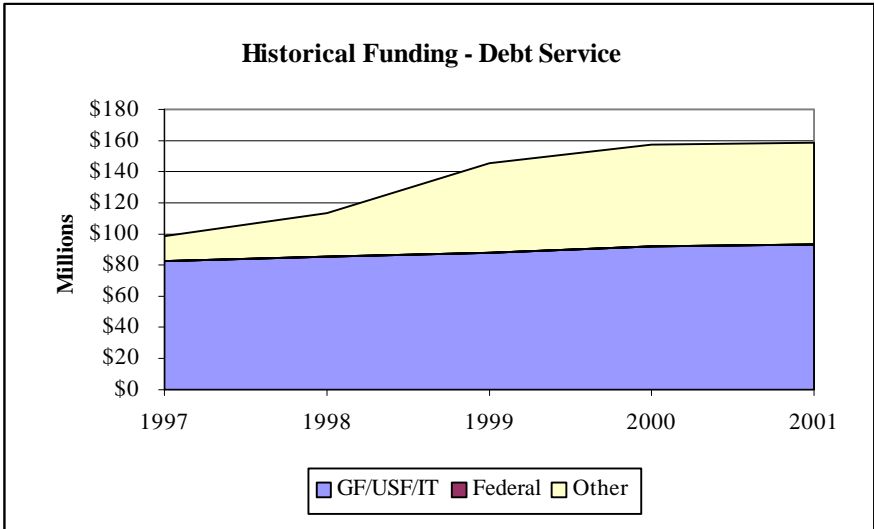
FY 2001 Debt Service	
G.O. Bond Principal	\$81,325,000
G.O. Bond Interest	52,366,400
G.O. Bond Fees	566,400
Revenue Bond Principal	11,668,400
Revenue Bond Interest	12,054,300
Revenue Bond Fees	<u>65,800</u>
	<u><u>\$158,046,300</u></u>

Revenue Bonds are funded by dedicated credits or lease payments previously secured by tax funds. Seventy percent of debt service funds are generated by the General Fund, School Funds, or Centennial Highway Funds.



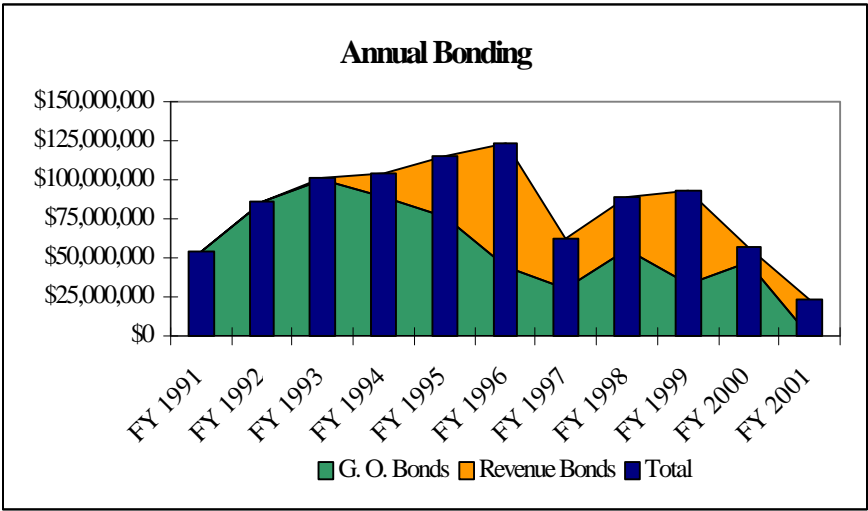
For the first time in at least 15 years the state did not authorize issuance of new general obligation debt for facilities. To complete the capital budget

program, the Legislature redirected \$8.6 million of previously authorized but un-issued bonding to allow for the construction of a new treatment facility at the State Hospital in Provo. The FY 2001 capital budget allows the Legislature the option to pursue a program that could eliminate borrowing for capital facilities within five years.

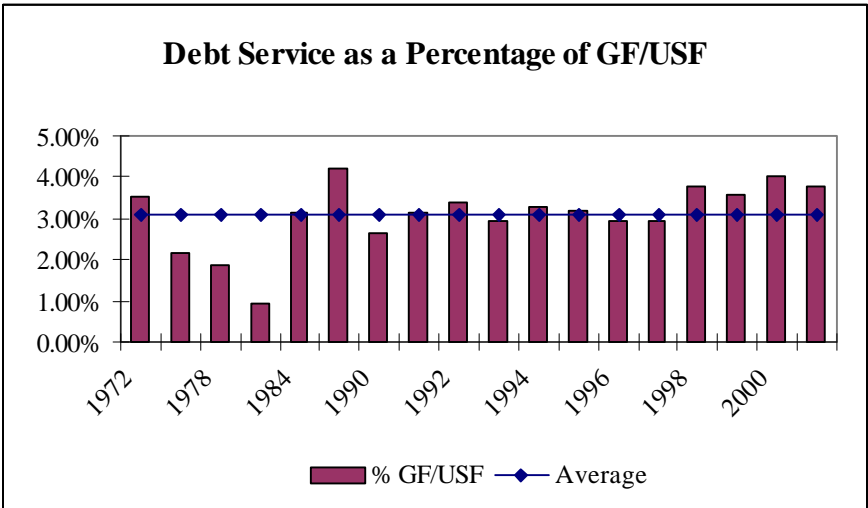


Bonding: The Legislature did authorize two revenue bonds and a general obligation highway bond: Senate Bill 136, “Appropriation for Utah State Fairpark”, authorized a revenue bond for construction of an arena at the State Fair Park and House Bill 210, “Higher Education Revenue Bond”, re-authorized a revenue bond for UVSC’s student center. Senate Bill 273, Highway Bonding”, authorized a general obligation bond of \$6 million to construct a road near Interstate 80 and 5600 West. The highway bond can only be issued if a commercial development on that site will generate enough new sales tax to cover the principal and debt service.

The following chart does not include the funds authorized for the UTAH project authorized in Fiscal Years 1998, 1999 and 2000. Authorized bond totals declined for the second year in a row.



General Obligation Debt Service as a percent of FY 2001 General Fund and Uniform School Fund appropriations declined by a quarter of a point to 3.76 percent. Even with the increased bonding levels for the I-15 project over the last three years, Debt Service has remained under 4 percent of the combined General Fund and Uniform School Fund.



Outstanding Indebtedness: The State Constitution limits general obligation debt to 1.5 percent of the taxable value of property in the state. Current outstanding debt utilizes approximately 60 percent of the Constitutional authority.

Utah Code limits debt to 20 percent of the fiscal year appropriation limit but exempts transportation bonds. Current outstanding indebtedness is approximately 70 percent of the statutory limit.

The debt analysis above does not include revenue bonds issued by the Board of Regents, student loans, or the Utah Housing Finance Agency. These bonds are issued and repaid independent of the Board of Bonding Commissioners and the Utah Building Ownership Authority.

Legislative Action

Senate Bill 100, “State Financial Advisor Amendments”: Allows the State’s Financial Advisor to bid on State bond issues.

Senate Bill 235, “Bonding for State Fairpark Corporation”: Authorizes a \$10.5 million revenue bond to build a multi-purpose arena at the State Fair.

Senate Bill 273, “Highway Bonding”: Authorizes a \$6 million bond to build a road at the corner of Interstate 80 and 5600 West in Salt Lake County.

House Bill 210, “Higher Education Revenue Bond”: Authorizes \$13.5 million revenue bond for UVSC Student Center Project that was previously authorized for construction.

Funding Detail

State Board of Bonding Commissioners - Debt Service					
	FY 2000	FY 2000	FY 2000	FY 2001	Change From
Financing	Estimated	Supplemental	Revised	Appropriated	2000 Revised
General Fund	71,206,700		71,206,700	73,223,900	2,017,200
Uniform School Fund	20,152,500		20,152,500	20,152,500	
Centennial Highway Fund	38,842,000	2,679,800	41,521,800	41,104,400	(417,400)
Dedicated Credits Revenue	23,388,600		23,388,600	23,565,500	176,900
Beginning Nonlapsing	1,529,200		1,529,200		(1,529,200)
Total	\$155,119,000	\$2,679,800	\$157,798,800	\$158,046,300	\$247,500
Programs					
Debt Service	155,119,000	2,679,800	157,798,800	158,046,300	247,500
Total	\$155,119,000	\$2,679,800	\$157,798,800	\$158,046,300	\$247,500

Capital Facilities & Administrative Services Appropriations Subcommittee					
	FY 2000	FY 2000	FY 2000	FY 2000	Change From
Financing	Estimated	Supplemental	Revised	Appropriated	2000 Revised
General Fund	139,618,900	(556,800)	139,062,100	132,865,200	(6,196,900)
General Fund, One-time	2,750,000		2,750,000	15,326,500	12,576,500
General Fund Restricted	1,318,700	338,700	1,657,400	1,486,300	(171,100)
Uniform School Fund	31,968,600		31,968,600	31,968,600	
Transportation Fund	450,000		450,000	450,000	
Transportation Fund, One-time				611,000	611,000
Centennial Highway Fund	38,842,000	2,679,800	41,521,800	41,104,400	(417,400)
Federal Funds	3,662,500		3,662,500	1,170,000	(2,492,500)
Dedicated Credits	88,352,700		88,352,700	34,266,100	(54,086,600)
Transfers	5,171,100	989,100	6,160,200	2,591,300	(3,568,900)
Beginning Balance	10,012,900	86,900	10,099,800	281,500	(9,818,300)
Closing Balance	(\$281,500)		(281,500)	(318,000)	(36,500)
Total	\$321,865,900	\$3,537,700	\$325,403,600	\$261,802,900	(\$63,600,700)
Programs					
Capitol Preservation Board		2,098,400	2,098,400	2,515,300	416,900
Administrative Services	35,516,300	(1,240,500)	34,275,800	27,355,200	(6,920,600)
Capital Budget	131,230,600		131,230,600	73,886,100	(57,344,500)
Debt Service	155,119,000	2,679,800	157,798,800	158,046,300	247,500
Total	\$321,865,900	\$3,537,700	\$325,403,600	\$261,802,900	(\$63,600,700)

**Capital Facilities & Administrative Services Appropriations Subcommittee
One-time Funding Items**

Item Name	FY 2001 Appropriated
Administrative Services - ITS - Automated Geographic Reference Center	500,000
Administrative Services - Office of State Debt Collection - Statewide Debt Collection	(179,400)
Administrative Services - Finance - Mandated - 800 MHz Conversion	1,605,900
Capital Budget - DFCM Capital Program - Capital Improvements	15,000,000
Capital Budget - DFCM Capital Program - Capital Development	(989,000)
Total	<u>\$15,937,500</u>

Internal Service Fund Income Summary

	FY 2000 Estimated	FY 2000 Supplemental	FY 2000 Revised	FY 2001 Appropriated	Change From 2000 Revised
Financing					
Dedicated Credits - Intergov'tl	118,127,700		118,127,700	118,847,100	719,400
Premiums	20,952,800		20,952,800	21,156,400	203,600
Interest Income	2,596,000		2,596,000	2,500,000	(96,000)
Federal Funds	150,000		150,000	75,000	(75,000)
Dedicated Credits - Restricted	6,416,400		6,416,400	6,760,700	344,300
Transfers	391,600		391,600	921,800	530,200
Total	<u>\$148,634,500</u>	<u>\$0</u>	<u>\$148,634,500</u>	<u>\$150,261,000</u>	<u>\$1,626,500</u>
Programs					
Office of State Debt Collect	567,400		567,400	716,100	148,700
Purchasing & General Svcs	13,016,600		13,016,600	13,778,600	762,000
Information Tech Services	51,254,000		51,254,000	50,695,300	(558,700)
Fleet Operations	\$36,449,900		36,449,900	36,708,800	258,900
Risk Management	\$29,656,100		29,656,100	30,108,000	451,900
Facilities Management	\$16,939,000		16,939,000	17,452,700	513,700
DFCM Roofing and Paving	\$459,900		459,900	459,900	
DFCM Planning and Design	\$291,600		291,600	341,600	50,000
Total	<u>\$148,634,500</u>	<u>\$0</u>	<u>\$148,634,500</u>	<u>\$150,261,000</u>	<u>\$1,626,500</u>
Approved FTE Positions	509		509	512	3
Authorized Capital Outlay	\$49,352,700		49,352,700	29,309,600	(20,043,100)
Retained Earnings	\$25,093,800	(4,335,800)	20,758,000	29,830,200	9,072,200

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Commerce and Revenue

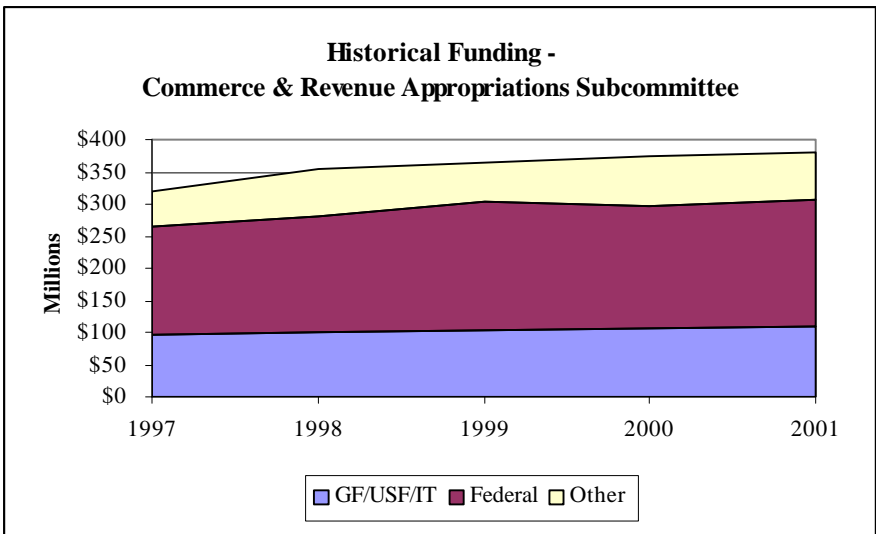
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Subcommittee Overview

Appropriations for FY 2001 totaling \$379,743,700 were allocated to agencies under the responsibility of the Commerce and Revenue Joint Appropriations Subcommittee. Of this amount, \$92,902,200 is from the General Fund, \$16,588,300 is from the Uniform School Fund, \$196,139,100 is from Federal Funds, and the remainder is from other funding sources. New funding of \$2,500,000 from the General Fund for FY 2001 was allocated to the Subcommittee. Resources within the Subcommittee were reallocated between agencies totaling \$800,000 from the General Fund.

The Subcommittee total appropriated budget is a 1.43 percent increase over the adjusted FY 2000 Revised Budget. The total listed above includes the 4.0 percent compensation increase, market comparability adjustments funded at 86 percent of the expense requirement, and the funding from fiscal notes on legislative bills. Several bills were passed without funding that fall within the purview of the Commerce and Revenue Joint Appropriations Subcommittee.

FY 2000 State funds of \$1,800,000 were shifted between agencies to address workload and policy changes. Base budget reductions were made for internal service fund changes in both FY 2000 and FY 2001.



General Subcommittee Issues

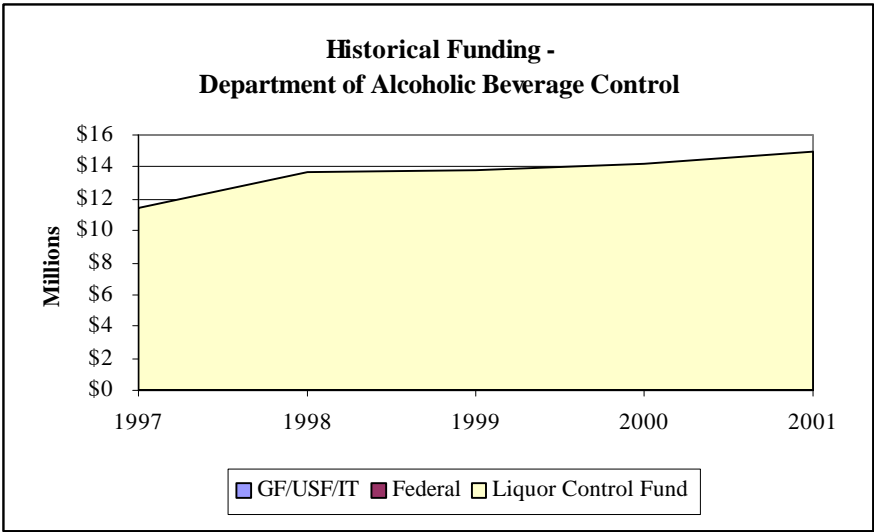
The major issues addressed by the Commerce and Revenue Joint Appropriations Subcommittee included: welfare reform; assistance caseloads and workload increases; employee job classifications; compensation; and technology information systems and upgrades, including UTAX (Tax Commission), COSMOS (Insurance Department), and LES (Department of Commerce).

An ongoing issue is the funding of an agency that collects revenue in excess of its appropriation. Several agencies endeavor to meet workload demand increases within appropriated funding levels, while at the same time, collecting fees and other revenue beyond their base appropriation which are deposited into the General Fund. Agencies affected include: Alcoholic Beverage Control; Department of Commerce; Insurance Department; Labor Commission; Utah State Tax Commission; and the Department of Workforce Services.

Department of Alcoholic Beverage Control

Utah is one of eighteen liquor control states and one of two totally State run systems. The Department operates 36 State stores and approximately 80 package agencies. These State stores and package agencies are the exclusive retailers of liquor, wine and heavy beer (more than 4 percent alcohol by volume) in the State.

Alcoholic Beverage Control administers liquor laws and licenses on-premise businesses, manufacturers, wholesalers, warehouse, importers, and liquor representatives. It regulates the manufacture, sale and use of alcoholic beverages in a manner which serves the citizen and tourist populations of Utah.



The appropriations between FY 2000 Revised and FY 2001 Appropriated reflect an overall increase of 5.35 percent. Of the \$690,600 added through FY 2001 building blocks, \$421,000 is one-time funding. A FY 2000 Supplemental Appropriation of \$107,000 from the Liquor Control Fund was also made.

Legislative Action

Capital Equipment and Personnel: One-time appropriations of \$113,000 from the Liquor Control Fund were made for an additional tractor and trailer. A one-time appropriation of \$18,000 was added for two pallet jacks. Ongoing funds of \$53,000 were allocated for two FTE, one to drive the tractor and another to work in the warehouse. An additional \$20,000 ongoing funding is to maintain and upgrade warehousing equipment. Increases were approved to address the increased sales volume.

Package Agency Cost-of-Living Adjustment: The Subcommittee discussed the issues related to salaries and other expenses related to Type III and other Package agencies. An appropriation of \$39,600 was made for a 4 percent rate adjustment for Type III package agencies.

Technology: One-time FY 2001 funding of \$290,000 from the Liquor Control Fund and ongoing FY 2001 funding of \$100,000 from Liquor Control Fund were provided for various technology development projects and system upgrades.

FY 2000 Supplemental Appropriations: An appropriation of \$57,000 from the Liquor Control Fund was made to fund maintenance performed by the State Division of Facilities and Construction Management (DFCM). An allocation of \$50,000 from the Liquor Control Fund was authorized for a Credit Card Data Capture and Reporting System. This should create a net savings within a year from the time of implementation.

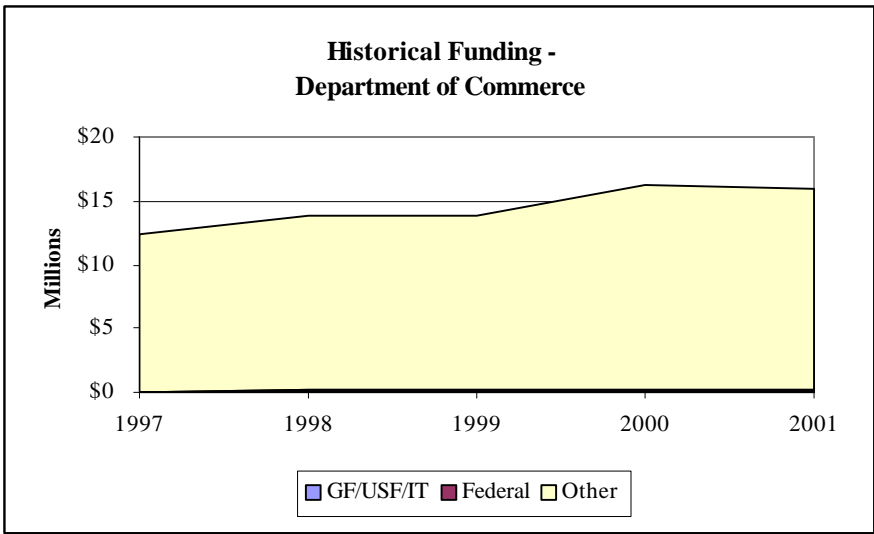
Funding Detail

Department of Alcoholic Beverage Control					
	FY 2000 Estimated	FY 2000 Supplemental	FY 2000 Revised	FY 2001 Appropriated	Change From 2000 Revised
Financing					
Liquor Control Fund	13,988,400	104,300	14,092,700	14,952,000	859,300
Beginning Nonlapsing	100,000		100,000		(100,000)
Total	<u>\$14,088,400</u>	<u>\$104,300</u>	<u>\$14,192,700</u>	<u>\$14,952,000</u>	<u>\$759,300</u>
Programs					
Alcoholic Beverage Control	14,088,400	104,300	14,192,700	14,952,000	759,300
Total	<u>\$14,088,400</u>	<u>\$104,300</u>	<u>\$14,192,700</u>	<u>\$14,952,000</u>	<u>\$759,300</u>

Department of Commerce

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 the monitoring of the real estate and securities industries all fall within the scope of the Department.

Funding for the Department is primarily from the Commerce Service Fund. This is made up of fees generated by the Department. By statute, fees collected over the amount appropriated to the Department are to be deposited into the General Fund. Every year, an unused portion of the Commerce Service Fund is added to the General Fund. The Department also receives Dedicated Credits, Trust Funds, and a small amount of Federal Funds.



The FY 2001 overall Department of Commerce budget was decreased by \$195,600 compared to FY 2000 Estimated after adjustments for legislation, supplemental appropriations, and compensation. This is a 1.21 percent decrease. In spite of the overall budget decrease, the Commerce Service Fund portion of the budget was increased 3.97 percent or \$576,100. It is estimated that more than \$2,000,000 from the Commerce Service Fund revenue will be deposited into the General Fund at the end of FY 2000.

Legislative Action

Supplemental funding was provided from restricted accounts and the Commerce Service Fund to various divisions. Most adjustments were appropriations authorizing the expenditure of restricted funds collected by the divisions.

Licensing Enforcement System (LES): Funding of \$330,000 for the LES, previously appropriated to the Division of Finance, was transferred back to the Department to complete the system.

Office of the Public Advocate Created: House Bill 320, “Public Utility Amendments”, was passed consolidating and reorganizing the services of the Division of Public Utilities, the Committee of Consumer Services, and the Public Service Commission. It became law without the Governor’s

signature. The effective date is July 1, 2001 (FY 2002). The item will be studied during the interim period.

Mortgage Changes: House Bill 107, “Utah Residential Mortgage Practices Act”, was passed authorizing 3 FTE and funding of \$150,800 from the Commerce Service Fund and Dedicated Credits Revenue. An additional attorney and the funding of \$118,700 from Commerce Service Fund were also approved for the Attorney General’s Office to implement the provisions of the bill.

Responsibility for Digital Signature Policy: The responsibility for the State’s digital signature program was shifted from the Department of Commerce to the State Chief Information Officer through Senate Bill 77, “Chief Information Officer Amendments”. Funding of \$34,500 was also shifted between agencies. Commerce retains responsibility for regulation of digital signature certification authorities.

Other Legislation: Other legislation was passed affecting operations within the Department. These include: House Bill 90, “Removing Barriers to Electronic Government Services”; House Bill 114, “Business Entity Amendments”; House Bill 324, “Contractor Licensing Amendments”; Senate Bill 38, “Notary Public Qualification”; and Senate Bill 75, “Identity Fraud”.

Funding Detail

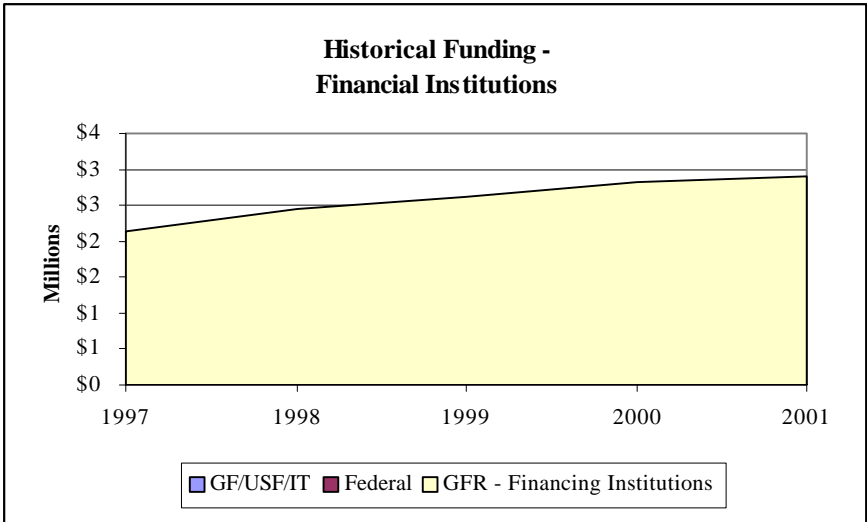
Department of Commerce					
	FY 2000	FY 2000	FY 2000	FY 2001	Change From
Financing	Estimated	Supplemental	Revised	Appropriated	2000 Revised
General Fund, One-time	35,000		35,000		(35,000)
Federal Funds	138,000	(300)	137,700	138,400	700
Dedicated Credits Revenue	315,800	(900)	314,900	369,700	54,800
GFR - Cert Nurse Midwife Ed. & Enf.		10,000	10,000	10,000	
GFR - Commerce Service	14,090,100	(24,600)	14,065,500	14,641,600	576,100
GFR - Factory Built Housing		104,400	104,400	104,400	
Real Estate Ed and Recovery	147,500		147,500	150,600	3,100
Transfers	25,000	330,000	355,000	24,600	(330,400)
Beginning Nonlapsing	413,700		413,700	93,500	(320,200)
Closing Nonlapsing	(93,500)		(93,500)	(15,400)	78,100
Total	\$15,071,600	\$418,600	\$15,490,200	\$15,517,400	\$27,200
Programs					
Administration	1,581,200	329,300	1,910,500	1,491,000	(419,500)
Occupational & Prof Lic	5,447,200	98,000	5,545,200	5,568,500	23,300
Securities	1,082,700	(900)	1,081,800	1,147,300	65,500
Consumer Protection	687,200	(900)	686,300	715,200	28,900
Corp and Commercial Code	1,524,600		1,524,600	1,593,500	68,900
Real Estate	813,000	(900)	812,100	1,019,900	207,800
Public Utilities	2,928,200	(6,000)	2,922,200	2,946,600	24,400
Committee of Consumer Svcs	638,700		638,700	655,400	16,700
Building Operations & Maint	223,300		223,300	223,300	
Real Estate Education	145,500		145,500	156,700	11,200
Total	\$15,071,600	\$418,600	\$15,490,200	\$15,517,400	\$27,200

Public Utilities Professional & Technical Services					
	FY 2000	FY 2000	FY 2000	FY 2001	Change From
Financing	Estimated	Supplemental	Revised	Appropriated	2000 Revised
GFR - Commerce Service	100,000		100,000	100,000	
Beginning Nonlapsing	146,900		146,900	71,900	(75,000)
Closing Nonlapsing	(71,900)		(71,900)	(21,900)	50,000
Total	\$175,000	\$0	\$175,000	\$150,000	(\$25,000)
Programs					
Professional & Tech Services	175,000		175,000	150,000	(25,000)
Total	\$175,000	\$0	\$175,000	\$150,000	(\$25,000)

Committee of Consumer Services Professional and Technical Services					
	FY 2000	FY 2000	FY 2000	FY 2001	Change From
Financing	Estimated	Supplemental	Revised	Appropriated	2000 Revised
GFR - Commerce Service	335,000		335,000	335,000	
Beginning Nonlapsing	197,800		197,800		(197,800)
Total	\$532,800	\$0	\$532,800	\$335,000	(\$197,800)
Programs					
Professional & Tech Services	532,800		532,800	335,000	(197,800)
Total	\$532,800	\$0	\$532,800	\$335,000	(\$197,800)

Department of Financial Institutions

The Department of Financial Institutions regulates the deposit taking state chartered institutions in the State of Utah. This includes banks and credit unions. The assets of these regulated businesses have grown in recent years.



Funding for the Department is from a General Fund Restricted Account for Financial Institutions. Fees are collected on assets and for examinations (UCA 7-1-401,402, 403). These funds are used solely for the regulation of financial institutions. Funds remaining at the end of the year lapse back to the restricted account.

The base budget for the Department was adjusted for compensation, internal service fund changes and additional funding for Senate Bill 57, "Regulation of Check Cashing", passed a year ago by the 1999 Legislature. The FY 2001 Department budget was a net increase of 2.92 percent.

Legislative Action

Funding of Senate Bill 57, 1999 General Session: Senate Bill 57, "Regulation of Check Cashing" of the 1999 General Session authorized one FTE and had a fiscal note of \$54,200 General Fund Restricted - Financial

Institutions. It was not previously funded. The Subcommittee funded the program started by Senate Bill 57, "Regulation of Check Cashing", 1999 General Session with \$54,800 from General Fund Restricted - Financial Institutions Account for FY 2001, \$55,300 for FY 2000, and one FTE.

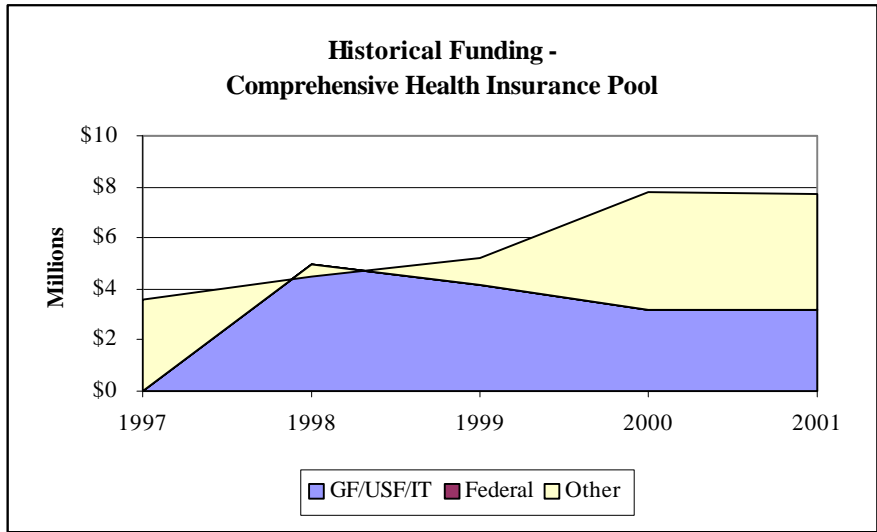
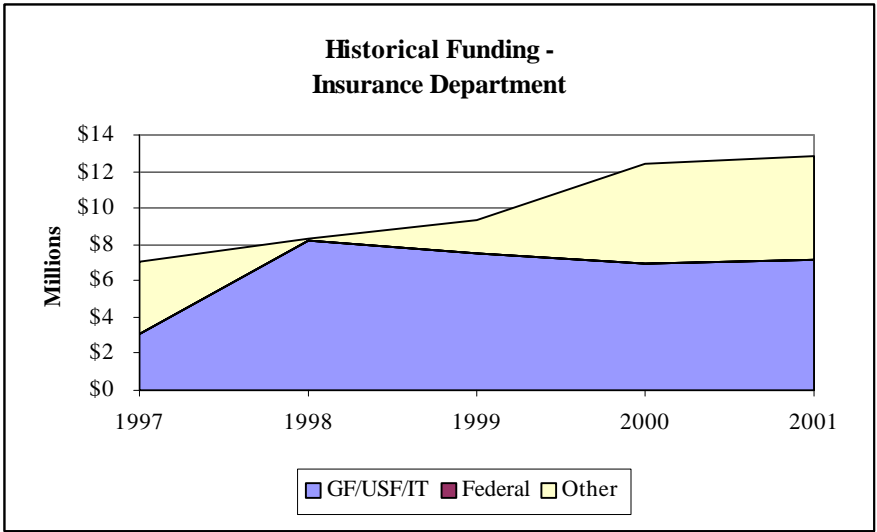
Funding Detail

Financial Institutions					
	FY 2000	FY 2000	FY 2000	FY 2001	Change From
Financing	Estimated	Supplemental	Revised	Appropriated	2000 Revised
GFR - Financial Institutions	2,770,200	55,200	2,825,400	2,907,800	82,400
Total	\$2,770,200	\$55,200	\$2,825,400	\$2,907,800	\$82,400
Programs					
Financial Institutions Admin	2,770,200	55,200	2,825,400	2,907,800	82,400
Total	\$2,770,200	\$55,200	\$2,825,400	\$2,907,800	\$82,400

Insurance Department

The Insurance Department is a service organization that protects the public and consumer of insurance products by reasonably and fairly regulating the Utah insurance industry. It works to foster a competitive insurance market within the State. The Department monitors and promotes the solvency of insurance companies in Utah.

The Department organizes work processes along lines of insurance. Activity, function and structure are grouped to reduce processing time, improve Department efficiency, and enhance customer service. Fees are collected for a variety of activities in addition to licensing of agents and brokers.



Legislative Action

Workload Increases: The Department of Insurance continues to experience a workload increase. The Legislature appropriated additional funding of \$143,900 for 3 FTE to meet the National Association of Insurance Commissioners' Accreditation standards.

Office of Consumer Health: The Legislature approved one additional FTE and \$53,000 for the Office of Consumer Health started in FY 2000.

COSMOS: Insurance Department is planning to purchase an off-the-shelf management information system. COSMOS is an application designed for state insurance departments and the insurance industry. The purpose of the system is to update and integrate insurance processing systems and to implement e-commerce type of transactions. The system is intended to:

- 1.) promote e-commerce within the industry;
- 2.) be compatible with the National Association of Insurance Commissioner (NAIC) initiatives;
- 3.) incorporate Internet connectivity;
- 4.) streamline the way the insurance industry, companies, agencies and agents do business; and
- 5.) provide uniform treatment of activity and regulation throughout the industry.

Funding of \$1,656,000 was authorized from Information Technology Services Internal Service Fund Retained Earnings for the Information Technology Infrastructure Innovation Program. The Insurance Department must apply to the Chief Information Officer for these funds for the COSMOS project. The estimated cost is \$656,000.

Comprehensive Health Insurance Pool: The ongoing General Fund base budget for the Comprehensive Health Insurance Pool was reduced \$1,000,000 beginning in FY 2000. It is estimated that the pool will be able to accept all who qualify for the program and still remain solvent for the foreseeable future.

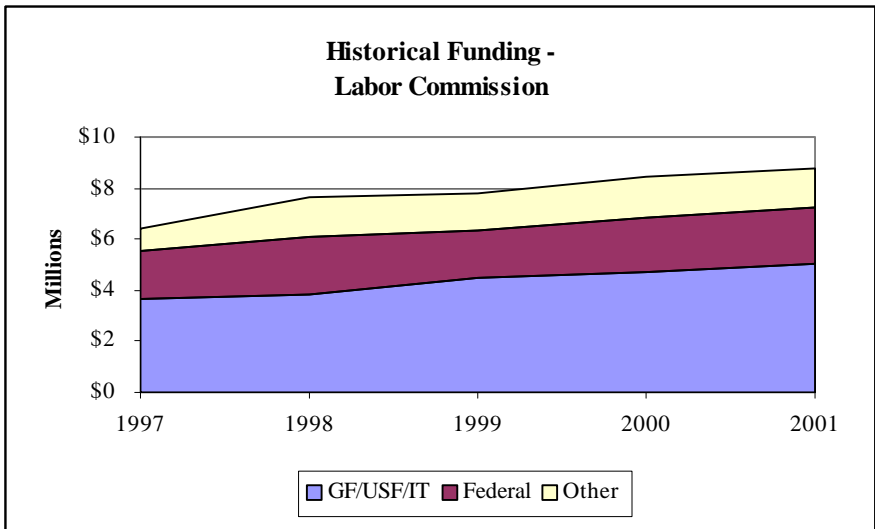
Funding Detail

Insurance Department					
Financing	FY 2000	FY 2000	FY 2000	FY 2001	Change From
	Estimated	Supplemental	Revised	Appropriated	2000 Revised
General Fund	3,756,000	(200)	3,755,800	4,071,200	315,400
General Fund, One-time				7,000	7,000
Dedicated Credits Revenue	870,600	(4,400)	866,200	884,300	18,100
GFR - Bail Bond Surety Admin	15,000		15,000	15,000	
Beginning Nonlapsing	794,100		794,100	794,100	
Closing Nonlapsing	(794,100)		(794,100)	(613,300)	180,800
Total	\$4,641,600	(\$4,600)	\$4,637,000	\$5,158,300	\$521,300
Programs					
Administration	3,682,500	(200)	3,682,300	4,023,800	341,500
Relative Value Study	50,000		50,000	47,900	(2,100)
Insurance Fraud Program	775,400	(4,400)	771,000	905,700	134,700
Office of Consumer Health Assis	73,500		73,500	129,400	55,900
Bail Bond Program	15,000		15,000	5,900	(9,100)
Title Insurance Program	45,200		45,200	45,600	400
Total	\$4,641,600	(\$4,600)	\$4,637,000	\$5,158,300	\$521,300

Comprehensive Health Insurance Pool					
Financing	FY 2000	FY 2000	FY 2000	FY 2001	Change From
	Estimated	Supplemental	Revised	Appropriated	2000 Revised
General Fund	4,135,100	(1,000,000)	3,135,100	3,135,000	(100)
Dedicated Credits Revenue	4,672,000		4,672,000	4,672,000	
Beginning Nonlapsing	8,692,300		8,692,300	8,692,300	
Closing Nonlapsing	(9,692,300)	1,000,000	(8,692,300)	(8,749,100)	(56,800)
Total	\$7,807,100	\$0	\$7,807,100	\$7,750,200	(\$56,900)
Programs					
Comp Health Ins Pool	7,807,100		7,807,100	7,750,200	(56,900)
Total	\$7,807,100	\$0	\$7,807,100	\$7,750,200	(\$56,900)

Labor Commission

The Utah Labor Commission provides programs that work to assure a safe, healthful, fair, non-discriminatory work environment, administer state and federal fair housing practices, and promote the general welfare of the State's employees and employers without needless interference. The Commission also administers policies related to workers' compensation for employers that are self-insured.



The funding increase for the Labor Commission came from three areas: 1) compensation adjustment; 2) internal service fund adjustments; and 3) two additional FTE.

Legislative Action

Elevator Inspector: Authorization and funding of \$63,400 from the General Fund were provided for one FTE. This position will generate revenue to the General Fund.

Boiler Inspector: Authorization and funding of \$64,000 from the General Fund were provided for one FTE. This position was added to address the increased workload from the requirement to inspect all of the boilers for the Church of Jesus Christ of Latter-day Saints, estimated to be over 1,300.

Intent Language

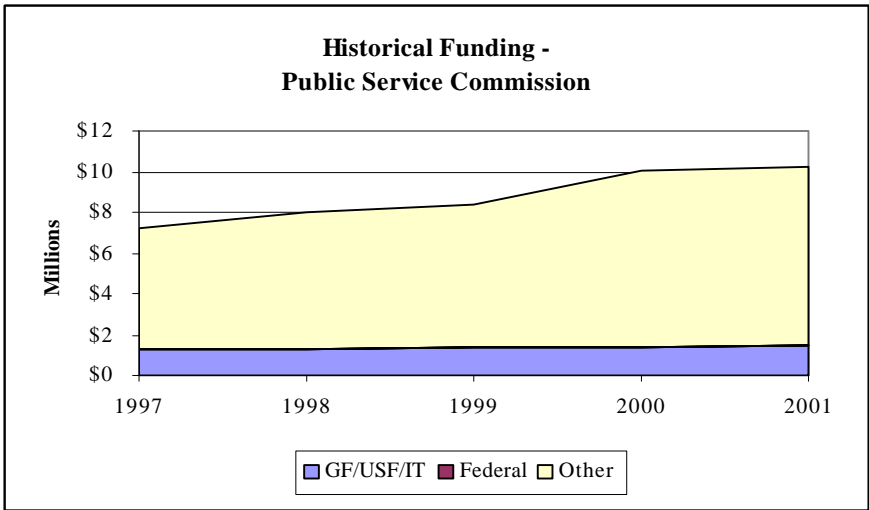
Intent language was approved making fees received from sponsoring and holding seminars nonlapsing and authorizing those fees to be used by the Commission to continue offering yearly training seminars instead of using General Fund money.

Funding Detail

Labor Commission					
	FY 2000	FY 2000	FY 2000	FY 2001	Change From
Financing	Estimated	Supplemental	Revised	Appropriated	2000 Revised
General Fund	4,747,400	(16,200)	4,731,200	5,031,800	300,600
Federal Funds	2,144,900	(8,900)	2,136,000	2,184,500	48,500
GFR - Workplace Safety	758,800	(2,300)	756,500	761,400	4,900
Employers' Reinsurance Fund	314,400		314,400	324,400	10,000
Uninsured Employers' Fund	474,700	(100)	474,600	490,600	16,000
Beginning Nonlapsing	22,100		22,100		(22,100)
Total	\$8,462,300	(\$27,500)	\$8,434,800	\$8,792,700	\$357,900
Programs					
Labor Commission	8,462,300	(27,500)	8,434,800	8,792,700	357,900
Total	\$8,462,300	(\$27,500)	\$8,434,800	\$8,792,700	\$357,900

Public Service Commission

The primary responsibility of the Commission is to ensure safe, reliable and adequate utility service. It conducts hearings and investigations of utility company operations in order to determine just and reasonable rates for service. The Commission’s goals for regulation are efficient reliable, reasonably-priced utility service for customers, and maintenance of financially healthy utility companies.



The base budget for the Public Service Commission is primarily General Fund. The Commission has not requested nor received any funding building blocks other than compensation adjustments for the last several years. The budget has remained relatively flat in spite of the increases in workload due to the deregulation of several industries, including utilities. The Legislature appropriated \$1,442,300 for Public Service Commission Administration.

Legislative Action

Speech and Hearing Impaired: The Utah Relay Service (URS), operated by the Utah Association for the Deaf was replaced by a contract with SPRINT in January of 2000. Operations began at the end of January 2000. Funds collected and carried over from previous years may be necessary to fund the complete program. Once the system is fully operational, the surcharge could be reevaluated for a possible reduction. Funding of \$2,307,500 was appropriated.

Universal Public Telecommunications Service Support Fund: The fund is intended to subsidize eligible telephone exchange customers whose costs are much higher to operate than the State-wide average for providing local exchange and switched access service. Current statute keeps the base funding stable. Funding of \$5,193,800 was appropriated from Dedicated Credits and nonlapsing balances.

Lifeline Telecommunications Service Fund: An appropriation of \$1,250,000 continued the authorization to collect Dedicated Credits for the purposes of the program. This is a subsection of the Universal Public Telecommunications Service Support Fund but is accounted for separately.

Funding Detail

Public Service Commission					
Financing	FY 2000 Estimated	FY 2000 Supplemental	FY 2000 Revised	FY 2001 Appropriated	Change From 2000 Revised
General Fund	1,393,700	(100)	1,393,600	1,442,300	48,700
Dedicated Credits Revenue	63,000		63,000	62,800	(200)
Beginning Nonlapsing	50,000		50,000	50,000	
Closing Nonlapsing	(50,000)		(50,000)	(50,000)	
Total	\$1,456,700	(\$100)	\$1,456,600	\$1,505,100	\$48,500
Programs					
Public Service Commission	1,370,400	(100)	1,370,300	1,418,800	48,500
Building Operations and Maint	26,300		26,300	26,300	
Research and Analysis	60,000		60,000	60,000	
Total	\$1,456,700	(\$100)	\$1,456,600	\$1,505,100	\$48,500

Speech and Hearing Impaired

Financing	FY 2000	FY 2000	FY 2000	FY 2001	Change From
	Estimated	Supplemental	Revised	Appropriated	2000 Revised
Dedicated Credits Revenue	2,400,400		2,400,400	2,514,300	113,900
Beginning Nonlapsing	3,565,300		3,565,300	3,658,200	92,900
Closing Nonlapsing	(3,658,200)		(3,658,200)	(3,865,000)	(206,800)
Total	\$2,307,500	\$0	\$2,307,500	\$2,307,500	\$0
Programs					
Speech and Hearing Impaired	2,307,500		2,307,500	2,307,500	
Total	\$2,307,500	\$0	\$2,307,500	\$2,307,500	\$0

Universal Telecommunications Support Fund

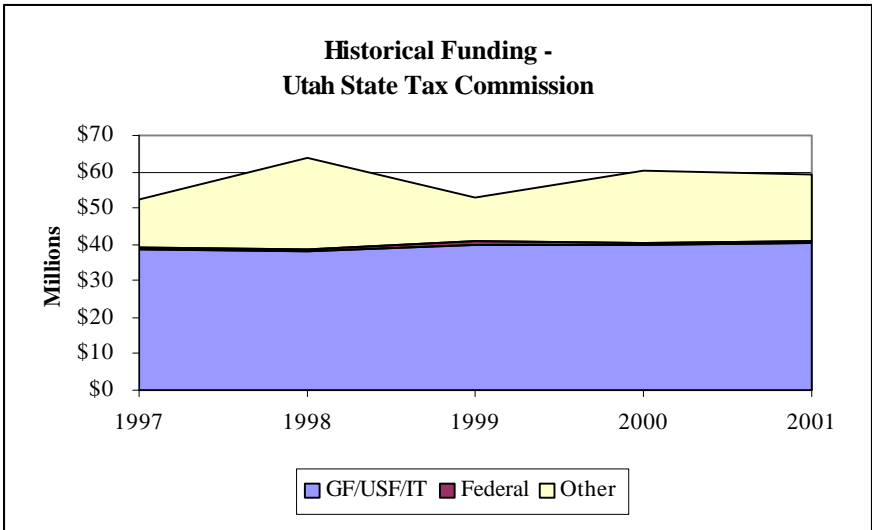
Financing	FY 2000	FY 2000	FY 2000	FY 2001	Change From
	Estimated	Supplemental	Revised	Appropriated	2000 Revised
Universal Public Tel Svc Fund	5,368,300		5,368,300	5,531,900	163,600
Beginning Nonlapsing	6,191,700		6,191,700	6,366,100	174,400
Closing Nonlapsing	(6,366,100)		(6,366,100)	(6,704,200)	(338,100)
Total	\$5,193,900	\$0	\$5,193,900	\$5,193,800	(\$100)
Programs					
Universal Telecom Service Fund	5,193,900		5,193,900	5,193,800	(100)
Total	\$5,193,900	\$0	\$5,193,900	\$5,193,800	(\$100)

Lifeline Telecommunications Service Fund

Financing	FY 2000	FY 2000	FY 2000	FY 2001	Change From
	Estimated	Supplemental	Revised	Appropriated	2000 Revised
Dedicated Credits Revenue	1,002,300		1,002,300	1,139,800	137,500
Beginning Nonlapsing	1,207,800		1,207,800	1,107,800	(100,000)
Closing Nonlapsing	(1,107,800)		(1,107,800)	(997,600)	110,200
Total	\$1,102,300	\$0	\$1,102,300	\$1,250,000	\$147,700
Programs					
Lifeline Telecom Support	1,102,300		1,102,300	1,250,000	147,700
Total	\$1,102,300	\$0	\$1,102,300	\$1,250,000	\$147,700

Utah State Tax Commission

The Utah State Tax Commission administers the tax laws of the State and collects tax revenue for the State of Utah and its local governments. It collects and distributes revenue from more than 40 taxes, surcharges and fees, registers automobiles and regulates the automobile industry.



The Utah State Tax Commission appropriation for FY 2001 is \$59,215,500, a 2.30 percent decrease from FY 2000 Estimated. The General Fund/Uniform School Fund was increased 2.40 percent. This includes the increases for compensation and ongoing and one-time adjustments for legislation. No additional funding was appropriated for UTAX. Efficiency savings and nonlapsing balances were used to fund several funding increase requests.

Legislative Action

State Funds Base Reduction: The Tax Commission base budget was reduced \$800,000 from the General Fund starting in FY 2000. An additional reduction of \$200,000 from the General Fund starts in FY 2001. State funds have been replaced with General Fund Restricted - Sales and Use Tax Administration Fee, (\$800,000) and nonlapsing balances from the License Plate Production Program (\$200,000).

Computer Assisted Collection System for Government (CACSG):

The Legislature authorized the Tax Commission to use nonlapsing balances to fund ongoing operations and maintenance costs for the system totaling \$461,000 per year. The new costs related to the system are ITS charges of \$300,000 and hardware and software maintenance fees of \$161,000.

Senate Bill 40, “Uninsured Motorist Database Amendments”: This bill authorized 3 FTE and funding of \$283,800 from the Transportation Restricted - Uninsured Motorist Identification Restricted Account. Additional funding was also provided to Public Safety to implement the provisions of the bill.

Senate Bill 137, “Salvage Vehicle Buyers”: The legislation authorized up to 3 FTE and \$160,000 from Dedicated Credit Revenues. Additional estimated revenue of \$200,000 is redirected to the General Fund.

Technology Management: The Technology Management Division budget was increased \$18,000 from one-time General Fund and Dedicated Credits Revenue for programming new license plates for House Bill 20, “Special License Plates For Emergency Medical Technicians”, and House Bill 195, “Boy Scouts of America License Plates.”

UTAX: The phased funding of the Tax Commission’s five year modernization project has been put on hold. No new funding was appropriated. Intent language was passed to allow future funding sources to include Commission efficiency savings and increased revenue collections from out sourced accounts.

Intent Language

- ▶ Senate Bill 1, Item 76 requires the Tax Commission to report to the Executive Appropriations Committee before expending further resources in pursuit of the tax systems replacement.
- ▶ Senate Bill 1, Item 76 authorizes the Tax Commission to carry forward unexpended year end balances for costs directly related to the UTAX project and other computer related needs.
- ▶ Senate Bill 1, Item 76 also authorizes the Tax Commission to out

source accounts according to Utah Code 59-1-1101 that are not in litigation, under a payment agreement, assigned to a collector for active collection, or whose outsourcing would be in violation of State or federal law. The Tax Commission is to report the results of its outsourcing to the Office of Debt Collection, the Governor's Office of Planning and Budget and the Office of the Legislative Fiscal Analyst.

- ▶ Senate Bill 1, Item 76 expresses the intent that the Utah State Tax Commission should track additional revenues resulting from UTAH and report the results quarterly to the Legislative Fiscal Analyst, the Governor's Office of Planning and Budget, and the Division of Finance.
- ▶ Senate Bill 1, Item 77 makes License Plate Production funds nonlapsing.

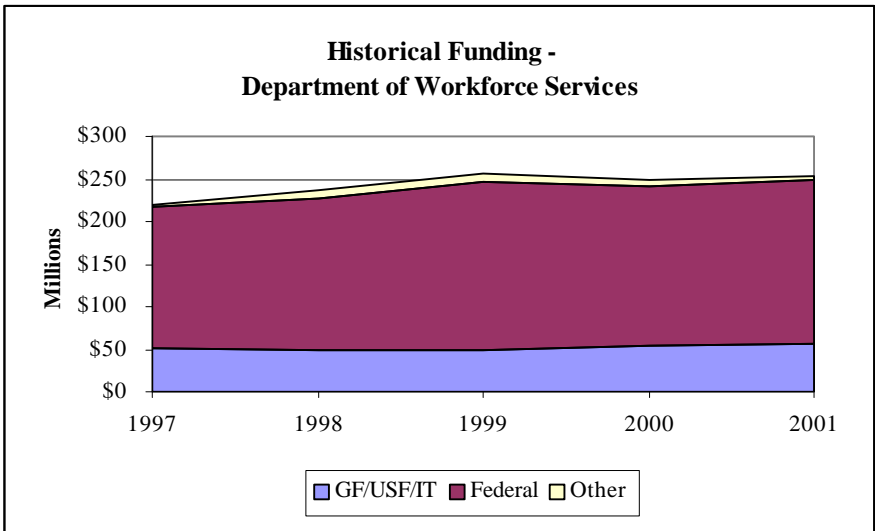
Funding Detail

Utah State Tax Commission					
Financing	FY 2000 Estimated	FY 2000 Supplemental	FY 2000 Revised	FY 2001 Appropriated	Change From 2000 Revised
General Fund	24,509,600	(1,073,700)	23,435,900	23,951,300	515,400
General Fund, One-time		45,500	45,500		(45,500)
Uniform School Fund	16,265,400	(127,100)	16,138,300	16,558,300	420,000
Uniform School Fund, One-time	100,000		100,000		(100,000)
Transportation Fund	4,857,400		4,857,400	4,857,400	
Federal Funds	512,000		512,000	516,200	4,200
Dedicated Credits Revenue	6,322,900	(3,300)	6,319,600	6,518,300	198,700
GFR - Sales and Use Tax Admin F	4,886,900	710,100	5,597,000	5,719,800	122,800
TFR - Uninsured Motorist I.D.		20,000	20,000	283,800	263,800
Beginning Nonlapsing	10,249,300		10,249,300	5,166,900	(5,082,400)
Closing Nonlapsing	(6,666,900)		(6,666,900)	(4,356,500)	2,310,400
Total	\$61,036,600	(\$428,500)	\$60,608,100	\$59,215,500	(\$1,392,600)
Programs					
Administration Division	7,981,200	(900)	7,980,300	5,579,400	(2,400,900)
Auditing Division	7,878,500		7,878,500	8,112,800	234,300
Multi-State Tax Compact	180,400		180,400	179,600	(800)
Technology Management	9,581,100	(388,900)	9,192,200	9,092,600	(99,600)
Tax Processing Division	7,244,400		7,244,400	7,152,700	(91,700)
Seasonal Employees	717,700		717,700	763,300	45,600
Tax Payer Services	7,550,000	(16,800)	7,533,200	7,801,200	268,000
Property Tax Division	4,017,000	(17,800)	3,999,200	4,112,100	112,900
Motor Vehicles	8,881,800	(2,500)	8,879,300	9,123,600	244,300
Motor Vehicle Enf Division	1,888,900	(1,600)	1,887,300	2,382,600	495,300
License Plate Production	2,506,600		2,506,600	2,306,600	(200,000)
Liquor Profits Distribution	2,609,000		2,609,000	2,609,000	
Total	\$61,036,600	(\$428,500)	\$60,608,100	\$59,215,500	(\$1,392,600)

Note: The Tax Commission’s FY 2001 appropriation is \$1,500,000 below its base due to a one-time transfer from its beginning balance to the General Fund that did not have a corresponding ending balance reduction in the Appropriations Act.

Department of Workforce Services

The Utah Department of Workforce Services is to provide quality, accessible, and comprehensive, employment-related and supportive services responsive to the needs of employers, job seekers, and the community.



The total Department FY 2001 budget increased 2.04 percent over FY 2000 Estimated to \$254,708,400. The General Fund was increased 4.47 percent to \$55,263,600. This is 6.22 percent less than the FY 1996 General Fund appropriation, prior to welfare reform. (This is not adjusted for inflation.)

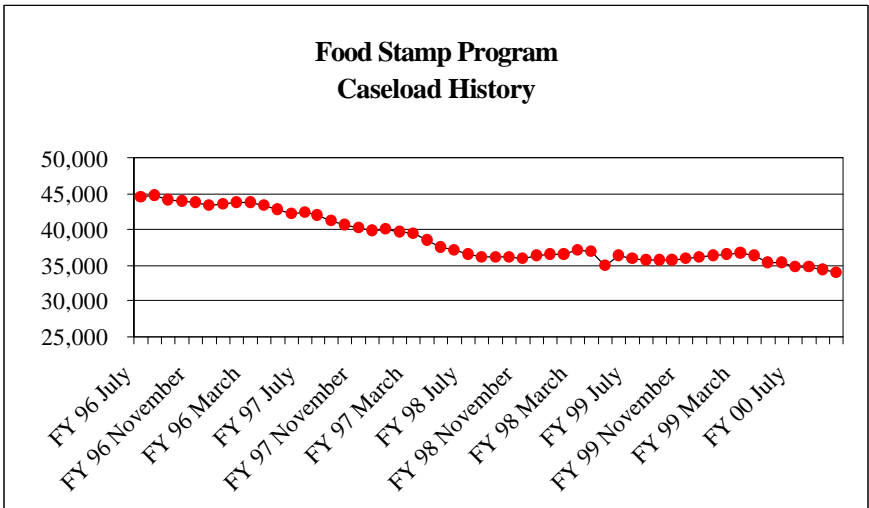
Legislative Action

The State’s general welfare philosophy is employment. Program design and funding support these efforts toward individual self-sufficiency.

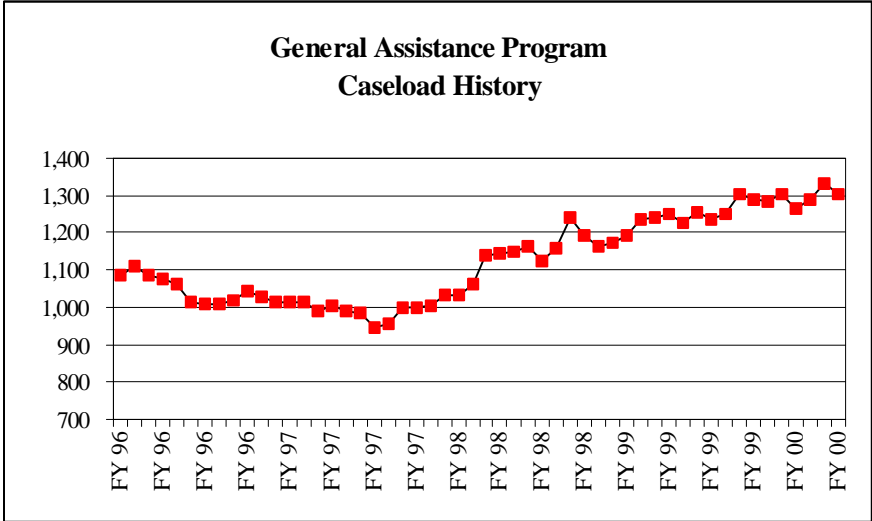
Employment Counselor Reclassification: Ongoing funding of

\$371,700 from the General Fund and \$944,000 from federal funds were appropriated to upgrade salaries for employment counselors throughout the Department. These funds will expand some job classification ranges and upgrade positions from one to four steps.

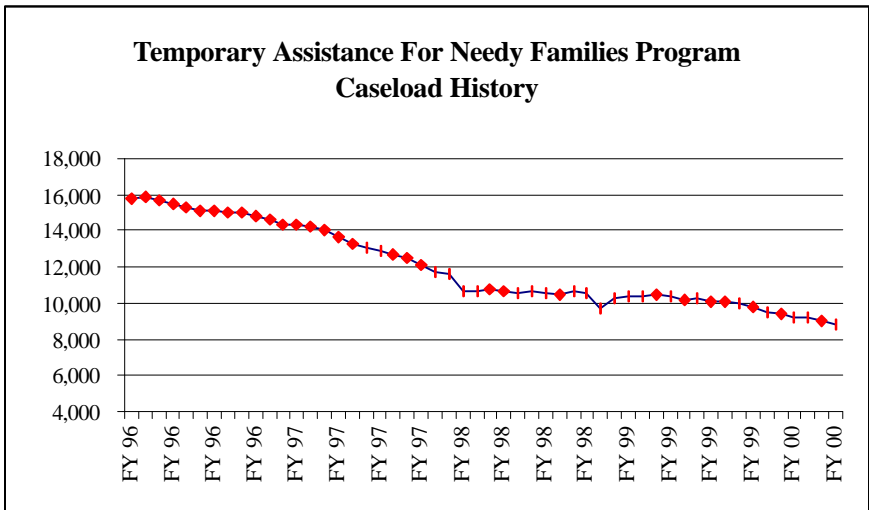
Food Stamp Program: A cost allocation adjustment was required by the federal government. This change in federal law requires more of the Food Stamp administrative costs to be paid with State funds. Utah's portion was \$1,500,000 from State General Fund for FY 2000 and an ongoing State fund requirement of \$940,000. The overall program caseload is declining.



General Assistance: A FY 2000 shortfall in General Assistance funding was mitigated with a one-time appropriation of \$300,000 from the General Fund. The program base funding was increased \$1,935,300 for FY 2001.



Temporary Assistance for Needy Families (TANF): The federal welfare reform law of 1996 created the block grant for state programs that serve needy families. Utah placed a 36 month limit on the cash assistance program. December 31, 1999, the first group of families reached the 36 month time limit. Of 403 cases that reached the time limit, 224 were extended for various reasons, 36 were able to successfully close their cases, and 143 had their cases closed. Utah is authorized to extend exceptions to up to 20 percent of the TANF recipients. Utah is significantly below this number.



TANF Transfer: Funding of \$3,800,000 from the Temporary Assistance for Needy Families Block Grant was transferred from the Department of Workforce Services to the Department of Human Services for FY 2001. A transfer of \$2,900,000 of these funds was previously authorized for FY 2000 to offset the federal reduction in the Social Services Block Grant.

Job Training Programs: One-time funding of \$5,000,000 from federal funds was allocated for a variety of job training programs.

Unemployment Insurance Legislation: Senate Bill 83, “Amendments to Unemployment Insurance”, and House Bill 345, “Unemployment Insurance Amendments”, were passed that amended the Unemployment Insurance statute creating operational efficiencies and enacting an unemployment tax reduction for employers and a benefit increase for qualifying unemployed persons.

Family Employment Program Legislation: House Bill 29, “Public Assistance Amendments”, authorizes some forms of assistance to former Family Employment Program (FEP) participants who have used all of their 36 months of assistance eligibility in some situations provided they find and/or maintain employment after their FEP case is closed. Senate Bill 125, “Uniform Electronic Transactions Act”, establishes standard procedures and legal requirements for electronic transactions, some of which are used by the Department.

Feasibility Study Eliminated: House Bill 226, “Public Education Revisions”, was amended and passed eliminating the requirement to study the inclusion of the Division of State Rehabilitation Services into the Department of Workforce Services.

Intent Language

- ▶ Senate Bill 1, Item 79 expressed the intent that the Department of Workforce Services conduct ongoing follow-up with a sampling of former Family Employment Program (FEP) clients to more fully understand the effect of time limits on those clients. The Department is to inform clients selected for this sample of their intention for follow-up study and request reliable contact information to facilitate long term follow-up. The Department is also to involve community based organizations in the development of research tools and the analysis of resulting data; and that the Department provide regular updates to the Legislature on the impact of time-limits on families with children.
- ▶ Senate Bill 1, Item 79 also requires that the Departments of Health and Human Services, the Division of Employment Development in the Department of Workforce Services, and the State Office of Education work jointly through the regular budget process to present program budget overviews for services to people with disabilities and for services to the aging to be presented to the 2001 Health and Human Services Appropriations Subcommittee. These program budget overviews are to include a discussion of the most appropriate and least costly funding options.
- ▶ Senate Bill 1, Item 79 specified that the amount of \$878,518.00 distributed to the Unemployment Insurance Trust Fund as a Reed Act Distribution be allocated to the Public Employment Service System and be obligated within two years from the date of appropriation by the Legislature. FY 2000 Supplemental Intent Language.
- ▶ House Bill 1, Item 34 requires the Department of Workforce Services to evaluate changes to the current child care Payment to Parents Program (otherwise known as “cash out”), including

evaluation of a possible new program. Changes to the program are to be made if they are programmatically and fiscally feasible. Any changes should be made in consultation with the Governor's Office of Planning and Budget and the Workforce Services Interim Committee.

- ▶ House Bill 1, Item 34 also requires the Department to evaluate imposing more stringent health and safety standards on child care providers of services for which assistance is provided under the Child Care Development Fund. It is further the intent that changes to the standards be made if they are programmatically and fiscally feasible. Any changes should be made in consultation with the Governor's Office of Planning and Budget and the Workforce Services Interim Committee. The Department is to provide regular updates to the Legislature through the Workforce Services Interim Committee.

Funding Detail

Workforce Services					
Financing	FY 2000 Estimated	FY 2000 Supplemental	FY 2000 Revised	FY 2001 Appropriated	Change From 2000 Revised
General Fund	51,466,200	1,434,000	52,900,200	55,263,600	2,363,400
Federal Funds	190,755,400	(1,066,300)	189,689,100	193,300,000	3,610,900
Dedicated Credits Revenue	2,731,300	(32,800)	2,698,500	2,778,600	80,100
Transfers - Medical Assist	4,572,300	(244,600)	4,327,700	3,366,200	(961,500)
Total	\$249,525,200	\$90,300	\$249,615,500	\$254,708,400	\$5,092,900
Programs					
Executive Director	547,700		547,700	559,900	12,200
Administrative Services	37,935,900	(1,363,900)	36,572,000	36,507,600	(64,400)
Adjudication Division	2,175,000		2,175,000	2,237,600	62,600
Employment Development	29,790,800	(52,100)	29,738,700	30,521,900	783,200
Regional Administration	62,367,100	1,206,300	63,573,400	66,237,400	2,664,000
Temp Assist to Needy Fam	49,552,000		49,552,000	49,552,000	
Food Stamp Cash Out	22,393,100		22,393,100	22,393,100	
Refugee Relocation	1,300,000		1,300,000	1,300,000	
General Assistance/SSI	3,050,000	300,000	3,350,000	4,985,300	1,635,300
Workforce Investment Act	4,763,600		4,763,600	4,763,600	
Child Care	35,650,000		35,650,000	35,650,000	
Total	\$249,525,200	\$90,300	\$249,615,500	\$254,708,400	\$5,092,900

Retirement Systems / Public Employees Health Program

The Utah State Retirement Office is an independent State agency. No direct appropriations are made and the budget is not included in the Appropriations Act. All funding is through premium and investment income. Retirement investment and disbursement services are provided to State, local governments, and school districts. Public Employees Health Program (PEHP) is administered by and co-located with Utah Retirement Systems. PEHP provides health and dental insurance to the State government and to a variety of local governments. It also administers the Children's Health Insurance Program (CHIP) and the Flexible Reimbursement Program (FLEX) for the State.

Legislative Action

Retirement Rate Reduction: The Legislature reduced retirement rates for employees ranging from 0.29 percent to over 3.0 percent, depending on the classification of the employee. These adjustments yield a statewide savings of approximately \$9.6 million.

Health Insurance Rate Increase: Health insurance rates for State employees were increased 8.63 percent. Some benefit plans require the employees to pay a portion of the premium. Co-pay amounts were also increased.

Dental Insurance Rate Increase: Dental insurance rates for State employees were increased 3.0 percent.

Mental Health Parity: House Bill 35, "Catastrophic Mental Health Insurance Coverage", was passed impacting insurance throughout the State.

Workers' Compensation Fund

The Legislature established the workers' compensation system in 1917. Employers have the option of obtaining workers' compensation coverage through the Workers' Compensation Fund (WCF) or another private carrier or self insuring (with the approval of the Labor Commission). The WCF insures over 29,000 Utah employers. The budget is reviewed but not appropriated by the Utah State Legislature.

The Workers Compensation Fund of Utah provides employers with low cost workers' compensation and employer liability insurance. All funding comes from premiums paid by policyholders. The WCF receives no funding from the State except for premiums paid by the State as a policyholder. Premiums paid by the State accounted for \$4,908,000 or 4.3 percent of total 1998 premium. No appropriations are listed in the Appropriations Acts.

Commerce & Revenue Appropriations Subcommittee

Financing	FY 2000 Estimated	FY 2000 Supplemental	FY 2000 Revised	FY 2001 Appropriated	Change From 2000 Revised
General Fund	90,008,000	(656,200)	89,351,800	92,891,700	3,539,900
General Fund, One-time	35,000	45,500	80,500	10,500	(70,000)
General Fund Restricted	22,956,000	852,800	23,808,800	24,595,000	786,200
Uniform School Fund	16,265,400	(127,100)	16,138,300	16,558,300	420,000
Uniform School Fund, One-time	100,000		100,000		(100,000)
Transportation Fund	4,857,400		4,857,400	4,857,400	
Transportation Fund Restricted		20,000	20,000	283,800	263,800
Federal Funds	193,550,300	(1,075,500)	192,474,800	196,139,100	3,664,300
Dedicated Credits	18,378,300	(41,400)	18,336,900	18,939,800	602,900
Trust and Agency Funds	20,293,300	104,200	20,397,500	21,449,500	1,052,000
Transfers	4,597,300	85,400	4,682,700	3,390,800	(1,291,900)
Beginning Balance	31,631,000		31,631,000	26,000,800	(5,630,200)
Closing Balance	(28,500,800)	1,000,000	(27,500,800)	(25,373,000)	2,127,800
Total	\$374,171,200	\$207,700	\$374,378,900	\$379,743,700	\$5,364,800

Programs

Tax Commission	61,036,600	(428,500)	60,608,100	59,215,500	(1,392,600)
Workforce Services	249,525,200	90,300	249,615,500	254,708,400	5,092,900
Alcoholic Beverage Control	14,088,400	104,300	14,192,700	14,952,000	759,300
Labor Commission	8,462,300	(27,500)	8,434,800	8,792,700	357,900
Commerce	15,779,400	418,600	16,198,000	16,002,400	(195,600)
Financial Institutions	2,770,200	55,200	2,825,400	2,907,800	82,400
Insurance	12,448,700	(4,600)	12,444,100	12,908,500	464,400
Public Service Commission	10,060,400	(100)	10,060,300	10,256,400	196,100
Total	\$374,171,200	\$207,700	\$374,378,900	\$379,743,700	\$5,364,800

**Commerce & Revenue Appropriations Subcommittee
One-time Funding Items**

Item Name	FY 2001 Appropriated
Tax Commission - Tax Administration - Technology Management	3,500
Insurance - Insurance Department Administration - Administration	7,000
Total	\$10,500

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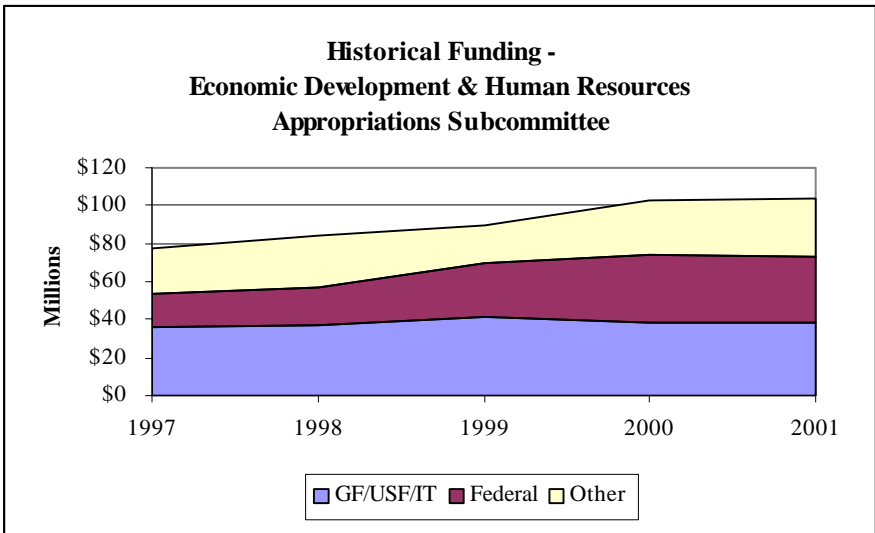
Economic Development and Human Resources

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Subcommittee Overview

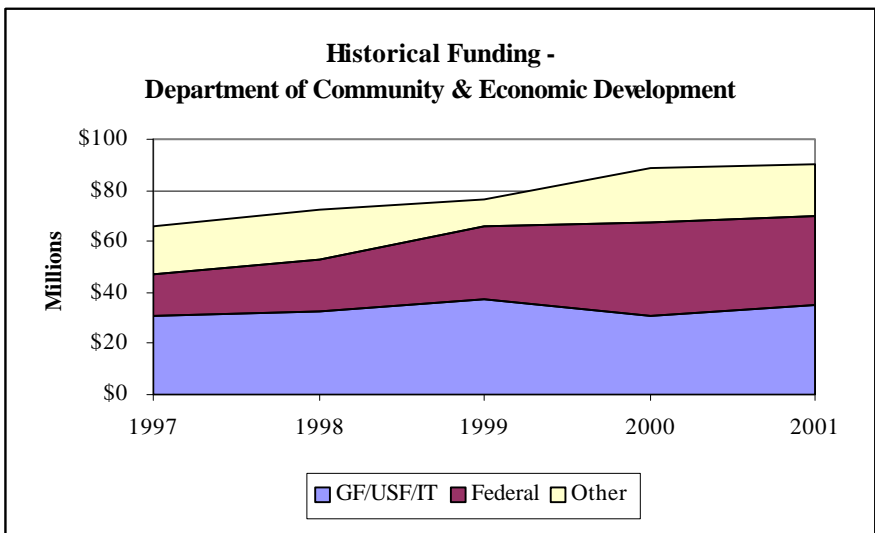
The Economic Development and Human Resources Subcommittee is responsible for the Department of Community and Economic Development, the Department of Human Resources Management, the Career Service Review Board, and two independent agencies: Utah Technology Finance Corporation and the Utah State Fair Corporation. They also review, but do not appropriate Utah Housing Finance Corporation's budget.

The Legislature appropriated \$104,026,500 to the above-mentioned agencies. Of that amount, General Fund amounted to \$35,121,800 ongoing, \$3,353,200 one-time, totaling \$38,475,000. Compared to FY 2000 Revised, total appropriations increased 1.1 percent and General Fund increased by 0.42 percent. Year-to-year comparisons are distorted by last year's appropriation of \$3,500,000 to the Department of Human Resource Management and subsequent transfer to the Department of Corrections. This overstates the amount of General Fund in the FY 2000 budget by \$3,500,000. If the \$3,500,000 were taken out of the FY 2000 Human Resource Management budget, the General Fund increase for all committee programs would be 10.52 percent in FY 2001.



Department of Community and Economic Development

The Department has 57 programs funded through 17 line items. The Department's divisions are: Administration, Special Initiatives, Incentive Funds, Business and Economic Development, Asian Affairs, Black Affairs, Pacific Islander Affairs, Hispanic Affairs, Indian Affairs, Travel Council, Utah State Historical Society, State History, Fine Arts, State Library, Energy Services, Community Development, and Community Development Capital Budget.



Department Administration

Department Administration leads the department and provides public relations, personnel, accounting, research, legal, and data processing services.

Legislative Action

Reorganization: The Department reorganized by moving an attorney and secretary, Olympic Coordinator, and a strategic planner from the Division of Business and Economic Development to this budget. The Legislature also approved the formation of a new program: Administrative Services that was formed by dividing the two existing programs into three.

This program will administer \$140,000 appropriated to implement Senate Bill 55, “Mineral Lease Act Amendments.”

Special Initiatives

Special Initiatives is where the department manages one-time projects assigned by the Legislature.

Legislation Action

Redistribution of funds: By appropriation, the Legislature took back \$299,000 from the Southern Utah University Shakespearean Festival for land acquisition, and \$108,000 from the Promontory Rail Restoration project in FY 2000 for reallocation to other legislative priorities. Senate Bill 26, “Appropriation for Purchase of Freedom Shrine Documents”, appropriated \$19,800 in one-time General Fund to purchase Freedom Shrine Documents.

Incentive Funds

With the addition of Custom Fit funding, the Department changed the name of this line item from Industrial Assistance Fund to Incentive Funds. The Industrial Assistance Fund gives financial incentives to attract jobs to Utah. It also manages the Private Activity Bond Authority (the State’s tax exempt volume cap) and the Community and Economic Development Project Fund.

Legislative Action

Waste Tire Recycling Fund moves: House Bill 47, “Repeal of Waste Tire Recycling Industrial Assistance Loan Program”, and House Bill 215, “Waste Tire Recycling Amendments”, transferred the Waste Tire Recycling Fund to the Department of Environmental Quality.

Industrial Assistance Fund: In a supplemental appropriation, the Legislature appropriated \$818,100 of the \$1,759,800 required to replenish the Industrial Assistance Fund.

Custom Fit: The Legislature appropriated \$750,000 in one-time General Fund for Custom Fit. Additionally, House Bill 227, “Community

and Economic Development Amendments”, will transfer about \$120,000 from the Capital Access Fund to Custom Fit. Traditionally, Custom Fit funds have been administered by Public Education. These funds will still be used for job training, but as economic development enticements.

Business and Economic Development

Business and Economic Development promotes and develops Utah’s economy. The Film Commission entices motion picture, television and advertising businesses. The International Program develops foreign investment in Utah and helps Utah businesses export to foreign countries. National Development recruits new and expanding businesses to Utah. The Business Development program helps local companies grow through the Rural Development Council, Small Business Development Centers, and Utah’s Defense Conversion Fund. Procurement helps Utah firms get government and large commercial contracts. Modeled after the National Science Foundation’s program, Centers of Excellence is devoted to commercializing research at Utah’s universities.

Legislative Action

Olympic opportunity: The coming Olympics is the State’s biggest promotional opportunity ever. To take advantage of the opportunity the Legislature appropriated an additional \$1,100,000 in one-time General Fund.

Sports Development Council: The Sports Development Council was set up to do for sports competitions what the Visitors and Convention Center does for conventions. The Council will be privately funded but to help it get started, the Legislature appropriated \$100,000 in General Fund.

Other Initiatives: In one-time General Fund, the Legislature appropriated \$330,000 to help Utah’s Spaceport bid, \$20,000 to help get the Atlas Tailings removed, \$200,000 to promote the Heritage Highway, and \$100,000 for Smart Utah. The Utah Manufacturers Extension works for manufacturing businesses like Agricultural Extension works for agriculture. The Legislature doubled ongoing General Fund by adding \$100,000 to their annual appropriation.

Minority Offices

The Minority Offices of Asian Affairs, Pacific Islander Affairs, Black Affairs, Hispanic Affairs, and Indian Affairs coordinate issues for the Governor. Pacific Islander Affairs is a new name for Polynesian Affairs.

Travel Development

Travel Development improves the State's economy through tourism. The Division has reorganized by combining Administration, Advertising, and Research into a new program called Strategic Development and eliminating Destination Development. The remaining programs continue unchanged. Internal Development oversees the Welcome Centers, information services, travel publications, and publicity. External Development manages the national and international travel development programs.

Legislative Action

Olympic Opportunity: An additional appropriation of \$1,487,000 was approved to promote the Olympics. Of that amount, \$307,000 comes in FY 2000 as a transfer from Special Initiatives with nonlapsing intent so that the funds can be spent in FY 2001; \$60,000 is ongoing General Fund; \$620,000 is one-time General Fund; and \$500,000 is one-time from the Olympic Special Revenue Fund.

State History and State Historical Society

State History promotes all things related to the State's history except paleontology, which belongs to the Department of Natural Resources. The Historical Society is the Division's fund raising arm and is shown as a separate line item. Collections and Education curates collections and sets-up shows for educational and public relation purposes. It publishes the Utah Historical Quarterly, Beehive History and books such as *Brief History of Utah* and the County Histories project. The Preservation Office funds the Division's Antiquities Section which issues archeological work permits for state lands and maintains a cultural sites database. It also funds both state and federal historic preservation programs. Through the History Projects program the division funds the Utah State History Fair, and the Utah Heritage Foundation.

Arts Council

The Arts Council promotes fine arts. Grants to Nonprofit Organizations funds more than 200 arts organizations and the Community Arts Outreach and Development provides technical assistance to organizations and runs the Arts in Education, Visual Arts, Folk Arts, Literary Arts, and Percent for the Arts activities.

House Bill 3 appropriated an additional \$100,000 in one-time General Fund with intent that \$40,000 go to the Utah Festival Opera, and \$60,000 to the Southern Utah University Shakespearean Festival. Because of the Gateway Project, the Division has moved from the Union Pacific Depot to the Rio Grande Depot and the Veggie Express building. This will reduce rents by \$120,000. The Legislature has reduced the appropriation and reallocated \$60,000 to Community Development - Museum grants and \$60,000 to Travel Development.

State Library

The State Library improves Utah libraries. The Blind and Physically Handicapped program is the sole state source of material for the visually handicapped and by contract with the Library of Congress, serves 24 other states. The Division has a computer driven Braille printer that can generate materials. The Library Development program trains and consults local librarians. Information Services coordinates the interlibrary loan network for smaller libraries; orders, catalogs, and processes library materials; circulates audiovisual materials; reimburses net lender libraries; and sponsors a children's book examination center. In partnership with the Utah Education Network, the Utah Academic Library Consortium, and the State Office of Education, the State Library created PIONEER: Utah's Online Electronic Library.

Energy Services

Energy Services promotes energy efficiency. State Energy Conservation is an educational program that targets the general public, school children, private building managers, and federal agencies. Energy Technology Demonstration provides grants and loans to implement the latest energy saving technologies. State Building Energy Loan Program finances energy efficiency projects in State buildings with energy savings repaying the loans. Alternative Fuels – Private finances fleet vehicle conversions to cleaner burning fuels with savings repaying the loans.

Legislative Action

Weatherization moves: The Weatherization program was transferred to the Community Development division.

Community Development

Community Development helps local governments develop infrastructure. Weatherization, a transfer from Energy Services, helps low income, elderly, and handicapped persons save on energy bills. Museum Services gives grants and technical support to local museums. Community Assistance administers the federal Community Development Block Grant program, and staffs the permanent Community Impact Board, Disaster Relief Board, Private Activity Bond Review, Navajo Revitalization Fund, and the Uintah Basin Revitalization Fund. Pioneer Communities helps local governments preserve and revitalize their historic districts. Housing Development staffs all of the State's housing programs: Homeless Committee, HOME, Housing Trust Fund, Critical Needs Housing, and Emergency Shelter. Community Service administers the federal anti-poverty Community Services Block Grant program and special projects like funding for the food banks, Food Bank Network, and Healthy Communities. The Commission on Volunteers is the federal AmeriCorps program that gives post secondary scholarships for volunteer work. The Homeless Committee channels General Fund and income tax homeless check-off funds to state and local housing organizations. The Emergency Food program helps fund emergency food organizations. Special Housing is a federally funded program that pays for utilities, building renovations and leased space for special population homeless. LIHEAP/UTAH is a federal program that provides home winter utility assistance to low-income households. It is administered through the Associations of Governments and nonprofit agencies. The Martin Luther King Commission promotes the holiday.

Legislative Action

Reorganization: In a major reorganization, Zoos was moved out and made into a separate line item. Special Housing, HEAT, Weatherization, and Martin Luther King Commission were moved into Community Development from other line items. Emergency Food was broken out from existing programs to highlight the state's efforts.

Zoos: The Department moved \$250,000 from the Zoos budget in FY 2000 to other programs. When the local ZAP (Zoo, Arts, and Parks) tax was passed, the Legislature gave assurances that it would not reduce funding to Zoos that would offset the new tax. This was not a perpetual promise and the Legislature could change its mind, but it should be a Legislative decision. The Legislature decided to undo the move through a negative appropriation from Community Development and a positive appropriation to the Zoos in FY 2000. The Legislature also made Zoos a separate line item so that the transfer could not happen in the future. Meanwhile, Community Development had already spent \$150,000 of the \$250,000. To mitigate some of the problems, the Legislature reallocated \$100,000 from Special Initiatives in a supplemental appropriation. In FY 2001, Zoos are back to the original level of appropriation.

Museum grants: The Legislature diverted ongoing General Fund to the Museums program for grants by \$87,400. Funding came from Arts Council rents (\$60,000), Community Development planning grants to the Associations of Government (\$25,000), and the Industrial Assistance Fund (\$2,400).

Food Bank: The Legislature reallocated \$20,000 in one-time General Fund to the Food Bank.

Association of Governments: Senate Bill 11, “Associations of Governments Appropriation”, appropriated \$90,000 in on-going funding to Community Development for Associations of Governments planning.

Olene Walker Housing: Senate Bill 54, “Directives Medical Services”, appropriated \$250,000 in ongoing General Fund and \$225,000 in one-time General Fund to the Olene Walker Housing Trust Fund. This brings the on-going contribution to the Olene Walker Housing Trust Fund to \$2,250,000.

Special Service Districts: The Legislature corrected the appropriation imbalance between the Mineral Lease and Mineral Lease Bonus accounts and added the Special Service Districts to FY 2000.

Community Development Capital

Community Development Capital mitigates the impacts of non-metallic mineral extraction on local communities. It administers the Permanent Community Impact Fund and the Special Service District funds from Mineral Lease.

Legislative Action

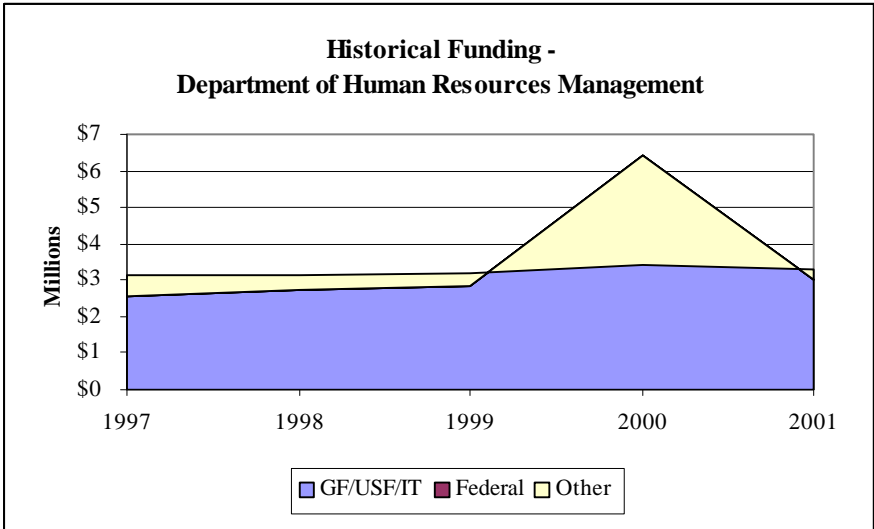
Reorganization: Three programs were transferred to the Community Development budget: Critical Needs Housing, Housing Preservation Grant, and Emergency Shelter and Supportive Housing. Special Service District is a new program reflecting changes in the Mineral Lease law.

Funding Detail

Department of Community & Economic Development					
Financing	FY 2000 Estimated	FY 2000 Supplemental	FY 2000 Revised	FY 2001 Appropriated	Change From 2000 Revised
General Fund	30,635,100	(10,600)	30,624,500	31,532,900	908,400
General Fund, One-time	(216,200)	818,100	601,900	3,149,200	2,547,300
Transportation Fund	118,000		118,000	118,000	
Federal Funds	36,074,000	(600)	36,073,400	35,097,800	(975,600)
Dedicated Credits Revenue	2,379,700	(900)	2,378,800	2,555,300	176,500
Federal Mineral Lease	14,374,900	(1,952,000)	12,422,900	12,093,300	(329,600)
GFR - DCED Project				(200,000)	(200,000)
GFR - Homeless Trust	149,900		149,900	150,000	100
GFR - Industrial Assistance	179,900	(818,100)	(638,200)	185,800	824,000
GFR - Mineral Bonus		3,377,000	3,377,000	3,150,000	(227,000)
GFR - Olene Walker Housing	(1,500,000)		(1,500,000)	(1,975,000)	(475,000)
GFR - Tourism Marketing Perf				(200,000)	(200,000)
Capital Access				320,000	320,000
Oil Overchg - Stripper Well	1,752,700		1,752,700	1,781,400	28,700
Olympic Special Revenue	900,000		900,000	1,000,000	100,000
Perm Community Impact	14,374,800		14,374,800	13,893,300	(481,500)
Transfers	(13,103,600)		(13,103,600)	(12,453,100)	650,500
Reimbursement	20,947,500		20,947,500	9,932,300	(11,015,200)
Beginning Nonlapsing	5,442,800		5,442,800	3,970,300	(1,472,500)
Closing Nonlapsing	(3,970,300)		(3,970,300)	(3,970,300)	
Lapsing Balance	(20,947,500)		(20,947,500)	(9,932,300)	11,015,200
Total	\$87,591,700	\$1,412,900	\$89,004,600	\$90,198,900	\$1,194,300
Programs					
Administration	2,339,600	(6,100)	2,333,500	2,822,300	488,800
Special Initiatives	597,500	(407,000)	190,500		(190,500)
Incentive Funds	246,000		246,000	1,136,200	890,200
Indian Affairs	519,800		519,800	225,300	(294,500)
Asian Affairs	122,100		122,100	127,700	5,600
Black Affairs	122,000		122,000	127,300	5,300
Hispanic Affairs	124,000		124,000	129,500	5,500
Pacific Islander Affairs	122,000		122,000	127,400	5,400
Business and Economic Dev	9,115,300	(100)	9,115,200	9,967,700	852,500
Travel Council	4,829,500	306,900	5,136,400	5,592,200	455,800
Energy Services	2,697,900		2,697,900	3,465,500	767,600
State History	2,510,700	(1,400)	2,509,300	2,549,600	40,300
Historical Society	324,900		324,900	332,200	7,300
Fine Arts	3,637,600	(1,300)	3,636,300	3,459,700	(176,600)
State Library	6,568,600	(2,900)	6,565,700	7,539,800	974,100
Community Development	38,331,800	(150,200)	38,181,600	36,131,800	(2,049,800)
Zoos	1,480,000	250,000	1,730,000	1,730,000	
Community Dev Capital	13,902,400	1,425,000	15,327,400	14,734,700	(592,700)
Total	\$87,591,700	\$1,412,900	\$89,004,600	\$90,198,900	\$1,194,300

Department of Human Resource Management

The Department of Human Resource Management operates the state's personnel system.



Last session, the Legislature appropriated \$3,500,000 to the Department for pass-through to the Department of Corrections for selective salary increases. This distorts year to year comparisons and percent growth calculations. Absent this funding bubble, the Department's General Fund resources grew by 3.3 percent between FY 2000 and FY 2001.

Funding Detail

Department of Human Resources Management					
	FY 2000 Estimated	FY 2000 Supplemental	FY 2000 Revised	FY 2001 Appropriated	Change From 2000 Revised
Financing					
General Fund	6,462,300	(5,100)	6,457,200	3,053,500	(3,403,700)
General Fund, One-time				(15,200)	(15,200)
Dedicated Credits Revenue	421,900		421,900	266,000	(155,900)
Transfers	(3,500,000)		(3,500,000)		3,500,000
Beginning Nonlapsing	162,400		162,400	138,500	(23,900)
Closing Nonlapsing	(138,500)		(138,500)	(138,500)	
Total	\$3,408,100	(\$5,100)	\$3,403,000	\$3,304,300	(\$98,700)
Programs					
Human Resource Mgt	3,408,100	(5,100)	3,403,000	3,304,300	(98,700)
Total	\$3,408,100	(\$5,100)	\$3,403,000	\$3,304,300	(\$98,700)

Career Service Review Board

The Career Service Review board runs the State's grievance and appeals process.

Funding Detail

Career Services Review Board					
	FY 2000 Estimated	FY 2000 Supplemental	FY 2000 Revised	FY 2001 Appropriated	Change From 2000 Revised
Financing					
General Fund	160,600		160,600	165,400	4,800
General Fund, One-time				(800)	(800)
Total	\$160,600	\$0	\$160,600	\$164,600	\$4,000
Programs					
Career Service Review Board	160,600		160,600	164,600	4,000
Total	\$160,600	\$0	\$160,600	\$164,600	\$4,000

Outside Reporting Agencies

Utah State Fair Corporation

The corporation operates the Utah State Fair and the fairground facilities year round.

Legislative Action

Additional funding: The Legislature appropriated \$220,000 in one-time General Fund through Senate Bill 136, "Appropriation for Utah State Fairpark."

Bonding Authority: Senate Bill 235, "Bonding for State Fairpark Corporation", authorizes \$10,500,000 of bonding for a lease purchase building.

Utah Technology Finance Corporation

Utah Technology Finance Corporation provides capital and technical assistance to starting and emerging Utah businesses. The Legislature no longer appropriates General Fund to this budget.

Utah Housing Finance Corporation

Utah Housing Finance Corporation helps create affordable housing through financial incentives. The Legislature oversees but does not appropriate this budget.

Funding Detail

Outside Reporting Agencies					
	FY 2000 Estimated	FY 2000 Supplemental	FY 2000 Revised	FY 2001 Appropriated	Change From 2000 Revised
Financing					
General Fund	370,000		370,000	370,000	
General Fund, One-time	100,000		100,000	220,000	120,000
Federal Funds	55,000		55,000	55,000	
Dedicated Credits Revenue	9,729,900		9,729,900	9,762,200	32,300
Beginning Nonlapsing	9,999,500		9,999,500	10,024,900	25,400
Closing Nonlapsing	(10,024,900)		(10,024,900)	(10,073,400)	(48,500)
Total	<u>\$10,229,500</u>	<u>\$0</u>	<u>\$10,229,500</u>	<u>\$10,358,700</u>	<u>\$129,200</u>
Programs					
Utah Tech Finance Corp	6,474,200		6,474,200	6,513,500	39,300
Utah State Fair Corporation	3,755,300		3,755,300	3,845,200	89,900
Total	<u>\$10,229,500</u>	<u>\$0</u>	<u>\$10,229,500</u>	<u>\$10,358,700</u>	<u>\$129,200</u>

Economic Development & Human Resources Appropriations Subcommittee

	FY 2000	FY 2000	FY 2000	FY 2001	Change From
Financing	Estimated	Supplemental	Revised	Appropriated	2000 Revised
General Fund	37,628,000	(15,700)	37,612,300	35,121,800	(2,490,500)
General Fund, One-time	(116,200)	818,100	701,900	3,353,200	2,651,300
General Fund Restricted	(1,170,200)	(818,100)	(1,988,300)	(2,039,200)	(50,900)
Transportation Fund	118,000		118,000	118,000	
Federal Funds	36,129,000	(600)	36,128,400	35,152,800	(975,600)
Dedicated Credits	12,531,500	(900)	12,530,600	12,583,500	52,900
Federal Mineral Lease	14,374,900	(1,952,000)	12,422,900	12,093,300	(329,600)
Mineral Bonus		3,377,000	3,377,000	3,150,000	(227,000)
Restricted Revenue				320,000	320,000
Trust and Agency Funds	17,027,500		17,027,500	16,674,700	(352,800)
Transfers	(16,603,600)		(16,603,600)	(12,453,100)	4,150,500
Repayments/Reimbursements	\$20,947,500		20,947,500	9,932,300	(11,015,200)
Beginning Balance	\$15,604,700		15,604,700	14,133,700	(1,471,000)
Closing Balance	(\$14,133,700)		(14,133,700)	(14,182,200)	(48,500)
Lapsing Balance	(\$20,947,500)		(20,947,500)	(9,932,300)	11,015,200
Total	\$101,389,900	\$1,407,800	\$102,797,700	\$104,026,500	\$1,228,800
Programs					
Career Services Review Board	160,600		160,600	164,600	4,000
Human Resource Mgt	3,408,100	(5,100)	3,403,000	3,304,300	(98,700)
Community & Econ Dev	87,591,700	1,412,900	89,004,600	90,198,900	1,194,300
Outside Reporting Agencies	\$10,229,500		10,229,500	10,358,700	129,200
Total	\$101,389,900	\$1,407,800	\$102,797,700	\$104,026,500	\$1,228,800

Economic Development & Human Resources Appropriations Subcommittee
One-time Funding Items

Item Name	FY 2001 Appropriated
Human Resource Management - Administration	(2,300)
Human Resource Management - Classification and Compensation	(3,900)
Human Resource Management - Employment Services	(4,000)
Human Resource Management - Information Technology	(5,000)
Career Services Review Board	(800)
DCED - Administration - Executive Director	133,900
DCED - Administration - Information Technology	(4,100)
DCED - Incentive Funds - Custom Fit	750,000
DCED - Indian Affairs	(1,400)
DCED - Asian Affairs	(600)
DCED - Black Affairs	(600)
DCED - Hispanic Affairs	(600)
DCED - Pacific Islander Affairs	(600)
DCED - Business and Economic Development - Administration	917,200
DCED - Business and Economic Development - Film Commission	(2,200)
DCED - Business and Economic Development - International Development	(3,300)
DCED - Business and Economic Development - National Development	327,600
DCED - Business and Economic Development - Advertising and Promotion	(500)
DCED - Business and Economic Development - Business Development	(3,300)
DCED - Business and Economic Development - Procurement Technical Assistance	(1,800)
DCED - Business and Economic Development - Technology	(1,800)
DCED - Business and Economic Development - Office of Veteran's Affairs	(600)
DCED - Travel Council - Travel Administration	678,700
DCED - Travel Council - Internal Development	(2,500)
DCED - Community Development - Weatherization Assistance	(100)
DCED - Energy Services - State Energy Conservation	(100)
DCED - State History - Administration	(1,200)
DCED - State History - Collections and Education	(4,300)
DCED - Fine Arts - Administration	(2,300)
DCED - Fine Arts - Grants to Non-profits	100,000
DCED - Fine Arts - Community Arts Outreach	(2,700)
DCED - State Library - Administration	(1,700)
DCED - State Library - Blind and Physically Handicapped	(700)
DCED - State Library - Library Development	(3,900)
DCED - State Library - Information Services	(2,300)
DCED - Community Development - Community Development Administration	16,900
DCED - Community Development - Museum Services	(700)
DCED - Community Development - Pioneer Communities	(400)
DCED - Community Development - Housing Development	249,500
DCED - Community Development - Commission on Volunteers	(100)
DCED - Community Development - Martin Luther King Commission	(200)
DCED - Community Development - Emergency Food	20,000
Outside Reporting Agencies - Utah State Fair Corporation	220,000
Total	<u><u>\$3,353,200</u></u>

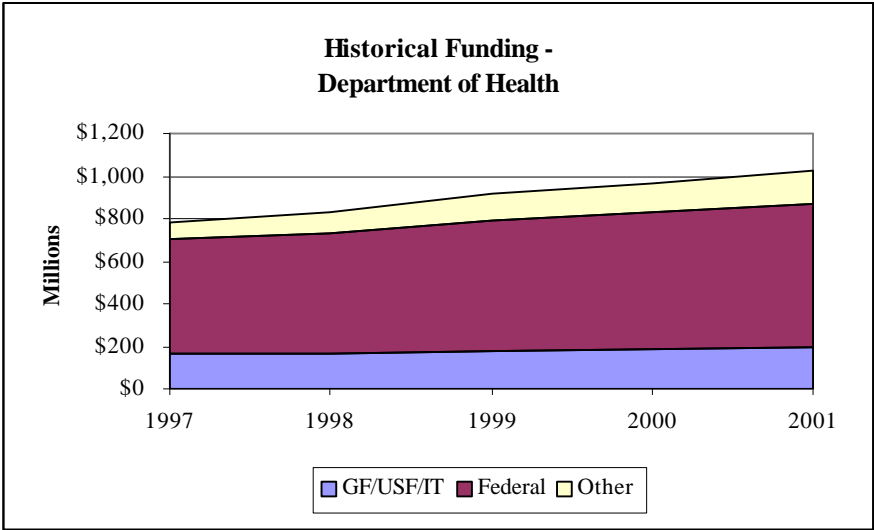
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Department of Health

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Departmental Overview

The Utah Department of Health’s mission is to protect the public’s health through preventing avoidable illness, injury, disability, and premature death; to assure access to affordable, quality health care; and to promote healthy lifestyles.



Legislative Action

The total FY 2001 appropriation of \$1,022,367,200 for the Department of Health is an increase of 5.8 percent compared to the FY 2000 revised level of expenditures. The FY 2001 General Fund appropriation is also an increase of 5.8 percent. The Legislature approved selective reductions of five percent for those Department of Health budgets that were administrative in nature and where a General Fund reduction would not impact matching Federal Funds. The Subcommittee restored some of the five percent reduction to the State Health Laboratory, Maternal and Child Health, and Children with Special Health Care Needs programs. The amount left after reallocations and restorations was \$646,900, which was moved to programs in the Department of Human Services.

The appropriations and legislative intent for the divisions and offices of the Department are outlined below.

Health Status Survey: The Legislature approved \$400,000 for the survey conducted every five years by the Department to assess the health status of the citizens of the state.

Statewide Trauma System: By passing Senate Bill 115, “Trauma System Amendments”, the Legislature increased the Division of Health Systems Improvement’s budget by \$300,000. This legislation establishes trauma center designations on a statewide basis.

Primary Care Grants: The Legislature approved continued funding for this program, which provides grants to health care providers whose services are mainly utilized by low-income individuals and families. The funding, in the amount of \$500,000, is from the Medicaid Restricted Account, with intent language that it be funded with ongoing funding in FY 2002.

Tobacco Settlement: The Legislature passed Senate Bill 15, “Use of Tobacco Settlement Revenues”, which provided the Tobacco Prevention Program with \$4 million - an increase of \$3 million - from Tobacco Settlement funds.

Early Intervention Program: As the Early Intervention program becomes more well-known, its services are being requested to a greater degree. In response to this growth the Legislature approved an increase of \$300,000.

General Medicaid Increases: A total increase of \$43,746,500, of which \$12,154,700 comes from the General Fund, was approved to cover the reductions in the federal match rate, projected inflation, and increases in utilization rates.

Additional Week’s Medicaid Payments: Regular Medicaid providers are paid each Saturday. Because FY 2001 has 53 Saturdays, an additional payment will be required. The estimated cost of this payment is \$5,788,600. The State portion (\$1,541,000) will come from the Medicaid Restricted Account.

Expansion of the Travis C. Waiver: This waiver allows medically-fragile, technology-dependent children to become Medicaid-eligible, even though their families might not qualify for Medicaid. The funded amount of

the increase is \$438,100, of which \$125,000 is from the General Fund. The increase will allow the waiver to cover an additional 30 children.

Utah Medical Assistance Program: The Legislature approved \$500,000 supplemental funding for FY 2000 for the UMAP. This program provides medical services to low income individuals with specific medical difficulties.

Children’s Health Insurance Program (CHIP) funding: With the passage of Senate Bill 15, “Use of Tobacco Settlement Revenues”, the State’s portion of the funding for CHIP was switched from an assessment paid by hospitals to Tobacco Settlement funds. The amount remains the same at \$5.5 million. The total funding level of the program is \$23.7 million, with the balance coming from Federal Funds.

Health Policy Commission: Early in the 2000 Legislative Session, Senate Bill 138, “Sunset Date for Health Policy Commission”, passed, moving the sunset date of the Health Policy Commission from June 30, 2001 to December 31, 2000. However, the Appropriations Subcommittee elected to eliminate all funding for the Commission beyond FY 2000. This will require the Commission to wrap up its work and finish all of its reports by the end of June 2000.

Graduate Medical Education: The Legislature approved one-time funding of \$110,000 to the Medical Education Program for assistance in graduate medical education.

Telehealth Commission: House Bill 72, “Utah Telehealth Commission”, added \$4,000 to cover the necessary expenses of this new Commission, which will be advisory in nature in determining policies and directions for telehealth in the State.

Intent Language

Outcome Measures and Budget Overviews: In the Executive Director’s budget, the Legislature again requested detailed outcome measures and budget overviews for disability and aging services that are funded through the Department of Health, the Department of Human Services, the Department of Workforce Services, and the State Office of Education.

Administrative/Service Budgets: Intent language was introduced which requires that budgets include the distribution between costs of administration and costs of services provided to citizens.

Budget Reductions: The Legislature approved intent language to allow the Department to pass the five percent reduction through to the local health departments. The Department is required to report how it distributed the budget reduction during the 2001 Session.

Early Intervention: The Legislature again approved language placing a suggested \$10 fee for recipients of the Early Intervention Programs' services.

Medicaid Waiver: The Legislature requested that the Department review programs to increase incentives that will allow and encourage current Medicaid recipients to return to work, while still maintaining their Medicaid eligibility.

Medicaid Pharmacy Study: The Legislature requested that the results of the Department's pharmaceutical study, including costs and cost savings in the Medicaid program be presented to the 2001 Legislature.

Funding Detail

Department of Health					
Financing	FY 2000 Estimated	FY 2000 Supplemental	FY 2000 Revised	FY 2001 Appropriated	Change From 2000 Revised
General Fund	183,089,900	(125,900)	182,964,000	193,861,600	10,897,600
General Fund, One-time	683,800		683,800	455,000	(228,800)
Federal Funds	649,761,901	(170,800)	649,591,101	675,770,000	26,178,899
Dedicated Credits Revenue	74,936,245	(4,700)	74,931,545	88,911,000	13,979,455
Federal Mineral Lease	600,000		600,000		(600,000)
GFR - Cigarette Tax Rest	250,000		250,000	250,000	
GFR - Hosp Provider Assess	5,500,000		5,500,000		(5,500,000)
GFR - Kurt Oscarson Trans	100,000		100,000	100,000	
GFR - Medicaid Restricted	4,900,200	500,000	5,400,200	7,741,200	2,341,000
GFR - Nursing Facility	4,244,800		4,244,800	4,422,400	177,600
GFR - State Lab Drug Testing	150,000		150,000	149,400	(600)
GFR - Tobacco Settlement				9,500,000	9,500,000
Transfers	40,746,054	2,600	40,748,654	40,702,500	(46,154)
Beginning Nonlapsing	3,909,367		3,909,367	2,561,100	(1,348,267)
Closing Nonlapsing	(2,561,067)		(2,561,067)	(2,057,000)	504,067
Total	\$966,311,200	\$201,200	\$966,512,400	\$1,022,367,200	\$55,854,800
Programs					
Executive Director's Ops	12,166,400	(8,300)	12,158,100	12,067,000	(91,100)
Veterans' Nursing Home	2,686,400		2,686,400	2,689,900	3,500
Health Systems Improvement	11,231,900	(9,700)	11,222,200	11,274,000	51,800
Physician Loan & Scholarship	504,400		504,400	540,200	35,800
Nursing Ed Financial Assist	246,700		246,700	237,800	(8,900)
Special Pop Health Care	80,000		80,000	77,100	(2,900)
Epidemiology & Lab Services	12,080,500	(1,800)	12,078,700	11,693,600	(385,100)
Community & Family Health	75,647,800	2,400	75,650,200	82,058,400	6,408,200
Health Care Financing	63,435,500	(281,400)	63,154,100	57,846,700	(5,307,400)
Medical Assistance	766,991,700	500,000	767,491,700	820,068,800	52,577,100
Children's Health Ins Prog	20,171,600		20,171,600	23,702,700	3,531,100
Health Policy Commission	434,100		434,100		(434,100)
Medical Education Program	634,200		634,200	111,000	(523,200)
Total	\$966,311,200	\$201,200	\$966,512,400	\$1,022,367,200	\$55,854,800

Department of Health	
One-time Funding Items	
Item Name	FY 2001 Appropriated
Health - Executive Director's Ops - Center for Health Data	320,000
Health - Health Systems Improvement - Emergency Medical Services	25,000
Health - Medical Education Program	110,000
Total	\$455,000

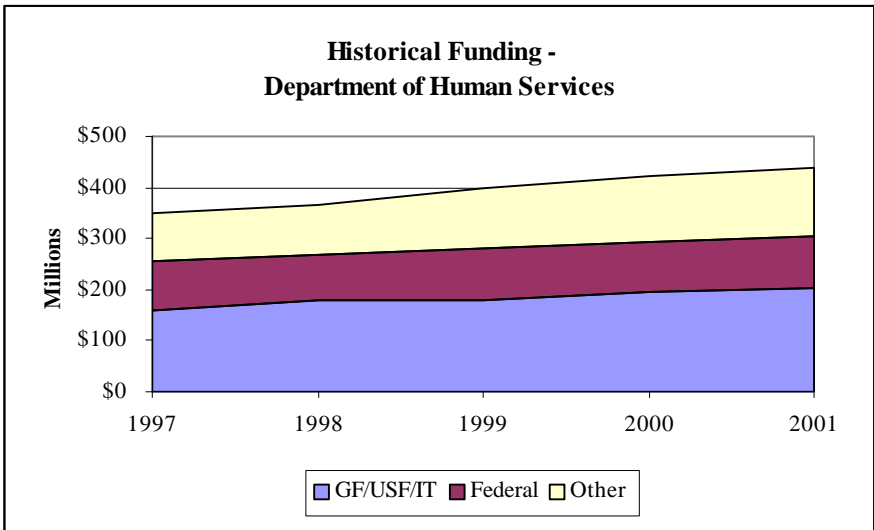
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Department of Human Services

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Departmental Overview

The Department of Human Services is established and functions under authority of Title 62A of the Utah Code. In addition to the Executive Director Operations, there are seven divisions within the Department of Human Services. These include the Divisions of Substance Abuse, Mental Health, Services for People with Disabilities, Aging and Adult Services, Office of Recovery Services, Child and Family Services, and Youth Corrections. The Division of Youth Corrections' budget is not included in this chapter of the report as its budget is heard in the Executive Offices, Criminal Justice and Legislature Appropriations Subcommittee.



FY 2000 Supplemental - The FY 2000 authorized budget was reduced by a total of \$1,100,300, including a reduction of \$378,400 from the General Fund. The revised FY 2000 authorized budget, after supplemental appropriation adjustments, totals \$421,606,100 (\$193,430,900 General Fund).

The Legislature reduced the authorized FY 2000 budget by \$1,000,300 (\$378,400 General Fund) for reduced rates charged by the State's internal service funds.

It eliminated the \$200,000 authorization of expenditures from the Trust Fund for People with Disabilities in the current year, but re-authorized the

expenditure in FY 2001. Planned expenditures have been postponed for one year.

The Legislature also approved an increase of \$100,000 (dedicated credits) in the FY 2000 budget of Aging and Adult Services. The Division is receiving contributions for a statewide aging survey to be contracted with Utah State University.

FY 2001 Appropriation - For FY 2001, the Legislature appropriated \$438.5 million to the Department of Human Services, including \$201.4 from the General Fund. This is an increase in total funding of \$16.9 million over the FY 2000 authorized budget. The General Fund appropriation increased by \$8 million. This represents a 4.0 percent increase over the current FY 2000 authorized budget, and a 4.1 percent increase in the General Fund appropriation.

General Departmental Issues

Market Comparability Adjustments: The Legislature appropriated \$1,605,800 from the General Fund, plus another \$1,183,700 from other sources, for market comparability adjustments for approximately 2,300 DHS employees. This funds about 86 percent of the total adjustment recommended by the Department of Human Resource Management.

Other Compensation Adjustments: The Legislature appropriated \$5,500,200 (\$3,087,100 General Fund) to DHS for a 4 percent cost of living adjustment and \$1,566,300 (\$853,000 General Fund) for increases in the health and dental insurance premiums. Employees covered by the PEHP preferred plan will be paying 5 percent of the premium starting in July 2000.

Transfer from TANF to SSBG: Included in the FY 2001 appropriation is a \$4,737,000 transfer from the Temporary Assistance for Needy Families (TANF) fund to the Social Services Block Grant (SSBG). This is \$1.8 million over the amount transferred in the FY 2000 budget. This increase will be used in the Division of Services for People with Disabilities for people on the home and community based waiver services waiting list.

The Federal Government is reducing the maximum percentage that may be transferred from TANF. For FY 2002, the maximum transfer allowed will be approximately \$3.6 million. That means the 2001 Legislature must

consider replacing at least \$1.1 million in TANF transfers with a general fund amount adequate to maintain current program levels or reduce services. The current authorized TANF program expires in FY 2002 and transfers to the SSBG will not be available after that.

Budget Reductions: For FY 2001, the Legislature reduced the Department's base general fund budget by \$1,249,900 (total budget impact about \$2.6 million). The General Fund reductions result from the following:

- ▶ \$80,100 in travel expenditures,
- ▶ \$486,000 for the 16 hour reduced working hours in FY 2001,
- ▶ \$380,900 for reduced Internal Service Fund rates,
- ▶ \$302,900 for reduced retirement rates.

Federal Funds Reductions: The impact to the Department's FY 2001 budget due to federal funding reductions is estimated at \$1,341,900. These funds were not replaced with State funds.

The federal medical assistance percentage (FMAP) state match rate has been increased from 28.39 percent to 28.53 percent. This means the State would have to increase its match by \$241,500 to maintain the same level of service.

The State Hospital receives a federal subsidy because it admits a "disproportionate share" (DSH) of Medicaid patients. This "DSH" rate has been decreased with a loss to the Hospital of \$50,400.

The Federal Government is again reducing the Social Services Block Grant (SSBG) to all states. In Utah the loss is estimated at \$1,050,000 for FY 2001, from about \$13.7 million in FY 2000 to about \$12.65 million in FY 2001. This is in addition to a reduction in FY 2000 by about \$550,000.

Transfers:

- ▶ \$309,000 (General Fund) and 8.5 FTEs are transferred from the Division of Child and Family Services (DCFS) to the Division of Youth Corrections (DYC) for the Archway Project in Ogden. DCFS has been contracting with DYC for services provided by Archway. This appropriates the funds directly to DYC.

- ▶ \$35,000 (General Fund) and two FTE eligibility workers are transferred from the Department of Health to DCFS as this function is increasingly being assumed by DCFS.
- ▶ \$41,700 (General Fund) and two FTEs are transferred from the Division of Aging and Adult Services (DAAS) to the Executive Director's Office – Office of Public Guardian. This new office has assumed some of the functions of the Adult Protective Services Office in DAAS.
- ▶ \$84,800 (General Fund) is transferred from DCFS to the Division of Mental Health (DMH) for a contract DMH has with the Children's Mental Health Center. These funds are used for mental health services for children in custody of DCFS. The funds appropriately belong in the DMH budget.
- ▶ \$16,600 (General Fund) and one-half FTE are transferred from the Executive Director Operations' budget to the Division of Services for People with Disabilities (DSPD). One employee, who was performing duties in both divisions, will now be totally funded in DSPD.
- ▶ \$51,500 (General Fund) was redistributed from the Executive Director Operations' (EDO) line item to other divisions in the Department. These funds were appropriated to EDO in FY 2000 for increased liability premiums from the State's Risk Management Office. The Division of Youth Corrections received \$8,100 from this redistribution.

Executive Director Operations

The Executive Director Operations (EDO) budget includes the Department Director's Office and various services and bureaus that serve other divisions in the department such as Fiscal Operations and Human Resource Management. EDO also includes programs that are independent of the divisions, such as the Governor's Council for People with Disabilities, Foster Care Citizens Review Boards, and the Office of Children's Ombudsman.

Legislative Action

For FY 2000, the Legislature reduced EDO's budget by \$151,900 (\$91,100 from the General Fund) due to reductions in rates charged by the State's internal service funds.

For FY 2001, the Legislature appropriated \$19,515,800 to EDO, including \$8,462,000 from the General Fund. This is an increase of \$67,400 (0.35 percent) over the total current year's budget. The General Fund is increased by \$211,200 (2.6 percent).

Base Reductions: For FY 2001, EDO's General Fund base budget is reduced by \$46,000 for the shortened work year, \$108,100 for reduced internal service fund rates, \$25,400 for reduced retirement rates, and \$8,900 for the 10 percent travel reduction. These General Fund reductions total \$188,400. The impact on other funding sources is a reduction of \$121,800. The federal Social Services Block Grant reduction impact to EDO is about \$177,500.

Other Adjustments: Of the \$51,500 appropriated in FY 2000 for Risk Management liability premium increases, \$48,800 is being redistributed in FY 2001 to the other divisions in the Department.

Drug Board/Drug Courts: The 2000 Legislature appropriated \$1,647,200 from the Tobacco Settlement Account (Senate Bill15) to the Department of Human Services for FY 2001. This creates a new line item within the Department, with two new programs. The appropriation includes \$350,900 for a pilot drug board program in Davis, Weber and Morgan Counties, and \$1,296,300 for expanded drug court programs statewide.

The drug board pilot project is a new program. While patterned after the drug court program which is aimed at preventing individuals from going into prison on drug charges, the drug board aims its services at individuals coming out of prison through the Board of Pardons and Parole. The funds will provide intensive outpatient drug treatment services to approximately 100 individuals. Services will be contracted with private or local county providers. In addition to the \$350,900 appropriated to the Department of Human Services, the Board of Pardons and the Department of Corrections received \$159,100 for costs related to this pilot project.

Drug Courts are currently functioning in Salt Lake, Utah, and Uintah Counties. There is also a youth drug court in Salt Lake County. Last year, the Division of Substance Abuse provided planning money for the establishment of new drug courts in the Southwest, San Juan, Four Corners, and Bear River regions of the State, as well as Tooele, Weber and Summit Counties. The new funds from the Tobacco Settlement Account will be distributed using an “RFP” method, involving requests from existing and new drug courts. In addition to the \$1,296,300 appropriated to the Department of Human Services, the Administrative Office of the Courts received \$193,700 for costs related to the expansion of drug courts.

Intent Language:

Outcome Measures: The Legislature directed the Department to provide outcome measures for each Division regarding populations served and information on people eligible but not served.

Cross-Division Budget Reports: Various State agencies, including the Departments of Human Services, Health, Workforce Services, and the State Office of Education are to present budget overviews for services provided people with disabilities and services for the elderly.

Breakout of Administration and Services Costs: The Department was instructed to present budget documents that show the cost of administrative functions and costs of services delivered.

TANF Transfers: In preparing the FY 2002 budget recommendations, the Legislative Fiscal Analyst is to consider replacing TANF transfers in excess of \$2,937,000 (the amount transferred in FY 2000) with enough general funds to maintain current service levels.

Division of Mental Health

The Division of Mental Health (DMH) is the State’s public mental health authority. The Division has general supervision of the State Hospital in Provo. Other mental health services are delivered by 11 local mental health authorities. The Division contracts with county governing boards and distributes state and federal funds earmarked for mental health services. Counties are required to provide a minimum scope and level of service, and must provide a minimum 20 percent funding match.

Legislative Action

For FY 2000, the Legislature reduced DMH's budget by \$6,400 (\$4,600 from the General Fund) due to reductions in rates charged by the State's internal service funds.

For FY 2001, the Legislature appropriated \$71,888,300 to DMH, including \$57,370,500 from the General Fund. This is an increase of \$4.8 million (7.1 percent increase) over the total current year's budget. The General Fund is increased by \$4.2 million, or approximately 8 percent.

Base Adjustments: For FY 2001, DMH's General Fund base budget is reduced by \$127,000 for the shortened work year, \$72,400 for reduced retirement rates, and \$7,700 for the 10 percent reduction in travel expenditures. The General Fund budget was increased by \$8,800 for increases in the State's internal service fund rates, and \$8,100 for a redistribution of last year's funding of a premium increase in the Risk Management Liability program. These adjustments total a net decrease in General Fund of \$190,200 (plus another \$80,500 decrease from other funding sources).

Building Blocks: The Legislature appropriated \$2,513,600 from the General Fund for operation and staffing of the 4th wing of the new forensic facility at the State Hospital. This completes the facility's operational funding which was begun last year. The Legislature also provided \$300,000 (General Fund) to begin a program for treating young children with autism in the southwestern region of the State.

Intent Language

Preadjudicated and mentally ill: The Department, along with Corrections, Board of Pardons and Parole, is to head up a study to determine whether pre-adjudicated and mentally ill persons who are detained in jail or the State Hospital should receive credit for time served.

Division of Substance Abuse

The Division of Substance Abuse (DSA) is the substance abuse authority for the state. The Division administers state and federal funds for the treatment and prevention of substance abuse. It contracts with 13 local

substance abuse authorities which either provide services themselves or through private providers.

Legislative Action

For FY 2000, the Legislature reduced DSA's budget by \$200 (\$100 from the General Fund) due to reductions in rates charged by the State's internal service funds.

For FY 2001, the Legislature appropriated basically a flat budget for DSA, totaling \$27,015,600, with \$10,680,600 from the General Fund. This is a total funding increase of \$29,600 (0.11 percent), including an increase of \$21,400 from the General Fund (0.2 percent).

Drug Board, Drug Courts: The Legislature appropriated over \$1.6 million from the Tobacco Settlement Account (Senate Bill 15, "Use of Tobacco Settlement Revenues") to the department for expansion of drug courts and for a pilot drug board program. These funds, while administered by DSA staff, are appropriated in a separate line item under the umbrella of the Executive Director's Office.

Base Adjustments: For FY 2001, DSA's General Fund base budget is reduced by \$3,400 for the shortened work year, \$1,900 for reduced retirement rates, and \$1,500 for the 10 percent reduction in travel expenditures. The General Fund budget was increased by \$1,400 for increases in the State's internal service fund rates, and \$200 for a redistribution of last year's funding of a premium increase in the Risk Management Liability program. These adjustments total a net decrease in General Fund of \$5,200 (plus another \$2,900 decrease from other funding sources).

Division of Services for People with Disabilities

The Division of Services for People with Disabilities (DSPD) is responsible for providing residential, day and support services for people with mental retardation and other developmental disabilities. To receive services, people must have substantial functional limitations in three or more of the following life activities: self care, receptive and expressive language, learning, mobility, self direction, capacity for independent living, and economic self-sufficiency. The services provided range from limited family support to a full array of 24-hour services both in the community and at the

Utah State Developmental Center. Community services are provided under contracts with private providers. Services are also available in private Intermediate Care Facilities for people with Mental Retardation (ICFs/MR) with funding through the Department of Health.

Legislative Action

For FY 2000, the Legislature reduced DSPD's budget by \$28,500 (\$12,300 from the General Fund) due to reductions in rates charged by the State's internal service funds. It also eliminated the \$200,000 authorization of expenditures from the Trust Fund for People with Disabilities. The planned expenditures have been postponed until FY 2001.

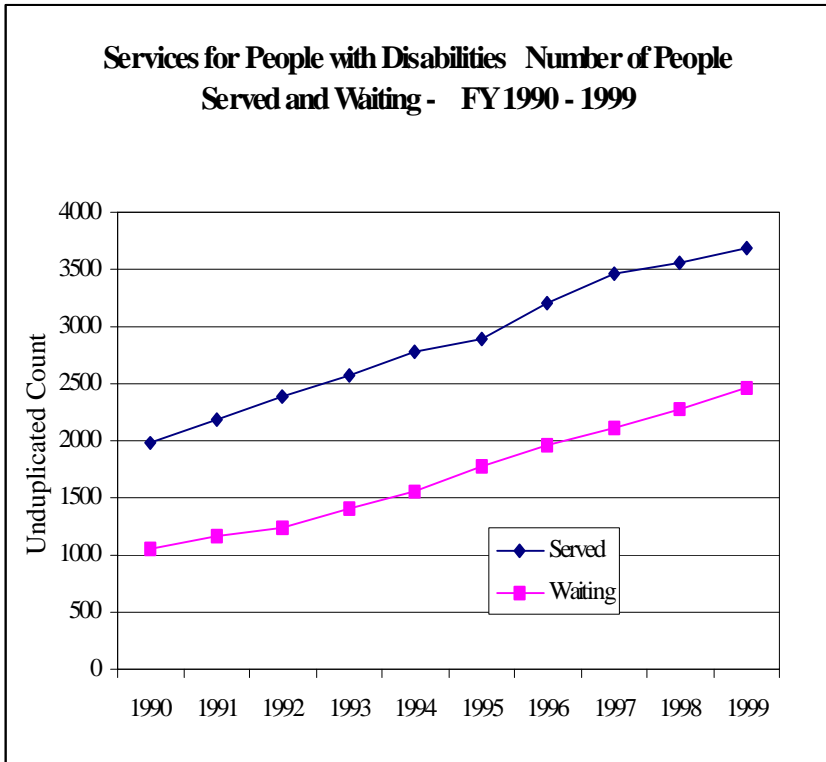
For FY 2001, the Legislature appropriated \$137,092,900 to DSPD, including \$38,935,500 from the General Fund. This is 5.8 percent above the FY 2000 revised budget, with the General Fund increasing by 2.1 percent.

Base Adjustments: For FY 2001, DSPD's General Fund base budget is reduced by \$70,400 for the shortened work year, \$38,700 for reduced retirement rates, and \$10,400 for the 10 percent reduction in travel expenditures. The General Fund budget was increased by \$1,800 for increases in the State's internal service fund rates, and \$11,500 for a redistribution of last year's funding of a premium increase in the Risk Management Liability program. These adjustments total a net decrease in general funds of \$106,200 (plus another \$223,200 decrease from other funding sources).

Waiting List: The Legislature appropriated \$6,312,300 of new funding, including \$346,900 from the General Fund, \$1.8 million from transferred TANF funds, and up to \$4.2 million in federal Medicaid matching funds. This funding could provide services for up to 300 individuals. The amount of federal Medicaid funds that can be drawn down depends on how much of the TANF transfers can be used to free up other state funds which can be used as a Medicaid match. Estimates range from \$2.1 million to \$4.2 million.

The DSPD waiting list for home and community based waiver services currently has about 2,600 people with disabilities waiting for a variety of services, including residential, family support, supported employment, day training, and personal assistance. About 1,800 are in "critical or immediate"

need of services. The State has made significant efforts to fund these services, but the waiting list continues to grow each year by about the same number as the people whose services are funded. The following chart shows a ten-year history of the number of people who were served and people on the waiting list.



Developmental Center: The budget for the Utah State Developmental Center in American Fork was reduced by \$200,000 (General Fund) which will reduce federal Medicaid funds by approximately \$600,000. This reduction was justified as a result of significant declines in residents at the Center over the past few years, from over 400 in 1992 to less than 240 today. However, as a result of compensation adjustments, the overall FY 2001 budget for the Center is still \$806,000 above the FY 2000 authorized level, with the General Fund up \$193,100.

Trust Fund for People with Disabilities: This fund was created by the Legislature in 1995 to receive proceeds from the sale or lease of land and

assets of the Developmental Center. The Legislature may only appropriate interest and lease revenues deposited with the Fund. Proceeds from the sale of assets (the principle amount) must be left in the Fund. The funds are to be used for needs at the Developmental Center or for programs for people with disabilities as authorized by statute. The Legislature deleted the \$200,000 appropriated last year, but re-appropriated the amount for FY 2001, as the planned expenditures were delayed one year.

Federal Funds Reductions: The impact to the Division's FY 2001 budget due to federal funding reductions is estimated at \$313,400. These funds were not replaced with State funds.

DSPD will see a loss of about \$163,700 in Federal medical assistance funds due to the increased state percentage match rate.

In addition to a reduction of about \$78,700 in FY 2000, the portion of the Social Services Block Grant (SSBG) that will flow to DSPD in FY 2001 will be reduced by another \$149,700.

Intent Language

Prevailing Labor Market Conditions: The division was directed to consider prevailing labor market conditions when renewing contracts with private service providers. A report will be presented to the Legislature in October.

State Owned Group Homes: Rents collected from occupants of state owned group homes are to be applied to maintenance costs of these homes. The Division will provide an accounting to the Legislature.

Lisa P. Settlement: The Division, through the Attorney General's Office, was directed to seek dismissal of the Lisa P. Settlement at the earliest possible date and report to the Legislature.

Increasing Services for People with Disabilities: The Division was directed to review policies, budgets, pursue additional federal waivers, and use other creative means to increase the number of people served.

Use of Funds for Waiting List: The Division was instructed to limit funds appropriated for the home and community based services waiting list to direct services and related support.

Limitations on Placement of Group Homes: DSPD was instructed to develop guidelines for residential programs which limit the number of individuals served in single facilities. Municipalities and counties were instructed to rely on existing state law to develop dispersal restrictions that address concerns of neighborhoods, prevents excessive grouping of people with disabilities requiring residential supports, and accommodates the needs of people with disabilities.

Office of Recovery Services

The Office of Recovery Services (ORS) is responsible for collecting child support and other funds owed to the State by individuals receiving services in the social service and medical assistance areas. Federal law requires the Office to provide child support collection services also to families not receiving government assistance.

Legislative Action

For FY 2000, the Legislature reduced the ORS budget by \$564,100 (\$145,400 from the General Fund) due to reductions in rates charged by the State's internal service funds, largely data processing services.

For FY 2001, the Legislature appropriated \$42,634,800, including \$12,335,700 from the General Fund. This is 1.5 percent above the FY 2000 revised budget, with the General Fund increasing by 2.9 percent.

Base Adjustments: For FY 2001, the ORS General Fund base budget is reduced by \$69,400 for the shortened work year, \$36,100 for reduced retirement rates, \$176,700 for reduced internal service fund rates, and \$1,900 for the 10 percent reduction in travel expenditures. The General Fund budget was increased \$7,500 for a redistribution of last year's funding of a premium increase in the Risk Management Liability program. These adjustments total a net decrease in General Fund of \$276,600 (plus another \$707,000 decrease from other funding sources).

Division of Child and Family Services

State statute (62A-4a-103) defines the primary purpose of the Division of Child and Family Services (DCFS) as providing child welfare services. The Division shall also, when possible and appropriate, provide preventive services and family preservation services” Furthermore, the Division shall provide domestic violence services in accordance with federal law,” and A youth services for minors who are dependent, ungovernable, or runaway. . . .”

Legislative Action

For FY 2000, the Legislature reduced the DCFS budget by \$239,800 (\$116,500 from the General Fund) due to reductions in rates charged by the State’s internal service funds.

For FY 2001, the Legislature appropriated \$119,853,200, including \$61,975,500 from the General Fund. This is 1.6 percent above the FY 2000 revised budget, with the General Fund increasing by 3.1 percent.

Base Adjustments: For FY 2001, the DCFS General Fund base budget is reduced by \$150,800 for the shortened work year, \$118,700 for reduced retirement rates, \$100,600 for reduced internal service fund rates, and \$43,700 for the 10 percent reduction in travel expenditures. The General Fund budget was increased \$12,600 for a redistribution of last year’s funding of a premium increase in the Risk Management Liability program. These adjustments total a net decrease in General Fund of \$401,200 (plus another \$301,500 decrease from other funding sources).

Foster Care Foundation: The Legislature increased the appropriation for the contract between DCFS and the Foster Care Foundation by \$250,000. This brings the funds available for contracted foster care recruitment and training to \$1.0 million.

Federal Funds Reductions: The impact to the Division’s FY 2001 budget due to federal funding reductions is estimated at \$705,700. These funds were not replaced with State funds.

DCFS will see a loss of about \$47,700 in Federal medical assistance funds due to the increased percentage match rate change.

In addition to a reduction of about \$345,000 in FY 2000, the portion of the Social Services Block Grant (SSBG) that would flow to DCFS in FY 2001 will be reduced by another \$658,000.

Division of Aging and Adult Services

The Division of Aging and Adult Services (DAAS) is the designated State agency authorized to coordinate all State activities related to the Older Americans Act of 1965. It advocates for the elderly, contracts for services, and administers State and federal programs for the elderly. The Division is also responsible for the protection of abused, neglected and exploited adults. Programs funded through the Older Americans Act must be distributed to the State's 12 local Area Agencies on Aging (AAA's) through an approved funding formula.

Legislative Action

For FY 2000, the Legislature reduced the DAAS budget by \$9,400 (\$8,400 from the General Fund) due to reductions in rates charged by the State's internal service funds. It also increased expenditures of dedicated credits by \$100,000 for contributions being received by DAAS for a statewide aging survey contracted with Utah State University.

For FY 2001, the Legislature appropriated \$18,868,700, including \$11,623,900 from the General Fund. This is 1.7 percent above the FY 2000 revised budget, with the General Fund increasing by 3.9 percent.

Base Adjustments: For FY 2001, the DAAS General Fund base budget is reduced by \$19,000 for the shortened work year, \$9,700 for reduced retirement rates, \$7,500 for reduced internal service fund rates, and \$6,000 for the 10 percent reduction in travel expenditures. The General Fund budget was increased \$800 for a redistribution of last year's funding of a premium increase in the Risk Management Liability program. These adjustments total a net decrease in General Fund of \$41,400 (plus another \$5,900 decrease from other funding sources).

Senior Services: The Legislature appropriated \$300,000 (General Fund) to DAAS to be passed through to the local area aging authorities for services such as meals on wheels, alternative and waiver services, etc. This should draw down another \$244,600 from federal funds.

Senior Citizen Centers: The Division received \$100,000 in one-time funding from the General Fund to be distributed by the State Board of Aging and Adult Services to various senior centers around the state for remodeling and improvement projects.

Internal Service Funds

The Department of Human Services operates two internal service funds (ISF) that provide shared services to the divisions and bureaus of the Department. These include General Services and Data Processing. General Services collects funds from divisions in the Department for building maintenance and rent in the main office and warehouse in Salt Lake City. Data Processing provides programming services for the Department.

The FY 2001 Appropriations Act authorized collections of \$3,883,900. Operating expenses are estimated at \$3,792,300, which should provide an operating income of \$91,600. Accumulated retained earnings are estimated at \$384,700. The Legislature also approved a staffing level of 36 FTEs and no capital acquisitions for FY 2001. The rates charged by the two internal service funds remain the same as in FY 2000, as shown in the following table.

Funding Detail

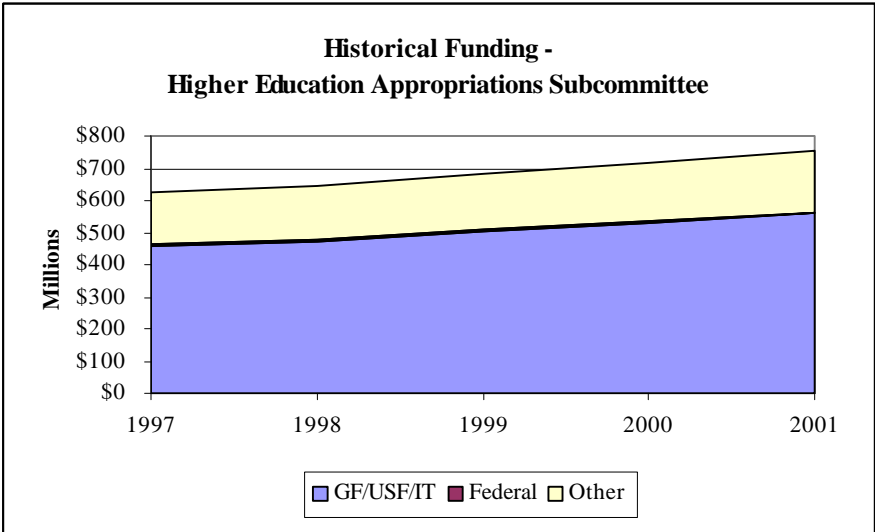
Department of Human Services					
	FY 2000	FY 2000	FY 2000	FY 2001	Change From
Financing	Estimated	Supplemental	Revised	Appropriated	2000 Revised
General Fund	193,759,300		193,759,300	201,283,700	7,524,400
General Fund, One-time	50,000	(378,400)	(328,400)	100,000	428,400
Federal Funds	100,085,400	(509,400)	99,576,000	101,507,200	1,931,200
Dedicated Credits Revenue	7,930,000	102,100	8,032,100	9,042,400	1,010,300
GFR - Children's Trust	350,000		350,000	350,000	
GFR - Domestic Violence	550,000		550,000	550,000	
GFR - Intox Driver Rehab	950,000		950,000	950,000	
GFR - Tobacco Settlement				1,647,200	1,647,200
GFR - Trust for Ppl w/Disab	200,000	(200,000)		200,000	200,000
Transfers - H - Med Assist	112,808,100	(81,900)	112,726,200	118,285,400	5,559,200
Transfers - Other Agencies	1,771,900	(6,100)	1,765,800	947,200	(818,600)
Transfers - TANF	487,300		487,300	509,100	21,800
Transfers - USDA	435,100		435,100	454,000	18,900
Transfers - Within Agency	2,805,900	(26,600)	2,779,300	2,690,300	(89,000)
Beginning Nonlapsing	523,400		523,400		(523,400)
Total	\$422,706,400	(\$1,100,300)	\$421,606,100	\$438,516,500	\$16,910,400
Programs					
Executive Director Operations	19,600,300	(151,900)	19,448,400	19,515,800	67,400
Drug Courts/Board				1,647,200	1,647,200
Mental Health	67,106,100	(6,400)	67,099,700	71,888,300	4,788,600
Substance Abuse	26,986,200	(200)	26,986,000	27,015,600	29,600
Svcs for People w/Disabilities	129,750,300	(228,500)	129,521,800	137,092,900	7,571,100
Office of Recovery Services	42,587,400	(564,100)	42,023,300	42,634,800	611,500
Child and Family Services	118,214,500	(239,800)	117,974,700	119,853,200	1,878,500
Aging and Adult Services	18,461,600	90,600	18,552,200	18,868,700	316,500
Total	\$422,706,400	(\$1,100,300)	\$421,606,100	\$438,516,500	\$16,910,400

Higher Education

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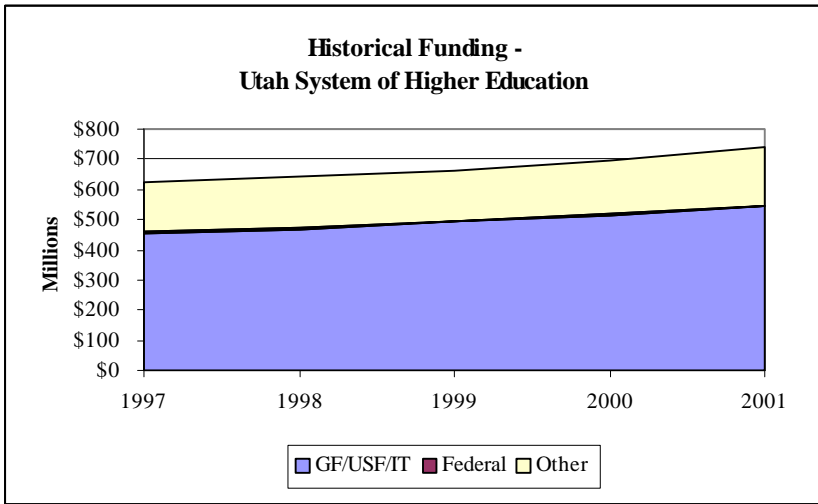
Subcommittee Overview

The Legislature appropriated \$755,785,600 for the Utah System of Higher Education and the Utah Education Network for an increase of \$42,053,100 or 6 percent over the FY 2000 revised budget of \$713,732,500. Funding from the General Fund, Uniform School Fund, Income Tax, and General Fund Restricted Account totaled \$563,595,900 and the remaining balance of \$192,189,700 consists of federal revenue, dedicated credits, mineral lease, and land grant management funds.



Utah System of Higher Education

The Legislature increased State funding to the Utah System of Higher Education (USHE) by \$41,855,600 or 5.8 percent over the FY 2000 revised budget of \$698,533,900. Higher Education receives its funding from several sources. Money from the General Fund, Uniform School Fund, Income Tax, General Fund Restricted - Tobacco Settlement, Mineral Lease Account, Federal Funds, Land Grant Trust Fund and dedicated credits (tuition and fees) will amount to \$740,389,500 in FY 2001. State funds (General Fund, Uniform School Funds, and Income Tax Revenue) account for \$544,199,800 or about 74 percent of the Higher Education State appropriated budget.



The Utah System of Higher Education (USHE) consists of nine public colleges and universities governed by the sixteen member State Board of Regents (SBR). The Governor appoints fifteen members of the Board, and the student body president's council appoints the sixteenth member. In turn, the Board appoints the State Commissioner of Higher Education and all nine institutional presidents. The system consists of two major research universities, two metropolitan/regional universities, two state colleges with a community college mission, and three community colleges.

Research Universities: Research Universities are charged with creating knowledge through the research process. Faculty members are evaluated not only for the classes they teach, but also for the quality of their research. In addition to undergraduate programs, research universities maintain a strong commitment to graduate studies. Utah has two research universities, the University of Utah (UU) and Utah State University (USU) with a combined enrollment of more than 37,100 full time equivalent (FTE) students. Approximately sixteen percent of total enrollment in these institutions are students seeking graduate degrees.

Regional Universities: Regional Universities focus on undergraduate education and offer selected graduate degrees. The primary duty of faculty members at a regional university is classroom instruction, although there is an expectation of moderate production of knowledge through applied research. Only two percent of the nearly 16,500 FTE students enrolled at Utah's two regional universities, Weber State University (WSU) and

Southern Utah University (SUU), are seeking graduate degrees. In December of 1999, the Regents approved the addition of MBA Programs for WSU and SUU's existing graduate programs.

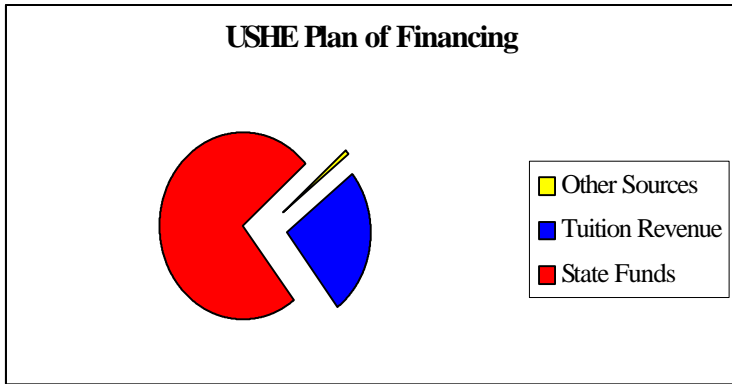
State Colleges: The USHE has two state colleges, Utah Valley State College (UVSC) and Dixie State College of Utah (DSCU). UVSC is comprised of two interdependent divisions. The lower division embraces and preserves the philosophy and mission of a comprehensive community college offering general and applied technology education. The upper division consists of programs leading to baccalaureate degrees in areas of high demand for the community and student body. DSCU recently had a mission change due to House Bill 32, "Dixie College Status." In the fall of 1999, the State Board of Regents approved Dixie College's mission to encompass both the community college as well as the state college mission. DSCU will offer specialized certificates in applied technology education, associate degrees as well as a limited number of baccalaureate degrees. The combined FTE students enrolled at UVSC and DSCU are about 16,400. Approximately five percent of the FTE students at UVSC take upper division courses.

State Community Colleges: Snow College, the College of Eastern Utah (CEU), and Salt Lake Community College (SLCC) are the State's open-access comprehensive community colleges. It is their mission to address area needs with programs of vocational-technical training, general education, and continuing education for personal enrichment or career development. Faculty members at community colleges are evaluated solely on the quality of their instruction. With no research expectations, the faculty at community colleges are expected to carry a heavier teaching load than their counterparts at regional or research universities. The students enrolled at the three community colleges are approximately 18,600 FTE.

Legislative Action

State Funds: State Funds account for \$544,199,800 or approximately 74 percent of the appropriated budget for higher education. Of this amount, \$381,273,400 is from the General Fund (GF), \$162,709,300 is from Income Tax (IT), \$217,100 is from the Uniform School Fund (USF). An additional \$607,500 is provided through the Mineral Lease Account, \$752,700 is Land Grant Management, \$4,592,900 is federal revenue, \$4,000,000 is from Restricted General Fund (RGF) from the Tobacco Settlement, and

\$186,236,600 is dedicated credits. The following chart indicates the Plan of Financing for the USHE:



Compensation: The Legislature funded a 5.2 percent compensation package. The compensation package is comprised of an increase in salaries of 4 percent, health and dental insurance of \$2,468,700 and salary equity of \$3,778,600 (\$994,700 is one-time). Legislative policy requires agencies that receive revenue from dedicated credits to fund a proportionate share of compensation with the revenue received. In accordance with this policy, a proportional amount (19 percent) of the USHE salary package is funded by dedicated credits (tuition). The compensation package totals \$26,920,700 of which \$21,887,300 are State funds (General Funds and Income Tax) and \$5,033,400 is from dedicated credits and federal revenue. Salary adjustments should be administered according to the following intent language:

It is the intent of the Legislature that any salary increases be distributed to faculty, professional and classified employees in an equitable manner.

Salary Equity: The number one priority for the nine institutions of higher education for FY 2001 was salary equity. According to a study performed by the USHE, approximately 2,600 faculty and staff on the nine campuses were 90 percent below the market for compensation. The appropriation of \$3,778,600 (\$994,700 as one-time) is to help address the issue of selective salary adjustments.

Tuition and Fees: The State Board of Regents is responsible for establishing tuition rates for each of the nine institutions within the USHE.

Tuition is set in consideration of the institutional mission, which includes research universities, regional universities, and state community colleges. In addition to tuition, each college and university may enact fees to cover increased costs associated with particular classes (such as lab fees) or items that are not directly instructional but enhance the educational quality of programs (such as student unions). These fees often include student services, computer centers and recreational programs. The Regents initially approved a 3 percent tuition increase for fiscal year 2001. However, after the 2000 Legislative Session, the State Board of Regents approved an additional one percent tuition increase to help fund the compensation package of USHE faculty and staff. The 4 percent increase is expected to generate an additional \$6,744,700 in dedicated credits. Total tuition and fee collections are expected to total \$186,236,600. The following intent was adopted by the Legislature:

Tuition revenue generated from tuition rate increases shall remain with the institution (after compensation). However, the allocation of tuition revenue for institutional needs shall be determined by the President of each institution after consulting with student body representation.

Internal Service Fund Adjustments: The change to the base for Internal Service Fund adjustments of \$209,500 includes a net increase for Risk Management of \$216,900 and a reduction for Fleet Management of \$7,400. The Legislature adopted the following intent language relating to Fleet Management:

It is the intent of the Legislature that the USHE fully utilize the Division of Fleet Operation's Computerized Automobile Reservation System (CARS) to obtain at least six calendar months of fleet cost data by May of 2000.

Retirement Rate Adjustments: A reduction in the base for retirement rates is due to actuarial studies. The rate reduction is \$560,000 or 0.5 percent of the cost of funding USHE personnel on the State retirement system.

Reduction in Travel Expenditures: A 10 percent reduction in State funded travel expenditures was approved by the Executive Appropriation Committee resulting in a savings of \$545,900 for the USHE.

Mineral Lease: Mineral Lease funds appropriated to the Board of Regents are now being appropriated to the Permanent Community Impact Fund. An equivalent amount is being replaced with General Funds in the amount of \$1,559,500. As provided by statute, USHE also receives an annual increase in Mineral Lease Funds due to inflationary changes in the Consumer Price Index (CPI). It is projected that the adjustment for FY 2001 will total \$40,500 based on a 2.60 percent change in the CPI which will bring the total Mineral Lease Replacement to \$1,600,000. Utah State University's (USU) Water Research Lab also receives a separate allocation amounting to \$604,500, or 2.25 percent, of the \$27 million of Mineral Lease Royalties projected for FY 2001. Based on projections, the USU Water Lab budget will be decreased in FY 2001 from the Mineral Lease Account by \$46,500.

Enrollment Growth: Enrollment funding increased \$9,770,000 for FY 2001. The Plan of Financing for FY 2001 includes \$6,700,000 of General Fund and \$3,070,200 from tuition revenue. Beginning Fall term of academic year 1998-99, USHE converted to a semester calendar. Historic evidence indicates that a drop in student enrollment would occur. Intent language was passed to hold the institutions harmless in FY 99 for decreases in enrollment. In FY 2000, a few institutions are still experiencing a downward turn in enrollments due to the semester conversion. Therefore, the Legislature passed intent language in the 2000 Legislative Session to not penalize the institutions with decreased enrollments of 301 full time equivalent (FTE) students. The enrollment growth for FY 2000 is 2,484 (2,512 FTE growth less decline of 329 FTE plus 301 FTE based on intent language) net FTE students. The following intent language was adopted relating to enrollment declines:

The budgets of the Utah State University Uintah Basin Branch Campus, the Southeastern Utah Continuing Education Center, and Snow College be held harmless this fiscal year because of the temporary nature of the downturn in enrollments..

Utah State University Landscape Water Management: In FY 2000, House Bill 30, "Center for Landscape Water Management", appropriated one-time funding of \$100,000 to USU for the Landscape Water Management Program. The bill authorized the hiring of personnel to gather information, conduct research, disseminate information, and conduct training on the efficient use of water. In FY 2001, the one-time funding appropriation of \$100,000 from the General Fund for the Landscape Water Management Program was made into ongoing.

Salt Lake Community College Applied Technology Education Replacement Funds: The 1999 Legislature appropriated one-time funding of \$249,000 to SLCC for applied technology education for FY 2000 with the intent that the funding would be replaced in FY 2001 with ongoing funding. In FY 2001, \$249,000 from the General Fund was appropriated to Salt Lake Community College to replace the one-time funding in FY 2000 for applied technology education.

Southern Utah University Master Degree Programs: Southern Utah University received an appropriation of \$355,000 for the Masters of Fine Arts Administration and Masters of Business Administration Programs for FY 2001.

Weber State University: Weber State University received an appropriation of \$50,000 for program offerings for FY 2001.

Transfer to Southern Utah University's Cedar Mountain Science Center: The Legislature transferred \$40,000 from Utah State University's Agriculture Experiment Station to Southern Utah University for the Environmental Literacy Program at the Cedar Mountain Science Center.

Applied Technology Education Task Force: The Legislature is cognizant of the increasingly significant role of Applied Technology Education (ATE) in the State. It passed House Bill 336, "Applied Technology Education Task Force", which provides for a task force during the interim to study issues such as governance and future directions for ATE.

Operation and Maintenance (O&M) of New Facilities: The Legislature appropriated funding for the operation and maintenance (O&M) of new facilities at \$2,500,000 which includes one-time funding of \$1,500,000. The following table indicates the distribution of funding:

Operation & Maintenance			
	Ongoing	One-time	Total
University of Utah	\$56,300	\$84,600	\$140,900
Utah State University	247,800	371,600	619,400
Southern Utah University	138,900	208,400	347,300
Dixie State College	98,000	147,000	245,000
College of Eastern Utah	39,200	58,700	97,900
Utah Valley State College	105,000	157,500	262,500
Salt Lake Community College	314,800	472,200	787,000
USHE Total O&M	\$1,000,000	\$1,500,000	\$2,500,000

The Legislature included the following intent language regarding the use of O&M funds for FY 2001:

It is the intent of the Legislature that all state agencies and institutions use the facility operation and maintenance (O&M) funding only for O&M purposes.

Other One-time Funding

- ▶ Americans with Disabilities –\$250,000
- ▶ Student Financial Aid - \$250,000
- ▶ Y2K Mitigation - \$250,000 transferred to Salt Lake Community College and the College of Eastern Utah for FY 2000

Bills with Fiscal Impact

Senate Bill 15, “Use of Tobacco Settlement Revenues”, appropriated \$4,000,000 from the General Fund Restricted Tobacco Settlement Account to the University of Utah’s School of Medicine for cancer research and education.

House Bill 68, “Higher Education Extension Programs at County Jails”, appropriated \$75,000 to the State Board of Regents to be used by Utah State University for the extension programs.

House Bill 236, “Wildlife Damage Management”, appropriated \$75,000 to Utah State University to conduct research and extension activities on the prevention and management of damage by wildlife.

House Bill 247, “Archeological Instruction Program”, appropriated one-time funding of \$9,900 to the College of Eastern Utah’s Prehistoric Museum.

Intent Language

Fuel and Power: The State Board of Regents are directed to closely supervise fuel and power budgets. If surplus fuel and power funds appear likely in FY 2001, the Regents may authorize expenditures in excess of 10 percent of the projected surplus for energy efficiency projects.

Utah Academic Library Consortium: The State Board of Regents in consultation with the Utah Academic Library Consortium should coordinate the acquisition of library materials for the nine USHE institutions.

University Hospital Fees: Patient fees shall be retained by the Hospital provided that they are spent in compliance with the Hospital’s operation budget approved by the State Board of Regents.

Financial Reporting: The USHE is required to complete and submit all financial reports (i.e. A-1’s, R-1’s, S-10’s, and S-12’s, etc.) to the Office of the Legislative Fiscal Analyst by October 1 of each fiscal year.

Utah Electronic College: Programmatic funding for the Utah Electronic College is designated for distance learning program development by the nine USHE institutions. The Regents are also directed to establish accountability measures and a master plan for the operation of the item in consultation with the nine institutions and the Legislative Fiscal Analyst.

Funding Formula: The USHE is to establish a single balanced funding formula that encompasses both growth and existing costs. The formula should reduce the dependence on growth funding while still providing for appropriate levels of enrollment growth, and should foster quality and equity within the USHE.

Performance and Accountability: The Council of Presidents and a representative of the Board of Regents, working in conjunction with the Legislative Fiscal Analyst and a representative of the Governor’s Office, shall recommend key performance indicators that will be used to determine the criteria for allocating productivity funds to the nine institutions of higher education. These performance indicators shall be used to report on the quality of instruction, enhanced productivity and efficiency. The allocation

of these funds will be based on each institution's demonstration of improved quality of instruction, and enhanced productivity and efficiency.

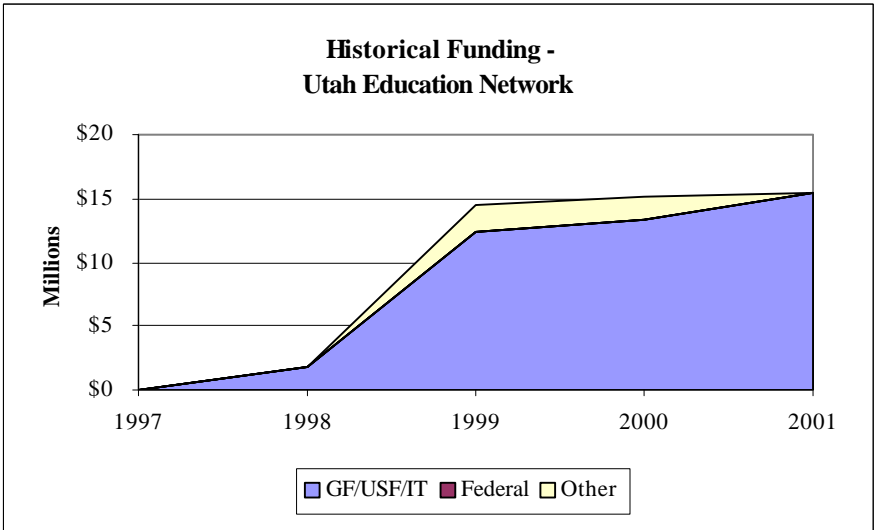
Applied Technology Center Service Regions (ATCSR) Reporting Requirements: Each fiscal year, the ATCSRs are required to report revenue and expenditures to the Legislative Fiscal Analyst.

Funding Detail

Utah System of Higher Education					
	FY 2000	FY 2000	FY 2000	FY 2001	Change From
Financing	Estimated	Supplemental	Revised	Appropriated	2000 Revised
General Fund	359,056,900		359,056,900	379,263,500	20,206,600
General Fund, One-time	2,814,300		2,814,300	2,009,900	(804,400)
Uniform School Fund	3,545,600		3,545,600	217,100	(3,328,500)
Income Tax	148,393,500		148,393,500	161,714,600	13,321,100
Income Tax, One-time	1,000,000		1,000,000	994,700	(5,300)
Federal Funds	4,592,300		4,592,300	4,592,900	600
Dedicated Credits Revenue	175,915,100		175,915,100	186,236,600	10,321,500
Dedicated Credits - Land Grant	752,700		752,700	752,700	
Federal Mineral Lease	2,213,500		2,213,500	607,500	(1,606,000)
GFR - Tobacco Settlement				4,000,000	4,000,000
Transfers		250,000	250,000		(250,000)
Total	\$698,283,900	\$250,000	\$698,533,900	\$740,389,500	\$41,855,600
Programs					
University of Utah	250,598,200		250,598,200	268,258,700	17,660,500
Utah State University	154,255,400		154,255,400	160,732,900	6,477,500
Weber State University	71,199,200		71,199,200	75,747,500	4,548,300
Southern Utah University	31,036,100		31,036,100	33,738,800	2,702,700
Snow College	18,773,900		18,773,900	20,105,900	1,332,000
Dixie State College	19,225,800		19,225,800	20,624,500	1,398,700
College of Eastern Utah	12,841,500	25,000	12,866,500	13,504,500	638,000
Utah Valley State College	53,653,000		53,653,000	59,112,500	5,459,500
Salt Lake Community College	67,100,000	225,000	67,325,000	70,923,500	3,598,500
State Board of Regents	19,600,800		19,600,800	17,640,700	(1,960,100)
Total	\$698,283,900	\$250,000	\$698,533,900	\$740,389,500	\$41,855,600

Utah Education Network

The Legislature increased State funding to the Utah Education Network (UEN) by \$197,500 for FY 2001. The total FY 2001 appropriation for the Utah Education Network from all funding sources is \$15,396,100. The plan of financing for the UEN consists of \$2,412,800 from the General Fund, \$5,300 from Income Tax, and \$12,975,000 from the Uniform School Fund, resulting in a 1 percent increase from FY 2000.



The UEN is a partnership of public, higher and vocational education. Under the UEN umbrella organization, the systems of KUED, KULC, and UtahLINK operate. These systems are electronic highways for education. The UEN coordinates both the public and higher education technology initiatives.

Legislative Action

Compensation: The Legislature funded a compensation package of \$203,100 that includes a 4 percent salary increase of \$162,700, health and dental benefits of \$18,000, and salary equity of \$22,400 (\$5,300 as one-time).

Retirement Rate Adjustments: The Legislature reduced retirement rates due to actuarial studies. The rate reduction is \$5,900 or 0.5 percent of the cost of funding UEN personnel on the State retirement system.

Rescission of Lease Appropriation for UEN: The 1999 Legislature provided \$265,000 in FY 2000 to support the expansion of the Eccles Broadcasting Center. The building was not available for occupancy until FY 2001. The one-time funding of \$265,000 from Uniform School Funds for the Utah Education Network was rescinded in FY 2001.

Reduction in Travel Expenditures: A 10 percent reduction in State funded travel expenditures was approved by the Executive Appropriation Committee resulting in a reduction of \$22,000 for the UEN.

UEN Statewide Internet Bandwidth: The traffic along the State's educational computer network continues to grow almost 100 percent per year. With the increased load, the State's gateway to the Internet requires additional bandwidth to meet the needs. In FY 2001, the Legislature appropriated \$162,900 from the Uniform School Fund for the Utah Education Network.

One-time Funding

Digital Television Conversion: Under the Federal Telecommunications Act of 1996, television broadcasters, including public television stations, are required to transition from analog to digital signal transmission (D-TV) by 2006. The Utah Education Network received a one-time appropriation of \$2,000,000 from the Uniform School Fund for FY 2001 for the second phase of the KUED (channel 7) and KULC (channel 9) digital conversion. The final phase of the D-TV conversion will require funding of \$1,967,000 for FY 2002.

Intent Language

Distance Education Delivery System: Scheduling and programming of technology delivered courses should be coordinated through the Utah Education Network. Each institution within the USHE shall have access to distance education technology.

Funding Detail

Utah Education Network					
	FY 2000	FY 2000	FY 2000	FY 2001	Change From
Financing	Estimated	Supplemental	Revised	Appropriated	2000 Revised
General Fund	2,375,400		2,375,400	2,415,800	40,400
Uniform School Fund	10,947,600		10,947,600	10,975,000	27,400
Uniform School Fund, One-time				2,000,000	2,000,000
Income Tax, One-time				5,300	5,300
Dedicated Credits Revenue	1,875,600		1,875,600		(1,875,600)
Total	\$15,198,600	\$0	\$15,198,600	\$15,396,100	\$197,500
Programs					
UtahLINK	12,823,200		12,823,200	12,996,800	173,600
UEN Technology Initiative	615,000		615,000	615,000	
USU Satellite Telecom	1,511,800		1,511,800	1,526,500	14,700
CEU Distance Learning	248,600		248,600	257,800	9,200
Total	\$15,198,600	\$0	\$15,198,600	\$15,396,100	\$197,500

Higher Education Appropriations Subcommittee

Financing	FY 2000	FY 2000	FY 2000	FY 2001	Change From
	Estimated	Supplemental	Revised	Appropriated	2000 Revised
General Fund	361,432,300		361,432,300	381,679,300	20,247,000
General Fund, One-time	2,814,300		2,814,300	2,009,900	(804,400)
General Fund Restricted				4,000,000	4,000,000
Uniform School Fund	14,493,200		14,493,200	11,192,100	(3,301,100)
Uniform School Fund, One-time				2,000,000	2,000,000
Income Tax	148,393,500		148,393,500	161,714,600	13,321,100
Income Tax, One-time	1,000,000		1,000,000	1,000,000	
Federal Funds	4,592,300		4,592,300	4,592,900	600
Dedicated Credits	177,790,700		177,790,700	186,236,600	8,445,900
Land Grant	752,700		752,700	752,700	
Federal Mineral Lease	2,213,500		2,213,500	607,500	(1,606,000)
Transfers		250,000	250,000		(250,000)
Total	\$713,482,500	\$250,000	\$713,732,500	\$755,785,600	\$42,053,100
Programs					
University of Utah	250,598,200		250,598,200	268,258,700	17,660,500
Utah State University	154,255,400		154,255,400	160,732,900	6,477,500
Weber State University	71,199,200		71,199,200	75,747,500	4,548,300
Southern Utah University	31,036,100		31,036,100	33,738,800	2,702,700
Snow College	18,773,900		18,773,900	20,105,900	1,332,000
Dixie State College	19,225,800		19,225,800	20,624,500	1,398,700
College of Eastern Utah	12,841,500	25,000	12,866,500	13,504,500	638,000
Utah Valley State College	53,653,000		53,653,000	59,112,500	5,459,500
Salt Lake Community College	67,100,000	225,000	67,325,000	70,923,500	3,598,500
State Board of Regents	19,600,800		19,600,800	17,640,700	(1,960,100)
Utah Education Network	15,198,600		15,198,600	15,396,100	197,500
Total	\$713,482,500	\$250,000	\$713,732,500	\$755,785,600	\$42,053,100

**Higher Education Appropriations Subcommittee
One-time Funding Items**

Item Name	FY 2001 Appropriated
State Board of Regents - Administration	2,600
State Board of Regents - ATC Service Regions - Applied Technology Center Service Regions	1,500
State Board of Regents - Student Aid	250,000
State Board of Regents - Utah Teaching Career Scholarship - Utah Career Teaching	100
State Board of Regents - Apprenticeship Training	300
State Board of Regents - University Centers	200
State Board of Regents - Teacher Training for Sensory Impaired	300
State Board of Regents - Electronic College	100
Utah Education Network - CEU Distance Learning - CEU Distance Education	200
Utah Education Network - USU Satellite Telecommunication - USU Satellite Telecommunication	200
Utah Education Network - UtahLINK	2,004,900
Subtotal (continued, next table)	\$2,260,400

**Higher Education Appropriations Subcommittee
One-time Funding Items (continued)**

Item Name	FY 2001 Appropriated
Subtotal - previous table	2,260,400
University of Utah - Education and General	359,600
University of Utah - Educationally Disadvantaged	600
University of Utah - School of Medicine	26,100
University of Utah - University Hospital	5,400
University of Utah - Regional Dental Education Program	200
University of Utah - Research and Training	4,000
University of Utah - Mineral Lease Research	1,300
University of Utah - University Hospital - Miners' Hospital	200
University of Utah - Area Health Education Centers	300
University of Utah - Public Service - Center for Economic Development	200
University of Utah - Public Service - Seismograph Stations	400
University of Utah - Public Service - Museum of Natural History	800
University of Utah - Public Service - State Arboretum	100
University of Utah - Statewide TV Administration - Statewide Television Administration	300
University of Utah - Statewide TV Administration - Public Broadcasting	3,000
Utah State University - Education and General	472,400
Utah State University - Educationally Disadvantaged	200
Utah State University - Water Research Laboratory	2,700
Utah State University - Research and Training Grants - Research and Training	1,000
Utah State University - Ecology Center	1,000
Utah State University - Agricultural Experiment Station - Agri Experimentation Centers	13,300
Utah State University - Cooperative Extension Division - Cooperative Extension Services	14,100
Utah State University - Uintah Basin Continuing Education Center - Uintah Basin Continuing E	66,600
Utah State University - Southeastern Utah Continuing Education Center - Southeastern Utah Co	1,200
Utah State University - Man and His Bread Museum - Man & His Bread Museum	200
Utah State University - Production Center	400
Utah State University - Mineral Lease Research	1,100
Weber State University - Educationally Disadvantaged	400
Weber State University - Education and General	90,700
Southern Utah University - Education and General	254,300
Southern Utah University - Educationally Disadvantaged	100
Snow College - Education and General	94,800
Snow College - Snow College South - Snow South Education and General	1,200
Dixie State College - Education and General	257,900
Dixie State College - Zion Park Amphitheater	100
College of Eastern Utah - Education and General	130,300
College of Eastern Utah - Educationally Disadvantaged	100
College of Eastern Utah - Prehistory Museum	10,200
College of Eastern Utah - San Juan Center - San Juan Center Academic	15,400
Utah Valley State College - Education and General	286,400
Utah Valley State College - Educationally Disadvantaged - Educationally Disadvantaged	200
Salt Lake Community College - Education and General	624,900
Salt Lake Community College - Skill Center - Skills Center	5,800
Total	\$5,009,900

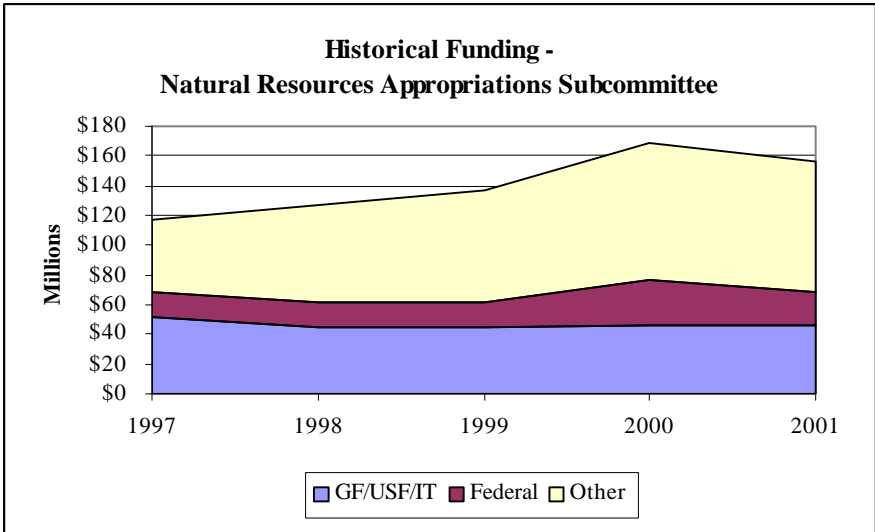
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Natural Resources

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Subcommittee Overview

The FY 2001 appropriation of \$156,399,300 for the Department of Agriculture and Food, Department of Natural Resources, and the School and Institutional Trust Lands Administration is a 7.6 percent decrease from revised appropriations for FY 2000. The General Fund appropriation of \$46,316,200 is an increase of 0.1 percent.

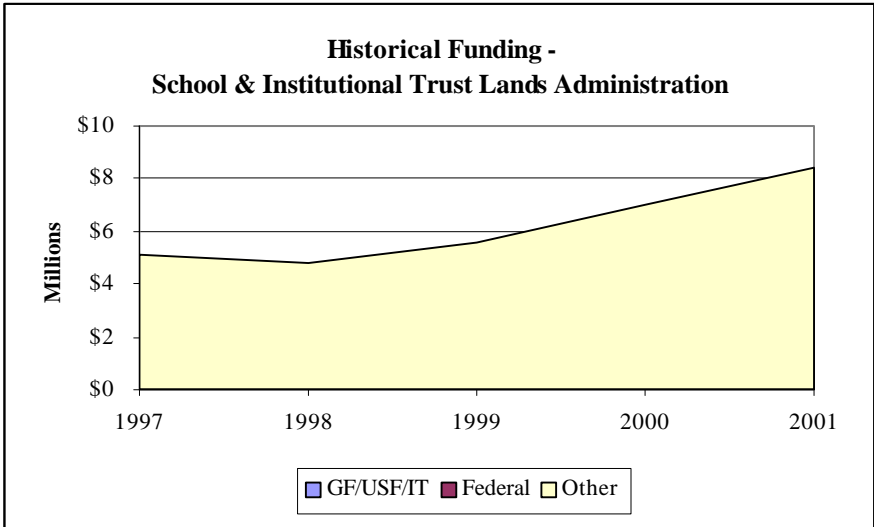


General Subcommittee Issues

Great Salt Lake Salinity: Three consecutive years of declining brine shrimp populations in the Great Salt Lake have prompted concerns that the north arm is becoming too salty and the south arm too fresh. The Legislature appropriated \$398,000 in one-time General Funds, reallocated \$52,000 in General Funds from other Subcommittee programs, appropriated \$50,000 from the General Fund Restricted - Sovereign Land Management Account, and authorized the use of \$150,000 in nonlapsing funds to deepen the breach in the causeway. These funds, which total \$650,000, were authorized as an FY 2000 Supplemental appropriation so that work can begin in the current year.

School and Institutional Trust Lands Administration

At the time of statehood, Congress set aside certain lands to be held in trust by the State for the benefit of the "common" schools. The School and Institutional Trust Lands Administration (SITLA) manages these trust lands. Management in this sense refers to maximizing revenue in the interest-bearing permanent fund of the beneficiaries.



Legislative Action

Donations Coordinator: Statute allows SITLA to accept donations to the permanent fund. These donations can be liquid assets as well as other types of assets. In order to increase revenues from this source, the Legislature appropriated \$52,100 from the Land Grant Management Fund to hire a Donations Coordinator.

Current Expenses: Increased activities within SITLA, such as the recent exchange of lands with the federal government, along with the need to remain proactive and competitive with the market, have led to an increase in current expenses. The Legislature authorized \$153,000 from the Land Grant Management Fund for these expenses.

Professional Contracts: The Legislature appropriated \$555,000 from the Land Grant Management Fund for contract services to complete inventories of minerals on trust lands, as well as provide the necessary analysis to place lands acquired in the Grand Staircase-Escalante Monument land exchange into production.

Minerals Specialist: An increase in workload due to the acquisition of producing properties through the land exchange led the Legislature to appropriate \$79,500 from the Land Grant Management Fund for hiring a minerals specialist.

Sales and Exchange Program: The Legislature appropriated \$281,300 for SITLA to continue its sales and exchange program. Brokerage fees, appraisal fees, and other expenses are necessary to effectively market and execute the program.

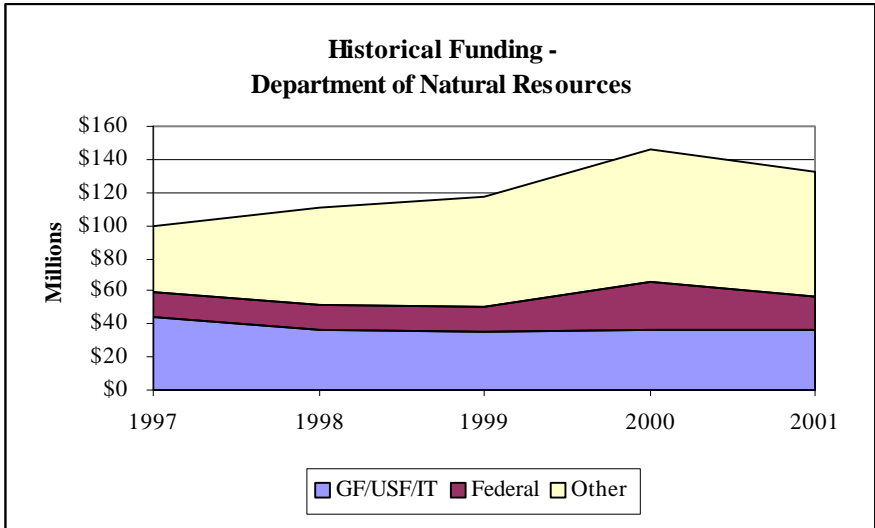
Development Staff: In order to increase revenue from land development activities, the Legislature appropriated \$182,100 for three real estate specialists working in various parts of the state.

Funding Detail

School and Institutional Trust Lands Administration					
	FY 2000 Estimated	FY 2000 Supplemental	FY 2000 Revised	FY 2001 Appropriated	Change From 2000 Revised
Financing					
Land Grant Mgt Fund	7,033,100	(6,600)	7,026,500	8,437,700	1,411,200
Total	<u>\$7,033,100</u>	<u>(\$6,600)</u>	<u>\$7,026,500</u>	<u>\$8,437,700</u>	<u>\$1,411,200</u>
Programs					
School & Inst Trust Lands	7,033,100	(6,600)	7,026,500	8,437,700	1,411,200
Total	<u>\$7,033,100</u>	<u>(\$6,600)</u>	<u>\$7,026,500</u>	<u>\$8,437,700</u>	<u>\$1,411,200</u>

Department of Natural Resources

The Department of Natural Resources contains seven divisions that regulate, change, monitor, enhance access to, or maintain the natural resources of the state. The General Fund appropriation of \$36,424,700 is a 1.2 percent decrease from revised appropriations for FY 2000. On the chart below, funding in FY 2000 appears higher due to prior-year nonlapsing funds carried forward until completion of capital projects.



Administration

The programs and functions of Administration include the Executive Director, Administrative Services, Private Property Ombudsman, RS 2477 Roads Defense, Energy Resource Planning, Public Affairs, Law Enforcement, Bear Lake Regional Commission, Species Protection, internal service funds operation, and building maintenance.

Legislative Action

Thistle Tunnel: The Thistle Creek Drain Tunnel was built quickly with federal emergency funds after the 1983 Thistle landslide. Now 16 years old, the tunnel is deteriorated and in need of repair. The Legislature appropriated \$120,000 in one-time General Funds and \$30,000 from the General Fund Restricted - Sovereign Land Management Account for initial engineering costs to repair the tunnel.

Intent Language

Motor Pool Internal Service Fund:

It is the intent of the Legislature that the Department of Natural Resources and the Department of Administrative Services manage DNR's motor pool resources as agreed to in the Memorandum of Understanding dated January 29, 1999. Accordingly, DNR will control the dispatch and deployment of all vehicles assigned to their fleet. (Senate Bill 1)

It is the intent of the Legislature that any reports on the Natural Resources motor pool fleet be carried out in coordination with the Natural Resources Fiscal Analyst, and provided to the Natural Resources, Agriculture and Environment Interim Committee as well as the Department of Natural Resources management. (Senate Bill 1)

Wide Hollow Water Conservancy District:

It is the intent of the Legislature that the Department of Natural Resources pull back and retain the unspent portion of the FY 2000 \$50,000 appropriation sent to Wide Hollow Water Conservancy District until Federal postponement of the reservoir project is removed. (House Bill 1)

Forestry, Fire and State Lands

The Division of Forestry, Fire and State Lands manages the sovereign lands of the State. These lands include all lands, exposed or submerged, that were navigable waterway areas at the time of statehood. The Division also assists individuals and organizations in the use of scientific forestry practices. During the wildland fire season, the Division takes responsibility for the State's commitment to fighting those fires.

Legislative Action

Sovereign Land Boundary Surveys: Knowing the specific location of boundaries between sovereign lands and land owned by adjoining landowners is becoming increasingly important as the frequency of disputes over the location increases. The Legislature appropriated \$25,000 from the General

Fund Restricted - Sovereign Land Management Account for contracts with private and county surveyors to determine boundary lines.

Use of Prior-Year Nonlapsing Funds: The Legislature authorized the Division to use nonlapsing funds carried forward into FY 2000 in the amount of \$150,000 for deepening the breach in the Great Salt Lake causeway. The Legislature also authorized the use of \$200,000 in nonlapsing funds to help cover the costs of inmate wildland fire-fighting crews.

Intent Language

Mineral Royalties:

It is the intent of the Legislature that the Division of Forestry, Fire and State Lands carry out the terms of the Global Litigation Settlement Agreement between the Division and Morton International, Inc. as approved by the Legislative Management Committee on February 16, 1999. (Senate Bill 1)

Oil, Gas and Mining

In order to regulate the extraction of oil, natural gas, minerals, and other related resources in the State, the Division of Oil, Gas and Mining authorizes the operation and inspects the sites of these activities. The Division also represents the interests of the federal government, through primacy, in assuring that these operations adhere to federal law.

The budget for the Division was increased only by the amount of the compensation package.

Utah Geological Survey

The Utah Geological Survey generates, interprets, preserves, and distributes geologic information. Strong emphasis is placed on outreach. The Survey cooperates with local, state, and federal agencies, universities, industry, and private groups to promote economic development and public safety in Utah. By providing timely geologic information in an understandable format, the Utah Geological Survey helps make Utah's decision makers and the public more knowledgeable about natural-resource issues facing the state.

Legislative Action

Revenue Replacement: While the exchange of lands between the federal government and the School and Institutional Trust Lands Administration increased mineral revenues to the school permanent fund, it decreased mineral revenues to the Utah Geological Survey. The Legislature appropriated \$7,000 in one-time General Funds to make up for the shortfall between appropriated mineral lease funds and estimated collections in FY 2000.

Intent Language

Inspection Costs for Schools:

It is the intent of the Legislature that the Utah Geological Survey request reimbursement from the State Office of Education for inspections of proposed school sites required by the State Office of Education under rule R277-455-4. (Senate Bill 1)

Parks and Recreation

Responsibility for the management and development of the State's park system is entrusted to the Division of Parks and Recreation. Utah has 45 State parks that are a combination of heritage, scenic and recreation parks. The Division is responsible for all State parks, statewide boating safety and statewide off-highway vehicle safety.

Legislative Action

Boating Access Improvements: The Legislature appropriated \$1,500,000 from the General Fund Restricted - Boating Account and \$1,000,000 from matching federal funds to renovate and enhance statewide boating facilities.

Off-Highway Vehicle Access Improvements: The Legislature appropriated \$500,000 from the General Fund Restricted - Off-Highway Vehicle Account and \$400,000 from matching federal funds to renovate and enhance state-wide motorized trail facilities.

Soldier Hollow: The Legislature passed House Bill 92, "Appropriation for Soldier Hollow", which appropriated \$700,000 in Olympic Special

Revenue Fund to build a day lodge at Soldier Hollow in Wasatch Mountain State Park.

Golf User Fees: The Legislature passed Senate Bill 103, "Fees for State Golf Courses", which increased user fees by \$.50 or \$1.00 at State golf courses. The revenue is used at the course where it is collected. To account for these additional revenues, the Legislature increased the Dedicated Credits appropriation by \$52,500 in FY 2000 and \$105,000 in FY 2001.

Intent Language

Planning Process Report:

It is the intent of the Legislature that the Director of the Division of Parks and Recreation report during the 2000 interim to the Executive Appropriations Committee and the Natural Resources, Agriculture, and Environment Interim Committee on the planning process for closure of existing parks or incorporation of new parks into the state system. (Senate Bill 1)

Bonneville Shoreline Trail:

It is the intent of the Legislature that at least \$100,000 of the Trails Grants budget be used on the Bonneville Shoreline Trail pursuant to UCA 63-11-504. (Senate Bill 1)

Water Rights

The Division of Water Rights is the office of record for water rights in the State of Utah. The Division acts as a quasi-judicial body that submits its rulings to the courts for final action. The Division also oversees dam safety, stream alteration permits, and well drilling.

Legislative Action

Advertising Program: The Division is required to advertise in the local newspaper all applications to appropriate or change the use of water. The Legislature appropriated \$30,000 in one-time General Funds to cover increases in these advertising costs.

Water Resources

The Division of Water Resources provides comprehensive water planning, protects Utah's rights to interstate waters, and manages Utah's water resource project construction programs. In addition the Division promotes the orderly and timely planning, conservation, development, utilization and protection of Utah's water resources.

The budget for the Division of Water Resources was increased only by the amount of the compensation package.

Wildlife Resources

The Division of Wildlife Resources is responsible for wildlife within the boundaries of the State whether consumptive, non-consumptive, endangered, or somewhere in between. The Division also acts as a regulator of the hunting and fishing activities in Utah.

Legislative Action

Hunting Permit Fee Increases: The Legislature passed Senate Bill 248, "Wildlife Licensing Amendments", which increased user fees on general season buck deer permits, certain elk permits, and fishing licenses for residents over age 65. To account for the additional revenues, the Legislature increased General Fund Restricted - Wildlife Resources Account by \$695,000 in FY 2001. Senate Bill 248 also removed the requirement to purchase a Habitat Authorization as a precondition to buying other licenses/permits. Costs of other licenses/permits were increased proportionately so the impact would be revenue neutral.

Intent Language

Cougar Hunting on Cooperative Wildlife Management Units:

*It is the intent of the Legislature that, if House Bill 219 passes, the Division of Wildlife Resources fund the bill's costs with \$11,400 from the General Fund that is currently included in their base budget for 800 MHz service fees. (Senate Bill 1) **Note: House Bill 219 passed.***

Big Game Depredation:

The Legislature intends that up to \$500,000 of this budget may be used for big game depredation expense. The Legislature also intends that half of these funds shall be from the General Fund Restricted - Wildlife Resources Account and half from the General Fund. This funding shall be nonlapsing. (Senate Bill 1)

Species Protection:

It is the intent of the Legislature that the Division of Wildlife Resources, in coordination with the Habitat Council, use \$100,000 from the General Fund Restricted - Wildlife Habitat Account to contribute to projects funded by the Department of Natural Resources - Species Protection Account which are consistent with UCA 23-19-43. (Senate Bill 1)

Predator Control:

*It is the intent of the Legislature that, if a \$5 deer permit increase is not enacted, the Division of Wildlife Resources shall transfer \$20,000 in General Funds to the Department of Agriculture and Food for use in the Predatory Animal Control Program. (Senate Bill 1) **Note: A \$5 deer permit increase was enacted.***

*It is the intent of the Legislature that, if a \$5 deer permit increase is enacted, the Division of Wildlife Resources shall transfer \$200,000 General Funds to the Department of Agriculture and Food. It is further the intent of the Legislature that \$100,000 of this transfer be used to match funds from local governments in the Predatory Animal Control Program, and \$100,000 be used to supplement the amount required by UCA 4-23-9(2)(a). It is further the intent of the legislature that the Division of Wildlife Resources separately account for an amount equivalent to the difference of revenue collected by the \$5 increase and the \$200,000 transfer to the Department of Agriculture and Food, and use this account to improve deer herds according to management plan objectives. (Senate Bill 1) **Note: A \$5 deer permit increase was enacted.***

It is the intent of the Legislature that the Division of Wildlife Resources spend a minimum of \$70,000 from the Wildlife Habitat Account as stated in UCA 23-19-43(5)(a), on control of predators, including raccoons. (Senate Bill 1)

Funding Detail

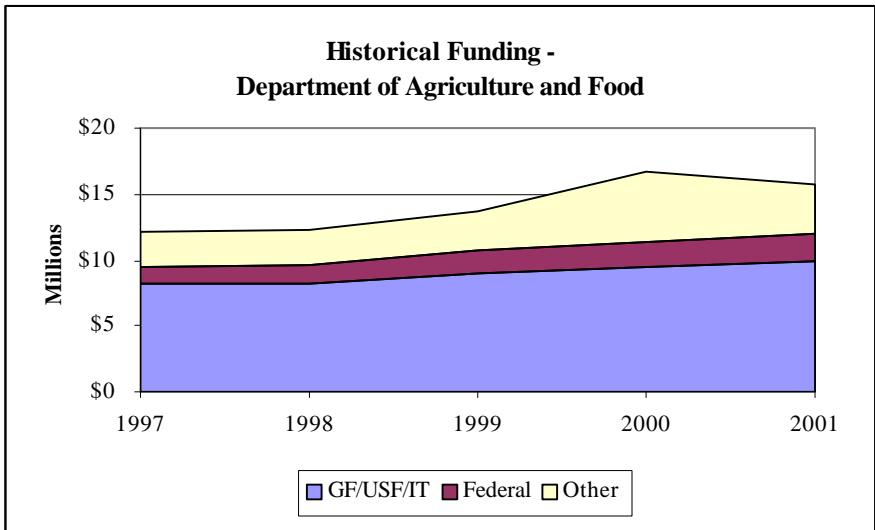
Department of Natural Resources					
	FY 2000	FY 2000	FY 2000	FY 2001	Change From
Financing	Estimated	Supplemental	Revised	Appropriated	2000 Revised
General Fund	35,593,700	18,600	35,612,300	36,394,700	782,400
General Fund, One-time	742,000	525,000	1,267,000	30,000	(1,237,000)
Federal Funds	27,448,200	1,413,200	28,861,400	19,947,700	(8,913,700)
Dedicated Credits Revenue	10,373,300	59,900	10,433,200	11,019,400	586,200
Federal Mineral Lease	591,800		591,800	602,400	10,600
GFR - Boating	2,908,200	1,502,400	4,410,600	3,149,900	(1,260,700)
GFR - Off-highway Vehicle	1,952,800	501,700	2,454,500	1,997,300	(457,200)
GFR - Sovereign Land Mgt	1,151,600	81,100	1,232,700	1,421,700	189,000
GFR - Species Protection	324,100		324,100	324,100	
GFR - State Fish Hatch Main	1,000,000		1,000,000	1,000,000	
GFR - Wildlife Habitat	2,369,100	2,700	2,371,800	2,383,800	12,000
GFR - Wildlife Resources	21,295,700	25,400	21,321,100	22,479,500	1,158,400
Designated Sales Tax	8,700,000		8,700,000	8,700,000	
Fixed Collections	1,322,100	(500)	1,321,600	1,373,600	52,000
Oil Overchg - Stripper Well	350,000		350,000	500,000	150,000
Olympic Special Revenue				700,000	700,000
Water Resources C&D	8,511,000		8,511,000	8,575,600	64,600
Water Res Construction	150,000		150,000	150,000	
Transfers	(8,111,000)		(8,111,000)	(8,215,300)	(104,300)
Repayments	12,460,400		12,460,400	14,800,500	2,340,100
Beginning Nonlapsing	29,762,000		29,762,000	17,475,000	(12,287,000)
Closing Nonlapsing	(17,475,000)		(17,475,000)	(12,608,700)	4,866,300
Total	\$141,420,000	\$4,129,500	\$145,549,500	\$132,201,200	(\$13,348,300)
Programs					
Administration	3,806,300	120,600	3,926,900	3,915,300	(11,600)
Species Protection	950,000	(52,000)	898,000	950,000	52,000
Building Operations	1,630,500		1,630,500	1,608,500	(22,000)
Forestry, Fire and State Land:	7,945,300	538,700	8,484,000	7,589,100	(894,900)
Oil, Gas and Mining	6,704,000	(2,500)	6,701,500	6,438,900	(262,600)
Wildlife Resources	33,144,200	39,600	33,183,800	34,367,500	1,183,700
Contributed Research	334,200		334,200	334,200	
Cooperative Env Studies	12,480,200		12,480,200	3,524,700	(8,955,500)
Wildlife Resources Capital	3,852,900		3,852,900	3,816,000	(36,900)
Parks and Recreation	21,803,300	73,000	21,876,300	22,589,100	712,800
Parks & Recreation Capital	6,819,300	3,400,000	10,219,300	6,803,800	(3,415,500)
Utah Geological Survey	4,431,300	6,800	4,438,100	5,424,200	986,100
Water Resources	7,580,200		7,580,200	7,694,800	114,600
Water Resources Education	35,000		35,000	35,000	
W Res Revolving Const	8,423,100		8,423,100	7,566,400	(856,700)
W Res Cities Water Loan	2,405,900		2,405,900	1,668,800	(737,100)
W Res Const & Develop	12,576,100		12,576,100	11,206,800	(1,369,300)
Water Rights	6,498,200	5,300	6,503,500	6,668,100	164,600
Total	\$141,420,000	\$4,129,500	\$145,549,500	\$132,201,200	(\$13,348,300)

Department of Agriculture and Food

The Department of Agriculture and Food is responsible for the administration of Utah's agricultural laws. The laws mandate a variety of activities including inspection, regulation, information, rulemaking, loan issuance, marketing and development, pest and disease control, improving the economic position of agriculture, and consumer protection.

The Department protects consumers by inspecting commercial food processing establishments. Inspections are made of meat packing plants, grocery stores, dairy farms, and cattle auctions. Further, inspections are made of establishments that sell goods using weights and measures, to ensure that uniform standards are met. The Department also ensures that labeling reflects the true measure and composition of package contents.

The FY 2001 General Fund appropriation of \$9,891,500 is an increase of 5.4 percent from revised appropriations for FY 2000.



Legislative Action

Insect Infestation: The Legislature appropriated \$130,000 in one-time General Funds to combat an insect infestation in the spring of 2000. Funds were authorized as an FY 2000 Supplemental appropriation so that spraying and baiting could begin early in 2000. Last summer's infestation of crickets

and grasshoppers is estimated to have cost Utah farmers about \$22.5 million.

Noxious Weeds: Following a recommendation from the Natural Resources, Agriculture, and Environment Interim Committee, the Legislature appropriated \$75,000 in one-time General Funds to implement a pest management program in which biological and chemical means would be used to control noxious weeds. The Legislature directed the Department to request additional funding in the 2001 General Session.

Private Grazing Lands: The Legislature appropriated \$90,000 in one-time General Funds to contract for services to improve private grazing lands in Utah.

Agriculture in the Classroom: This program, operating in cooperation with Utah State University, provides youth a better understanding of the importance of food production from farms and ranches. The Legislature appropriated \$100,000 in one-time General Funds for increased participation through workshops and material for hands-on experiences.

Trichomoniasis Prevention and Control: Trichomoniasis is a disease in bulls that results in a high percentage of abortions in unborn calves. The Legislature passed House Bill 234, "Trichomoniasis Prevention and Control", requiring the Department to make rules for prevention of the disease in cattle and bison. In order to fund the implementation costs of the bill, the Legislature appropriated \$50,000 in one-time General Funds.

Soil Conservation Districts: The Legislature passed House Bill 15, "Appropriation for Soil Conservation Districts", which carried an appropriation of \$100,000 in General Funds for distribution to soil conservation districts, for developing conservation plans to keep farmland productive and waterways clean, and providing technical assistance to farmers and ranchers.

Brand Renewal: The Department is required by law to renew every livestock brand and earmark on record every five years and produce a brand book for general distribution. The Legislature appropriated \$80,000 from the General Fund Restricted - Brand Inspection Account to see that every person be given the opportunity to renew his/her brand or mark for an additional five years, and to publish a brand book in 2000.

Intent Language

Conservation Easements:

It is the intent of the Legislature that the appropriation for grants to charitable organizations specified under UCA 57-18-3, or held by the Department of Agriculture and Food, be used for purchase of conservation easements for agricultural protection and shall be nonlapsing. (Senate Bill 1 and House Bill 1)

Rules Concerning Seed Industry:

It is the intent of the Legislature that the Utah Department of Agriculture and Food use its rulemaking authority granted in UCA 4-16-3 to make rules concerning seed container labeling requirements, after consultation with the seed industry, the Utah Seed Council, and the Utah Crop Improvement Association. (Senate Bill 1)

Noxious Weeds:

It is the intent of the Legislature that the Department of Agriculture and Food seek to establish a program for biological control of weeds, and present a funding request for this purpose to the Governor and the 2001 Natural Resources Appropriations Subcommittee. (Senate Bill 1)

Predator Control:

*It is the intent of the Legislature that, if a \$5 deer permit increase is not enacted in the Division of Wildlife Resources, the additional \$20,000 of revenue provided from the Division of Wildlife Resources' General Fund may be disbursed to county predator control programs, only as a one-to-one match with county funds. It is also the intent of the Legislature that these funds shall be nonlapsing. (Senate Bill 1) **Note: A \$5 deer permit increase was enacted.***

It is the intent of the Legislature that, if a \$5 deer permit increase is enacted in the Division of Wildlife Resources, the Division of Wildlife Resources transfer \$200,000 General Funds to the

Department of Agriculture and Food. It is further the intent of the Legislature that \$100,000 of this transfer be used to match funds from local governments in the Predatory Animal Control Program, and \$100,000 be used to supplement the amount required by UCA 4-23-9(2)(a). These funds shall be nonlapsing. (Senate Bill 1)

Note: A \$5 deer permit increase was enacted.

Insect Infestation:

It is the intent of the Legislature that the FY 2000 supplemental appropriation increase of \$130,000 for insect infestation may be used to combat insects on state lands, or to pay a proportionate share of insect control costs on privately- or publicly-owned lands. (House Bill 1)

Funding Detail

Department of Agriculture and Food					
	FY 2000	FY 2000	FY 2000	FY 2001	Change From
Financing	Estimated	Supplemental	Revised	Appropriated	2000 Revised
General Fund	9,299,300	(42,200)	9,257,100	9,576,500	319,400
General Fund, One-time		130,000	130,000	315,000	185,000
Federal Funds	2,002,000	(7,800)	1,994,200	2,026,400	32,200
Dedicated Credits Revenue	844,600	(2,100)	842,500	897,200	54,700
GFR - Horse Racing	50,000		50,000	50,000	
GFR - Livestock Brand	681,200		681,200	737,500	56,300
GFR - TB & Bangs Control	6,800		6,800	10,000	3,200
GFR - Wildlife Damage Prev	498,700	(5,500)	493,200	506,200	13,000
Agri Resource Development	530,500		530,500	531,200	700
Designated Sales Tax	500,000		500,000	500,000	
Utah Rural Rehab Loan	18,000		18,000	18,000	
Transfers	619,200	(500)	618,700	596,100	(22,600)
Transfers - Fed Pass-thru	33,000		33,000		(33,000)
Beginning Nonlapsing	1,551,800		1,551,800		(1,551,800)
Closing Nonlapsing				(3,700)	(3,700)
Total	\$16,635,100	\$71,900	\$16,707,000	\$15,760,400	(\$946,600)
Programs					
Administration	8,361,900	(41,700)	8,320,200	8,117,600	(202,600)
Marketing and Development	952,500		952,500	861,200	(91,300)
Building Operations	228,000		228,000	228,000	
Brand Inspections	1,088,300		1,088,300	1,129,600	41,300
Predatory Animal Control	1,352,700	(13,100)	1,339,600	1,138,300	(201,300)
Auction Market Veterinarian	61,600		61,600	60,000	(1,600)
Insect Infestation	666,700	128,200	794,900	212,500	(582,400)
Grain Inspection	403,400		403,400	415,200	11,800
Sheep Promotion	50,000		50,000	50,000	
Soil Conservation Com	10,300		10,300	9,600	(700)
Environmental Quality	1,506,100	(1,500)	1,504,600	1,485,700	(18,900)
Resource Conservation	1,139,500		1,139,500	1,238,600	99,100
Loans	814,100		814,100	814,100	
Total	\$16,635,100	\$71,900	\$16,707,000	\$15,760,400	(\$946,600)

Natural Resources Appropriations Subcommittee

	FY 2000	FY 2000	FY 2000	FY 2001	Change From
Financing	Estimated	Supplemental	Revised	Appropriated	2000 Revised
General Fund	44,893,000	(23,600)	44,869,400	45,971,200	1,101,800
General Fund, One-time	742,000	655,000	1,397,000	345,000	(1,052,000)
General Fund Restricted	32,238,200	2,107,800	34,346,000	34,060,000	(286,000)
Federal Funds	29,450,200	1,405,400	30,855,600	21,974,100	(8,881,500)
Dedicated Credits	11,217,900	57,800	11,275,700	11,916,600	640,900
Federal Mineral Lease	591,800		591,800	602,400	10,600
Trust and Agency Funds	27,114,700	(7,100)	27,107,600	29,486,100	2,378,500
Transfers	(7,458,800)	(500)	(7,459,300)	(7,619,200)	(159,900)
Repayments/Reimbursements	12,460,400		12,460,400	14,800,500	2,340,100
Beginning Balance	31,313,800		31,313,800	17,475,000	(13,838,800)
Closing Balance	(17,475,000)		(17,475,000)	(12,612,400)	4,862,600
Total	\$165,088,200	\$4,194,800	\$169,283,000	\$156,399,300	(\$12,883,700)
Programs					
School & Inst Trust Lands	7,033,100	(6,600)	7,026,500	8,437,700	1,411,200
Natural Resources	141,420,000	4,129,500	145,549,500	132,201,200	(13,348,300)
Agriculture	16,635,100	71,900	16,707,000	15,760,400	(946,600)
Total	\$165,088,200	\$4,194,800	\$169,283,000	\$156,399,300	(\$12,883,700)

**Natural Resources Appropriations Subcommittee
One-time Funding Items**

Item Name	FY 2001 Appropriated
Natural Resources - Water Rights - Advertising	30,000
Agriculture - Administration - Biological Control of Weeds	75,000
Agriculture - Administration - Private Grazing Lands	90,000
Agriculture - Administration - Ag in the Classroom	100,000
Agriculture - Administration - Trichomoniasis Control	50,000
Total	\$345,000

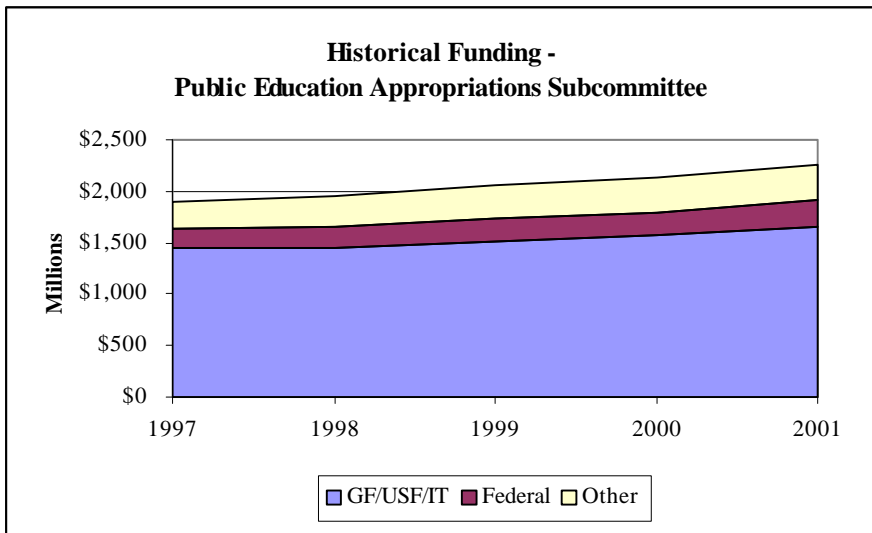
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Public Education

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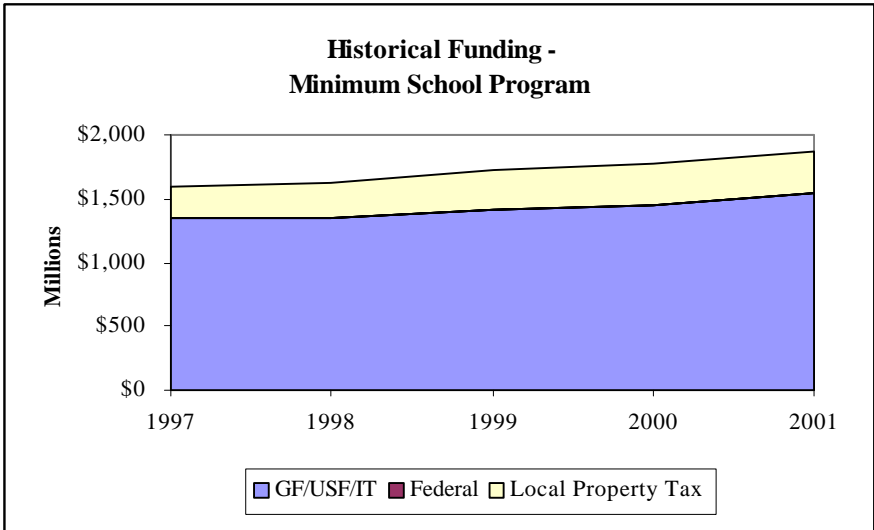
Subcommittee Overview

Public Education funding was a priority with the 2000 Legislature. The Legislature appropriated more than \$2.26 billion from all funding sources for FY 2001. Growth in funding is a 5.7 percent increase from the FY 2000 revised budget. Ongoing Uniform School Funds increased 6.2 percent above FY 2000. The amount for FY 2001 is \$1.65 billion compared to \$1.55 billion for FY 2000.



Minimum School Program

The Minimum School Program is the single largest portion of the Public Education budget. It provides support to public schools in each of forty local school districts to allow educational opportunities for all children in the State. Distribution of State money is made on a formula basis to equalize wealth between “poorer” and “richer” districts. The basis for the distribution of State funds is the Weighted Pupil Unit (WPU).



The Legislature appropriated \$1.877 billion for FY 2001 for the Minimum School Program. This was a 6.3 percent increase over the revised estimate for FY 2000. The Total Basic School Programs appropriation amounted to \$1.347 billion and the Total Related to Basic Programs appropriation was \$362.4 million.

Legislative Action

Voted and Board Leeways: The Legislature increased funding for Voted and Board Leeways by \$13.3 million. The State's guarantee to the school districts also increased.

Weighted Pupil Unit: The Legislature increased the value of the Weighted Pupil Unit (WPU) 5.5 percent from \$1,901 to \$2,006.

Other Issues: The Legislature addressed a number of funding issues within the Minimum School Program. The Legislature appropriated \$3.5 million in ongoing funding for the Assessment and Accountability Program. Textbooks and Supplies was funded with \$6 million in one-time funding. Another \$4.4 million one-time appropriation will be used specifically for Teacher Materials and Supplies. The Necessarily Existent Small Schools Program base was increased by \$3.2 million in ongoing funds. Local School districts received a new allocation of more than \$1.1 million in ongoing funds for discretionary use. Preschool Special Education was appropriated \$729,100 in additional ongoing funds. The Alternative Language Services program received an increase in ongoing funding of \$500,000. The Utah Schools for the Deaf and the Blind will receive an ongoing increase of \$236,400 for transportation growth needs to be funded within the Minimum School Program.

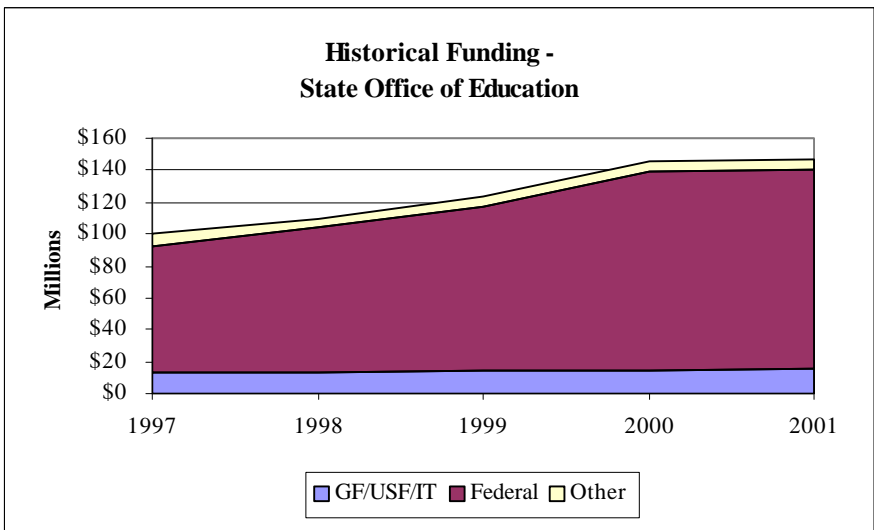
Funding Detail

The following table details FY 2001 appropriations compared with the FY 2000 for the Minimum School Program.

MINIMUM SCHOOL PROGRAM						
4/12/00 9:16 AM	FY 2000	Appropriation	FY 2001	Appropriation	Percent	Legislature
Financing	1999-00	Funding @	2000-01	Funding @	% Diff.	FY 2000
Local Revenue:	WPU's	\$1,901	WPU'S	\$2,006	2000-00	Difference
A. Basic Tax Levy	0.001847	\$182,893,646	0.001845	\$189,329,826	3.5%	\$6,436,180
B. Voted Leeway		98,344,039		110,412,316	12.3%	12,068,277
C. Board Leeway		30,337,244		31,970,524	5.4%	1,633,280
Total Local Contribution (A, B, & C)		\$311,574,929		\$331,712,666	6.5%	\$20,137,737
State Revenue:						
A. Uniform School Fund		\$1,446,215,683		\$1,535,119,246	6.1%	\$88,903,563
B. Uniform School Fund - One Time		8,450,000		10,400,000	23%	1,950,000
Total Revenue		\$1,766,240,612		\$1,877,231,912	6.3%	\$110,991,300
Program						
I. Basic Program						
A. Regular Basic School Programs						
1. Kindergarten	19,604	\$37,267,204	20,222	\$40,565,332	8.8%	\$3,298,128
2. Grades 1-12	427,276	\$12,251,676	426,422	\$55,402,532	5.3%	43,150,856
3. Necessarily Existent Small Schools	5,494	10,444,094	7,080	14,202,480	36.0%	3,758,386
4. Professional Staff	41,394	78,689,994	41,394	83,036,364	5.5%	4,346,370
5. Administrative Costs	1,655	3,146,155	1,655	3,319,930	5.5%	173,775
Total Regular Basic School Programs (1-5)	495,423	\$941,799,123	496,773	\$996,526,638	5.8%	\$54,727,515
B. Restricted Basic School Programs						
1. Special Education-Regular Program						
a. Special Education add-on WPU's	52,697	\$100,176,997	52,697	\$105,710,182	5.5%	\$5,533,185
b. Self-Contained Regular WPU's	12,299	23,380,399	12,299	24,671,794	5.5%	1,291,395
2. Special Education - Pre-School	4,724	8,980,324	5,038	10,106,228	12.5%	1,125,904
3. Extended Year Program for Severely Disabl	237	450,537	237	475,422	5.5%	24,885
4. Special Education-State Programs	1,350	2,566,350	1,350	2,708,100	5.5%	141,750
Total Special Education (1-4)	71,307	\$135,554,607	71,621	\$143,671,726	6.0%	\$8,117,119
5. Applied Technology Education - District	19,464	\$37,001,064	19,464	\$39,044,784	5.5%	\$2,043,720
6. Applied Tech. Education-District Set Aside	989	1,880,089	989	1,983,934	5.5%	103,845
Total Applied Technology Ed. (5 - 6)	20,453	\$38,881,153	20,453	\$41,028,718	5.5%	\$2,147,565
7. Adult Education	3,407	\$6,476,707	3,407	6,834,442	5.5%	357,735
8. At Risk Programs	9,598	18,245,798	10,039	20,138,234	10.4%	1,892,436
9. Accelerated Learning Programs	3,841	7,301,741	3,841	7,705,046	5.5%	403,305
10. Career Ladder	24,253	46,104,953	24,253	48,651,518	5.5%	2,546,565
11. Class Size Reduction	29,577	56,225,877	29,577	59,331,462	5.5%	3,105,585
Total Other Restricted Programs (7-11)	70,676	\$134,355,076	71,117	\$142,660,702	6.2%	\$8,305,626
C. Unrestricted Local Program	11,549	\$21,954,649	11,549	23,167,294	5.5%	\$1,212,645
Total Basic School Programs (A - C)	669,408	\$1,272,544,608	671,513	\$1,347,055,078	5.9%	\$74,510,470
D. Related to Basic Programs						
1. Social Security & Retirement		\$244,458,871		\$253,325,728	3.6%	\$8,866,857
2. Pupil Transportation		50,237,319		53,236,772	6.0%	2,999,453
3. Contingency Fund		419,246		419,246		
4. Incentives for Excellence		614,911		614,911		
5. Regional Service Centers		1,111,595		1,172,733	5.5%	61,138
6. Staff Development		1,965,577		1,965,577		
7. Comprehensive Guidance		7,033,759		7,420,659	5.5%	386,900
8. Educational Technology Initiative- Maintenance		8,970,322		8,970,322		
9. Families, Agencies & Communities Together		1,250,670		1,250,670		
10. Alternative Language Services		2,828,564		3,328,564	17.7%	500,000
11. Character Education		397,680		397,680		
12. Highly Impacted Schools		4,873,207		4,873,207		
13. School Nurses		496,949		496,949		
14. Technology/Life Careers		2,235,000		2,235,000		
15. Truancy Intervention and Prevention		150,000		150,000		
16. Guarantee Transportation Levy		225,000		225,000		
17. Reading Initiative		5,000,000		5,000,000		
18. Reading Performance Improvement Awards				18,000		18,000
19. Alternative Middle School		2,000,000		2,000,000		
20. Experimental/Developmental Programs		5,933,056		5,933,056		
21. School Land Trust Program				4,775,000		4,775,000
22. Youth In Custody		1,000,000			-100.0%	(1,000,000)
23. Local Discretionary Programs				1,113,100		1,113,100
24. Assessment and Accountability				3,500,000		3,500,000
Total Related to Basic Programs (1 - 24)		\$341,201,726		\$362,422,174	6.2%	\$21,220,448
H. Board and Voted Leeway Programs:						
A. Voted Leeway Program		\$109,075,315		\$121,242,797	11.2%	\$12,167,482
B. Board Leeway Program		34,968,963		36,111,863	3.3%	1,142,900
Total Board and Voted Leeway Programs		\$144,044,278		\$157,354,660	9.2%	\$13,310,382
III. One-Time Appropriations						
1. Textbooks and Media for Libraries		\$200,000				(\$200,000)
2. Twenty First Century Schools		4,500,000				(4,500,000)
3. Textbooks and Supplies				\$6,000,000		6,000,000
4. Teacher Supplies & Materials		3,750,000		4,400,000	6.3%	650,000
Total One Time Appropriations		\$8,450,000		\$10,400,000	23.1%	\$1,950,000
Total Minimum School Program		\$1,766,240,612		\$1,877,231,912	6.3%	\$110,991,300
Assessed Value = \$107,345,905,411	Student Growth Factor = -(0.03%)					

Utah State Office of Education

The Utah State Constitution places the responsibility for the “general control and supervision of the public school system” with the State Board of Education which then appoints the State Superintendent. The State Superintendent administers the Utah State Office of Education (USOE). The State Board of Education, which is also the Utah State Board of Applied Technology Education, has a number of Legislative funded entities under its control and supervision. These include the Utah State Office of Education, Utah State Office of Rehabilitation, Utah Schools for the Deaf and the Blind, the Minimum School Program, School Building Programs, Child Nutrition (School Lunch Program), Applied Technology Education, Fine Arts and Sciences, and Educational Contracts. This budget (Utah State Office of Education) includes only those programs that relate to services and functions provided by the office itself.



Legislative Action

The Legislature appropriated \$147,027,200 to the Utah State Office of Education for FY 2001. This was an increase of \$1,168,900 over the revised estimate for FY 2000. This increase included \$350,000 for Uniform Data Collection of which \$150,000 is one-time funding. It also included \$200,000 of ongoing funding for the Art and Music Curriculum.

Intent Language

Program overviews for services to disabled and aging:

It is the intent of the Legislature that the Departments of Health and Human Services, the Division of Employment Development in the Department of Workforce Services, and the State Office of Education work jointly through the regular budget process to present program budget overviews for services to people with disabilities and for services to the aging to be presented to the 2001 Health and Human Services Appropriations Subcommittee. These program budget overviews will include a discussion of the most appropriate and least costly funding options.

Funding Detail

Utah State Office of Education					
	FY 2000	FY 2000	FY 2000	FY 2001	Change From
Financing	Estimated	Supplemental	Revised	Appropriated	2000 Revised
Uniform School Fund	14,925,800		14,925,800	15,633,800	708,000
Uniform School Fund, One-time		(141,300)	(141,300)	169,500	310,800
Federal Funds	124,517,400		124,517,400	124,621,300	103,900
Dedicated Credits Revenue	5,162,000		5,162,000	5,165,600	3,600
Dedicated Credits - Investments				800	800
Federal Mineral Lease	655,300		655,300	671,800	16,500
GFR - Substance Abuse Preventio	350,800		350,800	350,800	
USFR - Professional Practices	196,300		196,300	197,700	1,400
Transfers - Interagency	192,000		192,000	215,900	23,900
Beginning Nonlapsing	4,540,700		4,540,700	4,540,700	
Closing Nonlapsing	(4,540,700)		(4,540,700)	(4,540,700)	
Total	\$145,999,600	(\$141,300)	\$145,858,300	\$147,027,200	\$1,168,900
Programs					
Board of Education	797,500		797,500	825,300	27,800
Instructional Services	100,820,100		100,820,100	101,178,900	358,800
Agency Support	4,543,700	(141,300)	4,402,400	5,014,600	612,200
Strategic Planning	14,511,700		14,511,700	14,604,600	92,900
Applied Technology Education	25,326,600		25,326,600	25,403,800	77,200
Total	\$145,999,600	(\$141,300)	\$145,858,300	\$147,027,200	\$1,168,900

Child Nutrition

The total budget for the Child Nutrition Programs for FY 2001 is \$103,277,200 which provides for the overall administration and implementation of the school lunch programs. This is an increase of \$5,694,800 over the FY 2000 revised estimate. The funding provides free and reduced price meals for those who qualify. This budget primarily

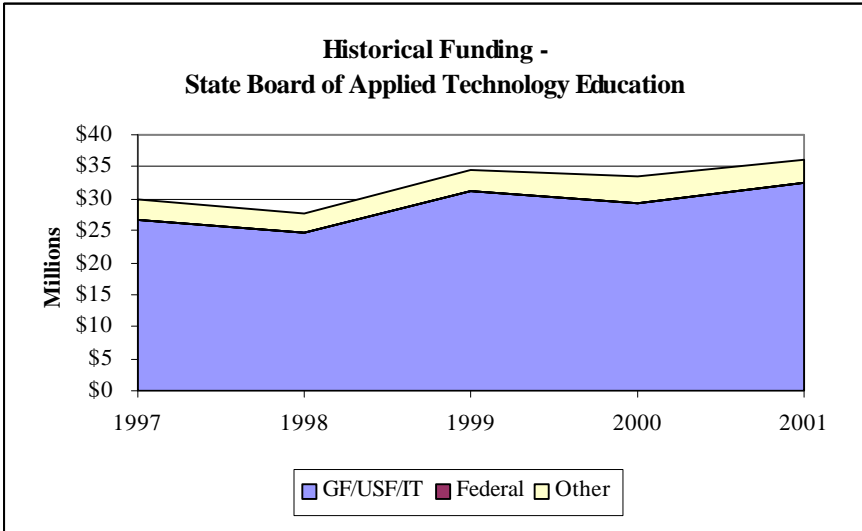
consists of federal funds (86 percent). It receives approximately \$14,200,100 from the Liquor Control Tax, \$88,902,500 in federal funds, and \$167,300 from the Uniform School Fund.

School Building Programs

The School Building Programs are written in statute under the Capital Outlay Foundation Program to provide revenues to school districts for the purposes of capital outlay bonding, construction, and renovation. The Legislature appropriated a total of \$28,358,000 for School Building Programs for FY 2001. This is \$1,000,000 less than the FY 2000 revised estimate, as last year's one-time funding of \$1,000,000 was not replaced.

Applied Technology Education

The Utah System of Applied Technology Education provides skills and technical training to adults and secondary students. It consists of training provided in Higher Education Institutions, Applied Technology Centers and Applied Technology Center Service Regions, and the Public School System. Applied Technology Education (ATE) provided in Higher Education Institutions is under the jurisdiction and direction of the Board Regents and the Higher Education System. ATE provided by the State's Applied Technology Centers and Applied Technology Center Service Regions and the Public School System is in the domain of Public Education and is therefore under the jurisdiction and direction of the Utah State Board of Education and the State Office of Education.



Within the Public Education segment, ATE is funded three ways:

- ▶ Training provided in the Public School System represents costs to the State's school districts and is funded through the Minimum School Program (see Minimum School Program Table for funding information).
- ▶ The State's five Applied Technology Centers and three Applied Technology Center Service Regions (ATCs/ATCSRs) are funded in the agency budgets as individual line items.
- ▶ ATE administration is performed in the State Office of Education and is funded as a separate program.

Legislative Action

The Legislature increased funding for the State's ATCs and ATCSRs. It appropriated a total of \$35,973,200 for FY 2001 representing a 7.2 percent increase. The Legislature fully funded the Utah State Board of Education's growth funding request for ATCs/ATCSRs with \$1,604,200 in ongoing growth funding.

Bridgerland ATC maintenance and operations request: The 1999 Legislature provided \$4.1 million for the completion/remodel of the southwest wing of the Bridgerland ATC. The new space will house the rapidly growing health/medical occupations programs at the Center. This year, the Legislature fully funded the maintenance and operations request of \$200,000 for the additional 35,000 square feet of space.

Ogden Weber ATC maintenance and operations request: The Ogden Weber ATC is in the process of receiving a 100 percent conveyance of 95,000 square feet of space at the former Defense Depot Ogden Complex. The conveyed facility will house the ATC's warehousing program. Lawmakers provided \$129,300 in ongoing funds needed for maintenance and operations.

Facilities Funding - Ogden Weber ATC New Maintenance Building: This project entails the demolition of an old maintenance building, storage sheds, and smoke stack followed by the construction of a new maintenance building. The new maintenance facility will consist of a storage shed; a chemical storage shed; a service yard/parking. The site of the old maintenance building will be used for additional parking stalls. \$1,669,800 for this addition is provided through the Capital Facilities Budget.

Custom Fit Program: The Legislature provided a base increase to the Custom Fit Program of \$1,066,500, raising the amount budgeted to \$3,366,500 for FY 2001.

Applied Technology Education Task Force: The Legislature is cognizant of the increasingly significant role of Applied Technology Education in the State. It passed House Bill 336, "Applied Technology Education Task Force", which provides for a task force during the interim to study issues such as governance and future directions for ATE.

Intent Language

ATC/ATCSR Reporting Requirements:

It is the intent of the Legislature that Dedicated Credits, Restricted and Trust Funds, and Nonlapsing Funds information as well as appropriate expenditures information be included in future Fiscal Analyst's budget recommendations for ATCSRs and ATCs.

Comparable Pay Increase:

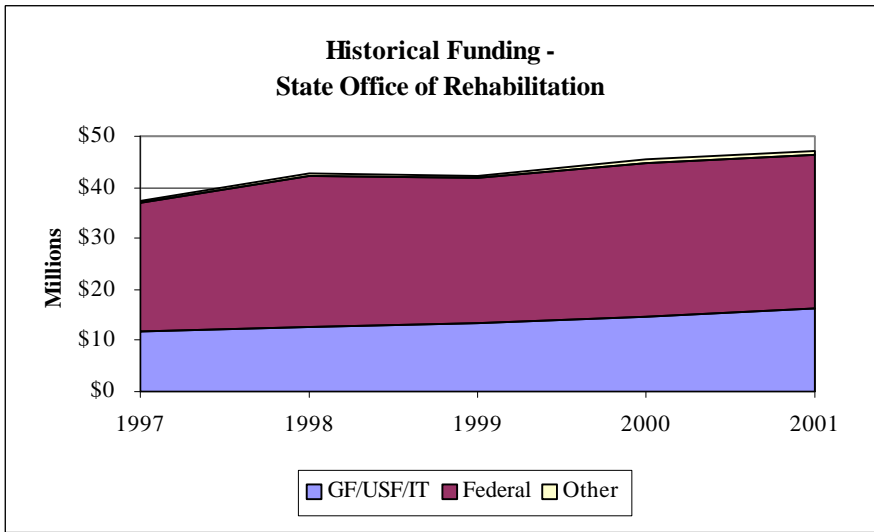
It is the intent of the Legislature that instructors at ATCs and ATCSRs receive commensurate compensation increases with increases provided to public education teachers equivalent in value to the WPU.

Funding Detail

State Board of Applied Technology Education					
Financing	FY 2000 Estimated	FY 2000 Supplemental	FY 2000 Revised	FY 2001 Appropriated	Change From 2000 Revised
General Fund				(100)	(100)
Uniform School Fund	28,515,100		28,515,100	32,590,800	4,075,700
Uniform School Fund, One-time	650,000	7,800	657,800		(657,800)
Dedicated Credits Revenue	2,933,700		2,933,700	2,924,200	(9,500)
Dedicated Credits - Investments	481,300		481,300	470,300	(11,000)
Transfers - Interagency	(100,000)		(100,000)		100,000
Beginning Nonlapsing	2,054,500		2,054,500	979,400	(1,075,100)
Closing Nonlapsing	(979,400)		(979,400)	(991,400)	(12,000)
Total	\$33,555,200	\$7,800	\$33,563,000	\$35,973,200	\$2,410,200
Programs					
Bridgerland ATC	7,277,400	3,600	7,281,000	7,700,000	419,000
Davis ATC	7,440,300	2,500	7,442,800	7,699,400	256,600
Ogden Weber ATC	8,223,000	1,300	8,224,300	8,576,600	352,300
Uintah Basin ATC	3,820,700	1,400	3,822,100	3,937,500	115,400
Wasatch Front ATC	1,550,900		1,550,900	1,121,100	(429,800)
ATC Service Regions	1,995,500	(1,000)	1,994,500	1,872,100	(122,400)
ATC/ATCSR Development	400,000		400,000	1,700,000	1,300,000
Custom Fit	2,847,400		2,847,400	3,366,500	519,100
Total	\$33,555,200	\$7,800	\$33,563,000	\$35,973,200	\$2,410,200

Utah State Office of Rehabilitation

The Utah State Office of Rehabilitation (USOR) is a part of the State's Public Education System and is under the direction of the Utah State Board of Education. The Office of Rehabilitation operates programs designed to assist individuals with disabilities to prepare for and obtain gainful employment and increase their independence. The Office of Rehabilitation offers services such as medical services and treatment, personal adjustment training, vocational training, counseling and guidance, assistive technology, job placement and follow-up, and any other goods or services needed to achieve an employment outcome.



Legislative Action

The Legislature appropriated \$47,000,100 for FY 2001. This is \$1,309,800 more than the revised estimate for FY 2000. The Office of Rehabilitation receives the greatest part of its funding from the Federal Government. In FY 2001, it will receive approximately \$30.47 million in Federal Funds and \$15.74 million in Uniform School Funds.

Bond Payment: During 1995, the Legislature approved a new facility that would be jointly occupied by the Division of Services to the Blind and Visually Impaired (DSBVI) and the Utah State Library. This facility was funded using a general revenue bond, therefore the agencies must pay off the bond over 20 years by making annual bond payments. The Utah State Office of Rehabilitation required annual ongoing funding of \$389,300 for its share of the bond payments. The Legislature included this amount in the base budget of the USOR.

The Vocational Rehabilitation Program: This program continues to experience significant growth in demand for its services. The Legislature fully funded its growth request of \$405,100 of ongoing funding.

The Independent Living Program: This program assists individuals with disabilities to increase and maintain their independence. The Legislature provided \$300,000 in ongoing funding to establish a facility in

Utah County to serve the needs in this area of the State. The Legislature also provided a compensation increase for Independent Living Centers employees as stipulated in intent language passed during the 1999 Legislative Session.

The Deaf and Hard of Hearing Program: The Legislature funded \$78,000 in ongoing funds to expand the Basic Life Skills Program, extending it to areas outside of Salt Lake City.

Facilities Funding - Deaf and Hard of Hearing Building Addition: This project will add a new wing to the Utah Community Center For The Deaf and Hard of Hearing. This wing was necessitated by overcrowding and the increased demand for Center services over the last 10 years. The project will provide an additional 6,500 sq. ft. to be used primarily for offices and classrooms. An assistive technology demonstration room will also be included. The project will allow for space now used as temporary offices to be returned to classroom space for which it was originally intended. \$1,102,000 for this addition is provided through the Capital Facilities Budget.

Blind and Visually Impaired: Lawmakers appropriated \$90,000 in ongoing funds to provide for Braille Materials and Interpreters.

Assistive Technology: The Legislature also passed legislation funding assistive technology for people with disabilities. Ongoing funding of \$150,000 was provided. The funding will be used to acquire a variety of devices to aid the disabled.

Other Action: Legislation was passed repealing the requirement to study transferring the Division to the Department of Workforce Services.

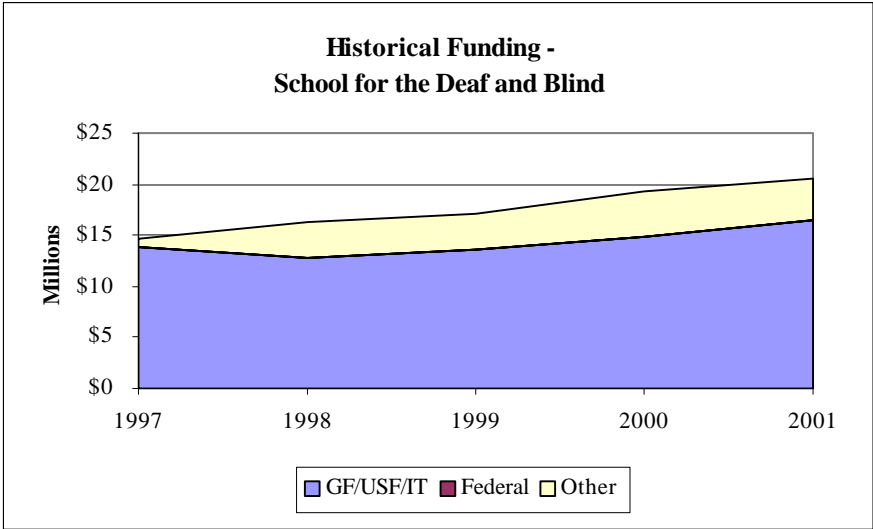
Funding Detail

Utah State Office of Rehabilitation					
	FY 2000	FY 2000	FY 2000	FY 2001	Change From
Financing	Estimated	Supplemental	Revised	Appropriated	2000 Revised
General Fund	180,000		180,000	254,900	74,900
General Fund, One-time	150,000		150,000		(150,000)
Uniform School Fund	14,127,900		14,127,900	15,815,900	1,688,000
Uniform School Fund, One-time	180,000		180,000		(180,000)
Federal Funds	30,175,400		30,175,400	30,470,200	294,800
Dedicated Credits Revenue	367,100		367,100	369,100	2,000
Transfers - Interagency	509,900		509,900	90,000	(419,900)
Beginning Nonlapsing	278,200		278,200	278,200	
Closing Nonlapsing	(278,200)		(278,200)	(278,200)	
Total	\$45,690,300	\$0	\$45,690,300	\$47,000,100	\$1,309,800
Programs					
Rehabilitation Administration	1,221,100		1,221,100	1,243,600	22,500
Blind and Visually Impaired	4,271,900		4,271,900	4,400,200	128,300
Rehabilitation Services	31,019,700		31,019,700	31,949,900	930,200
Disability Determination	7,770,000		7,770,000	7,891,800	121,800
Deaf and Hard of Hearing	1,407,600		1,407,600	1,514,600	107,000
Total	\$45,690,300	\$0	\$45,690,300	\$47,000,100	\$1,309,800

Utah Schools for the Deaf and the Blind

The Utah Schools for the Deaf and the Blind (USDB) provide educational programs and services for the hearing and/or visually impaired children up to age twenty-one. The schools currently operate residential and daytime programs. They also operate extension programs throughout the State.

The Legislature approved a FY 2001 budget of \$20,514,800 for the Utah Schools for the Deaf and the Blind. This is \$1,241,800 more than the revised estimate for FY 2000.



Legislative Action

Equity Salary Adjustments: The Legislature provided \$643,000 in ongoing funding to be used to enhance teacher salaries at the USDB. This appropriation will bring teachers salaries at the Schools closer to parity with the local school districts in the State.

Additional Interveners: The Legislature appropriated \$287,500 in ongoing funds to support ten additional interveners to serve deaf/blind children. This funding will also provide benefits to interveners who meet State guidelines.

Transportation Funding: As previously mentioned in the Minimum School Program Section, Lawmakers provided \$236,400 in ongoing funds to reflect increases in operating costs and additional bus routes. This funding is found in the Minimum School Program.

Language Amendments affecting USDB Compensation: Section 39. Section 53A-25-111 is amended by Senate Bill 3, "Minimum School Program Act Amendments", to read:

53A-25-111. Annual salary adjustments for school employees -- Benefits.

- (1) (a) The board shall adjust the salary schedule applicable to nonadministrative [~~certificated~~] licensed staff at the school each school year.
(b) The board shall make the adjustment equal to [~~the~~] a weighted average adjustment for nonadministrative [~~certificated~~] licensed staff adopted by the public school districts of the state as determined by the State Office of Education. This average shall be weighted by the number of teachers in each district.
(c) The board shall increase this weighted average by 10 percent in any year in which the Utah Schools for the Deaf and the Blind teachers are not ranked in the top ten in 20 year earnings when compared to the 40 school districts of the state.
- (2) (a) The adjustment shall be computed using adjustments made by the school districts by December 1 of each year.
(b) The board shall apply the adjustment to the salary schedule effective July 1 of the following year.
- (3) The board shall make salary adjustments for administrative and [~~noncertificated~~] nonlicensed staff at the school on the basis of adjustments approved for state government employees in similar positions.
- (4) Administrative, [~~certificated~~] licensed, and [~~noncertificated~~] nonlicensed staff at the school shall receive the same benefits as those provided to state government employees.

Funding Detail

Utah School for the Deaf and Blind					
	FY 2000	FY 2000	FY 2000	FY 2001	Change From
Financing	Estimated	Supplemental	Revised	Appropriated	2000 Revised
Uniform School Fund	14,928,300		14,928,300	16,557,800	1,629,500
Dedicated Credits Revenue	757,500		757,500	791,600	34,100
Transfers - Interagency	3,204,100		3,204,100	2,968,900	(235,200)
Beginning Nonlapsing	1,059,800		1,059,800	676,700	(383,100)
Closing Nonlapsing	(676,700)		(676,700)	(480,200)	196,500
Total	\$19,273,000	\$0	\$19,273,000	\$20,514,800	\$1,241,800
Programs					
Instruction	10,448,900		10,448,900	11,888,600	1,439,700
Support Services	8,824,100		8,824,100	8,356,800	(467,300)
Equity Salary Adjustments				269,400	269,400
Total	\$19,273,000	\$0	\$19,273,000	\$20,514,800	\$1,241,800

Fine Arts and Sciences

The Fine Arts and Sciences Program provides funding for several fine arts and sciences organizations. In exchange for this funding, the organizations perform educational demonstrations for Utah's school children.

Legislative Action

The Legislature provided \$2,687,100 for the Fine Arts and Sciences for FY 2001. Lawmakers increased growth funding for the line item science and arts organizations by \$250,000 and for the request for proposal recipients by \$50,000. In addition, the Legislature elevated the Springville Arts Museum to line item status.

Intent Language

Springville Arts Museum:

It is the intent of the Legislature that the Springville Arts Museum (SAM) be placed as a Line Item funding recipient.

Request For Proposal Process Restrictions:

It is the intent of the Legislature that Line Item funding recipients not participate in the Science and the Arts Request for Proposal Process (RFP) funding administered by the Utah State Office of Education.

Line Item Growth Funding Distribution:

It is the intent of the Legislature that distribution of \$215,000 is to bring parity to Line Item status participants, including the Springville Museum of Art. The distribution would be determined by those having line item status.

Educational Contracts

Educational Contracts furnish educational services to the Developmental Center in American Fork, the State Hospital Youth Center in Provo, and to adult correctional facilities in the State. The Developmental Center budget was reduced by \$540,600 as the number of students being served has decreased. The Legislature will be reviewing this budget during the interim. The Legislature appropriated \$501,500 to the Developmental Center, \$1,115,600 to the Youth Center, and \$2,661,600 to Corrections Institutions for FY 2001.

Public Education Appropriations Subcommittee

Financing	FY 2000	FY 2000	FY 2000	FY 2001	Change From
	Estimated	Supplemental	Revised	Appropriated	2000 Revised
General Fund	180,000		180,000	254,800	74,800
General Fund, One-time	150,000		150,000		(150,000)
General Fund Restricted	350,800		350,800	350,800	
Uniform School Fund	1,554,192,683		1,554,192,683	1,651,208,646	97,015,963
Uniform School Fund, One-time	10,280,000	(133,500)	10,146,500	10,569,500	423,000
Uniform School Fund Restricted	13,696,300		13,696,300	14,397,800	701,500
Federal Funds	238,610,800		238,610,800	243,994,000	5,383,200
Dedicated Credits	9,701,600		9,701,600	9,728,900	27,300
Federal Mineral Lease	655,300		655,300	671,800	16,500
Trust and Agency Funds	311,574,929		311,574,929	331,712,666	20,137,737
Transfers	3,806,000		3,806,000	3,274,800	(531,200)
Beginning Balance	\$24,414,000		24,414,000	22,955,800	(1,458,200)
Closing Balance	(\$22,955,800)		(22,955,800)	(22,771,300)	184,500
Total	\$2,144,656,612	(\$133,500)	\$2,144,523,112	\$2,266,348,212	\$121,825,100
Programs					
Public Education	2,111,101,412	(141,300)	2,110,960,112	2,230,375,012	119,414,900
Applied Technology Education	33,555,200	7,800	33,563,000	35,973,200	2,410,200
Total	\$2,144,656,612	(\$133,500)	\$2,144,523,112	\$2,266,348,212	\$121,825,100

Public Education Appropriations Subcommittee
One-time Funding Items

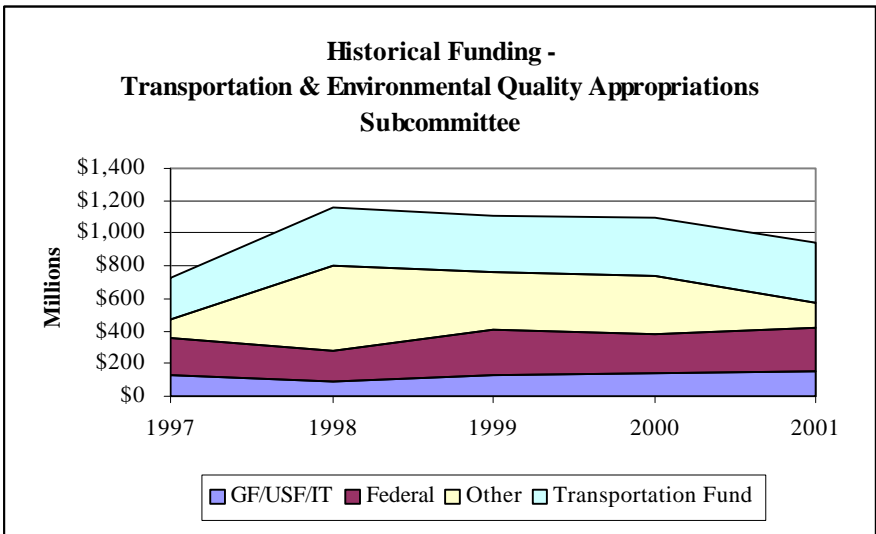
Item Name	FY 2001 Appropriated
Public Education - State Office of Education - Board of Education	19,500
Public Education - State Office of Education - Agency Support	150,000
Public Education - Minimum School Program	10,400,000
Total	\$10,569,500

**Transportation,
Environmental Quality and
National Guard**

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Subcommittee Overview

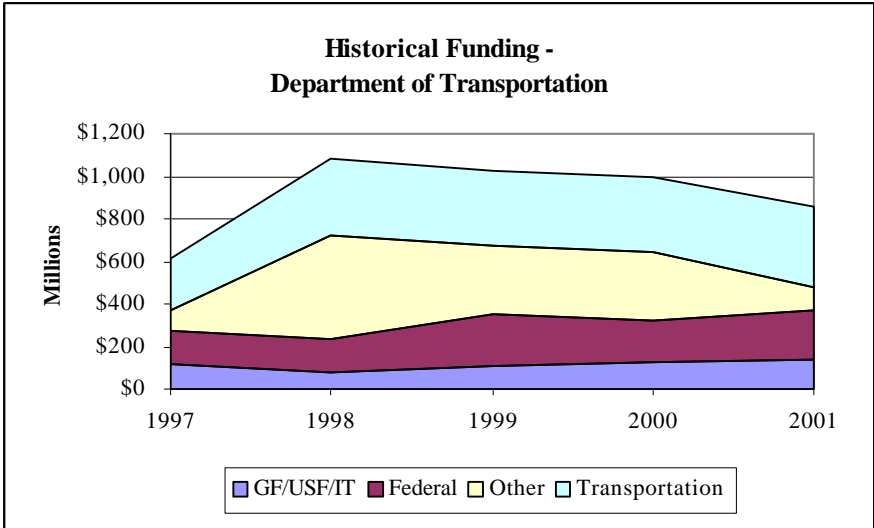
The Legislature provided funding of \$946,613,400 to the Department of Transportation, Department of Environmental Quality, and the Utah National Guard for FY 2001. Major sources of funding for these agencies include: General Fund, Transportation Funds and Federal Funds. The following chart shows funding trends and sources of funding for the agencies that the Transportation and Environmental Quality Subcommittee currently recommends appropriations for.



Department of Transportation

State highways in Utah are constructed and maintained, for the most part, with highway user revenues. Principle revenue sources are motor fuel taxes, motor vehicle registration fees, and special transportation permit revenues. These funds are deposited in the State’s Transportation Fund. Other sources of revenue to the Department of Transportation include federal grants from the Federal Highway Trust Fund, bonding, and appropriations from the General Fund. Revenue estimates adopted by the Legislature for FY 2001 for the Transportation Fund total \$381,900,000 plus an additional \$233,165,500 in federal funds.

The Legislature approved FY 2001 expenditures for the Department of Transportation of \$857,099,300. This includes \$4,241,600 in compensation adjustments and \$323,933,000 to fund the FY 2001 portion of the Centennial Highway Program.



Support Services

The Support Services Division is comprised of the following programs: Administration, Data Processing, Human Resource Management, Procurement, Building and Grounds, Loss Management, Motor Carrier, Ports of Entry, Comptroller's Office, Internal Auditor, and Community Relations.

Legislative Action

The Legislature approved a FY 2001 budget of \$23,124,100 for Support Services which is an increase of \$158,300 from the FY 2000 appropriation. The appropriation included the following new items:

Construction Management System - An appropriation of \$500,000 from the Transportation Fund was made to continue the phase funding for development of a construction management system.

Loma, Colorado Port of Entry - An appropriation of \$202,900 to fund five FTEs for the new Loma, Colorado Port of Entry.

FTE Transfers - The Legislature reduced the FY 2001 appropriation by \$687,100 to cover the transfer of eleven FTEs to the Engineering Services Programs within the Department.

Intent Language

The following intent statements were included with the Support Services appropriations:

Continue to explore the feasibility of Regional Commuter Rail Project:

It is the intent of the Legislature that the Utah Transit Authority shall: (1) continue to develop a regional commuter rail project proposal, including capital and operating cost estimates and plan of finance; (2) include use of the Union Pacific right-of-way in the commuter rail right-of-way acquisition; (3) coordinate the project with the Utah Department of Transportation, local governments, and interested citizens; (4) pursue all federal funding available for the regional commuter rail project; (5) begin preliminary negotiations for right-of-way acquisition or the purchase of options for future right-of-way acquisition, but may not complete an agreement for acquisition or purchase until it has been included in a report described under Subsection (6) and, if requested, has received the approval described under Subsection (7); (6) report any significant progress on the regional commuter rail project to the members of the Legislative Management Committee and the governor; (7) obtain approval of the Legislature and a designated committee of the Legislature before completing an agreement for acquisition or purchase; (8) provide information, as requested, concerning regional commuter rail to the Transportation Interim Committee; and (9) complete Subsections (1) through (8) by November 15, 2000.

Engineering Services

The Engineering Services Division includes the following programs: Safety Operations, Traffic Safety, Program Development, Preconstruction Administration, Environmental, Roadway Design, Structures, Materials lab, Research, Engineering Services, and Right of Way.

Legislative Action

The FY 2001 budget approved for the Engineering Services Division is \$20,848,300. The Legislature increased the FY 2000 appropriation by \$179,700 and the FY 2001 appropriation by \$874,600 to the Engineering Services line item. These appropriations include the following FTE and assignment changes:

- ▶ The transfer of three FTEs in the Engineering Services, Right of Way, and Materials Programs to the Region Management (2) and Construction Management (1) Programs.
- ▶ Transfer of eleven FTEs to the Engineering Services Program from the Support Services Program.

Intent Language

The following intent statements were included with the Engineering Services appropriations:

Adjustment Improvements, Efficiencies, Cost Reductions and FTE Assignments:

It is the intent of the Legislature that the Department of Transportation continue to implement the adjustment improvements contained in their Performance Management Initiative Internal Plan. This plan will continue to be updated and coordinated through the Performance Management Team, with the approval from and implementation directed by the Department's Executive Director.

It is the intent of the Legislature that the Department make a report to the Interim Executive Appropriations Committee and Transportation Interim Committee prior to the General 2001 Legislative Session, indicating the efficiencies and cost reductions that have been achieved and those that are anticipated as a result of implementing these improvement actions.

It is the intent of the Legislature that the Department of Transportation, in conjunction with these improvement initiatives, be given authorization to adjust the assignment of FTE positions between line items as may be necessary in order to achieve the

objectives of this plan. Such reassignments of FTE positions will be included in the report to the Interim Executive Appropriations Committee and Transportation Interim subcommittee and any transfer of funding will be facilitated through a supplemental appropriations request in the 2001 General Session.

It is the intent of the Legislature that the Department of Transportation initiate a Technical Quality Improvement Team (TQIT) to analyze for possible modifications and updating the current culvert and storm drain specifications required by the Department in road construction. This Technical Quality Improvement Team should consider appropriate factors in the analysis of these specifications including performance and design life. The Department should make every effort to complete the project by August 1, 2000.

Construction

The Construction line item includes the Construction Management Program, Rehabilitation/Preservation, Federal Construction-New, and State Construction-New.

Legislative Action

The Legislature approved a total FY 2001 budget for the Construction line item of \$234,313,700. The appropriation included funding for the following items:

Sales Tax for Infrastructure - The appropriation transferred \$500,000 due to provisions of House Bill 393, "Sales Tax for Infrastructure", passed during the 1996 General Session. This law directs the first \$500,000 annually generated by a 1/16 of one percent sales tax increase to be used for corridor preservation. Additional funding for corridor preservation has since been provided on July 1, 1998 with implementation of provisions of House Bill 111, "Transportation Corridor Funding." This law directs increased taxes collected on rental vehicles be provided for corridor preservation.

FTE Transfers - The Legislature approved FY 2000`supplementals for:

The transfer of one FTE from the Construction line item to assist with other assignments within the Support Services Program of the Department.

The transfer of one FTE to the Construction line item to assist with contracts for statewide highway construction projects.

Senate Bill 78, “Utilities in Highway Rights of Way”, was enacted by the Legislature during the 2000 General Session. Provisions of the bill allow the Department to negotiate with telecommunication companies that wish to use the Interstate Highway rights of way for their systems. Inquiries for use of the rights of way are currently being proposed with in kind payments. The bill further requires the Department to pay 50 percent of utility relocation costs on state highways. It is estimated that the cost will be a minimum of \$1,500,000 per year. Payment of those expenses will have a direct impact on reducing construction of state highways.

Intent Language

The following intent statements were included with the Construction line item:

Use of Surplus Transportation Funds:

It is the intent of the Legislature that there is an appropriation to the Department of Transportation from the Transportation Fund, not otherwise appropriated, a sum sufficient, but not more than the surplus of the Transportation Fund, to be used by the Department for the construction, rehabilitation and preservation of State highways in Utah.

It is the intent of the Legislature that the appropriation fund first, a maximum participation with the federal government for the construction of federally designated highways, as provided by law; next the rehabilitation and preservation of State highways, as provided by law, and last, the construction of State highways, as funding permits.

It is also the intent of the Legislature that FTEs for the field crews may be adjusted to accommodate the increase or decrease in the Federal Construction Program. No portion of the money appropriated by this item shall be used either directly or indirectly to enhance or increase the appropriation otherwise made by this act to the Department of Transportation for other purposes.

Centennial Highway Fund

A commitment was made by the Legislature during the 1996 General Session to provide funding over a ten year period for the rebuild of the I-15 corridor from 700 North to approximately 10800 South in the Salt Lake Valley and fund an additional \$1.24 billion dollars in highway construction statewide. These expenditures are in addition to the existing revenue sources that were available at the time. The Centennial Highway Fund was created by action of the Legislature during the 1996 General Session to segregate the increased highway construction funding from the regular ongoing funding revenues.

Legislative Action

The 2001 Fiscal Year commitment to the Centennial Highway Fund is \$323,933,000. The following are some of the key funding sources:

General Funds - The Legislature made \$114,000,000 available to the Department of Transportation for highway construction from the General Fund as ongoing funding and \$20,000,000 of one time General Funds to the Centennial Highway Fund. These funds are anticipated to be used to mitigate critical transportation issues particularly along the I-15 corridor.

Dedicated Credits - An appropriation of \$2,705,000 in Dedicated Credits was appropriated to the Centennial Highway Fund. These funds are expected to be collected from Local/Private sources.

Provisions of Senate Bill 252, "Collection of Fuel Taxes", enacted during the 1997 General Session are expected to increase revenues to the Centennial Highway Fund by \$8,195,000 in FY 2001.

Enactment of Senate Bill 253, "Sales Tax Reduction, Fuel Taxes" and Repeal of Environmental Surcharge on Petroleum", enacted during the 1997 General Session is expected to increase revenues to the Centennial Highway Fund by \$51,936,000 in FY 2001.

House Bill 414, "Registration Fees on Vehicles", enacted during the 1997 General Session is estimated to increase revenues to the Centennial Highway Fund by \$18,032,000 in FY 2001.

Designated Sales Tax - \$4,770,000 was made available by shifting the 1/64 percent of sales tax from the 2002 Olympics to the Centennial Highway Fund and \$62,345,000 from beginning balances in the Centennial Highway Fund.

Region Management

Legislative Action

The Legislature approved a total FY 2001 budget for Region Management of \$20,495,000 which is an increase of \$2,228,700 from FY 2000 estimated. This change came primarily from the reassignment of personnel from Engineering Services to the Region Management line item and increases approved for the Traffic Operations Center. The appropriation included the following new items:

Region Two - An appropriation of \$1,256,800 was made to Region Two for five FTEs, equipment, and current expense to complete staffing requirements for operations of the new Traffic Operations Center that has been added in conjunction with the rebuild of I-15.

FTE Transfers - Transfer of the five FTEs to various Region Management functions to decentralize materials, right of way, I-15 team, and engineering services.

Intent Language

Relocation of Region Three Headquarters:

It is the intent of the Legislature that the Department of Transportation pursue the relocation of its Region Three Headquarters office in Orem if a replacement facility can be obtained at a cost which is not greater than the value received from the disposition of the existing Headquarters property. It is assumed that no less than market value will be accepted and that a competitive Request for Proposal process will be followed. If this condition can be satisfied, it is further the intent of the Legislature that the Division of Facilities Construction and Management work with the Utah Department of Transportation to acquire and/or construct a facility which meets the needs of the Utah Department of Transportation without additional funding.

Equipment Management

The Legislature approved a FY 2001 expenditure of \$17,448,500 for Equipment Management.

This appropriation includes \$7,441,400 to purchase replacement equipment for those items that will be retired from the Department of Transportation's current fleet. The estimated value of the fleet is over \$40 million.

Maintenance Management

The Legislature approved a FY 2001 budget for Maintenance Management of \$72,307,500. The appropriation includes an increase of \$1,500,000 from the Transportation Fund to increase maintenance of state highways.

Intent Language:

Sale or Salvage of Land and Buildings

It is the intent of the Legislature that any and all collections or cash income from the sale or salvage of other land and buildings are to be lapsed to the Transportation Fund.

Sidewalk Construction

The Legislature approved a FY 2001 budget for the Sidewalk Construction Program of \$500,000.

Intent Language

Pedestrian and Sidewalk Safety

It is the intent of the Legislature that the funds appropriated from the Transportation Fund for pedestrian safety projects be used specifically to correct pedestrian hazards on State highways.

It is also the intent of the Legislature that the local authorities be encouraged to participate in the construction of pedestrian safety devices. The appropriated funds are to be used according to the

criteria set forth in Section 27-14-5, Utah Code Annotated 1953. The funds appropriated for sidewalk construction shall not lapse. If local governments cannot use their allocation of Sidewalk Safety Funds in two years, these funds will then be available for other governmental entities which are prepared to use the resources.

It is the intent of the Legislature that local participation in the Sidewalk Construction Program be on a 75 percent State - 25 percent local match basis.

Mineral Lease/Payment in Lieu

The Legislature approved a FY 2001 expenditure for the Mineral Lease/Payment in Lieu programs of \$13,000,000. The following intent language was included with the appropriation:

Intent Language

Expenditures for non system highways.

It is the intent of the Legislature that the funds appropriated from the Federal Mineral Lease Account shall be used for improvement or reconstruction of highways not on the State Highway System that have been heavily impacted by energy development.

It is also the intent of the Legislature that private industry engaged in the developing of the State's natural resources be encouraged to participate in the construction of highways leading to their facilities. The funds appropriated for improvement or reconstruction of energy impacted highways that are not on the State Highway System are nonlapsing.

B & C Road Fund

The Legislature approved \$110,744,800 for distribution to local governments through the B & C Road Account for FY 2001. This is an estimate only since the actual disbursement will depend on the total motor fuel taxes collected in FY 2001. The appropriation included Designated Sales Tax Funds created by provisions of House Bill 393 - "Sales Tax for Infrastructure", as passed by the Legislature during the 1996 General Session. These funds are estimated to provide approximately \$18,000,000 to the B & C Road Fund in FY 2001.

Aeronautics

Legislative Action

The Legislature approved a total FY 2001 budget for the Aeronautics Division of \$20,384,400 which is an increase of \$1,052,400 from FY 2000. Included in that increase are the following:

Airplane Replacement - An appropriation of \$292,100 from the Transportation Fund Restricted - Aeronautics was approved to fund a lease purchase agreement for a new plane that will replace one of the planes in the state's fleet.

FTE Increase - An increase of two FTEs was approved with funding of \$135,500 from the Transportation Fund Restricted - Aeronautics Account to implement provisions of a bill currently before the United States Congress that would authorize state aeronautics personnel to administer federal grants from the Federal Aviation Administration.

Senate Bill 150, "Appropriation for Airport Authority", these funds are anticipated to be used to assist local airports with maintenance and reconstruction of their airport facilities.

Intent Language

Airport Improvement Program

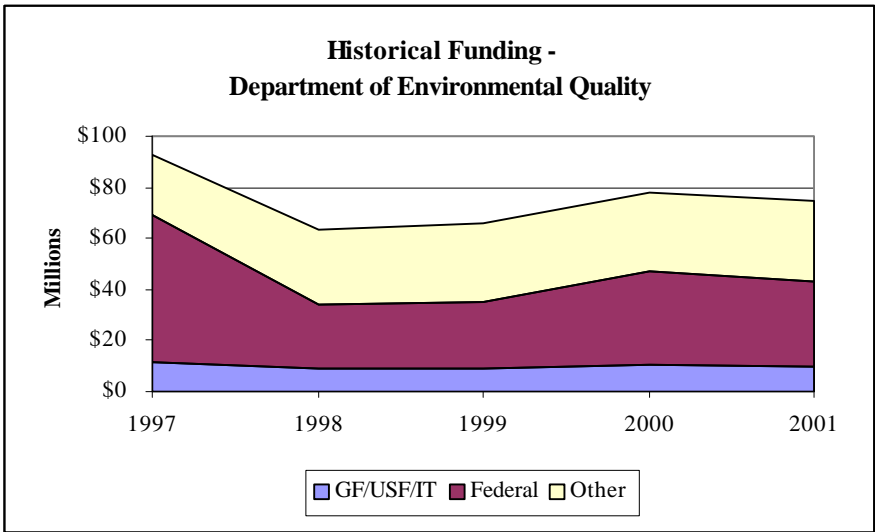
It is the intent of the Legislature that funds appropriated for the Airport Improvement Program be contingent upon the enactment of legislation by the United States Congress granting Utah sole authority to administer that program.

Funding Detail

Department of Transportation					
	FY 2000	FY 2000	FY 2000	FY 2001	Change From
Financing	Estimated	Supplemental	Revised	Appropriated	2000 Revised
General Fund	123,197,600		123,197,600	115,246,600	(7,951,000)
General Fund, One-time	500,000		500,000	20,000,000	19,500,000
Transportation Fund	351,573,200		351,573,200	377,407,600	25,834,400
Centennial Highway Fund	19,756,000		19,756,000	18,032,000	(1,724,000)
Federal Funds	200,000,000		200,000,000	232,715,500	32,715,500
Dedicated Credits Revenue	28,407,100	(125,600)		19,761,100	(8,520,400)
Dedicated Credits - Transport	68,000,000		68,000,000		(68,000,000)
Federal Mineral Lease	12,185,000		12,185,000	13,000,000	815,000
TFR - Aeronautics Fund	8,416,100	48,700	8,464,800	9,768,500	1,303,700
Debt Service				(41,104,400)	(41,104,400)
Designated Sales Tax	18,000,000		18,000,000	23,770,000	5,770,000
Transfers - Within Agency	(368,300)		(368,300)	6,166,000	6,534,300
Beginning Nonlapsing	293,899,000		293,899,000	62,345,000	(231,554,000)
Closing Nonlapsing	(125,715,600)		(125,715,600)	(8,600)	125,707,000
Total	\$997,850,100	(\$76,900)	\$997,773,200	\$857,099,300	(\$140,673,900)
Programs					
Support Services	23,479,300	(82,600)	23,396,700	23,124,100	(272,600)
Engineering Services	18,759,000	179,700	18,938,700	20,848,300	1,909,600
Maintenance Management	70,366,500	203,300	70,569,800	72,307,500	1,737,700
Construction Management	200,298,700	(610,700)	199,688,000	234,313,700	34,625,700
District Management	18,426,600	310,300	18,736,900	20,495,000	1,758,100
Equipment Management	16,555,100	(125,600)	16,429,500	17,448,500	1,019,000
Aeronautics	19,332,000	48,700	19,380,700	20,384,400	1,003,700
B and C Roads	103,394,000		103,394,000	110,744,800	7,350,800
Safe Sidewalk Construction	1,770,800		1,770,800	500,000	(1,270,800)
Mineral Lease	12,200,100		12,200,100	13,000,000	799,900
Centennial Highway Program	513,268,000		513,268,000	323,933,000	(189,335,000)
Total	\$997,850,100	(\$76,900)	\$997,773,200	\$857,099,300	(\$140,673,900)

Department of Environmental Quality

The responsibility of the Department of Environmental Quality is to safeguard public health and quality of life by protecting and improving environmental quality while considering the benefits to public health, the impacts on economic development, property, wildlife, tourism, business, agriculture, forests, and other interests. The Legislature approved FY 2001 expenditures for the Department of Environmental Quality of \$74,729,800. This includes \$1,102,500 in compensation adjustments. The detail of these appropriations by program follows.



Executive Director’s Office

The Executive Director’s Office provides administrative direction to the entire department. This office has the responsibility to implement state and federal environmental laws and regulations, coordinate department programs with local health departments, and provide fiscal oversight for the department.

Legislative Action

The Legislature approved a total FY 2001 budget for the Executive Director’s Office of \$4,320,600. This appropriation includes salary and benefit adjustments of \$130,200.

High Level Nuclear Waste Storage: One-time appropriations of \$50,000 from the General Fund and \$376,300 from the General Fund Restricted - Environmental Quality Account for FY 2001 were approved to conduct an investigation to identify, evaluate, and communicate risks associated with the storage of high level nuclear waste in Utah.

Intent Language

High Level Nuclear Waste

It is the intent of the Legislature that the funds appropriated for the purpose of addressing High Level Nuclear Waste be nonlapsing.

Air Quality

The mission of the Air Quality Program is to protect the public health, property and vegetation in Utah from the effects of air pollution.

Legislative Action

The Legislature approved a FY 2001 budget for Air Quality of \$7,785,500. The Legislature also approved a FY 2000 supplemental budget of \$1,205,000 from the General Fund to enable the Division to write clean air conformity plans for Utah and Salt Lake Valleys. These plans are required under provisions of the new Federal Clean Air Laws enacted by the United State Congress.

Intent Language

Operating Permit Program:

It is the intent of the Legislature that any unexpended funds in the Air Operating Permit Program are nonlapsing and authorized for use in the Operating Permit Program in FY 2001 to reduce emission fees.

PM 10 Implementatation Plan:

It is the intent of the Legislature that the funds appropriated in FY 2000 for the PM 10 State Implementation Plan Project be non-lapsing. It is further the intent of the Legislature that at

completion of this project any unexpended funds are to lapse to the General Fund.

Response and Remediation

The mission of the Division of Environmental Response and Remediation is to protect the health and environment of the citizens of Utah from exposure to hazardous substances.

Legislative Action

The Legislature appropriated \$15,133,000 to the Response and Remediation Program for FY 2001. The appropriation included the following items:

Reauthorization of Attorney: The Legislature reauthorized one-time funding of \$87,200 from the Petroleum Storage Tank Expendable Trust Fund for FY 2001 to continue services of an attorney to recover funds from the same funds that have been expended to clean up sites not covered by the Petroleum Storage Tank Expendable Trust Fund.

Intent Language

Recovery of Petroleum Storage Tank Funds

It is the intent of the Legislature that funding provided to hire a full time attorney to recover Petroleum Storage Tank Trust Funds and Petroleum Storage Cleanup Funds be used exclusively for that purpose. It is the intent of the Legislature that this funding is to be considered a one time appropriation.

Hazardous Materials Clean-up:

It is the intent of the Legislature that the Department of Environmental Quality handle hazardous materials cleanups during FY 2001 from existing funds available to the Department.

Radiation Control

Radiation Control has the responsibility to assure the citizens of the state the lowest exposure to any form of radiation.

Legislative Action

The Legislature appropriated \$1,696,700 as an expenditure level for FY 2001 for the Radiation Control Program.

Intent Language

Radioactive Waste Permit Application

It is the intent of the Legislature that the Department of Environmental Quality expeditiously process radioactive waste permit applications once the application is deemed complete and all necessary information is received by the Department.

It is the intent of the Legislature that the Department of Environmental Quality report to the President of the Senate and the Speaker of the House of Representatives, or their designees, and to the Legislative Management Committee of the progress made in review of radioactive waste disposal license applications.

Water Quality

Water Quality protects the public health and ensures the beneficial use of water by maintaining and enhancing the chemical, physical and biological integrity of Utah's waters.

Legislative Action

An expenditure level of \$7,220,200 was approved by the Legislature for the Water Quality Program for FY 2001. In addition \$18,677,500 was approved for the water quality loan program for FY 2001. The plan of financing includes \$5,000,000 in federal funds, \$9,327,500 from loan repayments, and \$4,350,000 from designated sales tax revenue. The designated sales tax revenue is realized with implementation of provisions of House Bill 393, "Sales Tax for Infrastructure", enacted during the 1996 General Session. This legislation provided the Water Quality Program an equivalent of 1/64 of a cent of state sales tax revenue. However, House Bill 275, "Sales and Use Tax Allocation for Species Protection", was enacted during the 2000 General Session that reduces the 1/64 cent portion by \$575,000 annually for species protection.

Intent Language

Groundwater Permit Administration

It is the intent of the Legislature that any unexpended Groundwater Permit Administration fees are non-lapsing and authorized for use in the Groundwater Permit Administration Program in the following fiscal year to reduce fees charged.

Drinking Water

The mission of the Drinking Water Division is to see that public water systems in Utah provide safe and adequate drinking water to all residents and visitors.

Legislative Action

The Legislature approved an operating budget for the Division of Drinking Water for FY 2001 of \$3,403,900. In addition an appropriation of \$9,983,000 was approved for the Drinking Water Loan Program for FY 2001. This appropriation includes \$5,633,000 in federal funds and \$4,350,000 from Designated Sales Tax Revenue. The Designated Sales Tax Revenue is realized with implementation of provisions of House Bill 393, "Sales Tax for Infrastructure", 1996 General Session. The legislation provided 1/64 of a cent of State sales tax revenue for drinking water programs. However, House Bill 275, "Sales and Use Tax Allocation for Species Protection", was enacted during the 2000 that reduces the 1/64 cent portion by \$575,000 annually for species protection.

In addition the Legislature approved an appropriation of \$256,000 from federal funds to develop a more extensive database on water systems throughout the state as required by federal law.

Solid and Hazardous Waste

The Division of Solid and Hazardous Waste protects the public health and environment by ensuring proper management of solid and hazardous wastes within the State of Utah.

Legislative Action

The Legislature approved a FY 2001 budget for Solid and Hazardous Waste of \$6,509,400.

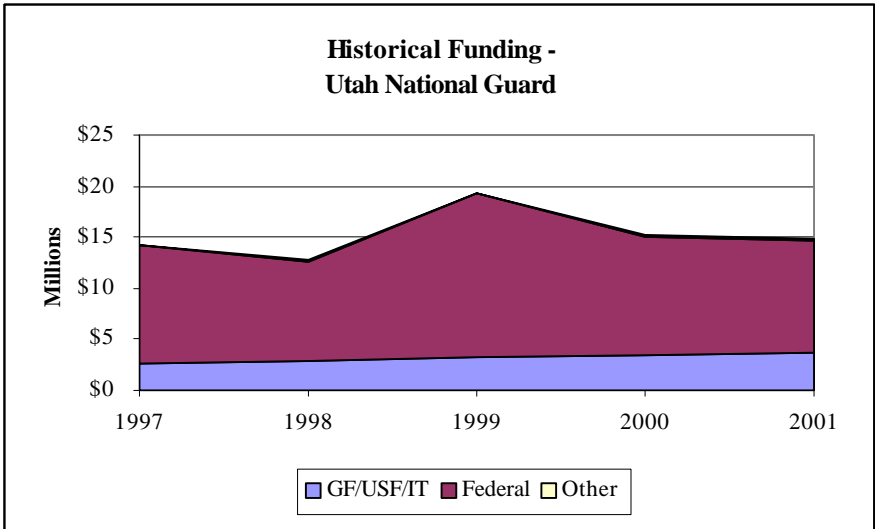
House Bill 47, “Repeal of Waste Tire Recycling Industrial Assistance Loan Program”, was enacted. The bill repealed the Waste Tire Loan Program and transferred the balances, collections and loan repayments to the Waste Tire Recycling Expendable Trust Fund to the Division of Finance. With that transfer also came the responsibility to make disbursements from the fund as provided by the statute.

Funding Detail

Department of Environmental Quality					
Financing	FY 2000 Estimated	FY 2000 Supplemental	FY 2000 Revised	FY 2001 Appropriated	Change From 2000 Revised
General Fund	9,489,200	(16,100)	9,473,100	9,709,000	235,900
General Fund, One-time		1,255,000	1,255,000	50,000	(1,205,000)
Federal Funds	36,192,600	(9,200)	36,183,400	33,050,400	(3,133,000)
Dedicated Credits Revenue	6,198,800	(6,500)	6,192,300	6,284,600	92,300
GFR - Environmental Quality	4,257,600	(4,200)	4,253,400	4,239,800	(13,600)
GFR - Used Oil Administratio	659,700		659,700	659,700	
GFR - Voluntary Cleanup	54,000		54,000	54,000	
GFR - WDS - Drinking Water	51,200		51,200	50,800	(400)
GFR - WDS - Water Quality	491,900		491,900	501,700	9,800
ET - Petroleum Storage Tank	922,600		922,600	941,300	18,700
ET - Waste Tire Recycling	91,000		91,000	91,000	
Designated Sales Tax	8,700,000		8,700,000	8,700,000	
Petroleum Storage Tank Accc	70,000		70,000	50,000	(20,000)
Petroleum Storage Tank Loan	123,400		123,400	123,400	
Transfers - Within Agency	165,000		165,000	150,800	(14,200)
Reimbursement	9,000,000		9,000,000	9,327,500	327,500
Beginning Nonlapsing	1,154,200		1,154,200	769,600	(384,600)
Closing Nonlapsing	(769,600)		(769,600)	(23,800)	745,800
Total	\$76,851,600	\$1,219,000	\$78,070,600	\$74,729,800	(\$3,340,800)
Programs					
Environmental Quality	47,334,500	1,219,000	48,553,500	46,069,300	(2,484,200)
Water Security Devel Acct - Water Pollution	19,110,000		19,110,000	18,677,500	(432,500)
Water Security Devel Acct - Drinking Water	10,407,100		10,407,100	9,983,000	(424,100)
Total	\$76,851,600	\$1,219,000	\$78,070,600	\$74,729,800	(\$3,340,800)

National Guard

The primary purposes of the Utah National Guard are to provide military forces to assist with national military actions, as a state force to quell civil disturbances, and to provide public assistance during natural disasters. The Utah Army and Air National Guard serve both state and federal governments by providing organized, trained, and equipped air and ground units to perform state missions, as directed by the Governor, while supporting the mobilization programs of the federal government.



Legislative Action

The Legislature approved FY 2001 expenditures for the Utah National Guard of \$14,784,300. This includes \$304,200 in compensation adjustments and \$112,000 to fund increased expenditures passed during the 2000 General Session of the Legislature. The appropriation included the following new items:

Fort Douglas Museum - A one time appropriation of \$8,000 to assist with costs to upgrade displays at the Fort Douglas Military Museum.

Armory Maintenance - An increase of \$62,000 was appropriated to augment the operations and maintenance of air guard armory facilities.

Orem Armory - A one time General Fund appropriation of \$42,000 was made for operation and maintenance of the new armory facility in Orem.

House Bill 140 - During the 2000 General Session of the Legislature House Bill 140, "Reorganization of Veteran Related Programs", was enacted. Provisions of this bill transfers all military and veteran related functions in state government to the Utah National Guard. The Office of Veterans' Affairs will be moved from the Department of Community and Economic Development. The Veterans' Memorial Park will be moved from the Department of Natural Resources and responsibility for the Veterans' Nursing Home will be moved from the Department of Health.

Funding Detail

Utah National Guard					
	FY 2000	FY 2000	FY 2000	FY 2001	Change From
Financing	Estimated	Supplemental	Revised	Appropriated	2000 Revised
General Fund	3,478,400	(3,100)	3,475,300	3,622,300	147,000
General Fund, One-time				50,000	50,000
Federal Funds	11,533,400	(9,500)	11,523,900	10,963,500	(560,400)
Dedicated Credits Revenue	40,000		40,000	40,000	
Transfers - Intergovernmental	108,500		108,500	108,500	
Beginning Nonlapsing	98,900		98,900		(98,900)
Total	\$15,259,200	(\$12,600)	\$15,246,600	\$14,784,300	(\$462,300)
Programs					
Utah National Guard	15,259,200	(12,600)	15,246,600	14,784,300	(462,300)
Total	\$15,259,200	(\$12,600)	\$15,246,600	\$14,784,300	(\$462,300)

Transportation & Environmental Quality Appropriations Subcommittee

	FY 2000	FY 2000	FY 2000	FY 2001	Change From
Financing	Estimated	Supplemental	Revised	Appropriated	2000 Revised
General Fund	136,165,200	(19,200)	136,146,000	128,577,900	(7,568,100)
General Fund, One-time	500,000	1,255,000	1,755,000	20,100,000	18,345,000
General Fund Restricted	5,514,400	(4,200)	5,510,200	5,506,000	(4,200)
Transportation Fund	351,573,200		351,573,200	377,407,600	25,834,400
Centennial Highway Fund	19,756,000		19,756,000	18,032,000	(1,724,000)
Aeronautics Fund	8,416,100	48,700	8,464,800	9,768,500	1,303,700
Federal Funds	247,726,000	(18,700)	247,707,300	276,729,400	29,022,100
Dedicated Credits	102,645,900	(132,100)	102,513,800	26,085,700	(76,428,100)
Federal Mineral Lease	12,185,000		12,185,000	13,000,000	815,000
Trust and Agency Funds	27,907,000		27,907,000	(7,428,700)	(35,335,700)
Transfers	(94,800)		(94,800)	6,425,300	6,520,100
Repayments/Reimbursements	9,000,000		9,000,000	9,327,500	327,500
Beginning Balance	295,152,100		295,152,100	63,114,600	(232,037,500)
Closing Balance	(126,485,200)		(126,485,200)	(32,400)	126,452,800
Total	\$1,089,960,900	\$1,129,500	\$1,091,090,400	\$946,613,400	(\$144,477,000)
Programs					
National Guard	15,259,200	(12,600)	15,246,600	14,784,300	(462,300)
Environmental Quality	76,851,600	1,219,000	78,070,600	74,729,800	(3,340,800)
Transportation	997,850,100	(76,900)	997,773,200	857,099,300	(140,673,900)
Total	\$1,089,960,900	\$1,129,500	\$1,091,090,400	\$946,613,400	(\$144,477,000)

**Transportation & Environmental Quality Appropriations Subcommittee
One-time General Fund Items**

Item Name	FY 2001 Appropriated
National Guard - Utah National Guard - Armory Maintenance	50,000
Environmental Quality - Director's Office	50,000
Transportation - Centennial Highway Program	20,000,000
Total	\$20,100,000