

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."

2001-2002
A P P R O P R I A T I O N S
R E P O R T

U t a h L e g i s l a t u r e
2001 G e n e r a l S e s s i o n
J u n e 20 , 2001 S p e c i a l S e s s i o n

O f f i c e o f t h e L e g i s l a t i v e F i s c a l A n a l y s t
J o h n E . M a s s e y
L e g i s l a t i v e F i s c a l A n a l y s t

S e n a t o r L e o n a r d M . B l a c k h a m
R e p r e s e n t a t i v e J e f f A l e x a n d e r
C o - c h a i r s , E x e c u t i v e A p p r o p r i a t i o n s C o m m i t t e e

J u n e 2001

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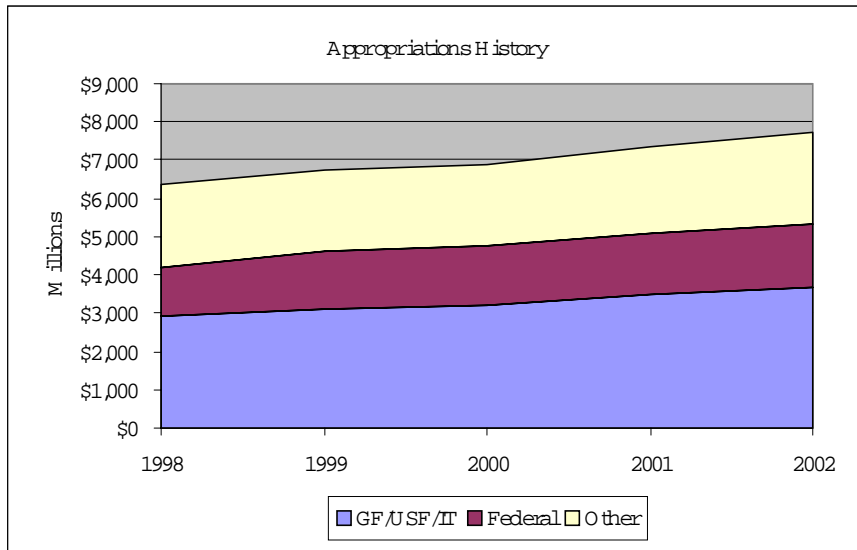
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Executive Summary

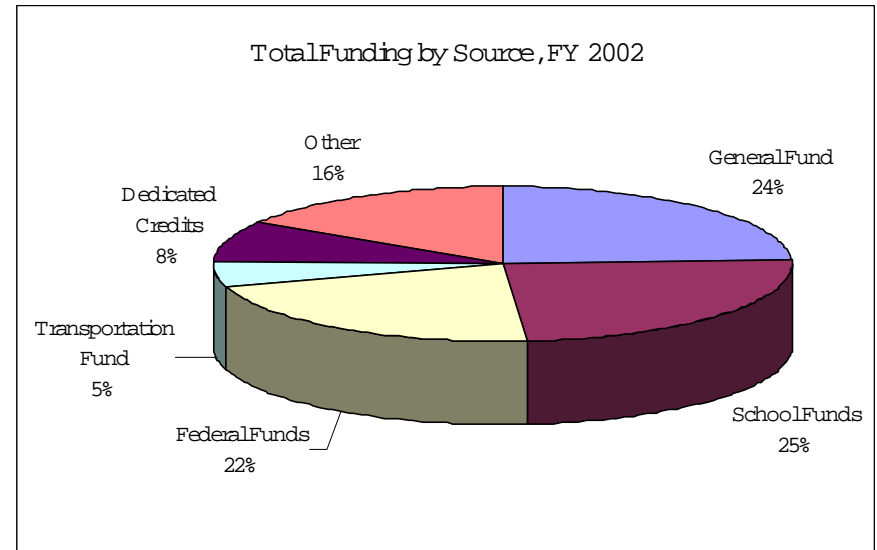
Appropriations Overview

The Fifty-Fourth Utah State Legislature passed four Appropriations Acts (H.B. 1, S.B. 1, S.B. 3, and H.B. 3) as well as various other appropriation-carrying legislation that, combined, authorize State spending of \$7.5 billion.



Revenue

Legislators adopted FY 2002 State revenue projections for the General Fund, Uniform School Fund and Income Tax of \$3,813,053,000, Transportation Funds of \$403,700,000 and Mineral Lease funds of \$42,500,000. The General Fund/Uniform School Fund growth is estimated at 3.8 percent above FY 2001. The following pie chart graphically illustrates the distribution of the resources used in the FY 2002 State Budget:

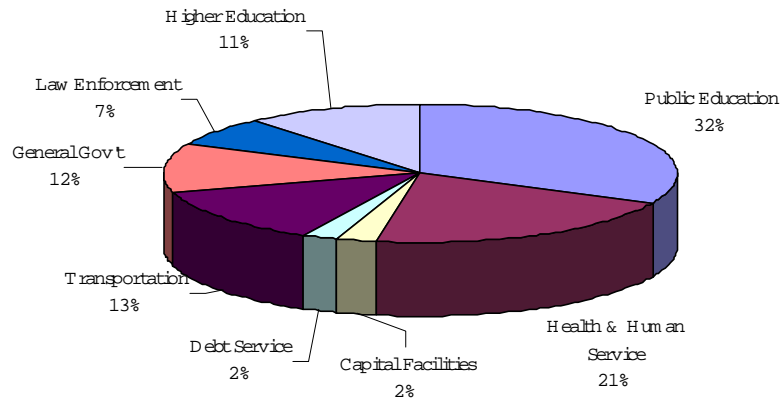


Appropriations

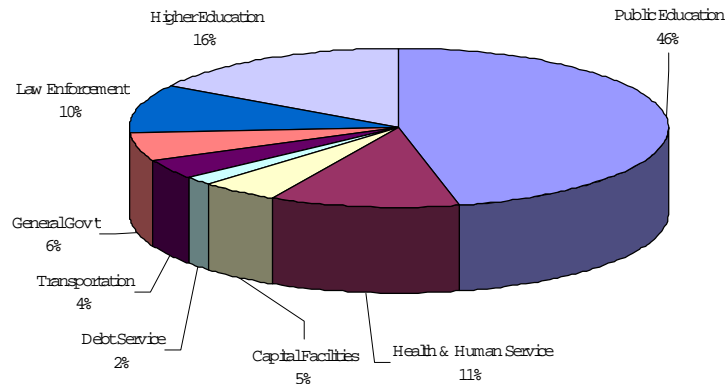
The Legislature appropriates from a number of sources including: the General Fund, supported primarily by sales taxes; the income tax based Uniform School Fund (USF); federal funds; and other resources including the Transportation Fund; dedicated credits (fee for service revenue); property tax and bond proceeds. The Legislature approved \$7.5 billion in spending for FY 2002, a 3.84 percent increase over FY 2001 revised figures. State funds total \$3.9 billion and account for 52 percent of the budget. Federal Funds account for \$1.6 billion or 21.6 percent.

Education programs dominate State spending. The combined appropriation to Public Education (K-12) and Higher Education account for more than 43.1 percent of the State's total expenditures from all revenue sources in FY 2002. When restricted to only State revenue sources, education spending accounts for approximately 62.3 percent of budget for FY 2002. The allocation of State resources in the budget is included in the following charts.

Total Funding by Area of Expenditure, FY 2002



General Fund and School Funds by Area of Expenditure FY 2002



Tax Changes/Bills Affecting Revenue

General Fund

HB 78 – “Sales and Use Tax – Sales Relating to Schools” This bill provides a sales tax exemption for admissions to certain school-related events or activities. The estimated cost is \$337,000.

HB 110 S1 – “Sales Tax for Qualified Emergency Food Shelters” This bill expands an existing exemption. The cost is estimated at \$6,500.

HB 261 – “Sales and Use Tax Exemption – Scrap Recyclers” This bill provides a sales tax exemption for scrap recyclers on fuels used for industrial use. Estimated costs are \$105,800.

HB 370 – “Hazardous Waste Amendments” This bill imposes a new tax on radioactive waste received at a facility in the State. The expected revenue in FY 2002 is \$744,000.

SB 114 – “Sales and Use Tax on Public Accommodations and Services Taxed by Tribes” In cases where an accommodation is taxed by both the Navajo Nation and the State, the State has chosen to forgo its revenue. Estimated cost to the State is \$154,700.

SB 174 S1 – “Sales and Use Tax – Exemption for Semiconductor Fabricating or Processing” This bill provides an exemption for semiconductor manufacturing equipment and supplies with a life of less than three years. The bill is phased in over three years. At full implementation, the cost is estimated at \$468,000.

Uniform School Fund

HB 98 s1 – “Enterprise Zone Amendments” This bill provides income tax credits for business expansion in rural areas of the state. The estimated cost is capped at \$300,000.

SB 34 – “Individual Income Tax – Relief for Low Income Individuals” This bill allows individuals who are not required to file a

federal return to be exempt from state filing requirements. The estimated State revenue loss is \$800,000.

SB 36 S2 – "Individual Income Tax Bracket Adjustments" This bill expands the income tax brackets resulting in a loss of \$18 million to the Uniform School Fund.

SB 71 S1 – "Tax Credits for Special Needs Adoptions" This bill provides a \$1,000 tax credit for taxpayers who adopt special needs children. The estimated cost is \$256,000.

Other Revenue

SB 58 S2 – "Repeal of Nursing Facilities Assessment" This bill eliminated the assessment of \$1.83 per nursing facility bed day. This repeal will save the owners of nursing facilities. The total amount of savings is \$4,400,000. This funding has been used to augment the State Medical Assistance Program. The Legislature authorized the appropriation of \$4.4 million from the General Fund to cover the assessment loss.

SJR 102 – "Resolution Approving Tobacco Law Suit Settlement" During the June Special Session, the Legislature passed SJR 102, "Resolution Approving Tobacco Law Suit Settlement". With this resolution, the Legislature approved settling a law suit with the outside law firm which assisted the State with the tobacco litigation. The State has settled the suit, paying the firm \$9.95 million. This settlement will come from the escrow funds which have been withheld by the United States District Court. The balance in the escrow account, approximately \$6 million, will be distributed between the Permanent Trust Fund and the Restricted Account. Future payments from the tobacco companies will not be subject to the 25 percent holdback by the Court.

Statewide Budget Reductions

Several expenditure items are projected to cost less in FY 2002. These include retirement contributions and Unemployment Insurance for state employees, and Internal Service Fund rates, paid by agencies for centralized services.

The Utah State Retirement Board has certified that contribution rates for state employees will be lower in FY 2002 than the amounts funded in the FY 2001 base. This allowed the Legislature to offset increases in the total personal services by over \$63 million.

The rate charged for Unemployment Insurance is also projected to decrease slightly in FY 2002, decreasing costs by \$63,700.

The Department of Administrative Services provides certain services to other state agencies in a business-like manner, charging those agencies for the services. These include services for purchasing (copying, mailing, and supplies), the central motor pool, data processing, risk management, facilities management, and debt collection. The overall rates charged for these services is projected to decrease in FY 2002 by approximately \$400,000.

The following table illustrates the savings due to the statewide budget reductions, by funding source and agency.

FY 2002 Across-the-Board Budget Impacts

Financing	Retirement	Unemp. Comp. Ins.	ISF Rates	Total
General Fund	(14,977,800)	(31,200)	(92,700)	(15,101,700)
General Fund Restricted	(1,090,800)	(3,100)	(64,900)	(1,158,800)
Uniform School Fund	(37,832,600)	(4,500)	12,300	(37,824,800)
Uniform School Fund Restricted	(900)			(900)
Transportation Fund	(1,919,800)	(5,300)	53,100	(1,872,000)
Transportation Fund Restricted		(700)	(3,700)	(4,400)
Aeronautics Fund	(20,300)		100	(20,200)
Federal Funds	(3,991,400)	(11,500)	(258,600)	(4,261,500)
Dedicated Credits	(2,287,400)	(3,500)	(58,700)	(2,349,600)
Federal Mineral Lease	(20,200)		(600)	(20,800)
Trust and Agency Funds	(376,800)	(900)	(2,600)	(380,300)
Transfers	(1,001,400)	(3,000)	2,400	(1,002,000)
Total	(\$63,519,400)	(\$63,700)	(\$413,900)	(\$63,997,000)
Programs				
Legislature	(185,700)	(400)		(186,100)
Elected Officials	(827,900)	(2,300)	(55,100)	(885,300)
Courts	(2,181,900)	(4,600)	3,000	(2,183,500)
Corrections	(3,524,800)	(9,800)	(438,700)	(3,973,300)
Public Safety	(1,008,900)	(3,200)	(31,200)	(1,043,300)
Administrative Services	(275,800)	(700)	(12,600)	(289,100)
Health	(1,358,100)	(3,900)	(22,300)	(1,384,300)
Human Services	(3,755,500)	(11,200)	(23,200)	(3,789,900)
Public Education	(37,303,200)	(3,000)	(33,700)	(37,339,900)
Applied Technology Education	(541,000)	(1,800)		(542,800)
Higher Education	(3,931,200)		266,200	(3,665,000)
Higher Ed - UEN	(40,200)		(200)	(40,400)
Natural Resources & Agriculture	(1,556,800)	(3,100)	(8,700)	(1,568,600)
Commerce & Revenue	(3,686,000)	(11,200)	(175,500)	(3,872,700)
Econ Dev & Human Resources	(335,500)		13,100	(322,400)
National Guard	(153,700)	(500)		(154,200)
Environmental Quality	(603,200)	(1,800)	(5,000)	(610,000)
Transportation	(2,250,000)	(6,200)	110,000	(2,146,200)
Total	(\$63,519,400)	(\$63,700)	(\$413,900)	(\$63,997,000)

Employee Compensation

Public Employees: A salary and benefit increase of approximately six percent was approved for FY 2002. This includes a four percent salary increase, plus health insurance increases averaging 16.13 percent and Dental insurance increases of 3.0 percent. Public employees will be required to fund seven percent of health insurance costs for certain program coverage. Also, approximately \$3 million was appropriated for statewide market comparability adjustments, including \$1 million for Highway Patrol salary adjustments.

Higher Education: A salary and benefit increase of approximately six percent for USHE and UEN was appropriated for FY 2002. This includes a four percent salary increase, and increases for health and dental insurance. In addition, \$4,744,500 was appropriated for selected salary equity adjustments. The State Board of Regents approved a 4% tuition rate increase, which will generate approximately \$7,143,700 that will be used toward funding the compensation package.

Public Education: The legislature approved a compensation increase equivalent to 6.0 percent for instructors in Public Education. This included two additional non-instructional days for teacher professional development. Administrators and other staff received approximately 6.0 percent compensation increase for FY 2002. The funding for compensation includes all adjustments for salary increases and premium rate increases for health and dental benefits. In addition, \$9.9 million was appropriated to attract and retain science and math teachers.

The following table compares the costs of employee benefits from FY 2001 to FY 2002, also showing the decrease in the retirement rates and Unemployment Insurance.

FY 2002 Appropriated Personal Services Rates

	2001 Appropriated	2002 Appropriated	Difference
PEHP Health Insurance ¹			
Single	\$2,318.16	\$2,684.95	\$366.79
Two-Party	\$4,780.16	\$5,536.27	\$756.11
Family	\$6,381.34	\$7,390.55	\$1,009.21
PEHP Dental Insurance			
PEHP Single ²	\$436.02	\$448.03	\$12.01
PEHP Two-Party ²	\$554.58	\$569.61	\$15.03
PEHP Family ²	\$806.52	\$828.31	\$21.79
Altius Single	\$357.24	\$397.58	\$40.34
Altius Two-Party	\$455.64	\$510.88	\$55.24
Altius Family	\$663.84	\$740.57	\$76.73
Dentalwise Single	\$340.68	\$369.77	\$29.09
Dentalwise Two-Party	\$434.04	\$465.56	\$31.52
Dentalwise Family	\$630.12	\$667.44	\$37.32
Retirement Rates			
Contributory	15.19%	11.87%	-3.32%
Non-contributory	13.68%	10.36%	-3.32%
Public Safety Non-contrib.	23.62%	19.68%	-3.94%
Elected Officials	15.19%	11.87%	-3.32%
Judges Non-contributory	15.10%	5.55%	-9.55%
Other Rates			
Life Insurance	\$36.40	\$50.44	\$14.04
401K Employer Contribution ³	1.50%	1.50%	0.00%
Unemp. Comp. Insurance	0.11%	0.10%	-0.01%
Workers' Compensation	0.80%	0.80%	0.00%
Disability	0.60%	0.60%	0.00%
Comp & Excess Leave Pool	2.10%	2.30%	0.20%
Social Security	6.20%	6.20%	0.00%
Social Security Cap	\$76,950.00	\$76,950.00	0.00%
Medicare	1.45%	1.45%	0.00%

1. Employer cost equal across plans. PEHP Preferred members pay 5% of premium in FY 2001 and 7% of premium in FY 2002.

2. PEHP Traditional members pay 20% of premium.

3. Included for employees on non-contributory retirement plans.

Note: All dollar rates are per year. Percentages are applied to base salary.

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 2002 appropriations to the Revised Budget for FY 2001. The FY 2001 Estimated column includes original appropriations made in the 2000 General Session and any changes in federal funds and dedicated credits or other sources of funds. The FY 2001 revised column reflects the effect of supplemental appropriations and other legislative actions of the 2001 General Session.

Table 2 compares General Fund, Uniform School Fund, and Income Tax appropriations for FY 2002 to the estimated FY 2001 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 2001 - FY 2002
All Funds

	FY 2001 Estimated	FY 2001 Supplemental	FY 2001 Revised	FY 2002 Appropriated	Percent Change
Financing					
General Fund	1,636,662,400		1,636,662,400	1,778,409,900	8.66%
General Fund, One-time	35,280,300	47,747,450	83,027,750	39,332,850	-52.63%
General Fund Restricted	113,013,200	(3,123,100)	109,890,100	110,067,500	0.16%
Uniform School Fund	1,710,927,646		1,710,927,646	1,803,891,316	5.43%
Uniform School Fund, One-time	12,569,500	24,650,600	37,220,100	56,201,800	51.00%
Uniform School Fund Restricted		30,000	30,000	140,900	369.67%
USFR - Student Growth Account				(20,000,000)	
Income Tax	161,714,600		161,714,600	211,873,400	31.02%
Income Tax, One-time	1,000,000	137,434,900	138,434,900	20,867,100	-84.93%
Transportation Fund	386,742,600		386,742,600	399,739,700	3.36%
Transportation Fund, One-time	611,000	(8,200)	602,800	3,984,500	561.00%
Transportation Fund Restricted	17,109,300	30,000	17,139,300	18,422,400	7.49%
Centennial Highway Fund	59,136,400		59,136,400	101,327,500	71.35%
Aeronautics Fund	9,768,500		9,768,500	9,492,200	-2.83%
CBEENT Education and Enforcement				15,000	
Federal Funds	1,631,679,900	8,077,900	1,639,757,800	1,627,715,200	-0.73%
Dedicated Credits	422,364,900	1,306,300	423,671,200	618,092,200	45.89%
Land Grant	786,700		786,700	753,700	-4.19%
Federal Mineral Lease	27,162,800	(845,000)	26,317,800	34,330,400	30.45%
Mineral Bonus	3,150,000	844,600	3,994,600	4,857,100	21.59%
Restricted Revenue	1,075,000		1,075,000		-100.00%
Trust and Agency Funds	395,680,766	(640,700)	395,040,066	411,838,560	4.25%
Transfers	212,915,500	454,100	213,369,600	211,731,900	-0.77%
Repayments/Reimbursements	29,708,200		29,708,200	21,357,300	-28.11%
Other Financing Sources	25,000		25,000		-100.00%
Pass-through	465,200		465,200		-100.00%
Beginning Balance	190,872,747	1,232,300	192,105,047	139,147,708	-27.57%
Closing Balance	(84,462,337)	(36,900)	(84,499,237)	(57,230,208)	-32.27%
Lapsing Balance	(672,500)		(672,500)	(10,700)	-98.41%
Total	\$6,975,287,322	\$217,154,250	\$7,192,441,572	\$7,546,349,226	4.92%
Programs					
Legislature	14,126,200	232,250	14,358,450	15,010,850	4.54%
Elected Officials	66,943,000	9,494,600	76,437,600	65,351,300	-14.50%
Courts	98,544,510	1,228,000	99,772,510	103,004,200	3.24%
Connections	287,299,800	5,639,300	292,939,100	301,347,900	2.87%
Public Safety	104,911,300	2,195,500	107,106,800	115,888,300	8.20%
Administrative Services	32,136,600	(105,200)	32,031,400	32,493,900	1.44%
Debt Service	161,752,300	3,079,000	164,831,300	174,685,200	5.98%
Capital Facilities	73,886,100	134,113,000	207,999,100	183,306,900	-11.87%
Health	1,068,322,600	3,490,500	1,071,813,100	1,114,461,500	3.98%
Human Services	442,283,500	2,787,500	445,071,000	461,911,500	3.78%
Public Education	2,228,229,912	24,647,900	2,252,877,812	2,367,593,076	5.09%
Applied Technology Education	37,698,200		37,698,200	45,738,300	21.33%
Higher Education	739,166,500	3,304,200	742,470,700	820,119,100	10.46%
Higher Ed - UEN	15,396,100	(200)	15,395,900	18,620,800	20.95%
Natural Resources & Agriculture	167,240,700	15,955,900	183,196,600	141,210,500	-22.92%
Commerce & Revenue	379,044,000	8,580,100	387,624,100	394,030,300	1.65%
Econ Dev & Human Resources	109,567,100	1,729,200	111,296,300	131,764,800	18.39%
National Guard	15,390,800	264,800	15,655,600	16,167,400	3.27%
Environmental Quality	74,404,200	517,900	74,922,100	73,136,600	-2.38%
Transportation	858,943,900		858,943,900	970,506,800	12.99%
Total	\$6,975,287,322	\$217,154,250	\$7,192,441,572	\$7,546,349,226	4.92%

Table 2
Ongoing and One-time Appropriations, FY 2001 and FY 2002
General Fund, Uniform School Fund, and Income Tax

Financing	2001			2002		
	Ongoing	One-time	Total	Ongoing	One-time	Total
General Fund	1,636,662,400	83,027,750	1,719,690,150	1,778,409,900	39,332,850	1,817,742,750
Uniform School Fund	1,710,927,646	37,220,100	1,748,147,746	1,795,527,516	55,101,800	1,850,629,316
Income Tax	161,714,600	138,434,900	300,149,500	220,237,200	21,967,100	242,204,300
Total	\$3,509,304,646	\$258,682,750	\$3,767,987,396	\$3,794,174,616	\$116,401,750	\$3,910,576,366
Programs						
Legislature	13,005,500	796,550	13,802,050	14,344,800	197,750	14,542,550
Elected Officials	29,738,700	7,946,800	37,685,500	30,875,400	995,000	31,870,400
Courts	90,152,600	330,700	90,483,300	94,303,400	88,000	94,391,400
Connections	247,462,700	(856,300)	246,606,400	259,755,100		259,755,100
Public Safety	43,795,600	564,300	44,359,900	45,201,600	150,000	45,351,600
Administrative Services	24,136,000	1,840,000	25,976,000	25,344,200	2,152,500	27,496,700
Debt Service	93,376,400		93,376,400	68,300,400		68,300,400
Capital Facilities	47,321,400	147,513,000	194,834,400	89,397,400	10,001,000	99,398,400
Health	193,861,600	976,300	194,837,900	229,149,800	1,235,000	230,384,800
Human Services	201,283,700	1,509,100	202,792,800	216,869,500	(500,000)	216,369,500
Public Education	1,618,872,746	35,197,600	1,654,070,346	1,715,556,116	52,035,000	1,767,591,116
Applied Technology Education	33,812,200	1,500	33,813,700	40,406,100	3,100,000	43,506,100
Higher Education	539,973,700	6,307,300	546,281,000	587,525,300	18,349,700	605,875,000
Higher Ed - UEN	13,390,800	2,005,100	15,395,900	15,554,000	3,066,800	18,620,800
Natural Resources & Agriculture	45,971,200	15,851,200	61,822,400	47,795,800	2,153,700	49,949,500
Commerce & Revenue	109,450,100	29,000	109,479,100	112,080,000	112,000	112,192,000
Econ Dev & Human Resources	35,121,800	14,936,600	50,058,400	40,356,400	9,821,300	50,177,700
National Guard	3,622,300	309,800	3,932,100	4,090,000	282,000	4,372,000
Environmental Quality	9,709,000	345,200	10,054,200	9,969,500	800,000	10,769,500
Transportation	115,246,600	23,079,000	138,325,600	147,299,800	12,362,000	159,661,800
Total	\$3,509,304,646	\$258,682,750	\$3,767,987,396	\$3,794,174,616	\$116,401,750	\$3,910,576,366

Table 3
Appropriations Comparison, FY 2001 -FY 2002
General Fund

	FY 2001 Estimated	FY 2001 Supplemental	FY 2001 Revised	FY 2002 Appropriated	Percent Change
Financing					
General Fund	1,636,662,400		1,636,662,400	1,778,409,900	8.66%
General Fund, One-time	35,280,300	47,747,450	83,027,750	39,332,850	-52.63%
Total	<u>\$1,671,942,700</u>	<u>\$47,747,450</u>	<u>\$1,719,690,150</u>	<u>\$1,817,742,750</u>	<u>5.70%</u>
Programs					
Legislature	13,569,800	232,250	13,802,050	14,542,550	5.37%
Elected Officials	29,886,400	7,799,100	37,685,500	31,870,400	-15.43%
Courts	89,512,600	970,700	90,483,300	94,391,400	4.32%
Connections	240,954,400	5,652,000	246,606,400	259,755,100	5.33%
Public Safety	43,812,100	547,800	44,359,900	45,351,600	2.24%
Administrative Services	26,062,500	(86,500)	25,976,000	26,932,700	3.68%
Debt Service	73,223,900		73,223,900	43,629,800	-40.42%
Capital Facilities	48,905,300		48,905,300	65,100,400	33.12%
Health	194,316,600	521,300	194,837,900	230,384,800	18.24%
Human Services	201,383,700	1,409,100	202,792,800	216,369,500	6.69%
Public Education	254,900		254,900	254,900	0.00%
Applied Technology Education	1,221,400		1,221,400	1,324,500	8.44%
Higher Education	380,051,900	(17,700)	380,034,200	415,776,800	9.41%
Higher Ed -UEN	2,415,800	(200)	2,415,600	2,649,700	9.69%
Natural Resources Subcom	46,316,200	15,506,200	61,822,400	49,949,500	-19.20%
Commerce & Revenue Subcom	92,902,300	(4,000)	92,898,300	94,817,000	2.07%
Ec Dev & Human Res Subcom	38,475,000	11,583,400	50,058,400	49,838,800	-0.44%
National Guard	3,672,300	259,800	3,932,100	4,372,000	11.19%
Environmental Quality	9,759,000	295,200	10,054,200	10,769,500	7.11%
Transportation	135,246,600	3,079,000	138,325,600	159,661,800	15.42%
Total	<u>\$1,671,942,700</u>	<u>\$47,747,450</u>	<u>\$1,719,690,150</u>	<u>\$1,817,742,750</u>	<u>5.70%</u>

Table 4
Appropriations Comparison, FY 2001 -FY 2002
Uniform School Fund/Income Tax

	FY 2001 Estimated	FY 2001 Supplemental	FY 2001 Revised	FY 2002 Appropriated	Percent Change
Financing					
Uniform School Fund	1,710,927,646		1,710,927,646	1,803,891,316	5.43%
Uniform School Fund, One-time	12,569,500	24,650,600	37,220,100	56,201,800	51.00%
Income Tax	161,714,600		161,714,600	211,873,400	31.02%
Income Tax, One-time	1,000,000	137,434,900	138,434,900	20,867,100	-84.93%
Total	<u>\$1,886,211,746</u>	<u>\$162,085,500</u>	<u>\$2,048,297,246</u>	<u>\$2,092,833,616</u>	<u>2.17%</u>
Programs					
Administrative Services				564,000	
Debt Service	20,152,500		20,152,500	24,670,600	22.42%
Capital Facilities	11,816,100	134,113,000	145,929,100	34,298,000	-76.50%
Public Education	1,629,187,346	24,628,100	1,653,815,446	1,767,533,216	6.88%
Applied Technology Education	32,592,300		32,592,300	40,623,300	24.64%
Higher Education	162,924,900	3,321,900	166,246,800	191,459,500	15.17%
Higher Ed -UEN	12,980,300		12,980,300	15,971,100	23.04%
Commerce & Revenue	16,558,300	22,500	16,580,800	17,375,000	4.79%
Econ Dev & Human Resources				338,900	
Total	<u>\$1,886,211,746</u>	<u>\$162,085,500</u>	<u>\$2,048,297,246</u>	<u>\$2,092,833,616</u>	<u>2.17%</u>

Table 5
Revenue Estimates, FY 2001 - FY 2002
In Thousands

	FY 2001 Estimate	FY 2002 Estimate	Legislative Changes	FY 2002 Estimate
General Fund				
Sales and Use Tax	1,421,600	1,498,400	196	1,498,596
Liquor Profits	30,500	32,000		32,000
Insurance Premiums	56,000	59,000		59,000
Beer, Cigarette & Tobacco	59,500	61,000		61,000
Oil and Gas Severance	30,000	30,000		30,000
Metal Severance	6,000	6,000		6,000
Inheritance	30,000	13,000		13,000
Investment Income	25,000	20,000		20,000
Other	38,000	38,000	13	38,013
Property & Energy Tax Credit	(4,000)	(4,000)		(4,000)
Subtotal	\$1,692,600	\$1,753,400	\$209	\$1,753,609
Uniform School Fund				
Individual Income Tax	1,762,200	1,855,500	(18,556)	1,836,944
Corporate Franchise Tax	185,000	190,000		190,000
Mineral Production Withholding	13,000	12,000		12,000
Gross Receipts Tax	8,300	8,300		8,300
Escheats	8,000	8,000		8,000
Permanent Fund Interest	5,000	5,000		5,000
Subtotal	\$1,981,500	\$2,078,800	(\$18,556)	\$2,060,244
Total	\$3,674,100	\$3,832,200	(\$18,347)	\$3,813,853
Transportation Fund				
Motor Fuel Tax	244,700	252,100		252,100
Special Fuel Tax	78,500	80,900		80,900
Motor Vehicle Registration	26,700	27,600		27,600
Other	41,100	43,100		43,100
Total	\$391,000	\$403,700		\$403,700
Federal Mineral Lease				
Regular	38,000	37,000		37,000
Bonus	5,500	5,500		5,500
Total	\$43,500	\$42,500		\$42,500

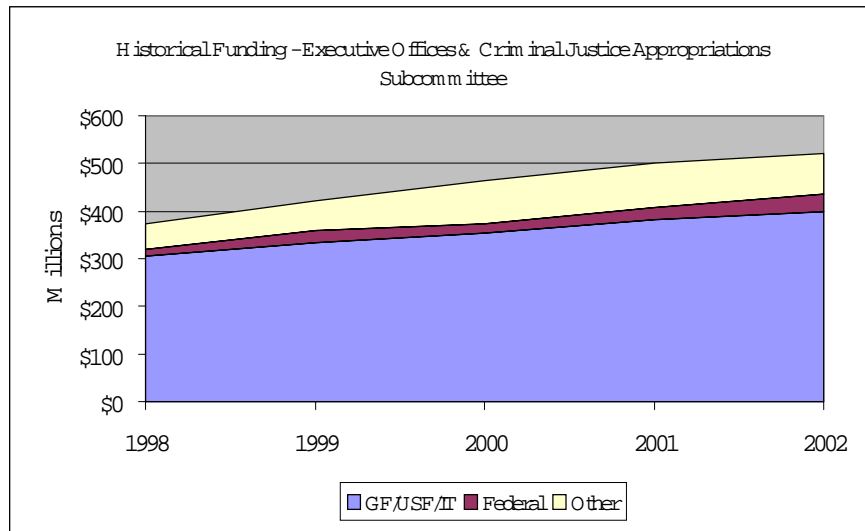
Table 6
Revenue to Expenditure Comparison, FY 2001 - FY 2002
General Fund, Uniform School Fund, Income Tax (In Thousands)

	FY 2001 Estimated	FY 2002 Appropriated	Percent Change
Financing			
Beginning Balance	57,897	99,457	
General Fund	1,717,976	1,753,400	2.06%
Uniform School Fund	1,769,410	1,846,059	4.33%
Income Tax	300,149	232,741	-22.46%
Total	\$3,787,535	\$3,832,200	1.18%
Mineral Lease	1,650	1,795	8.79%
Revenue Bills	5,832	(17,971)	-408.14%
Industrial Assistance Fund	1,901		
Asbestos Litigation Proceeds	1,400		
Hospital Provider Assessment	2,085		
Tobacco Settlement	4,370	429	-90.18%
Long Term Disability	2,574		
Nonlapsing Balances	2,200		
Total	\$3,867,444	\$3,915,910	1.25%
Programs			
Legislature	13,802	14,542	5.36%
Elected Officials	37,686	31,870	-15.43%
Courts	90,483	94,391	4.32%
Corrections	246,607	259,755	5.33%
Public Safety	44,360	45,352	2.24%
Administrative Services	25,976	27,497	5.86%
Debt Service	93,376	68,300	-26.85%
Capital Facilities	194,834	99,398	-48.98%
Health	194,838	230,385	18.24%
Human Services	202,793	216,369	6.69%
Public Education	1,654,070	1,767,788	6.88%
Applied Technology Education	33,814	41,845	23.75%
Higher Education	546,281	607,339	11.18%
Higher Ed - UEN	15,396	18,621	20.95%
Natural Resources Subcom	61,822	49,950	-19.20%
Commerce & Revenue Subcom	109,479	112,192	2.48%
Ec Dev & Human Res Subcom	50,058	50,178	0.24%
National Guard	3,932	4,372	11.19%
Environmental Quality	10,054	10,770	7.12%
Transportation	138,326	159,662	15.42%
Total	\$3,767,987	\$3,910,576	3.78%
Ending Balance	\$99,457	\$5,334	

Executive Offices and
Criminal Justice

Subcommittee Overview

This subcommittee oversees agency budgets representing approximately 12 percent of all State General Funds, over 30 percent of non-education State employee FTEs, and 15 percent of non-education State vehicles. The various departments, agencies and programs under this subcommittee saw an overall growth of 2.0 percent. Total funding for the nine departments amounted to \$585,591,700 of which \$431,368,500 is from General Funds.



Overall growth was driven by Legislative initiatives in the area of crime fighting, prevention, and the Olympics. A major issue faced by the subcommittee for FY 2002 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 2002.

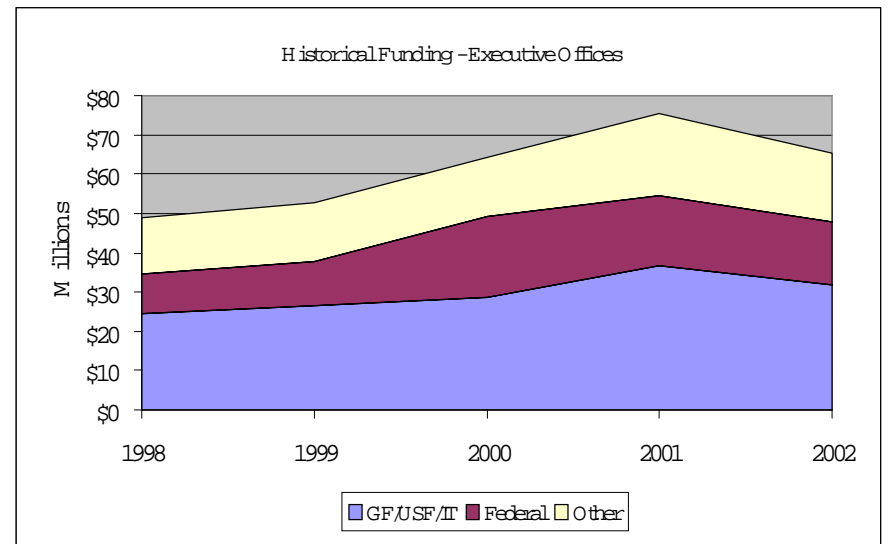
General Subcommittee Issues

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 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.

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

Olympic Funding: Olympic promotion and development funding was appropriated to the State Olympic Officer in the amount of \$7,500,000. The Olympic Officer's office was also authorized funding for both FY 2001 and FY 2002 for a Deputy Olympic Coordinator.

UPED Re-programming: Funding of \$150,000 was provided to Governor's Office of Planning and Budget to reprogram the Utah Process Economic and Demographic (UPED) model.

HB 71 "Land Use Planning" Funding of \$100,000 was provided to the Office of Planning and Budget to use as pass-through to counties and other local governments for developing and implementing land use plans.

Initiative B: Supplemental funding was provided to both the Treasurer and the Elections Office to implement the provisions of Initiative B, passed in the 2000 election. The Treasurer received \$100,000 and the Elections Office received \$65,000.

Emergency Fund: Funding to replenish the Governor's emergency fund was provided in the amount of \$60,000.

Extraditions: Funding of \$85,000 was provided to Commission on Criminal and Juvenile Justice in order to keep up with growth in the Extraditions program.

SB 172 "Post-Conviction DNA Testing" Funding for a quarterly attorney was provided to deal with caseload increases resulting from the passage of SB 172 "Post-conviction DNA Testing".

Early Retirement: An appropriation of \$75,000 was provided for the Attorney General's Office to fund early retirements for some employees.

Pornography and Obscenity Omnibus: An appropriation of \$75,000 was authorized to fully fund the Pornography and Obscenity Omnibus.

Children's Justice Center Funding: Funding was provided for justice centers in Emery and Wasatch counties in the amount of \$90,000. Additional funding of \$115,000 was provided to maintain the existing Children's Justice Center program.

Intent Language

RS2477 Litigation

It is the intent of the Legislature that funds expended from the R.S. 2477 Fund be used for litigation designed to quiet title to existing rights of way established before 1976 under R.S. 2477 guidelines. It is further the intent of the Legislature that the Governor or his designee shall present a report to the Legislature during each General Session detailing activities funded within this line item.

Lisa P. Settlement

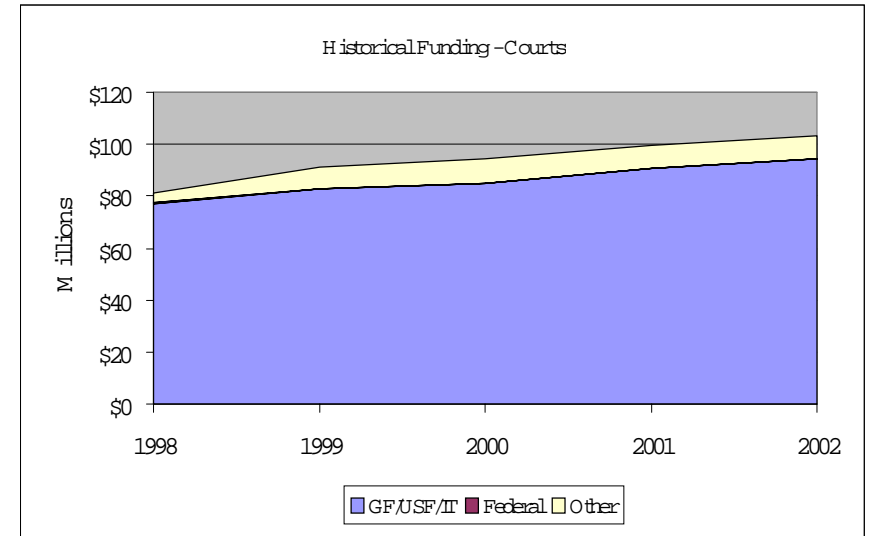
It is the intent of the Legislature that the Division of Services for People with Disabilities, through the Attorney General's Office, continue to seek dismissal of the Lisa P. Settlement agreement at the earliest possible date. It is also the intent of the Legislature that the Division and the Attorney General's Office provide a written report on the status of the Lisa P. agreement during each 2001 interim meeting of the Health and Human Services Interim Committee, beginning in April, until the settlement agreement is finally dismissed. It is also the intent of the Legislature that the Division and the Attorney General's Office report on status of the Lisa P. Settlement agreement to the 2002 Health and Human Services Appropriations Subcommittee and the Executive Offices and Criminal Justice Appropriations Subcommittee at their next meeting.

Funding Detail

	Executive Offices		2001 Revised	2002 Appropriated	Change from 2001 Revised
	2001 Estimated	2001 Supplemental			
Financing					
General Fund	29,732,100	(14,000)	29,718,100	30,875,400	1,157,300
General Fund, One-time	154,300	6,813,100	6,967,400	995,000	(5,972,400)
Federal Funds	17,656,600		17,656,600	15,883,700	(1,772,900)
Dedicated Credits Revenue	11,899,700	(15,200)	11,884,500	12,326,100	441,600
GFR - Commerce Service	416,600		416,600	429,000	12,400
GFR - Constitutional Defense	1,196,000	496,800	1,692,800	1,105,000	(587,800)
GFR - Public Safety Support	490,300		490,300	567,300	77,000
GFR - Tobacco Settlement	269,300	107,400	376,700		(376,700)
Antitrust Revolving	159,900		159,900	163,300	3,400
Crime Victims Reparation Trust	734,200		734,200	811,300	77,100
Olympic Special Revenue	216,200	1,106,500	1,322,700	352,100	(970,600)
Unclaimed Property Trust	1,130,400		1,130,400	1,151,200	20,800
Transfers	362,200		362,200	55,000	(307,200)
Transfers - Administrative Services				11,000	11,000
Transfers - Commerce				2,000	2,000
Transfers - Commission on Criminal and Juven	275,900		275,900	111,900	(164,000)
Transfers - Comp Emergency Mgt	25,000		25,000	25,000	
Transfers - Corrections				9,000	9,000
Transfers - Department of Community and Econ	400,000		400,000	302,000	(98,000)
Transfers - Environmental Quality	4,000		4,000	6,000	2,000
Transfers - Health	6,000		6,000	20,000	14,000
Transfers - Human Resource Mgt				1,000	1,000
Transfers - Human Services	6,000		6,000	34,000	28,000
Transfers - Insurance				2,000	2,000
Transfers - Natural Resources	3,000		3,000	7,000	4,000
Transfers - Public Safety				10,000	10,000
Transfers - Transportation				12,000	12,000
Transfers - Trust Lands Administration	25,000		25,000	25,000	
Transfers - Utah State Tax Commission				17,000	17,000
Transfers - Workforce Services	4,000		4,000	42,000	38,000
Beginning/Nonlapsing	1,776,300		1,776,300		(1,776,300)
Total	\$66,943,000	\$8,494,600	\$75,437,600	\$65,351,300	(\$10,086,300)
Programs					
Governor's Office	30,369,700	8,316,400	38,686,100	27,740,600	(10,945,500)
State Auditor	3,591,500		3,591,500	3,434,800	(156,700)
State Treasurer	2,199,200	100,000	2,299,200	2,171,200	(128,000)
Attorney General	30,782,600	78,200	30,860,800	32,004,700	1,143,900
Total	\$66,943,000	\$8,494,600	\$75,437,600	\$65,351,300	(\$10,086,300)
FTE/Other					
Total FTE	576.4	1.0	577.4	575.9	(1.5)
Vehicles	38		38	38	0.0

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

Guardian Ad Litem Funding: Funding of \$520,000 was provided to the Guardian Ad Litem office for caseload growth and to implement the provisions of SB 117.

SB 134 "Protective Order Amendments" Funding of \$75,400 was provided for expanded caseloads resulting from passage of this bill.

SB 172 "Post Conviction DNA Testing" Funding of \$28,300 was appropriated to deal with increased caseloads anticipated from the passage of this bill.

H B 25 "Civil Stalking Amendments" An appropriation of \$142,500 was made to the Courts to help with increased evidentiary hearings.

Drug Courts Funding: An appropriation of \$168,700 was provided to expand the drug courts program. There is a corresponding increase in the Human Services budget.

Contracts and Leases: The line item for Contracts and Leases was increased by \$1,125,000 to reflect increased costs throughout the State.

H B 196 "DUI - Probation Amendments" An appropriation of \$68,700 was made to fund H B 196.

Child Welfare Mediation: Funding of \$170,000 was provided to expand the Child Welfare Mediation program to the First, Fifth, Sixth, and Eighth districts.

Law Clerks: Funding of \$130,000 was provided to hire additional law clerks for the court.

Program Coordinator: One-time funding of \$68,000 was provided for a project coordinator to implement the provisions of the Racial and Ethnic Fairness Study.

Diversity Training: One-time funding of \$28,000 was provided to the courts to implement the training recommendations found in the Racial and Ethnic Fairness Study.

Jury and Witness Fees: Funding of \$600,000 was provided to the Courts to reduce the deficit in the Jury, Witness and Interpreter line item.

Judicial Salaries: Judicial salaries were increased by four percent for FY 2002, setting the salary of the District Court Judge at \$103,700. Under the provisions of Section 67-8-2, Utah Code Annotated, all other judicial salaries are calculated from the District Court benchmark.

Intent Language

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 submissions under the appropriate appeals, trial, or juvenile court program budget category.

It is the intent of the Legislature that the Utah Substance Abuse and Anti-Violence Council (USAAV), through its Treatment committee, initiate a statewide review and evaluation of Utah's substance abuse treatment programs for criminal justice referrals.

As appropriate, USAAV may contract with research professionals to conduct an in-depth process and outcome evaluation of drug courts and other treatment programs within the Department of Corrections, local county jails, and other treatment settings. Research should a) assess the current demand for treatment and availability of programs and resources, b) review the programmatic and cost effectiveness of current programs, and c) make recommendations for best practices to maximize treatment availability.

Funding will be provided through current appropriations and federal grants to CCJJ/USAAV and the Division of Substance Abuse. Findings and recommendations will be reported to the Legislature through progress reports submitted to the Judiciary Interim Committee and the Law Enforcement and Criminal Justice Interim Committee during their October 2001 meetings and to the Executive Office and Criminal Justice Joint Appropriations Committee during one of its January 2002 meetings.

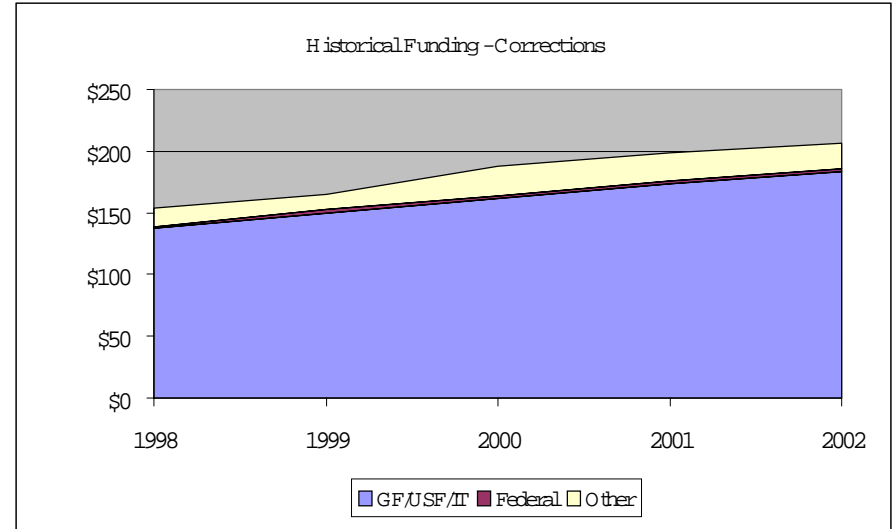
It is the intent of the Legislature that any funds received by the Courts pursuant to Title IV-D of the Social Security Act up to \$152,800 be used to fund the creation of a domestic relations court commissioner position and related staff in the Fourth Judicial District and for other child support entities.

Funding Detail

	Courts				
	2001 Estimated	2001 Supplemental	2001 Revised	2002 Appropriated	Change from 2001 Revised
Financing					
General Fund	90,152,600	370,700	90,523,300	94,303,400	3,780,100
General Fund, One-time	(640,000)	600,000	(40,000)	88,000	128,000
Federal Funds	122,000		122,000	122,000	
Dedicated Credits Revenue	1,273,400		1,273,400	1,202,600	(70,800)
GFR - Alternative Dispute Resolution	144,400		144,400	144,400	
GFR - Children's Legal Defense	610,300		610,300	643,500	33,200
GFR - Court Reporter Technology	200,000		200,000	250,000	50,000
GFR - Court Trust Hearings	273,000	19,500	292,500	300,000	7,500
GFR - Guardian Ad Litem Services	230,000		230,000	246,700	16,700
GFR - Non-Judicial Assessment	752,700		752,700	753,000	300
GFR - Online Court Assistance		35,000	35,000	35,000	
GFR - State Court Complex	3,500,000		3,500,000	3,500,000	
GFR - Substance Abuse Prevention	319,300		319,300	348,800	29,500
GFR - Tobacco Settlement	193,700		193,700	193,700	
GFR - Transcriptions		50,000	50,000		(50,000)
Transfers - Commission on Criminal Justice	651,400		651,400	654,300	2,900
Transfers - Human Services		152,800	152,800	152,800	
Beginning Nonlapsing	(186,661)		(186,661)	251,000	437,661
Closing Nonlapsing	948,371		948,371	(185,000)	(1,133,371)
Total	\$98,544,510	\$1,228,000	\$99,772,510	\$103,004,200	\$3,231,690
Programs					
Administration	76,463,800	630,600	77,094,400	78,525,700	1,431,300
Contracts and Leases	17,191,310		17,191,310	18,969,400	1,778,090
Grand Jury	1,000		1,000	900	(100)
Jury and Witness Fees	1,844,800	600,000	2,444,800	1,844,800	(600,000)
Guardian Ad Litem	3,043,600	(2,600)	3,041,000	3,663,400	622,400
Total	\$98,544,510	\$1,228,000	\$99,772,510	\$103,004,200	\$3,231,690
FTE/Other					
Total FTE	1,277.1	0.0	1,277.1	1,277.1	0.0
Vehicles	165		165	165	0.0

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

New beds: To accommodate inmate growth, the Legislature included \$1.9 million in FY 2001 for Jail Contracting and moved the contracting budget into the Division of Institutional Operations. For FY 2002, an additional \$5,000,000 was provided for opening the new 288 bed dormitory unit in Gunnison, which adds 65.5 FTE.

Sex Offender Tracking: The Legislature also included \$250,000 for a pilot program to use Geographical Positioning System (GPS) technology for supervision and treatment of sex offenders.

Jail Reimbursement: To reduce the shortfall in funding for the counties for Jail Reimbursement, the Legislature added \$500,000 to the base budget for a total of \$7,760,600.

H B 18 "Interstate Compact for Adult Offender Supervision" This compact will require added membership fees for the state. In addition to the current \$2,000 per year, the membership will cost \$16,200. Initially \$4,100 will come from General Funds and \$12,100 from a federal grant. Eventually the state will bear the entire \$18,200 cost.

H B 22 "Sex Offender Lifetime Reporting Amendments" Extends the term of registry for the existing 4,700 names listed. While there is no immediate significant fiscal impact, costs will accrue over time as names are added each year to the lifetime registry.

H B 181 "Penalties for Soliciting Minors" Creates an offense for those enticing a minor over the Internet for sexual activity. Additional convictions with incarceration will cost \$23,000 in FY 2002 and \$46,000 in FY 2003.

H B 201 "Revisions to Driving Under the Influence" Expands felony driving while intoxicated and the time for counting DUI violations. The cost for additional offenders in Corrections is estimated at \$31,300 per year with \$13,800 for those on probation. Long-term costs for Corrections and the Board of Pardons will be increasingly impacted by the additional admissions to the system.

H B 237 "Sex Offender Registry" Adds offenders convicted in another state who are living in Utah and those sex offenders in the State Hospital found not guilty by reason of insanity, to the Sex Offender Registry.

SB 4 "Prohibition of Intimacy with a Person in Custody" Creates a criminal penalty for those in positions of authority in correctional settings who have intimate relations with someone in custody. Over time this bill will generate some criminal charges and may impact officers' certification status.

The appropriations for the Department of Corrections have been growing 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.

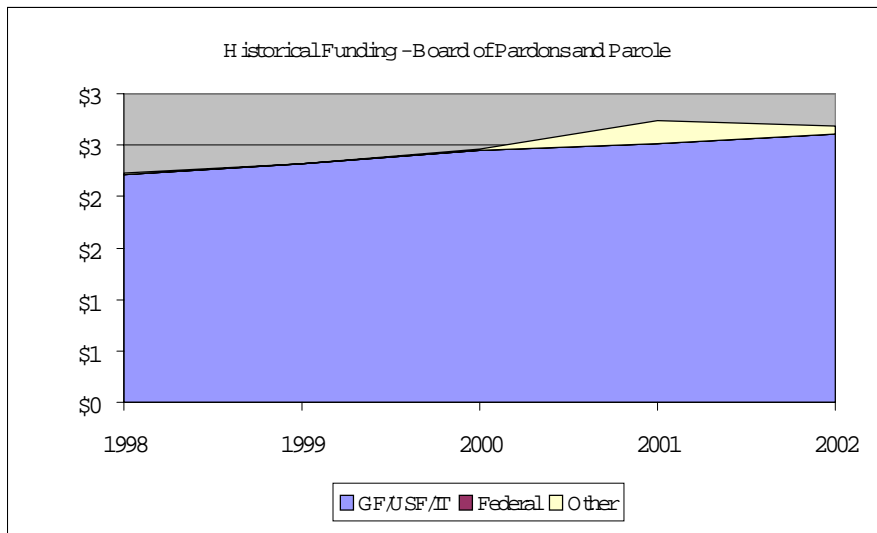
Funding Detail

Corrections					
	2001	2001	2001	2002	Change from
	Estimated	Supplemental	Revised	Appropriated	2001 Revised
Financing					
General Fund	169,663,800		169,663,800	183,657,000	13,993,200
General Fund, One-time		3,471,600	3,471,600		(3,471,600)
Federal Funds	2,628,500	2,900	2,631,400	2,247,400	(384,000)
Dedicated Credits Revenue	17,900,500	(12,900)	17,887,600	19,689,100	1,801,500
GPR - Tobacco Settlement	81,700		81,700	81,700	
Transfers - Commission on Criminal and Juvenile	443,500		443,500	385,600	(57,900)
Transfers - Other Agencies	246,000		246,000	246,000	
Beginning Nonlapsing	4,058,200		4,058,200		(4,058,200)
Closing Nonlapsing				(50,000)	(50,000)
Total	\$195,022,200	\$3,461,600	\$198,483,800	\$206,256,800	\$7,773,000
Programs					
Administration	8,662,800	48,000	8,710,800	8,445,800	(265,000)
Field Operations	39,148,400	72,600	39,221,000	38,365,900	(855,100)
Institutional Operations	92,472,100	18,459,400	110,931,500	117,543,400	6,611,900
Draper Medical Services	17,633,100	92,600	17,725,700	18,063,700	338,000
Utah Correctional Industries	14,450,000	(3,200)	14,446,800	16,077,400	1,630,600
Forensics	190,000		190,000		(190,000)
Jail Reimbursement	7,261,600	(3,600)	7,258,000	7,760,600	502,600
Jail Contracting	15,204,200	(15,204,200)			
Total	\$195,022,200	\$3,461,600	\$198,483,800	\$206,256,800	\$7,773,000
FTE/Other					
Total FTE	2,335.2		2,335.2	2,404.4	69.2
Vehicles	394		394	394	

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.

On July 1, 1983, the Board of Pardons changed 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 becomes the final sentencing authority and sets the standard for length of confinement for most felons.



Legislative Action

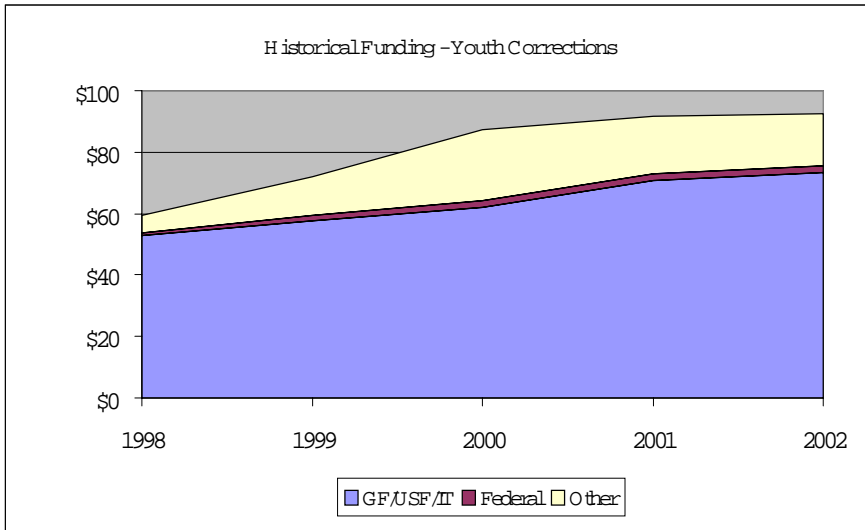
Drug Board: Senate Bill 15, 2000 General Session, "Use of Tobacco-Settlement Revenues", expanded the Drug Courts of the state and started a Drug Board Pilot Project. To test a drug court-like operation for paroled inmates, a Drug Board in the Davis and Weber County areas was included. Funding for the Board portion of the program consists of \$77,400 in Tobacco Settlement Funds and includes the hiring of one additional hearing officer. That effort is in start-up mode and has been funded for FY 2002.

Funding Detail

Board of Pardons and Parole					
	2001 Estimated	2001 Supplemental	2001 Revised	2002 Appropriated	Change from 2001 Revised
Financing					
General Fund	2,504,400		2,504,400	2,601,500	97,100
General Fund, One-time		10,700	10,700		(10,700)
Dedicated Credits Revenue	2,000		2,000	2,200	200
GFR - Tobacco Settlement	77,400		77,400	77,400	
Beginning Nonlapsing	145,100		145,100		(145,100)
Total	\$2,728,900	\$10,700	\$2,739,600	\$2,681,100	(\$58,500)
Programs					
Board of Pardons and Parole	2,728,900	10,700	2,739,600	2,681,100	(58,500)
Total	\$2,728,900	\$10,700	\$2,739,600	\$2,681,100	(\$58,500)
FTE/Other					
Total FTE	37.0		37.0	37.0	
Vehicles	6		6	6	

Division of Youth Corrections

The Division of Youth Corrections is responsible for all delinquent offenders committed by the state's Juvenile Courts. In addition, the Division operates Receiving Centers and Detention facilities that deal with pre-adjudicated youth.



Legislative Action

New Facilities: The Division of Youth Corrections received \$910,000 to complete full year funding of the new Richfield Youth Facility. The addition to the St. George Youth Facility approved last year was halted in favor of planning for a long-term solution for facility needs in the Washington County area for both the Juvenile Courts and Youth Corrections facilities.

Medicaid: To accommodate changes in Medicaid and the match rate, the Legislature provided \$1,148,000 in FY 2001 and \$809,000 in FY 2002.

Reorganization: The Legislature recognized the efforts of the Division under its new Director and chose to keep the Youth Corrections budget under a single line item form maximum budgetary flexibility. The Legislature did, however, move the Youth Parole Authority to a separate line item in recognition of its separate and unique role in the Youth Corrections System.

HB 5 "Serious Habitual Offender Comprehensive Action Program (SHOCAP) Amendment" Adds notification of the juvenile and the parent or guardian of SHO designation.

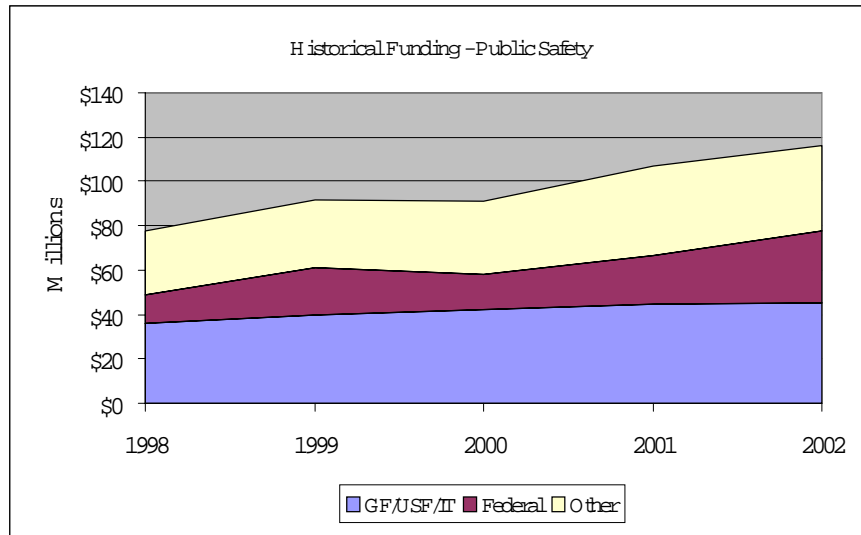
HB 15 "Bicycle Law Amendments" Makes bicycle riders subject to many vehicle rules of the road. This effectively creates another status offense for youthful offenders.

Funding Detail

	Youth Corrections				Change from 2001 Revised
	2001 Estimated	2001 Supplemental	2001 Revised	2002 Appropriated	
Financing					
General Fund	68,786,200		68,786,200	73,496,600	4,710,400
General Fund, One-time		2,169,700	2,169,700		(2,169,700)
Federal Funds	1,862,500	(1,100)	1,861,400	1,891,500	30,100
Dedicated Credits Revenue	2,337,300		2,337,300	2,337,300	
Sale of Fixed Assets				60,100	60,100
Dedicated Credits - Land Grant	34,000		34,000		(34,000)
Youth Crime Victims Restitution	500,000		500,000	500,000	
Transfers - Child Nutrition	610,900		610,900	594,400	(16,500)
Transfers - Commission on Criminal and Juvenile Justice	1,519,400		1,519,400	366,800	(1,152,600)
Transfers - Human Services	11,483,400		11,483,400	400,000	(11,083,400)
Transfers - Medicaid	1,950,000	(1,600)	1,948,400	1,983,500	35,100
Transfers - Other Funds	40,000		40,000	10,778,700	10,738,700
Transfers - Youth Corrections	400,000		400,000		(400,000)
Other Financing Sources	25,000		25,000		(25,000)
Beginning Nonlapsing				1,100	1,100
Total	\$89,548,700	\$2,167,000	\$91,715,700	\$92,410,000	\$694,300
Programs					
Services	\$89,298,900	\$2,169,200	\$91,468,100	\$91,999,900	\$531,800
Youth Parole Authority	249,800	(2,200)	247,600	410,100	\$162,500
Total	\$89,548,700	\$2,167,000	\$91,715,700	\$92,410,000	\$694,300
FTE, Other					
Total FTE	960.4		960.4	961.0	0.6
Vehicles	134	4	138	134	(4.0)

Department of Public Safety

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



Legislative Action

Troopers' Salaries: In recognition of the salary disparity between the Utah Highway Patrol and other law enforcement agencies in the State, the Legislature provided \$1 million to the Department of Human Resources Management to be used in addition to the regular salary package and Market Comparability Adjustments for Highway Patrol salaries. Intent language included in the Human Resource Management section of Supplemental Appropriations Act II (SB 3, Item #71) is as follows:

The Legislature intends that the Highway Patrol minimum monthly salary be brought to \$2,500 as revenues allow.

Laptop Technology: To continue the expansion of the laptop technology in Highway Patrol vehicles, \$280,000 was provided for expansion into two additional districts. In order to complete the laptop technology throughout the State, an additional \$400,000 would be needed.

Peace Officer Standards and Training (POST) Investigator: Recognizing that the increase statewide in certified officers has been paralleled by a 200 percent increase in investigations into police and corrections officer misconduct, the Legislature added 1 FTE Investigator to the POST staff.

Fire Prevention Specialist: The workload on the office of the Fire Marshal for plan reviews, inspections, and assistance to local governments has outpaced the capabilities of the existing staff. The Legislature added 1 FTE Investigator to the Office of the Fire Marshal.

Replacement Helicopter: Last year the Department lost a helicopter and pilot in an unfortunate crash. To replace that helicopter and provide for helicopter service during the critical periods of the Olympics, the Legislature provided \$193,000 as a one-time supplemental (FY 2001) and \$200,000 in on-going (FY 2002) General Funds for a lease or a lease purchase of a Public Safety helicopter.

Comprehensive Emergency Management

SB 118 "Emergency Management Assistance Act" Authorizes Utah to join an interstate alliance for mutual assistance in event of disasters.

Peace Officers Standards and Training

HB 234 "Law Enforcement and Special Function Officer Amendments" Adds agents of the city attorneys and the U.S. Postal Inspectors to the Special Function Officer category.

Drivers License Division

H B 209 " Issuance of Drivers License" Am ends the driver's license requirements and clarifies violations.

SB 11 "Electronic Government Services Amendments - Drivers License" Any costs or savings from the advancement of these technologies will be subject to both the rulemaking and budgetary processes of the state.

SB 48S1 "Passenger Limitations for Young Drivers" Some youthful drivers will have more fines for this offense and, over time, the Drivers License Division will have some addition to its workload.

SB 96 "Commercial Drivers License Medical Waivers" New application fees are estimated to generate \$3,800 for the Transportation Restricted - Public Safety Fund. These funds should cover the cost of new applications processing.

SB 135 "Providing for Selective Service Registration" The impact for the additional duties in Drivers License can be absorbed in existing budgets, but, will contribute to workload at an increasing level over time.

Fire Marshal

H B 41 "Fire Prevention Amendments" Adds prevention education to the Fire Marshal's duties, sets standards for fire codes and makes electronic filing of documents acceptable. Any cost increase in the Fire Marshal's office for additional prevention education programs would be subject to legislative review as a part of the budgeting and appropriation process.

Funding Detail

	Public Safety				
	2001	2001	2001	2002	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2001 Revised
General Fund	43,810,000		43,810,000	45,201,600	1,391,600
General Fund, One-time		547,800	547,800	150,000	(397,800)
Transportation Fund	5,495,500		5,495,500	5,495,500	
Transportation Fund, One-time		(8,200)	(8,200)		8,200
Federal Funds	22,134,400	(14,200)	22,120,200	32,310,700	10,190,500
Dedicated Credits Revenue	4,356,000	(10,500)	4,345,500	3,934,500	(411,000)
GFR - Drug Forfeiture	200,000		200,000		(200,000)
GFR - Environmental Quality	200,000	200,000	400,000	200,000	(200,000)
GFR - Fire Academy Support	2,190,600	1,430,600	3,621,200	3,236,300	(384,900)
GFR - Nuclear Oversight	1,793,300		1,793,300	1,793,300	
GFR - Public Safety Support	2,365,800	20,000	2,385,800	2,509,300	123,500
GFR - Statewide Warrant Ops	397,100		397,100	410,500	13,400
TFR - Motorcycle Education	175,300	30,000	205,300	206,600	1,300
TFR - Public Safety	15,090,100		15,090,100	16,519,100	1,429,000
TFR - Uninsured Motorist ID	1,560,100		1,560,100	1,560,100	
Transfers - Commission on Criminal and J	779,300		779,300	795,200	15,900
Transfers - Other Agencies	1,352,700		1,352,700	1,268,700	(84,000)
Transfers - Other Funds				465,200	465,200
Transfers - Within Agency	3,500		3,500		(3,500)
Pass-through	465,200		465,200		(465,200)
Beginning Nonlapsing	3,343,900		3,343,900	803,600	(2,540,300)
Closing Nonlapsing	(250,000)		(250,000)	(971,900)	(721,900)
Lapsing Balance	(553,600)		(553,600)		553,600
Total	\$104,909,200	\$2,195,500	\$107,104,700	\$115,888,300	\$8,783,600
Programs					
Commissioner's Office	12,559,600	337,400	12,897,000	22,535,500	9,638,500
Comprehensive Emergency Management	10,358,400	198,000	10,556,400	9,996,800	(559,600)
Safety Promotion	145,400		145,400	149,900	4,500
Peace Officers' Standards and Training	5,666,200	19,600	5,685,800	5,829,100	143,300
Investigative and Technical Services	14,791,800	70,800	14,862,600	14,503,200	(359,400)
Liquor Law Enforcement	1,018,700	(11,000)	1,007,700	999,500	(8,200)
Driver License	16,945,700	30,000	16,975,700	17,751,000	775,300
Utah Highway Patrol Division	38,217,600	132,800	38,350,400	37,982,100	(368,300)
Information Management	1,944,200	(100)	1,944,100	1,871,100	(73,000)
Fire Marshal	3,261,600	1,418,000	4,679,600	4,270,100	(409,500)
Total	\$104,909,200	\$2,195,500	\$107,104,700	\$115,888,300	\$8,783,600
FTE/Other					
Total FTE	1,074.2	14.0	1,088.2	1,088.1	(0.1)
Vehicles	674	2	676	673	(3.0)

Executive Offices & Criminal Justice Appropriations Subcommittee					
	2001 Estimated	2001 Supplemental	2001 Revised	2002 Appropriated	Change from 2001 Revised
Financing					
General Fund	404,649,100		404,649,100	430,135,500	25,486,400
General Fund, One-time	(485,700)	13,969,600	13,483,900	1,233,000	(12,250,900)
Transportation Fund	5,495,500		5,495,500	5,495,500	
Transportation Fund, One-time		(8,200)	(8,200)		8,200
Federal Funds	44,404,000	(12,400)	44,391,600	52,455,300	8,063,700
Dedicated Credits Revenue	37,768,900	(38,600)	37,730,300	39,491,800	1,761,500
Sale of Fixed Assets				60,100	60,100
Dedicated Credits - Land Grant	34,000		34,000		(34,000)
GFR - Alternative Dispute Resolution	144,400		144,400	144,400	
GFR - Children's Legal Defense	610,300		610,300	643,500	33,200
GFR - Commerce Service	416,600		416,600	429,000	12,400
GFR - Constitutional Defense	1,196,000	496,800	1,692,800	1,105,000	(587,800)
GFR - Court Reporter Technology	200,000		200,000	250,000	50,000
GFR - Court Trust Interest	273,000	19,500	292,500	300,000	7,500
GFR - Drug Penalties	200,000		200,000		(200,000)
GFR - Environmental Quality	200,000		400,000	200,000	(200,000)
GFR - Fire Academy Support	2,190,600	1,430,600	3,621,200	3,236,300	(384,900)
GFR - Guardian and Litem Services	230,000		230,000	246,700	16,700
GFR - Non-Judicial Assessment	752,700		752,700	753,000	300
GFR - Nuclear Oversight	1,793,300		1,793,300	1,793,300	
GFR - Online Court Assistance		35,000	35,000	35,000	
GFR - Public Safety Support	2,856,100	20,000	2,876,100	3,076,600	200,500
GFR - State Court Complex	3,500,000		3,500,000	3,500,000	
GFR - Statewide Warrant Ops	397,100		397,100	410,500	13,400
GFR - Substance Abuse Prevention	319,300		319,300	348,800	29,500
GFR - Tobacco Settlement	622,100	107,400	729,500	352,800	(376,700)
GFR - Transcriptions		50,000	50,000		(50,000)
TFR - Motorcycle Education	175,300	30,000	205,300	206,600	1,300
TFR - Public Safety	15,090,100		15,090,100	16,519,100	1,429,000
TFR - Uninsured Motorist ID	1,560,100		1,560,100	1,560,100	
Antitrust Revolving	159,900		159,900	163,300	3,400
Crime Victims Reparation Trust	734,200		734,200	811,300	77,100
Olympic Special Revenue	216,200	1,106,500	1,322,700	352,100	(970,600)
Unclaimed Property Trust	1,130,400		1,130,400	1,151,200	20,800
Youth Crime Victims Restitution	500,000		500,000	500,000	
Transfers	362,200		362,200	55,000	(307,200)
Transfers - Administrative Services				11,000	11,000
Transfers - Child Nutrition	610,900		610,900	594,400	(16,500)
Transfers - Commerce				2,000	2,000
Transfers - Commission on Criminal and	3,669,500		3,669,500	2,313,800	(1,355,700)
Transfers - Comp Emergency Mgt	25,000		25,000	25,000	
Transfers - Connections				9,000	9,000
Transfers - Department of Community an	400,000		400,000	302,000	(98,000)
Transfers - Environmental Quality	4,000		4,000	6,000	2,000
Transfers - Health	6,000		6,000	20,000	14,000
Transfers - Human Resource Mgt				1,000	1,000
Transfers - Human Services	11,489,400	152,800	11,642,200	586,800	(11,055,400)
Transfers - Insurance				2,000	2,000
Transfers - Medicaid	1,950,000	(1,600)	1,948,400	1,983,500	35,100
Transfers - Natural Resources	3,000		3,000	7,000	4,000
Transfers - Other Agencies	1,598,700		1,598,700	1,514,700	(84,000)
Transfers - Other Funds	40,000		40,000	11,243,900	11,203,900
Transfers - Public Safety				10,000	10,000
Transfers - Transportation				12,000	12,000
Transfers - Trust Lands Administration	25,000		25,000	25,000	
Transfers - Utah State Tax Commission				17,000	17,000
Transfers - Within Agency	3,500		3,500		(3,500)
Transfers - Workforce Services	4,000		4,000	42,000	38,000
Transfers - Youth Connections	400,000		400,000		(400,000)
Other Financing Sources	25,000		25,000		(25,000)
Pass-through	465,200		465,200		(465,200)
Beginning Nonlapsing	9,136,839		9,136,839	1,055,700	(8,081,139)
Closing Nonlapsing	698,371		698,371	(1,206,900)	(1,905,271)
Lapsing Balance	(553,600)		(553,600)		553,600
Total	\$557,696,510	\$17,557,400	\$575,253,910	\$585,591,700	\$10,337,790

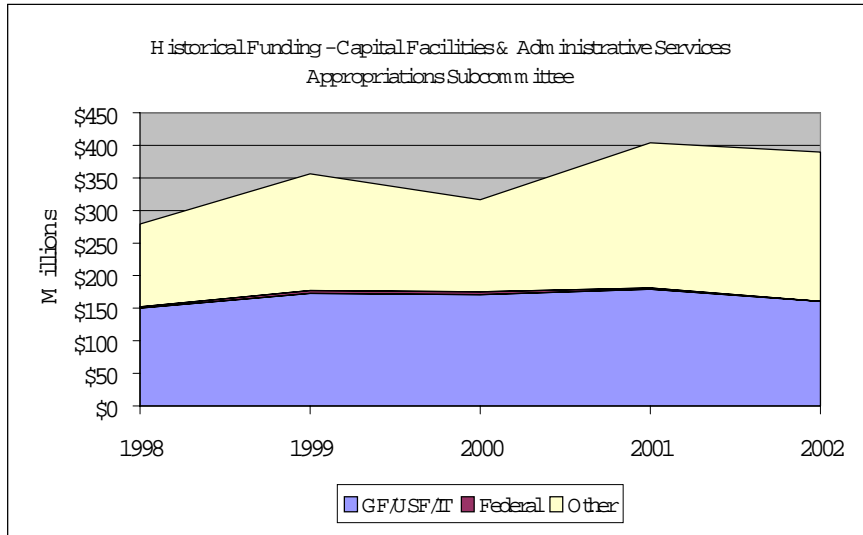
Executive Offices & Criminal Justice Appropriations Subcommittee					
Programs					
Governor's Office	30,369,700	8,316,400	38,686,100	27,740,600	(10,945,500)
State Auditor	3,591,500		3,591,500	3,434,800	(156,700)
State Treasurer	2,199,200	100,000	2,299,200	2,171,200	(128,000)
Attorney General	30,782,600	78,200	30,860,800	32,004,700	1,143,900
Connections	195,022,200	3,461,600	198,483,800	206,256,800	7,773,000
Board of Pardons and Parole	2,728,900	10,700	2,739,600	2,681,100	(58,500)
Youth Connections	89,548,700	2,167,000	91,715,700	92,410,000	694,300
Courts	98,544,510	1,228,000	99,772,510	103,004,200	3,231,690
Public Safety	104,909,200	2,195,500	107,104,700	115,888,300	8,783,600
Total	\$557,696,510	\$17,557,400	\$575,253,910	\$585,591,700	\$10,337,790
FTE/Other					
Total FTE	6,260.2	15.0	6,275.2	6,343.5	68.2
Vehicles	1,411	6	1,417	1,410	(7.0)

Executive Offices & Criminal Justice Appropriations Subcommittee		FY 2002
One-time State Funding Items (G F / U S F / IT)		Appropriated
Item Name		
Governor's Office - RS-2477 Rights of Way		895,000
Governor's Office - Office of Planning and Budget - State and Local Planning		100,000
Courts - Administration - Judicial Education		88,000
Public Safety - Commissioner's Office		150,000
Total		\$1,233,000

Capital Facilities and
Administrative Services

Subcommittee Overview

The Capital Facilities and Administrative Service (CF&AS) Appropriation Subcommittee approves funding for the Capitol Preservation Board, Department of Administrative Services, Capital Projects and Debt Service.

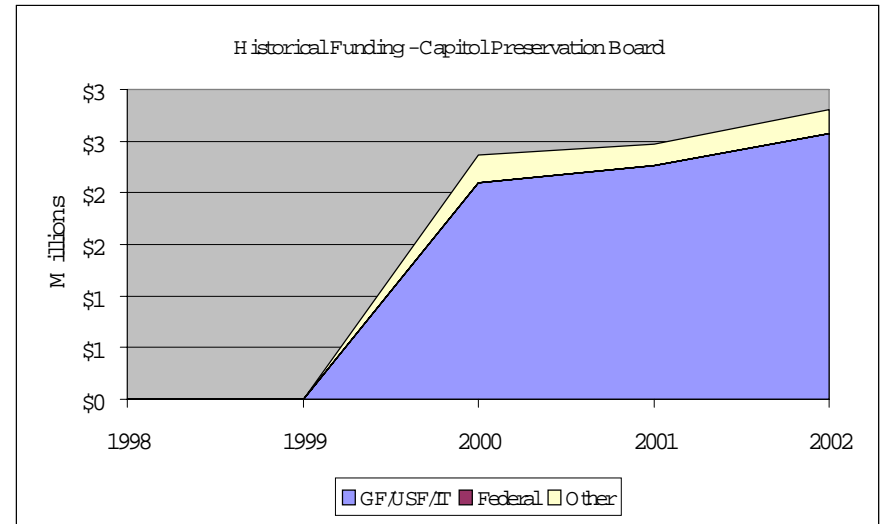


When all oversight areas are totaled, the CF&AS Subcommittee authorized budget totals \$390 million for Fiscal Year 2002. Of the total, approximately \$30 million provides operating budgets for the Department of Administrative Services and the Capitol Preservation Board.

For the second year in a row, the Legislature did not authorize issuance of new debt for capital facilities. The Legislature approved more than \$230 million in State funds for facility construction, including an unprecedented \$44 million for capital improvements.

Capitol Preservation Board

The Capitol Preservation Board maintains buildings and grounds on Capitol Hill. The Board also manages the planning, design and renovation of the Capitol Building. Following an appropriation of \$2.1 million in FY 2001 for planning and design, the Legislature approved \$40.9 million to build two new facilities on Capitol Hill to serve as surge space during the renovation of the Capitol, and ultimately as permanent office space.



Day to day operations are managed by an Executive Director and one staff person. The Director contracts with DFCM for janitorial, maintenance and utility service. The Board's operating budget totals \$2,806,900. More than \$2.5 million of that total is used for the DFCM contract and other current expenses.

Funding Detail

Capitol Preservation Board					
	2001	2001	2001	2002	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2001 Revised
General Fund	2,287,100		2,287,100	2,578,700	291,600
General Fund, One-time		(30,000)	(30,000)		30,000
Dedicated Credits Revenue	218,800		218,800	228,200	9,400
Total	\$2,505,900	(\$30,000)	\$2,475,900	\$2,806,900	\$331,000
Programs					
Capitol Preservation Board	2,505,900	(30,000)	2,475,900	2,806,900	331,000
Total	\$2,505,900	(\$30,000)	\$2,475,900	\$2,806,900	\$331,000
FTE/Other					
Total FTE	2.0	0.0	2.0	2.0	0.0

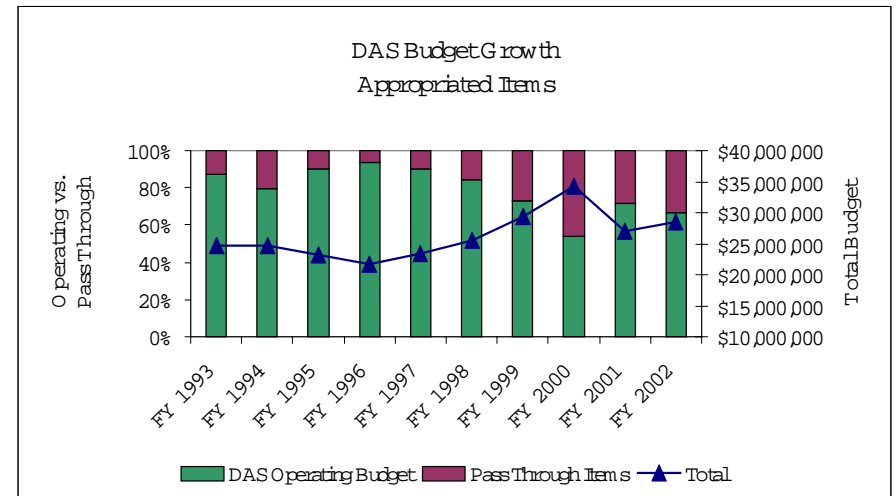
Department of Administrative Services

The Department of Administrative Services is responsible for:

2. Providing specialized agency support services;
3. Providing effective, coordinated management of state administrative services;
4. Serving the public interest by providing services in a cost-effective and efficient manner, eliminating unnecessary duplication;
5. Enabling administrators to effectively respond to technological improvements;
6. Emphasizing the service role of state administrative service agencies;
7. Permitting flexibility in meeting the service needs of state agencies;
8. Protecting the public interest by establishing 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 within the Division of Finance.

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, Retirement Adjustments 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 \$23.6 million for FY 2002, essentially the same level as FY 2001 adjusted totals. The table below shows annual changes in the total budget and reflects the percentage of pass-through items.



DAS Appropriated Divisions

The appropriated operating budget for the Department of Administrative Services is actually eleven percent less than it was in 1993. The combination of a departmental reorganization and the implementation of technology initiatives has allowed DAS to operate without significant new appropriations.

The Department of Administrative Services provides accounting services for many short-term programs throughout the state through the Division of Finance. Each year, the Division of Finance serves as the holding agency for funds to be expended by other agencies for projects not related to the mission of DAS. Over the years these projects included Y2K funding, Underground Storage Tank Mitigation and the LeRay McAlistler Critical Land Conservation Fund. New items added to Finance Mandated for FY 2002 include funding for retirement changes and the Utah Technology Infrastructure Innovation Program (UTIIP).

Executive Director's Office: The Executive Director's Office provides department financial management, strategic planning, organizational development, and public relations. The Division employs ten FTE with a budget of \$947,000.

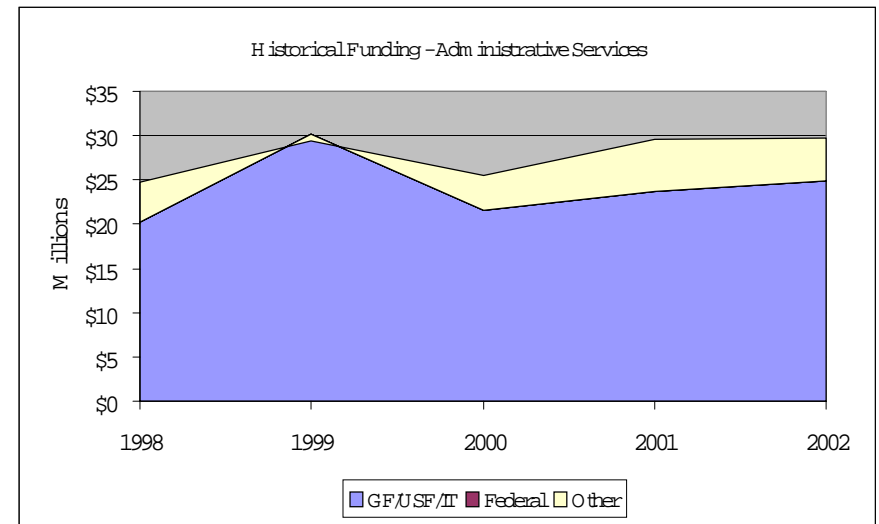
Administrative Rules: The Division of Administrative Rules establishes procedures for administrative rule-making. Statute requires the division to register administrative rules, make administrative rules available to the public, publish summaries of proposed rules, and compile and codify all effective rules in the Utah Administrative Code. The Division employs four FTE with a budget for FY 2002 of \$277,800.

Division of Archives: The Utah State Archives is the depository for the 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 programs with a budget of \$2,139,400.

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 employs 24 FTE and manages a budget of \$1,408,100.

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 state payroll. The Division budget of \$10,098,700 is spread over five divisions with a combined FTE count of 88.

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 has 39 FTE and an operating budget of \$3,181,000.



Internal Service Funds (ISF)

In addition to the appropriated divisions, the Department manages 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. As "vendors" to state agencies, ISFs are designed to recover only the costs associated with providing the service. ISF revenue is derived from rates charged to other agencies for services that would be more expensive if they were not centralized. In all, Administrative Services ISFs generate \$154 million and employ 515 FTE.

Division of Purchasing and General Services: 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. Electronic purchasing cards allow agencies to order office supplies online, and the centralized copier service coordinates statewide pools to reduce publishing costs.

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

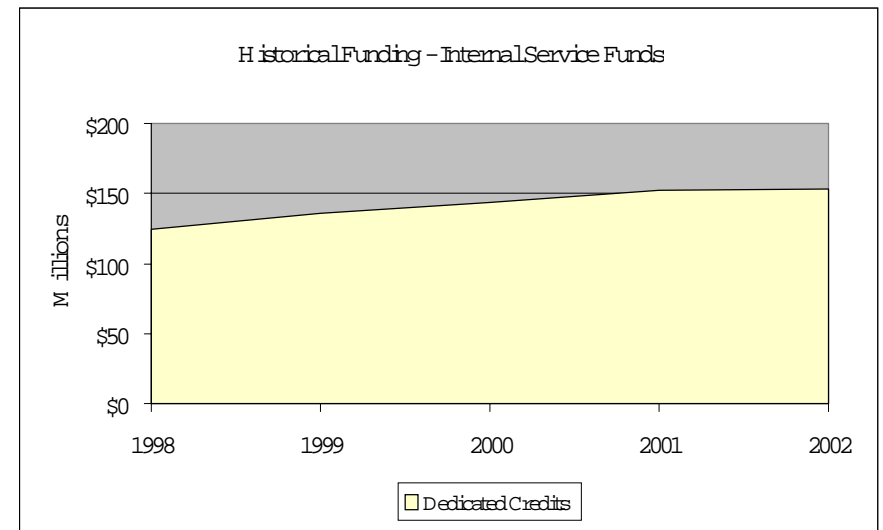
Division of Information Technology Services: The Division of Information Technology Services (ITS) is required to provide cost effective and reliable data processing and communication service to state and local government. The data processing area of ITS provides software development, computer time-sharing, main frame computing, and consultation services. The telecommunications area of ITS delivers priority service to public safety agencies and negotiates on behalf of state agencies the purchase, lease, or rental of private or public telecommunications services.

Division of Risk Management: As the state's risk manager, the division provides liability, property, and auto damage coverage to state agencies, school districts, colleges, and eight local health departments. The liability insurance program is entirely self funded and the property insurance program is self funded up to a \$2.5 million deductible. A

private carrier provides coverage beyond the aggregated deductible amount.

Division of Facilities Construction and Management - Facilities Management: The DFCA 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. DFCA also evaluates preventative maintenance programs by conducting building assessments for state-owned buildings and college facilities.

Office of State Debt Collection: The Office of State Debt Collection collects and manages state receivables and develops policies governing long-term outstanding debt. Private collections firms provide the actual collection work. Formerly funded partially with tax funds, the Division now operates entirely as an internal service fund, generating dedicated credits to fund all expenditures.



Legislative Action

Office of State Debt Collection: The Legislature removed all tax funding for collection efforts on delinquent debts owed to the state. All agency funds will now be generated through collection of outstanding debt.

Personal vehicle use for state business: Finance will continue a rule that ties mileage reimbursement to Fleet Operation costs but also makes exceptions for instances where a state vehicle is not available. Early indications show that the state may save as much as 40 percent in mileage through this effort.

800 MHz Conversion: The Legislature provided the final phase of funding for 800 MHz radios to the Division of Finance. The state's Chief Information Officer directs allocation to state agencies in consultation with the Director of the Division of Information Technology Services.

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

Fuel and Power Costs: The Legislature provided \$1.1 million to state agencies for FY 2001 fuel and power increases. Higher Education received an additional \$7.5 million to cover costs for FY 2001 and FY 2002.

Division of Fleet Operations: The Legislature directed the Legislative Fiscal Analyst to provide an analysis of Higher Education's participation in the state fleet and to provide a separate analysis of the need for 4x4 vehicles in the state fleet.

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.

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

H.B. 62 "Operation and Maintenance of State Buildings" This bill changes the calculation used by the Legislature to fund alterations, repair and improvements. Beginning with the 2002 General Session, Capital Improvements will be funded at 1.1 percent of the replacement value of state buildings. The bill also increase the cap on capital improvement projects from \$1 million to \$1.5 million per project.

H.B. 91 "State Capitol Preservation Board Amendments" Places Capitol greenhouses, the White Chapel and the DUPMuseum under the Capitol Preservation Board (CPB). Provides further staff assistance on budget matters by appointing the Governor's budget director and the Legislative Fiscal Analyst as ex-officio members of any CPB budget subcommittee.

H.B. 134 "State Accounting Standards" The adoption of Rule 34 by the Governmental Accounting Standards Board (GASB) created new and better tools to manage state accounting records. House Bill 134 brought outdated accounting terms and practices currently used in the State into compliance with the new GASB standard.

H.B. 245 "Utah Procurement Code - Reverse Auctions" Allows the state to provide a process whereby vendors will submit open bids that can be viewed by other vendors. In this manner, vendors will be able to offer better prices to the state by knowing what the lowest offer is at any given moment.

The table following the Funding Detail identifies fleet vehicles by type. In 1999, the Legislature funded a program to develop a fleet tracking system. The new system came on line in FY 2000, allowing consistent reporting of fleet data. Data will now be tracked monthly and reported annually as part of the budget process.

Funding Detail

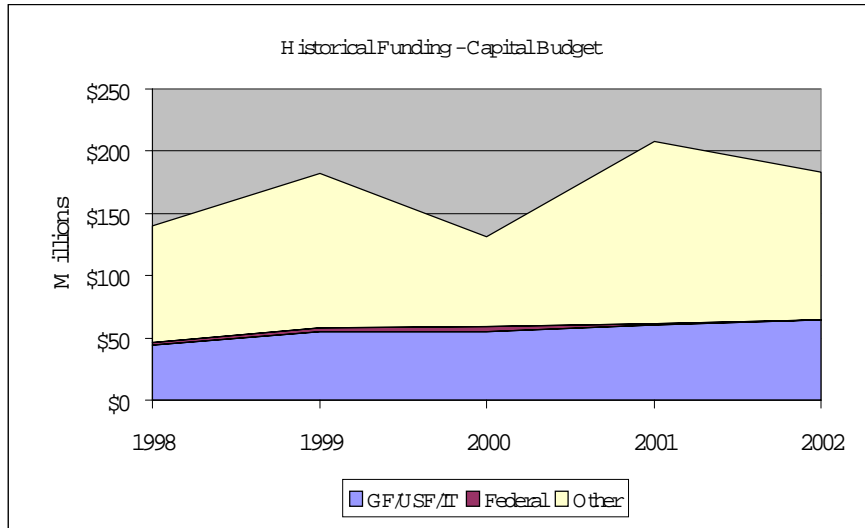
Administrative Services					
	2001	2001	2001	2002	Change from
	Estimated	Supplemental	Revised	Appropriated	2001 Revised
Financing					
General Fund	23,275,400		23,275,400	22,201,500	(1,073,900)
General Fund, One-time	500,000	(56,500)	443,500	2,152,500	1,709,000
Uniform School Fund				564,000	564,000
Transportation Fund				539,800	539,800
Federal Funds				47,600	47,600
Dedicated Credits Revenue	1,448,600	(3,300)	1,445,300	1,498,300	53,000
GFR -Boating				500	500
GFR -Children's Legal Defense				200	200
GFR -Commerce Service				3,100	3,100
GFR -Environmental Quality				1,500	1,500
GFR -Financial Institutions				700	700
GFR -Industrial Assistance				100	100
GFR -ISF Overhead	1,486,300	(15,400)	1,470,900	1,483,300	12,400
GFR -Livestock Brand				200	200
GFR -Medical Restricted				200	200
GFR -Public Safety Support				100	100
GFR -Sales and Use Tax Admin Fees				1,400	1,400
GFR -Substance Abuse Prevention				100	100
GFR -Tobacco Settlement				200	200
GFR -Wildlife Resources				3,500	3,500
GFR -Workplace Safety				300	300
TFR -Public Safety				2,800	2,800
Crime Victims Reparation Trust				200	200
Land Grant Mgt Fund				900	900
Liquor Control Fund				2,300	2,300
Unclaimed Property Trust				100	100
Transfers	1,128,000		1,128,000	340,400	(787,600)
Transfers -Federal	93,000		93,000		(93,000)
Beginning Nonlapsing	2,726,600		2,726,600	997,200	(1,729,400)
Closing Nonlapsing	(1,027,200)		(1,027,200)	(156,000)	871,200
Total	\$29,630,700	(\$75,200)	\$29,555,500	\$29,687,000	\$131,500
Programs					
Executive Director	943,300	(200)	943,100	947,000	3,900
Exec Dir -Fuel Mitigation	3,800		3,800		(3,800)
Information Tech Services	876,600		876,600	876,600	
Administrative Rules	386,700		386,700	277,800	(108,900)
DFCM Administration	3,096,000	(3,000)	3,093,000	3,181,000	88,000
DFCM Facilities Management	414,800	30,000	444,800	262,700	(182,100)
State Archives	1,947,300	300	1,947,600	2,139,400	191,800
Finance Administration	10,197,300	(101,100)	10,096,200	10,098,700	2,500
Finance -Mandated	5,890,800		5,890,800	6,059,700	168,900
Post Conviction Indigent Defense Fund	172,500		172,500	197,500	25,000
Judicial Conduct Commission	254,400	(200)	254,200	238,500	(15,700)
Purchasing	1,447,200	(1,000)	1,446,200	1,408,100	(38,100)
Fleet Capitalization	4,000,000		4,000,000	4,000,000	
Total	\$29,630,700	(\$75,200)	\$29,555,500	\$29,687,000	\$131,500
FTE/Other					
Total FTE	202.4		202.4	202.1	(0.3)
Vehicles	4		4	4	

Internal Service Funds					
	2001	2001	2001	2002	Change from
	Estimated	Supplemental	Revised	Appropriated	2001 Revised
Financing					
Federal Funds	150,000		150,000	750,000	600,000
Dedicated Credits Revenue	246,700		246,700		(246,700)
Premiums	20,246,600		20,246,600	21,804,400	1,557,800
Licenses/Fees	110,800		110,800	123,300	12,500
Interest Income	3,252,100		3,252,100	3,260,100	8,000
Dedicated Credits - Inbgvt Rev	118,134,000	179,400	118,313,400	118,251,200	(62,200)
Restricted Revenue	8,934,000		8,934,000	9,309,600	375,600
Transfers	1,250,300		1,250,300	676,600	(573,700)
Other Financing Sources	6,500		6,500	7,000	500
Total	\$152,331,000	\$179,400	\$152,510,400	\$154,182,200	\$1,671,800
Programs					
ISF -Office of State Debt Collection	765,400	179,400	944,800	754,100	(190,700)
ISF -Purchasing & General Services	12,719,900		12,719,900	13,418,700	698,800
ISF -Information Technology Services	53,132,500		53,132,500	52,864,200	(268,300)
ISF -Fleet Operations	36,451,300		36,451,300	37,110,500	659,200
ISF -Risk Management	29,445,600		29,445,600	31,249,000	1,803,400
ISF -Facilities Management	19,014,800		19,014,800	18,300,800	(714,000)
ISF -DFCM Roofing and Paving	459,900		459,900	484,900	25,000
ISF -DFCM Planning and Design	341,600		341,600		(341,600)
Total	\$152,331,000	\$179,400	\$152,510,400	\$154,182,200	\$1,671,800
FTE/Other					
Total FTE	509.8		509.8	514.5	4.7
Authorized Capital Outlay	44,379,918		44,379,918	20,484,600	(23,895,318)
Retained Earnings	25,504,300		25,504,300	29,831,100	4,326,800
Vehicles	381		381	381	

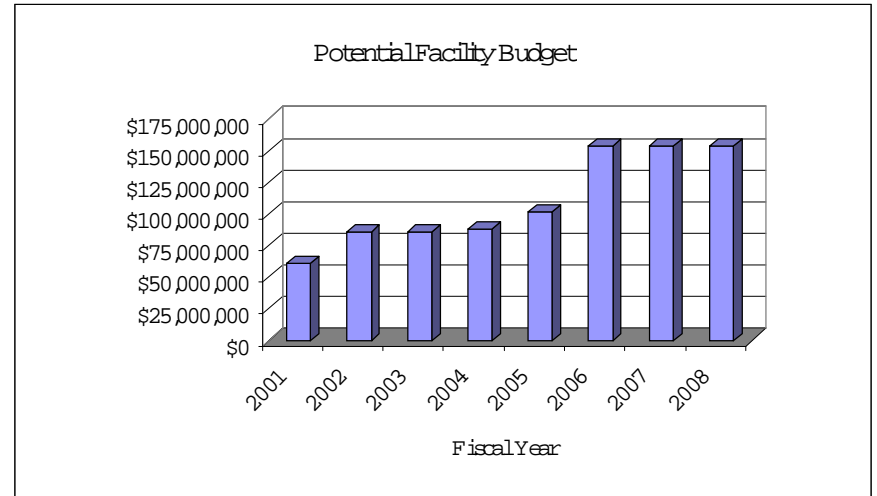
Light Duty Fleet Vehicles, FY 2000		
Vehicle Type	Number	Percent
Truck, 4x2	1,032	16.83%
Truck, 4x4	713	11.63%
1 Ton 4x2 Truck	247	4.03%
2 Ton 4x4 Truck	111	1.81%
SUV 4x2	10	0.16%
SUV 4x4	449	7.32%
Sedan	1,863	30.39%
Van 4x4	1,086	17.71%
Van 4x4	20	0.33%
Patrol	554	9.04%
Motorcycle	26	0.42%
Other	20	0.33%
Total	6,131	

Capital Budget

The capital budget provides funding to purchase, construct, and repair State facilities. Funding for these projects traditionally comes from cash and bonding. In keeping with a program started in the 2000 General Session, the FY 2002 capital budget is funded without issuing new general obligation debt.



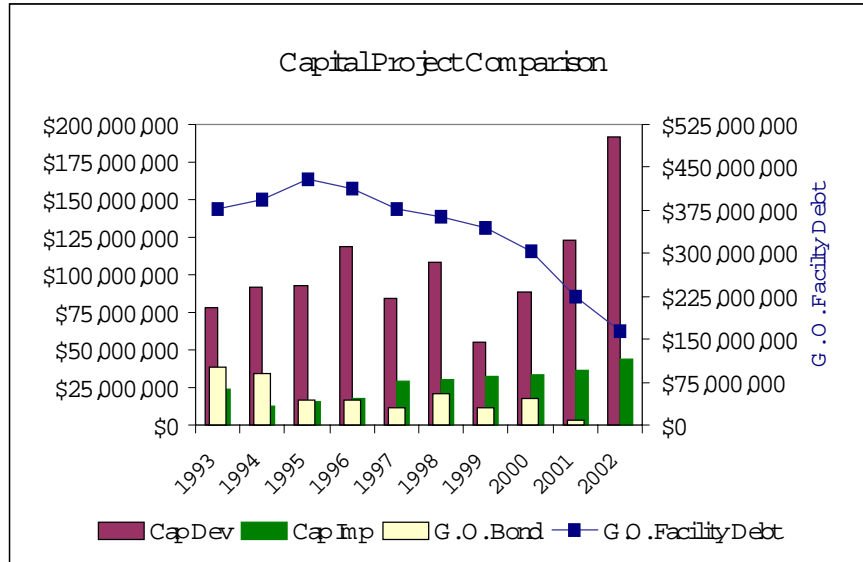
The budget is the second step toward funding all state projects on a pay-as-you-go basis. The Legislature transferred \$25 million in debt service savings to the capital budget. If the plan is followed for the next four years, the capital budget will rise to more than \$154 million per year and will provide more funding for new facility construction than has been available for the five years prior to the program implementation (which includes bond proceeds).



Legislative Action

Capital Improvements - Maintaining existing facilities: Funding for capital improvement increased by 19.7 percent over the record level established in FY 2001. Current law requires that 0.9 percent of the replacement value of state-owned facilities be funded for improvements before any new facilities are funded. As mentioned previously, House Bill 62 changes this percentage to 1.1 percent for FY 2003. To prepare for the change, the Legislature appropriated the 0.9 percent minimum this year and added \$4.4 million to the base.

The following chart 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 \$300 million in new capital projects (including non-state funded) without issuing any new debt.



Funding Detail

	Capital Budget				Change from 2001 Revised
	2001 Estimated	2001 Supplemental	2001 Revised	2002 Appropriated	
Financing					
General Fund	35,505,300		35,505,300	65,099,400	29,594,100
General Fund, One-time	13,400,000		13,400,000	1,000	(13,399,000)
Uniform School Fund	11,816,100		11,816,100		(11,816,100)
Income Tax				24,298,000	24,298,000
Income Tax, One-time		134,113,000	134,113,000	10,000,000	(124,113,000)
Transportation Fund, One-time	611,000		611,000	1,399,000	788,000
Federal Funds	1,170,000		1,170,000		(1,170,000)
Dedicated Credits Revenue	428,000		428,000	41,000,000	40,572,000
Dedicated Credits - GO Bonds	8,600,000		8,600,000		(8,600,000)
Dedicated Credits - Revenue Bonds				10,735,800	10,735,800
GFR - Special Administrative Expense				1,186,700	1,186,700
GFR - State Court Complex				700,000	700,000
Olympic Special Revenue				28,500,000	28,500,000
Transfers				387,000	387,000
Transfers - Project Reserve Fund	2,189,200		2,189,200		(2,189,200)
Transfers - Youth Corrections	130,000		130,000		(130,000)
Beginning Nonlapsing	36,500		36,500		(36,500)
Total	\$73,886,100	\$134,113,000	\$207,999,100	\$183,306,900	(\$24,692,200)
Programs					
D FCM Capital Program	73,886,100	134,113,000	207,999,100	183,306,900	(24,692,200)
Total	\$73,886,100	\$134,113,000	\$207,999,100	\$183,306,900	(\$24,692,200)

State Funded Capital Projects - The capital budget approved during the 2001 General Session included \$134,113,000 in income tax funds from FY 2001. Income tax funds may only be expended on education projects. The table below shows projects funded with current budget year funds.

Project	Total Project	FY 2001 Income
		Tax
CEU Main Building	\$10,827,100	\$10,827,100
W SU Davis Campus	23,113,600	23,113,600
USU Engineering Building	33,237,900	23,237,900
UVSC Classroom Building	18,704,700	18,704,700
Package Savings	(4,626,300)	(4,626,300)
USU Heating Plant Design	29,713,400	29,713,400
BA TC - Brigham City	652,000	652,000
U of U Engineering	2,315,000	2,315,000
Dixie College Graff Bldg.	14,088,800	14,088,800
Snow Performing Arts Bldg.	16,086,800	16,086,800
	<u>\$144,113,000</u>	<u>\$134,113,000</u>

The first four projects listed above will be bid out as a design-build package that will result in approximately \$4.6 million in savings from common design and accelerated construction schedules.

The following table shows projects funded with state funds in Fiscal Year 2002. The "other funds" column includes Transportation Fund, Court Fees, donations and Olympic Special Revenue Fund (used to fund the first phase of the Capitol Restoration)

Projects Funded with FY 2002 Funds	Total Project	General Fund	Uniform School Fund	Other Funds
Capital Improvements	43,994,000	22,594,000	21,400,000	
Capitol Remodel	40,991,600	12,491,600		28,500,000
U of U Huntsman Expansion	100,000,000	5,000,000		95,000,000
Archives Planning	40,000	40,000		
Field House of Natural History	6,741,000	5,741,000		1,000,000
BA TC Brigham City	2,089,000	2,089,000		
Courts - First District Court	12,493,800	11,793,800		700,000
U of U Engineering Building	7,685,000		7,298,000	387,000
DW S Cedar City Office	1,186,700			1,186,700
UDOT Richfield Warehouse	699,000			699,000
UDOT Echo Station	400,000			400,000
UDOT Roosevelt Station	300,000			300,000
Ogden Weber A TC Land	500,000	500,000		
TOTAL	<u>217,120,100</u>	<u>60,249,400</u>	<u>28,698,000</u>	<u>128,172,700</u>

Non-State Funded Capital Projects

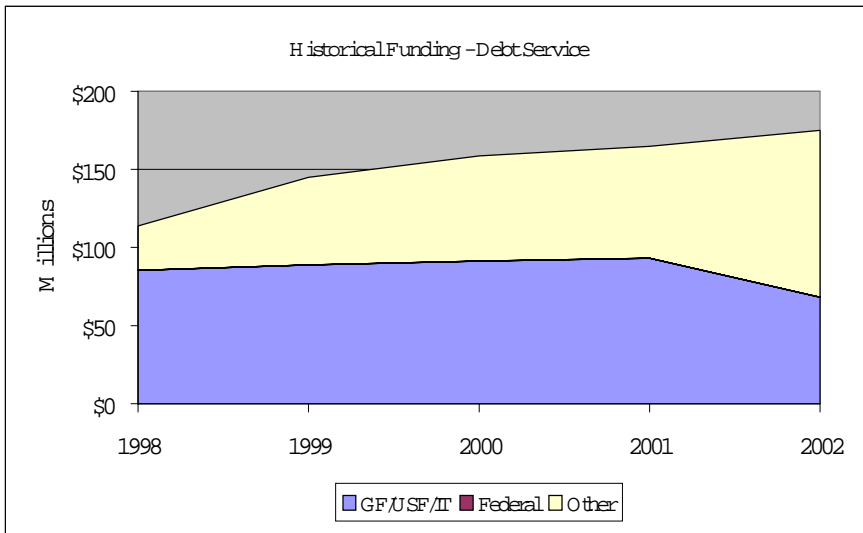
Legislative Action

Non-State Funded Projects FY 2002	
USU HPER Building Expansion	3,500,000
UU Moran Eye Center II	38,700,000
UU E.E. Jones Medical Science Addition	7,000,000
UU Huntsman Cancer Research Hospital	95,000,000
UU Museum of Natural History	60,000,000
UU Hospital Expansion	25,000,000
SLCC Cafeteria Remodel/Student Study Center	4,000,000
SLCC Wireless Project	2,000,000
Dixie Gardner Student Center Expansion	1,500,000
Dixie Hurricane Education Center	440,000
SUU Shakespearean Festival Performing Arts Bldg.	60,000,000
Total	<u><u>297,140,000</u></u>

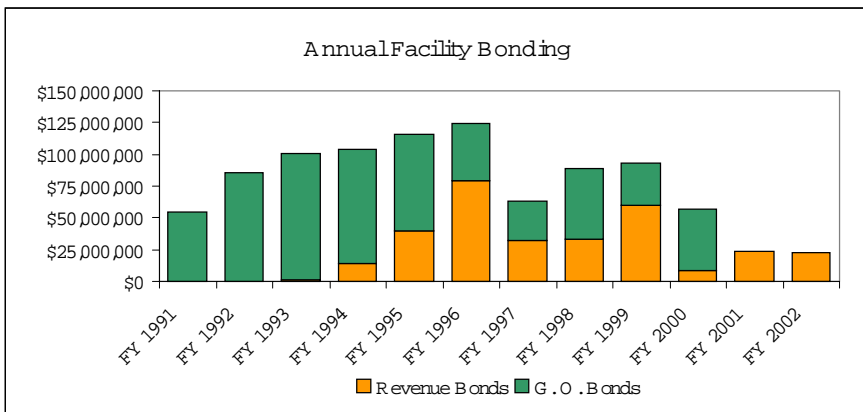
S.B. 65 "Bonding for Soldier Hollow Golf Course" The Legislature approved the Division of Parks and Recreation's request to construct a 36 hole golf course at Soldier Hollow, adjacent to Wasatch Mountain State Park. Debt service will be paid by revenues generated through user fees.

Debt Service

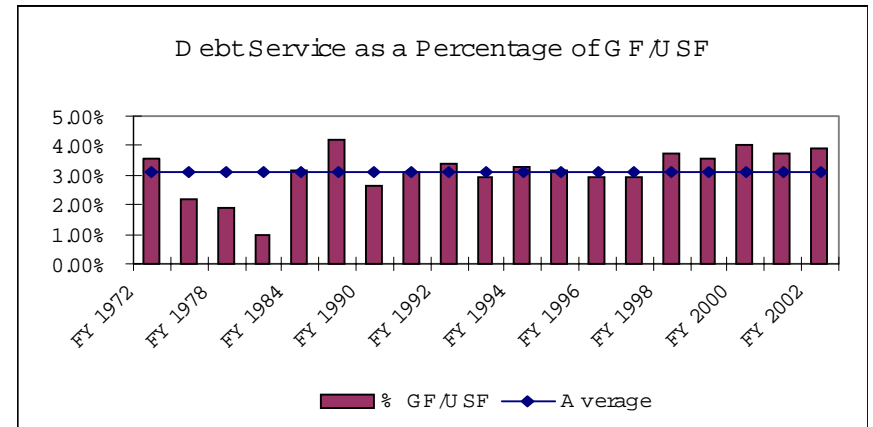
Outstanding Indebtedness: The State Constitution limits general obligation debt to 1.5 percent of the taxable value of property in the state. Current outstanding debt utilizes just over 50 percent of this Constitutional authority.



Utah Code limits debt to 20 percent of the fiscal year appropriation limit but exempts transportation bonds. Current outstanding indebtedness is approximately 29 percent of the statutory limit.



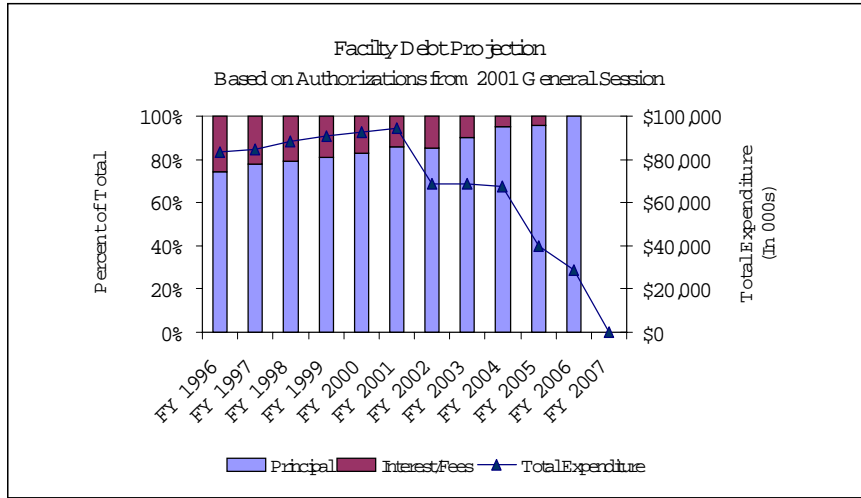
Debt Service for FY 2002 requires an increase of \$38,474,100 to fund the first principal payment on the Centennial Highway program. The Legislature approved total debt service funding of \$174,685,200. For the first time, Centennial Highway Fund exceeds the appropriation of General Fund and Uniform School Fund used to fund debt service.



General Obligation Debt Service, as a percent of FY 2002 General Fund and Uniform School Fund appropriations, rose to 3.86 percent - an increase of a third of a point over FY 2001 levels. Even with the increased bonding levels for the I-15 project over the last three years, Debt Service has remained under four percent of the combined General Fund and Uniform School Fund.

Dedicated Credits, used to fund revenue bonds, increased by \$161,800 to \$23,727,300. The Legislature approved new revenue bonds in the amount of \$10,735,000 to fund a new Department of Alcohol Beverage Control (DABC) store in south Salt Lake County, a replacement store in the western part of Salt Lake County and the expansion and modernization of the DABC warehouse. Debt service will be funded from profits on liquor sales.

General Obligation Bonding: For the second year in a row, the Legislature did not authorize new general obligation debt for facilities. If no facility bonds are issued for the next four years, the State will have no facility debt.



Centennial Highway Program: As part of the centennial Highway Program, the Legislature authorized a general obligation highway bond not to exceed \$126,250,000.

Funding Detail

Debt Service					
	2001	2001	2001	2002	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2001 Revised
General Fund	73,223,900		73,223,900	43,629,800	(29,594,100)
Uniform School Fund	20,152,500		20,152,500	24,670,600	4,518,100
Centennial Highway Fund	41,104,400		41,104,400	82,657,500	41,553,100
Centennial Highway Fund, One-time		3,079,000	3,079,000		(3,079,000)
Dedicated Credits Revenue	23,565,500		23,565,500	23,727,300	161,800
Beginning Nonlapsing	8,757,200		8,757,200	5,051,200	(3,706,000)
Closing Nonlapsing	(5,051,200)		(5,051,200)	(5,051,200)	
Total	\$161,752,300	\$3,079,000	\$164,831,300	\$174,685,200	\$9,853,900
Programs					
Debt Service	161,752,300	3,079,000	164,831,300	174,685,200	9,853,900
Total	\$161,752,300	\$3,079,000	\$164,831,300	\$174,685,200	\$9,853,900

Capital Facilities & Administrative Services Appropriations Subcommittee					
	2001	2001	2001	2002	Change from
	Estimated	Supplemental	Revised	Appropriated	2001 Revised
Financing					
General Fund	134,291,700		134,291,700	133,509,400	(782,300)
General Fund, One-time	13,900,000	(86,500)	13,813,500	2,153,500	(11,660,000)
Uniform School Fund	31,968,600		31,968,600	25,234,600	(6,734,000)
Income Tax				24,298,000	24,298,000
Income Tax, One-time		134,113,000	134,113,000	10,000,000	(124,113,000)
Transportation Fund				539,800	539,800
Transportation Fund, One-time	611,000		611,000	1,399,000	788,000
Centennial Highway Fund	41,104,400		41,104,400	82,657,500	41,553,100
Centennial Highway Fund, One-time		3,079,000	3,079,000		(3,079,000)
Federal Funds	1,170,000		1,170,000	47,600	(1,122,400)
Dedicated Credits Revenue	25,660,900	(3,300)	25,657,600	66,453,800	40,796,200
Dedicated Credits - GO Bonds	8,600,000		8,600,000		(8,600,000)
Dedicated Credits - Revenue Bonds				10,735,800	10,735,800
General Fund Restricted				12,100	12,100
GFR - ISF Overhead	1,486,300	(15,400)	1,470,900	1,483,300	12,400
GFR - Special Administrative Expense				1,186,700	1,186,700
GFR - State Court Complex				700,000	700,000
TFR - Public Safety				2,800	2,800
Crime Victims Reparation Trust				200	200
Land Grant Mgt Fund				900	900
Liquor Control Fund				2,300	2,300
Olympic Special Revenue				28,500,000	28,500,000
Unclaimed Property Trust				100	100
Transfers	1,128,000		1,128,000	727,400	(400,600)
Transfers - Federal	93,000		93,000		(93,000)
Transfers - Project Reserve Fund	2,189,200		2,189,200		(2,189,200)
Transfers - Youth Corrections	130,000		130,000		(130,000)
Beginning Nonlapsing	11,520,300		11,520,300	6,048,400	(5,471,900)
Closing Nonlapsing	(6,078,400)		(6,078,400)	(5,207,200)	871,200
Total	\$267,775,000	\$137,086,800	\$404,861,800	\$390,486,000	(\$14,375,800)
Programs					
Capitol Preservation Board	2,505,900	(30,000)	2,475,900	2,806,900	331,000
Administrative Services	29,630,700	(75,200)	29,555,500	29,687,000	131,500
Capital Budget	73,886,100	134,113,000	207,999,100	183,306,900	(24,692,200)
Debt Service	161,752,300	3,079,000	164,831,300	174,685,200	9,853,900
Total	\$267,775,000	\$137,086,800	\$404,861,800	\$390,486,000	(\$14,375,800)
FTE/Other					
Total FTE	204.4		204.4	204.1	(0.3)
Vehicles	4		4	4	

Capital Facilities & Administrative Services Appropriations Subcommittee
One-time State Funding Items (GF/USF/IT)

Item Name	FY 2002 Appropriated
Administrative Services - Information Tech Services - Automated Geographic Reference Center	500,000
Administrative Services - Finance - Mandated - Information Technology Infrastructure Innovation Program	500,000
Administrative Services - Finance - Mandated - 800 MHz Conversion	1,152,500
Capital Budget - DFCM Capital Program - Capital Development	1,000
Capital Budget - DFCM Capital Program - Capital Development	10,000,000
Total	<u>\$12,153,500</u>

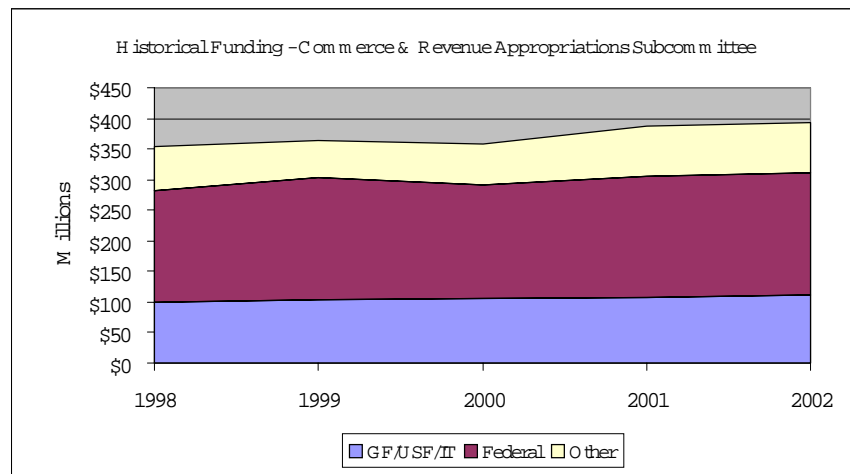
C o m m e r c e a n d R e v e n u e

Subcommittee Overview

Appropriations for FY 2002 totaling \$394,030,300 were allocated to agencies under the responsibility of the Commerce and Revenue Joint Appropriations Subcommittee. Of this amount, \$94,817,000 is from the General Fund, \$17,375,000 is from the Uniform School Fund, \$199,028,000 is from Federal Funds, and the remainder is from other funding sources. New funding of \$597,600 from the General Fund/Uniform School Fund for FY 2002 was allocated to the Subcommittee. Resources within the Subcommittee were reallocated between agencies totaling more than \$300,000 from the General Fund/Uniform School Fund. Other increases were provided from the Commerce Service Fund (\$523,900), GFR - Financial Institutions (\$856,600), and the Liquor Control Fund (\$1,080,600).

The Subcommittee FY 2002 appropriated budget is a 1.97 percent increase over the FY 2001 Revised Year. Base budget reductions were made in various agencies for retirement rate reductions in FY 2002 and internal service fund changes in both FY 2001 and FY 2002. The total listed above includes the reductions, compensation increase, market comparability adjustments, and the funding of fiscal notes for legislative bills.

Funding from Commerce Service Fund balances of \$1,200,000 was shifted to the General Fund.



General Subcommittee Issues

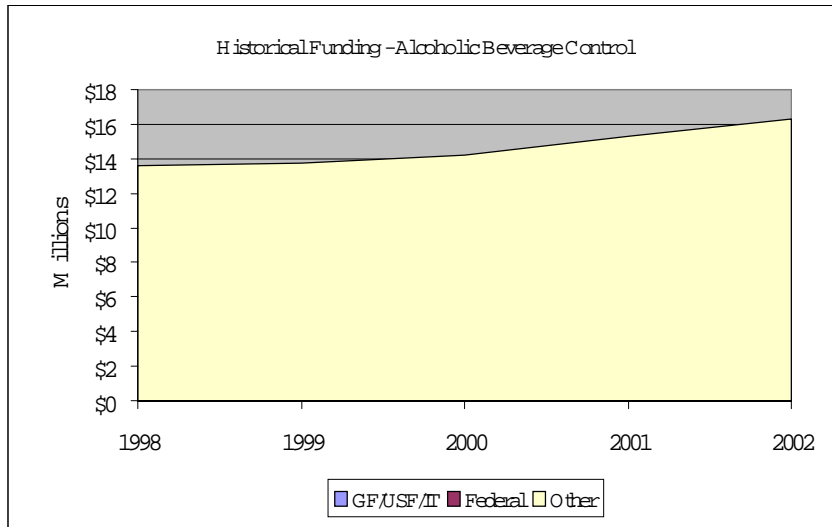
The major issues addressed by the Commerce and Revenue Joint Appropriations Subcommittee included: welfare assistance payments, child care, caseload and workload increases, compensation, and technology information systems and upgrades, including the Tax System Modernization (Tax Commission), COSMOS (Insurance 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 and 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, and the Utah State Tax Commission.

Department of Alcoholic Beverage Control

Utah is one of 18 liquor control states and one of two states which have 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.

The Department of Alcoholic Beverage Control (DABC) administers liquor laws and licenses on-premise businesses, manufacturers, wholesalers, warehousemen, 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 for FY 2002 reflect an increase of 6.47 percent when compared to FY 2001. Of the \$1,080,600 added for FY 2002, \$336,000 is one-time funding. A FY 2001 Supplemental Appropriation of \$347,400 from the Liquor Control Fund was also allocated.

Estimated Department sales revenue for FY 2002 reflects a net profit transfer to the General Fund of \$32.4 million, school lunch tax revenue of \$15.8 million, and sales tax revenue of \$8.1 million.

Legislative Action

State Store Sales Clerks: The Legislature appropriated \$287,000 from the Liquor Control Fund for 11 additional sales clerks to address the manpower shortage created by increased sales volume, store expansions and additional stores scheduled to open in the next year.

Warehouse Equipment: One-time appropriations of \$116,000 from the Liquor Control Fund were made for warehouse equipment, including a forklift, cherry-picker, pallet jacks and batteries.

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 ongoing appropriation of

\$112,000 was made for a ten percent rate adjustment for Type III package agencies. House Bill 191 added another \$129,200 from the Liquor Control Fund making a total increase of 21.57 percent. An adjustment based on case load sales volume added \$83,900 for selected package agencies.

Technology: One-time FY 2002 funding of \$230,000 from the Liquor Control Fund was provided for the second phase of the Department's Electronic Commerce Initiative. This should be the final phase. A additional one-time funds of \$20,000 were allocated for a fire suppressant system for the DABC computer room.

FY 2001 Supplemental Appropriations: Appropriations totaling \$347,000 from the Liquor Control Fund was made to fund: 1) revenue bond payments (\$182,700), 2) maintenance for leased facilities (\$49,000), 3) package agency case load increase (\$21,700), and 4) six sales clerks (\$76,000).

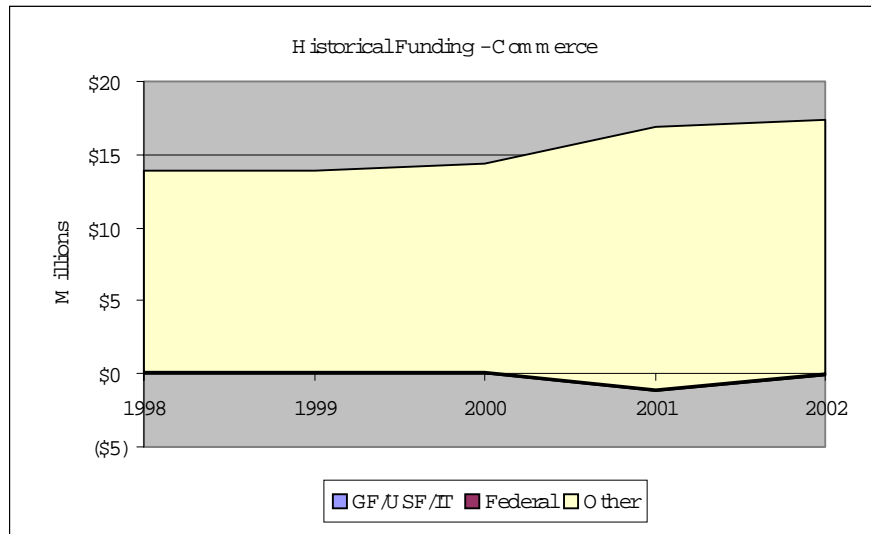
Funding Detail

Alcoholic Beverage Control					
	2001	2001	2001	2002	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2001 Revised
Liquor Control Fund	14,952,000	347,400	15,299,400	16,292,500	993,100
Beginning Nonlapsing	3,200		3,200		(3,200)
Total	\$14,955,200	\$347,400	\$15,302,600	\$16,292,500	\$989,900
Programs					
Executive Director	931,400		931,400	970,000	38,600
Administration	954,000		954,000	1,130,200	176,200
Operations	2,106,300		2,106,300	2,090,200	(16,100)
Warehouse and Distribution	1,003,000	2,000	1,005,000	1,033,600	28,600
Stores and Agencies	9,960,500	345,400	10,305,900	11,068,500	762,600
Total	\$14,955,200	\$347,400	\$15,302,600	\$16,292,500	\$989,900
FTE/Other					
Total FTE	290.5	6.0	296.5	301.5	5.0
Vehicles	22		22	22	0.0

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 are 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 2002 overall Department of Commerce budget was increased by 7.79 percent compared to FY 2001 Revised. This includes funding for the compensation package, building blocks and new legislative programs. Fees were increased in several professions to more accurately reflect the cost of regulation. Other fees were increased as a result of new legislative requirements. It is estimated that more than \$4.27 million from the Commerce Service Fund revenue will be deposited into the General Fund at the end of FY 2001.

Legislative Action

Division of Occupational and Professional Licensing: This Division was most affected by legislation passed providing additional funding and authorizing new FTEs. Legislation includes the following:

H.B. 73 "Mental Health Therapist Licensing Act Amendments" - \$19,000

H.B. 105 "Licensure of Estheticians and Nail Technicians" - \$161,700 and 1.75 FTE.

S.B. 25, "Utah Professional Athletic Commission" - \$161,200

S.B. 59, "Licensing of Genetic Counselors" - \$2,100

S.B. 60, "Uniform Athlete Agents Act" - \$40,000 and .25 FTE

Division of Corporations: The Division of Corporations has been most affected by the delays in implementing the Licensing Enforcement System. Ongoing funding of \$117,000 for three FTE was appropriated to handle workload increases. One-time funding of \$50,000 for FY 2001 and \$100,000 for FY 2002 from Commerce Service Fund Balances were provided to address and eliminate the processing backlog.

Securities Examiner: The Legislature authorized an additional FTE and \$67,000 to maintain monitoring and oversight of the expanding securities industry.

House Bill 320 repealed: House Bill 320 "Public Utility Amendments," approved by the 2000 Legislature, was repealed by House Bill 198 "Repeal of Public Utilities Amendments". This leaves the Department and the Public Service Commission with their current organizational structure and lines of authority.

Licensing Enforcement System (LES): The funding of \$330,000 to develop and implement the LES was granted nonlapsing status so the Department can negotiate more effectively with the vendor developing the system.

Executive Appropriations Action: Intent language was added to Senate Bill 3 "Supplemental Appropriations Act II" requiring "that the physical location of the Committee of Consumer Services be separated from the Division of Public Utilities and the Public Service Commission. It is the intent that this separation be to a different building, or at least, to a different floor, if remaining in the same building." One-time funding of \$20,000 from Commerce Service Fund Balances was allocated in FY 2001 to accomplish this.

Other Legislative Action: House Bill 107 "Utah Residential Mortgage Practices Act" passed during the 2000 General Session. It was fully funded with an additional \$152,700 of ongoing funding of Commerce Service Fund and Dedicated Credits.

Intent Language: Intent language was passed making the Professional and Technical Funds of the Division of Public Utilities and the Committee of Consumer Services nonlapsing. A additional intent language included the following:

It is the intent of the Legislature that unexpended balances of the Department up to \$735,000 be carried forward for capital equipment, improvements and computer system development.

It is the intent of the Legislature that unexpended balances of the Committee of Consumer Services be transferred from its Administrative Budget to its Professional and Technical Services budget for the same year and that the transferred funds be made nonlapsing.

Supplemental funding: FY 2001 funding was provided from restricted accounts and the Commerce Service Fund to various professional and occupational bureaus. Most adjustments were appropriations authorizing the expenditure of restricted funds collected by the Division of Occupational and Professional Licensing.

Funding Detail

Commerce General Regulation					
	2001	2001	2001	2002	Change from
	Estimated	Supplemental	Revised	Appropriated	2001 Revised
Financing					
General Fund				(100,000)	(100,000)
General Fund, One-time		(1,200,000)	(1,200,000)		1,200,000
CB/EENT Education and Enforcement				15,000	15,000
Federal Funds	138,400		138,400	138,400	
Dedicated Credits Revenue	369,700	(10,300)	359,400	440,800	81,400
GFR - Cert Nurse M itw ife Ed. & Enf.				10,000	10,000
GFR - Commerce Service	14,756,000	52,500	14,808,500	15,892,500	1,084,000
GFR - Factory Built Housing Fees				104,400	104,400
Real Estate Education and Recovery	2,000		2,000	2,000	
Transfers	(163,900)		(163,900)		163,900
Beginning Nonlapsing	1,037,700		1,037,700	138,800	(898,900)
Beginning Fund Balances - CSF		1,220,000	1,220,000	200,000	(1,020,000)
Closing Nonlapsing	(138,800)		(138,800)	(138,900)	(100)
Total	\$16,001,100	\$62,200	\$16,063,300	\$16,703,000	\$639,700
Programs					
Administration	2,226,000	12,000	2,238,000	1,690,600	(547,400)
Occupational & Professional Licensi	5,498,500	(10,300)	5,488,200	6,013,000	524,800
Securities	1,147,300	(2,700)	1,144,600	1,240,800	96,200
Consumer Protection	715,200	(1,900)	713,300	733,000	19,700
Corporations and Commercial Code	1,593,500	48,800	1,642,300	1,948,100	305,800
Real Estate	1,019,900	(1,700)	1,018,200	1,195,300	177,100
Public Utilities	2,922,000	(1,400)	2,920,600	2,988,300	67,700
Committee of Consumer Services	655,400	19,400	674,800	670,600	(4,200)
Building Operations and Maintenance	223,300		223,300	223,300	
Total	\$16,001,100	\$62,200	\$16,063,300	\$16,703,000	\$639,700
FTE/Other					
Total FTE	239.0	0.0	239.0	244.8	5.8
Vehicles	32		32	32	0.0

Real Estate Education					
	2001	2001	2001	2002	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2001 Revised
Real Estate Education and Recov	148,600		148,600	152,800	4,200
Beginning Nonlapsing	17,100		17,100	9,000	(8,100)
Closing Nonlapsing	(9,000)		(9,000)		9,000
Total	\$156,700	\$0	\$156,700	\$161,800	\$5,100
Programs					
Real Estate Education	156,700		156,700	161,800	5,100
Total	\$156,700	\$0	\$156,700	\$161,800	\$5,100
FTE/Other					
Total FTE	2.0	0.0	2.0	2.0	0.0

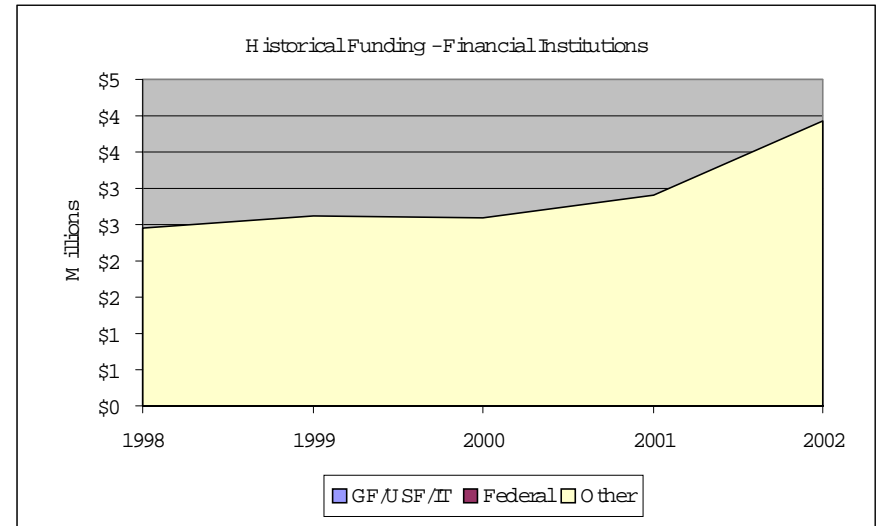
Public Utilities Professional & Technical Services					
	2001	2001	2001	2002	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2001 Revised
GFR - Commerce Service	100,000		100,000	100,000	
Beginning Nonlapsing	66,700		66,700	16,800	(49,900)
Closing Nonlapsing	(16,800)		(16,800)		16,800
Total	\$149,900	\$0	\$149,900	\$116,800	(\$33,100)
Programs					
Professional & Technical Serv	149,900		149,900	116,800	(33,100)
Total	\$149,900	\$0	\$149,900	\$116,800	(\$33,100)

Committee of Consumer Services Professional and Technical Services					
	2001	2001	2001	2002	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2001 Revised
GFR - Commerce Service	335,000		335,000	335,000	
Transfers	163,900		163,900		(163,900)
Beginning Nonlapsing	46,300		46,300		(46,300)
Total	\$545,200	\$0	\$545,200	\$335,000	(\$210,200)
Programs					
Professional & Technical Servi	545,200		545,200	335,000	(210,200)
Total	\$545,200	\$0	\$545,200	\$335,000	(\$210,200)

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. The most significant growth has come from the industrial loan corporation sector which has more than doubled in the last 18 months.

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 initially reduced due to retirement savings. The final budget was increased for the compensation package and market comparability adjustments. Additional funding has been provided for 10 FTE Financial Examiners and the associated costs.

Legislative Action

Ten New Financial Examiners: Ten financial examiner FTEs were approved. The base budget was increased by \$856,600 from General Fund Restricted-Financial Institutions Account to meet the additional regulatory requirements of the expanding financial service sector.

Included in this amount is one-time funding of \$89,000 for equipment, space preparation, and building modifications. An additional \$14,000 was appropriated to replace a copy machine.

Senate Bill 44 "Fees Payable to the Commissioner of Financial Institutions": This legislation reduced the regulatory fees assessed to financial institutions. It should reduce revenue to the General Fund Restricted - Financial Institutions Account starting in FY 2002 by more than \$2 million per year. Because of the expanding assets, the net funding required by the Department should not be affected.

Funding Detail

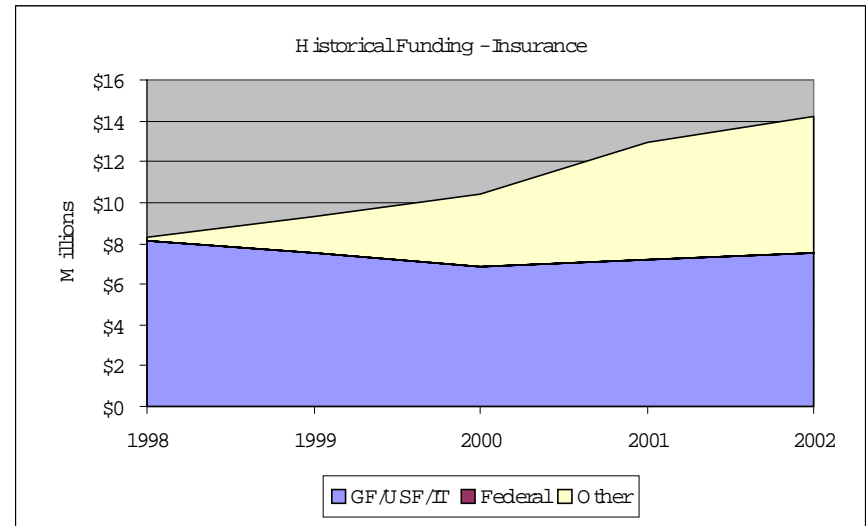
Financial Institutions Administration					
	2001	2001	2001	2002	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2001 Revised
GFR - Financial Institutions	2,907,800		2,907,800	3,926,700	1,018,900
Total	\$2,907,800	\$0	\$2,907,800	\$3,926,700	\$1,018,900
Programs					
Administration	2,817,000		2,817,000	3,811,900	994,900
Building Operations and Maintenance	90,800		90,800	114,800	24,000
Total	\$2,907,800	\$0	\$2,907,800	\$3,926,700	\$1,018,900
FTE/Other					
Total FTE	40.0	0.0	40.0	50.0	10.0

Insurance Department

The Insurance Department is a service organization that protects the public and consumer of insurance products by 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 the licensing of agents and brokers. The Department also provides oversight of several specific

programs including the Comprehensive Health Insurance Pool, the Title Insurance Industry and the Bail Bond Surety Program.



Legislative Action

Industry Oversight: The Legislature appropriated \$166,500 from the General Fund for two FTEs to address health insurance issues. One FTE is for an actuary. The other FTE is for an analyst to implement the provisions of House Bill 44 "Insurance Department - Health Policy Responsibilities."

Insurance Fraud Program: The Legislature approved 1 FTE to be funded with \$55,200 from Dedicated Credit Revenue. This is to enhance Utah's ability to impact insurance fraud. A dedicated Credit Revenue funding of \$15,000 was added to the budget to pay for increased usage of the Attorney General's Office by the Fraud Program.

CO SMO S: Insurance Department purchased this off-the-shelf management information system. Ongoing funding of \$27,500 from the General Fund was appropriated for a system licensing agreement. The system is currently being implemented.

Department Legislation: Senate Bill 100 "Insurance Law Amendments" was passed. Though this legislation does not have any

significant fiscal impact, it does affect the workings of the Department and its relationships with other organizations, including financial institutions. The bill brings Utah's statute more in line with federal code and national association guidelines.

Other Legislation: Senate Bill 69 "Medical Claims Amendments" was passed authorizing one FTE and funding of \$56,400 from the General Fund. Provisions of the bill may expedite medical claim payments to providers. A portion of this is one-time funding (\$4,000).

Comprehensive Health Insurance Pool: There are no significant changes in the funding for the Comprehensive Health Insurance Pool. The Pool continues to grow.

Funding Detail

Insurance Department Administration					
	2001	2001	2001	2002	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2001 Revised
General Fund	4,078,200		4,078,200	4,428,500	350,300
General Fund, One-time				3,000	3,000
Dedicated Credits Revenue	953,600		953,600	1,039,700	86,100
Beginning Nonlapsing	662,600		662,600	578,900	(83,700)
Cbsng Nonlapsing	(578,900)		(578,900)	(550,700)	28,200
Total	\$5,115,500	\$0	\$5,115,500	\$5,499,400	\$383,900
Programs					
Administration	3,996,700		3,996,700	4,298,500	301,800
Relative Value Study	62,000		62,000	52,000	(10,000)
Insurance Fraud Program	927,400		927,400	1,015,900	88,500
Office of Consumer Health Assis	129,400		129,400	133,000	3,600
Total	\$5,115,500	\$0	\$5,115,500	\$5,499,400	\$383,900
FTE/Other					
Total FTE	81.0	0.0	81.0	85.0	4.0
Vehicles	7		7	7	0.0

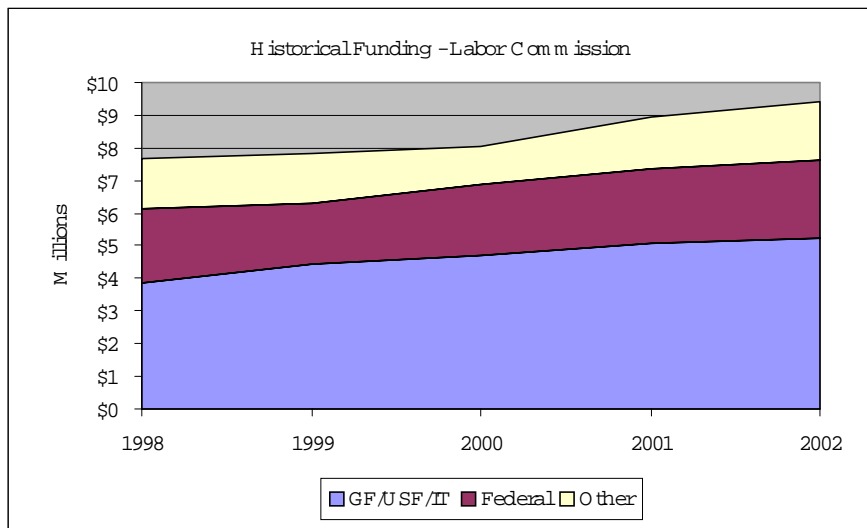
Comprehensive Health Insurance Pool					
	2001	2001	2001	2002	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2001 Revised
General Fund	3,135,100		3,135,100	3,135,000	(100)
Dedicated Credits Revenue	5,189,000		5,189,000	5,044,000	(145,000)
Beginning Nonlapsing	11,032,600		11,032,600	11,603,300	570,700
Cbsng Nonlapsing	(11,603,300)		(11,603,300)	(11,148,700)	454,600
Total	\$7,753,400	\$0	\$7,753,400	\$8,633,600	\$880,200
Programs					
Comprehensive Health Insurance Pool	7,753,400		7,753,400	8,633,600	880,200
Total	\$7,753,400	\$0	\$7,753,400	\$8,633,600	\$880,200

Title Insurance Program					
	2001	2001	2001	2002	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2001 Revised
Dedicated Credits Revenue	45,600		45,600	47,600	2,000
Beginning Nonlapsing	36,000		36,000	36,400	400
Cbsng Nonlapsing	(36,400)		(36,400)	(37,200)	(800)
Total	\$45,200	\$0	\$45,200	\$46,800	\$1,600
Programs					
Title Insurance Program	45,200		45,200	46,800	1,600
Total	\$45,200	\$0	\$45,200	\$46,800	\$1,600
FTE/Other					
Total FTE	1.0	0.0	1.0	1.0	0.0

Bail Bond Program					
	2001	2001	2001	2002	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2001 Revised
GFR - Bail Bond Surety Admin	15,000		15,000	22,100	7,100
Lapsing Balance	(10,700)		(10,700)	(10,700)	
Total	\$4,300	\$0	\$4,300	\$11,400	\$7,100
Programs					
Bail Bond Program	4,300		4,300	11,400	7,100
Total	\$4,300	\$0	\$4,300	\$11,400	\$7,100

Labor Commission

The Utah Labor Commission provides programs 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 overall funding increase for the Labor Commission comes primarily from four areas: 1) compensation adjustment, 2) workplace safety program enhancement, 3) one-time funding for a caseload backlog, and 4) one additional FTE.

Legislative Action

Programmer/Analyst: Authorization and funding of \$84,500 were provided for one FTE. Funding is from the reallocation of base General Fund (\$29,500) and the Uninsured Employers Fund (\$55,000 new appropriation). The Labor Commission is planning to create a computer application and have insurance carriers report claims electronically. It is estimated that this could reduce the amount of paper-based claims and the manual data entry they require by over 75 percent.

Workplace Safety Marketing Campaign: The Legislature appropriated an additional \$190,000 from the General Fund Restricted - Workplace Safety Account to enhance the Commission's safety marketing campaign. The ongoing funding will enable the Commission to develop an additional advertisement, pay for more air time, and to develop a workplace safety web site. This funding will also increase safety grants to small businesses and non-profit organizations to supplement their safety programs. A FY 2001 Supplemental Appropriation of \$100,000 was made for these same purposes.

Anti-discrimination Caseload Backlog: One-time funding of \$100,000 from the General Fund was appropriated to the Anti-Discrimination Division to address the caseload backlog and avoid federal sanction.

FY 2001 Supplemental Appropriation: Funding of \$25,000 (one-time) from the General Fund was appropriated for two vehicles: one for a boiler inspector and the other for an elevator inspector approved by the 2000 Legislature.

Intent Language

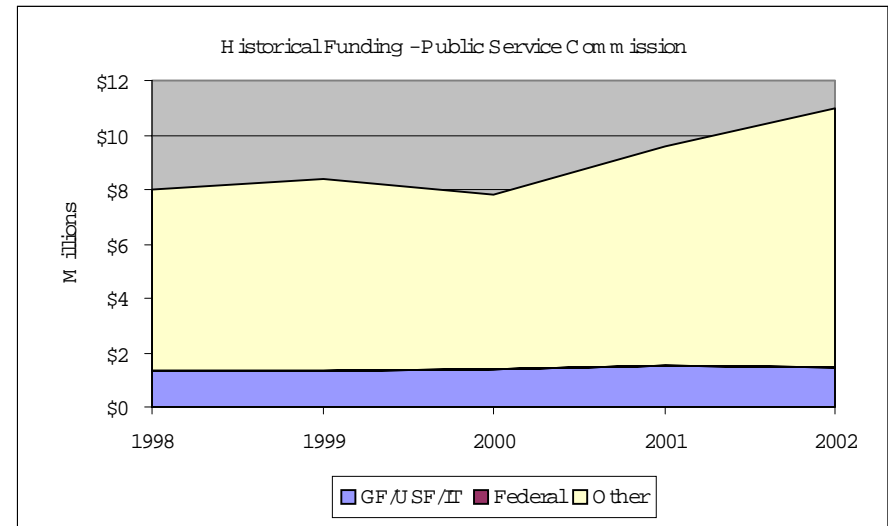
Intent language was approved making fees received from sponsoring and holding seminars nonlapsing and authorizing those fees to be used by the Commission to continue offering yearly training seminars instead of using General Fund money.

Funding Detail

Labor Commission					
	2001	2001	2001	2002	Change from
	Estimated	Supplemental	Revised	Appropriated	2001 Revised
Financing					
General Fund	5,031,800		5,031,800	5,147,200	115,400
General Fund, One-time		21,400	21,400	100,000	78,600
Federal Funds	2,290,900	(4,200)	2,286,700	2,355,000	68,300
GFR - Workplace Safety	761,400	99,600	861,000	999,900	138,900
Employers' Reinsurance Fund	324,400	(400)	324,000	240,100	(83,900)
Uninsured Employers' Fund	490,600	(100)	490,500	587,400	96,900
Beginning Nonlapsing	13,000		13,000		(13,000)
Lapsing Balance	(108,200)		(108,200)		108,200
Total	\$8,803,900	\$116,300	\$8,920,200	\$9,429,600	\$509,400
Programs					
Administration	1,617,300	(500)	1,616,800	1,739,700	122,900
Industrial Accidents	991,400	(1,200)	990,200	1,050,100	59,900
Appeals Board	12,000		12,000	12,600	600
Adjudication	695,300	(200)	695,100	713,200	18,100
Division of Safety	1,212,100	23,700	1,235,800	1,239,900	4,100
Workplace Safety	871,300	99,600	970,900	1,086,400	115,500
Anti-Discrimination	1,202,600	(2,200)	1,200,400	1,337,900	137,500
Utah Occupational Safety and Health	2,055,300	(2,900)	2,052,400	2,103,200	50,800
Building Operations and Maintenance	146,600		146,600	146,600	
Total	\$8,803,900	\$116,300	\$8,920,200	\$9,429,600	\$509,400
FTE/Other					
Total FTE	129.0	0.0	129.0	130.0	1.0
Vehicles	32	2	34	34	0.0

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 of \$1,537,800 for the Public Service Commission Administration is primarily General Fund. The base General Fund budget has remained relatively flat in spite of the increases in workload due to the deregulation of several industries and taskforces. The "Other Funding" is from Dedicated Credits for the Speech and Hearing Impaired Program and the Universal Public Telecommunications Service Support Fund.

Legislative Action

Speech and Hearing Impaired: An appropriation of \$1,818,800 was approved for the Speech and Hearing Impaired Program. The Commission recently reduced the surcharge which generates this revenue from \$.18 to \$.10 per line. One FTE and \$60,000 from Dedicated Credits Revenue was added to the Public Service Commission Administration to administer the Speech and Hearing Impaired Program. This effort is to promote outreach, education, distribution of equipment, and repair of telecommunication devices.

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 Statewide average of providing local exchange and switched access service. Current statute keeps the base funding stable. Funding was appropriated of \$7,539,300 from the Universal Public Telecommunications Service Support Fund and nonlapsing balances.

House Bill 198, "Repeal of Public Utilities Amendments": H.B. 198 was passed, repealing H.B. 320 of the 2000 General Session. This leaves the budget and organizational structure of the Public Service Commission essentially the same.

Intent Language

Intent language was approved requiring the Committee of Consumer Services to be physically separated from the Public Service Commission and the Division of Public Utilities. One-time funding of \$20,000 from Commerce Service Fund Beginning Balances was appropriated to accomplish this.

Funding Detail

Public Service Commission					
	2001	2001	2001	2002	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2001 Revised
General Fund	1,442,300		1,442,300	1,471,900	29,600
General Fund, One-time		50,000	50,000		(50,000)
Dedicated Credits Revenue	4,900		4,900	65,900	61,000
Total	\$1,447,200	\$50,000	\$1,497,200	\$1,537,800	\$40,600
Programs					
Public Service Commission	1,420,900	50,000	1,470,900	1,511,500	40,600
Building Operations and Maintenance	26,300		26,300	26,300	
Total	\$1,447,200	\$50,000	\$1,497,200	\$1,537,800	\$40,600
FTE/Other					
Total FTE	16.0	0.0	16.0	17.0	1.0

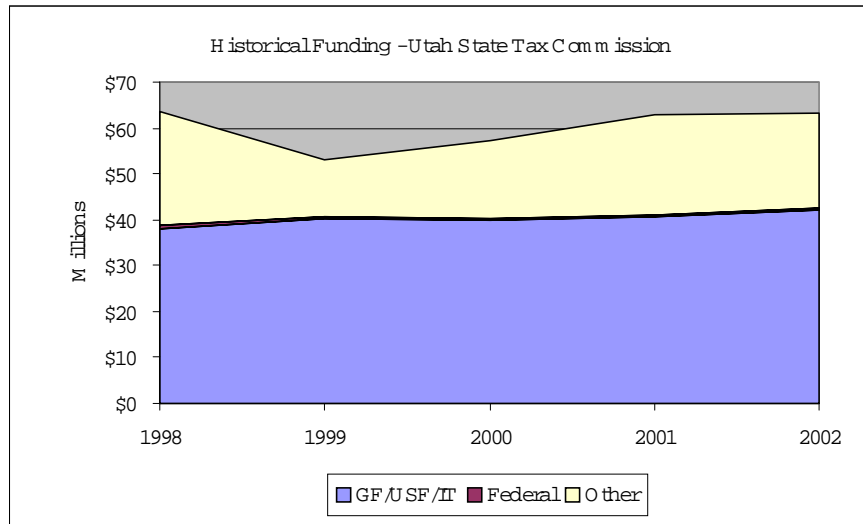
Research and Analysis					
	2001	2001	2001	2002	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2001 Revised
Dedicated Credits Revenue	60,000		60,000	60,000	
Total	\$60,000	\$0	\$60,000	\$60,000	\$0
Programs					
Research and Analysis	60,000		60,000	60,000	
Total	\$60,000	\$0	\$60,000	\$60,000	\$0

Universal Telecommunications Support Fund					
	2001	2001	2001	2002	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2001 Revised
Universal Public Telecom Service Fund	6,102,900		6,102,900	7,073,200	970,300
Beginning Nonlapsing	9,434,400		9,434,400	9,194,400	(240,000)
Closing Nonlapsing	(9,194,400)		(9,194,400)	(8,728,300)	466,100
Total	\$6,342,900	\$0	\$6,342,900	\$7,539,300	\$1,196,400
Programs					
Universal Telecom Service Fund	6,342,900		6,342,900	7,539,300	1,196,400
Total	\$6,342,900	\$0	\$6,342,900	\$7,539,300	\$1,196,400

Speech and Hearing Impaired					
	2001	2001	2001	2002	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2001 Revised
Dedicated Credits Revenue	1,509,700		1,509,700	1,619,300	109,600
Beginning Nonlapsing	4,830,300		4,830,300	4,650,200	(180,100)
Closing Nonlapsing	(4,650,200)		(4,650,200)	(4,450,700)	199,500
Total	\$1,689,800	\$0	\$1,689,800	\$1,818,800	\$129,000
Programs					
Speech and Hearing Impaired	1,689,800		1,689,800	1,818,800	129,000
Total	\$1,689,800	\$0	\$1,689,800	\$1,818,800	\$129,000

Utah State Tax Commission

The Utah State Tax Commission collects tax revenue for the State and for local governments. It administers tax and assigned motor vehicle laws, handles revenue from more than 40 taxes, surcharges and fees, registers automobiles, and regulates the automobile dealer industry. It employs nearly 900 individuals, operates 12 offices across the state, and collects more than \$4.5 billion in revenue each year.



The Utah State Tax Commission's FY 2002 operating budget totals \$63,133,700. When adjusted for one-time expenses associated with tax

and motor vehicle systems upgrades, this represents a 2.8% increase over FY 2001 levels. It includes funding for tax administration and license plate production, as well as \$2.6 million in liquor sales profits that will be distributed to local law enforcement entities.

Legislative Action

Computer Assisted Collection System for Government (CACSG): The Legislature appropriated \$272,000 from the Uniform School Fund to the Technology Management Division and \$26,600 to the Tax Processing Division for ongoing costs associated with the first module of UTAX.

Treasury Offset Program: Legislators provided \$29,300 in Uniform School Funds to the Tax Payer Services division so that the division may participate in a United States Treasury program under which states garnish federal tax refunds for payment of past due state taxes.

Motor Vehicle Office Rent: The Legislature increased the Division of Motor Vehicle's General Fund base budget by \$75,700 for increased lease costs at three motor vehicle offices across the state.

Senate Bill 108, "Licensure of Motor Vehicles" Law makers required the Tax Commission to verify that individuals who register new vehicles have a valid driver's license. They appropriated \$46,500 from the General Fund to cover costs associated with this new duty.

House Bill 289, "Clean Fuel Vehicles - Use of High Occupancy Vehicle Lanes" Legislators approved legislation allowing vehicles powered by clean fuel to display a special license plate and therefore travel in high occupancy vehicle lanes regardless of the number of travelers in the vehicle. They also approved \$9,000 from the General Fund for one-time expenses incurred by the Tax Commission in producing the new plates.

Tax Law Changes: The Legislature provided \$11,600 from the General Fund and \$56,800 from the Uniform School Fund to the Administration Division to cover costs associated with various tax law changes. Funded bills include: Senate Bill 24, "Individual Income Tax -

Additions to Federal Taxable Income" (\$23,400), Senate Bill 71, "Tax Credits for Special Needs Adoptions" (\$33,400), and Senate Bill 114, "Sales and Use Tax on Public Accommodations and Services Taxed by Tribes" (\$11,600).

Intent Language

The Legislature approved intent language which authorizes the Tax Commission to carry forward unexpended year-end balances for costs directly related to the modernization of tax and motor vehicle systems and processes.

Other intent language approved:

- Requires the Tax Commission to report to the Executive Appropriations Committee before expending further significant resources for the enhancement to, or the replacement of, tax systems.
- Continues a requirement that the Tax Commission report realized benefits associated with the UTA X project to various executive and legislative entities.
- Requires the Commission to report life-cycle costs of the Motor Vehicle Administration System to the Commerce and Revenue Appropriations Subcommittee.
- Allows the Tax Commission to out-source delinquent accounts receivable under certain conditions.

Funding Detail

License Plates Production					
	2001	2001	2001	2002	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2001 Revised
Dedicated Credits Revenue	2,167,700		2,167,700	1,967,700	(200,000)
Transfers	(200,000)		(200,000)		200,000
Beginning Nonlapsing	2,873,500		2,873,500	2,916,200	42,700
Closing Nonlapsing	(2,916,200)		(2,916,200)	(2,958,900)	(42,700)
Total	\$1,925,000	\$0	\$1,925,000	\$1,925,000	\$0
Programs					
License Plates Production	1,925,000		1,925,000	1,925,000	
Total	\$1,925,000	\$0	\$1,925,000	\$1,925,000	\$0

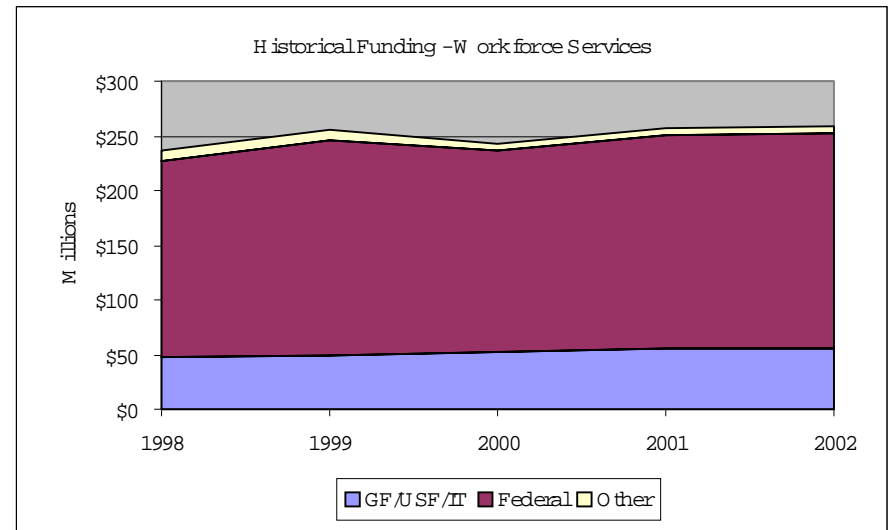
Liquor Profit Distribution					
	2001	2001	2001	2002	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2001 Revised
General Fund	2,609,000		2,609,000	2,609,000	
Beginning Nonlapsing	27,500		27,500		(27,500)
Total	\$2,636,500	\$0	\$2,636,500	\$2,609,000	(\$27,500)
Programs					
Liquor Profit Distribution	2,636,500		2,636,500	2,609,000	(27,500)
Total	\$2,636,500	\$0	\$2,636,500	\$2,609,000	(\$27,500)

Department of Workforce Services

The Utah Department of Workforce Service is to provide quality, accessible, and comprehensive, employment-related and supportive services responsive to the needs of employers, job seekers, and the community. It was recently reorganized and has established program support through four major program areas:

- Executive Director
- Administration and Service Delivery Support
- Employment Development Division
- Regional Management

	Tax Administration				
	2001 Estimated	2001 Supplemental	2001 Revised	2002 Appropriated	Change from 2001 Revised
Financing					
General Fund	21,342,300		21,342,300	22,073,000	730,700
General Fund, One-time		(24,900)	(24,900)	9,000	33,900
Uniform School Fund	16,558,300		16,558,300	17,375,000	816,700
Uniform School Fund, One-time		22,500	22,500		(22,500)
Transportation Fund	4,857,400		4,857,400	4,857,400	
Federal Funds	591,200	(100)	591,100	608,000	16,900
Dedicated Credits Revenue	4,246,600	7,200	4,253,800	4,488,900	235,100
GFR - Sales and Use Tax Admin Fees	5,719,800	3,300	5,723,100	5,948,000	224,900
TFR - Uninsured Motorist ID.	283,800		283,800	133,800	(150,000)
Transfers	278,300		278,300	78,300	(200,000)
Beginning Nonlapsing	7,905,800		7,905,800	3,401,800	(4,504,000)
Closing Nonlapsing	(3,401,800)		(3,401,800)	(373,500)	3,028,300
Total	\$58,381,700	\$8,000	\$58,389,700	\$58,599,700	\$210,000
Programs					
Administration Division	9,279,000	(3,000)	9,276,000	8,358,000	(918,000)
Auditing Division	7,907,600	(2,100)	7,905,500	8,102,900	197,400
Multi-State Tax Compact	179,600		179,600	179,600	
Technology Management	9,468,500	(29,300)	9,439,200	9,553,000	113,800
Tax Processing Division	7,040,600	52,700	7,093,300	7,274,600	181,300
Seasonal Employees	699,200		699,200	728,200	29,000
Taxpayer Services	7,584,100	(9,900)	7,574,200	7,814,800	240,600
Property Tax Division	4,120,900	(3,400)	4,117,500	4,212,800	95,300
Motor Vehicles	9,961,700	5,300	9,967,000	10,170,200	203,200
Motor Vehicle Enforcement Division	2,140,500	(2,300)	2,138,200	2,205,600	67,400
Total	\$58,381,700	\$8,000	\$58,389,700	\$58,599,700	\$210,000
FTE/Other					
Total FTE	884.0	0.0	884.0	884.0	0.0
Vehicles	57		57	57	



The total Department FY 2002 budget increased \$1,865,200 over FY 2001 Revised to a total of \$258,784,100. The General Fund was increased 1.32 percent to \$55,940,400. This is 5.07 percent less than the FY 1996 General Fund appropriation, the year before welfare reform. (This is not adjusted for inflation which would make the difference greater.) The totals listed above obscure the significant reallocation of resources made by the 2001 Legislature especially in the Food Stamp, Child Care, and TANF Programs. The appropriation of federal funds for FY 2002 is the final allocation of funds from the "reformed" welfare assistance program established in FY 1996 as a six year block grant program.

Legislative Action

Temporary Assistance for Needy Family Program (TANF): The federal reform law of 1996 established the TANF program and provided federal funding for six years.

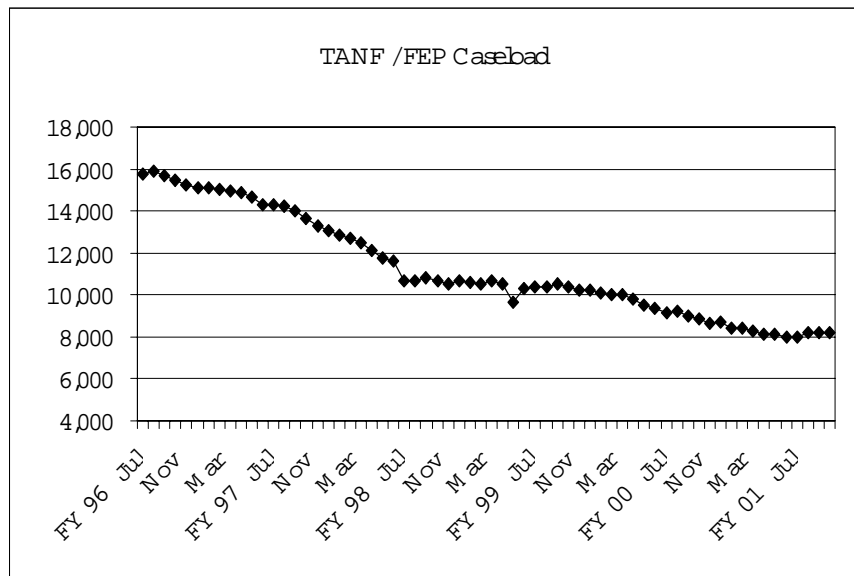
The trend in the caseload of people in the program began declining before the Department was created. The latest data show the caseload leveling near 8,000, as shown in the chart below. Based on current usage rates, estimates indicate a surplus of \$28 million will remain at the end of FY 2002. During the 2000 interim period, the Department established a process and grant procedure to allocate the funds. The Legislature reviewed the Department's approved list and authorized

usage of these funds by appropriating \$6 million more of Federal Funds for FY 2001 and \$15 million for FY 2002. A portion of the funds are still held in reserve in case of a slowing of the economy.

TANF Cash Assistance Payments: An additional appropriation of \$2 million over two years was appropriated to fund a five-percent increase in the cash assistance payments. This is the first adjustment in the assistance payments since FY 1998.

TANF Transfer to the Department of Human Services: The Legislature also authorized TANF funds to be transferred to the Department of Human Services to offset federal reductions to the Social Services Block Grant Program. The following transfers have been made or are authorized:

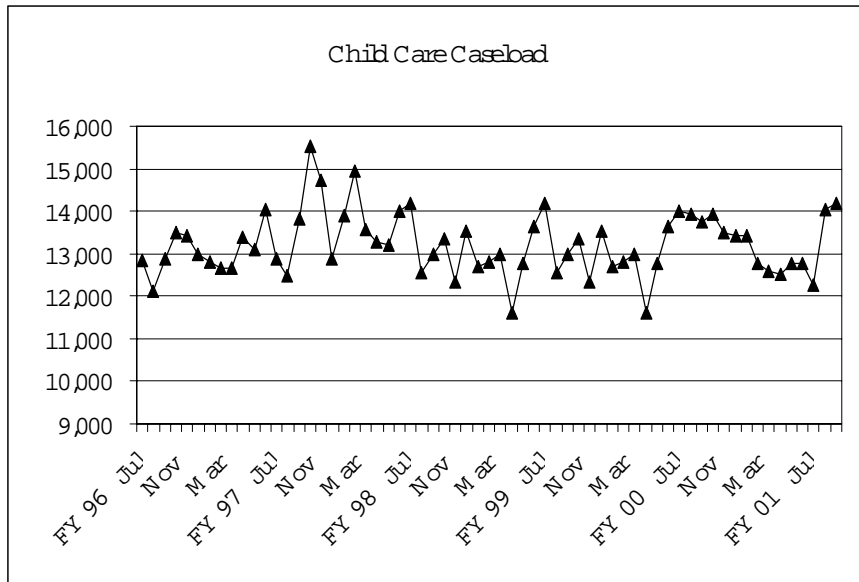
FY 2000: \$2,937,000
 FY 2001: \$4,737,000
 FY 2002: \$5,307,000



Child Care Subsidy Payments: One-time funding of \$8.9 million from federal funds has been made available to the State to augment Utah's current child care subsidies and quality improvement activities. This forestalls the need to supplement this program with State General Fund for one more year. TANF is also being used to augment the child care subsidy payments. The State would have to appropriate an additional \$1.9 million State General Fund to draw down its full allocation of federal Child Care Development Block Grant money. These state funds would be matched with approximately \$4.5 million in federal funds. The child care caseload chart on the following page indicates fluctuations, but generally, a relatively flat trend line, hovering around 13,000.

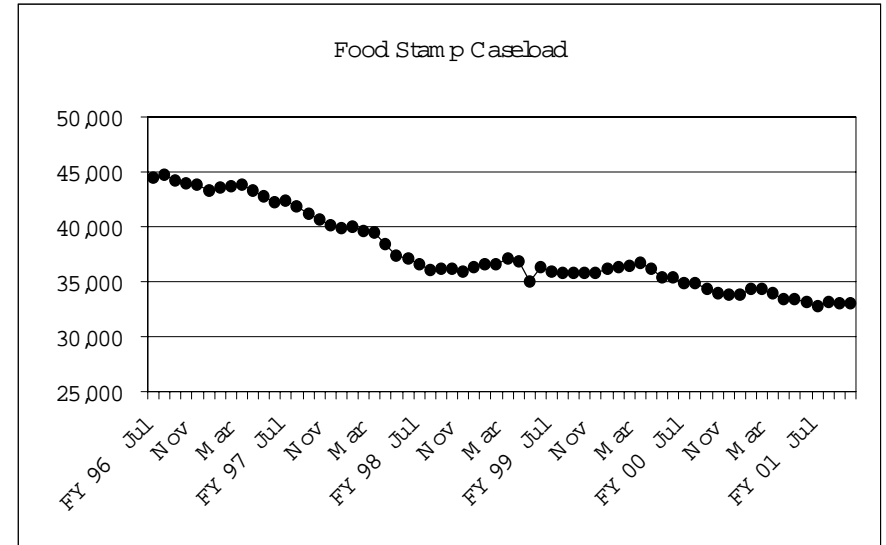
Office of Child Care Study: The Office of the Legislative Auditor General reviewed the activities of the Office of Child Care. The Study was reviewed by the Legislative Audit Committee, a Standing Committee and the Appropriations Subcommittee. The Department reported on actions taken to correct the program deficiencies. Intent language was included in House Bill 1 requiring that:

"the Office of the Legislative Fiscal Analyst do an In-Depth Budget Review of the Office of Child Care and report it at the next interim meeting of the Commerce and Revenue Joint Appropriations Subcommittee."

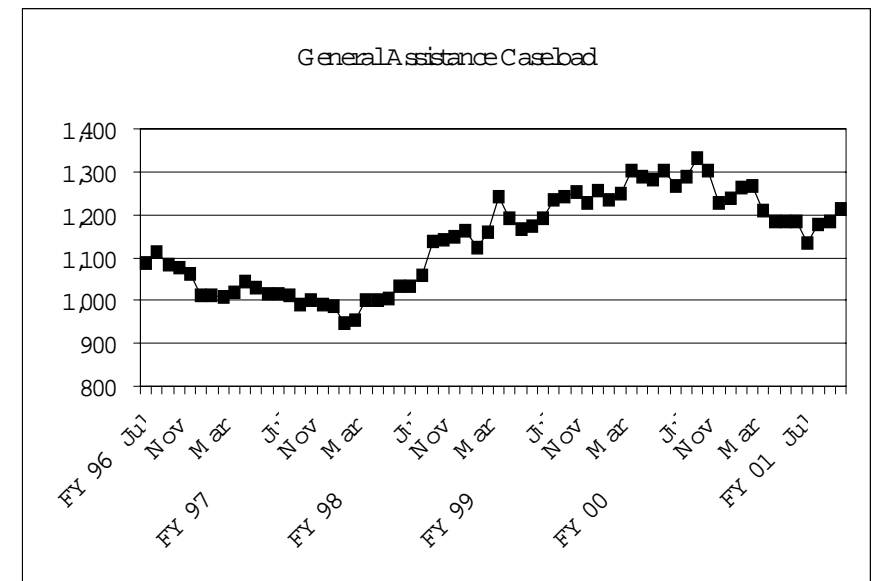


Food Stamp Program : The Food Stamp Program funding reflected in the chart at the beginning of this section indicates a \$10,000,000 reduction in Food Stamp assistance payments. The Food Stamp Program casebad reflects a corresponding decline, as shown in the chart on the following page. These decreases are due to the elimination of a federal waiver which allowed TANF families to participate in the Food Stamp Cashout Program. This does not change a person's eligibility for food stamps, only how they receive the subsidy. (The funding is now with the other general Food Stamp Program federal funding where part of the entitlement payments which are not included with the published State budget. This totals approximately \$54 million from federal funds.)

Food Stamp Error Rate: Utah's Food Stamp error rate is above the national average. Utah may receive financial sanctions if the Department does not bring this error rate within acceptable ranges. The Legislature approved intent language requiring "that the Department of Workforce Services report monthly their Food Stamp Error Rate to the Legislature through the Office of the Legislative Fiscal Analyst and to the Governor's Office of Planning and Budget. It is further the intent of the Legislature that corrective actions taken by the Department be reported at the next interim meeting of the Commerce and Revenue Joint Appropriations Subcommittee."



General Assistance Program : No significant funding changes were made to the General Assistance Program. Funding of \$4,405,000 from the General Fund was appropriated for the program. The following chart indicates an overall decline in General Assistance Subsidy payments since 2001.



Intent Language

The Legislature made the Workforce Services funding nonlapsing. The following intent language was approved:

It is the intent of the Legislature that the Department of Workforce Services include for consideration in its annual budget submission to the Governor's Office of Planning and Budget sufficient funding for grant adjustments based on its annual review of the TANF grant and other funding sources and that the Department consider the availability of these funds for ongoing and one-time use.

It is the intent of the Legislature that the Department of Workforce Services do an annual review of the Family Employment Program (FEP) cash assistance grant levels. This is to determine the adequacy of those grants in helping families meet basic living expenses (housing, utilities, and food). It is the intent of the Legislature that the Department consider the TANF grant and other funding sources while conducting this review and that the Department consider the funds available for ongoing and one-time use.

It is the intent of the Legislature that the Department of Workforce Services convene a group to explore ways to provide affordable health insurance to child care workers. The group should include home and center care providers, insurance companies, the small business association and other appropriate entities. It is further the intent of the Legislature that the Department report its results to the Commerce and Revenue Appropriations Subcommittee as part of the Department's annual presentation in 2002.

It is the intent of the Legislature that the Departments of Human Resource Management and Workforce Services coordinate their Utah Job Match and UW ORKS projects such that they leverage common

elements and functions. It is further the intent of the Legislature that the agencies report to the Office of the Legislative Fiscal Analyst during the 2001 Interim results of their coordination efforts.

Funding Detail

	Workforce Services				
	2001 Estimated	2001 Supplemental	2001 Revised	2002 Appropriated	Change from 2001 Revised
Financing					
General Fund	55,263,600		55,263,600	55,940,400	676,800
General Fund, One-time		(50,500)	(50,500)		50,500
Federal Funds	187,960,700	6,856,700	194,817,400	195,926,600	1,109,200
Dedicated Credits Revenue	3,390,200	(1,800)	3,388,400	3,431,900	43,500
Transfers -H -M edical Assistance	3,508,200	(8,200)	3,500,000	3,485,200	(14,800)
Total	\$250,122,700	\$6,796,200	\$256,918,900	\$258,784,100	\$1,865,200
Programs					
Executive Director	1,106,700	(2,000)	1,104,700	1,119,000	14,300
Employment Development	39,903,200	(162,400)	39,740,800	39,951,600	210,800
Administration and Service Delivery Support	25,713,700	(4,300)	25,709,400	25,683,100	(26,300)
Regional Administration	72,930,800	6,964,900	79,895,700	90,491,100	10,595,400
Temporary Assistance to Needy Families	44,630,000		44,630,000	45,401,000	771,000
Food Stamp Cash Out	12,880,000		12,880,000	2,880,000	(10,000,000)
Refugee Resettlement	2,336,100		2,336,100	2,336,100	
General Assistance/SSI	4,405,000		4,405,000	4,405,000	
Workforce Investment Act	9,017,200		9,017,200	9,017,200	
Child Care	37,200,000		37,200,000	37,500,000	300,000
Total	\$250,122,700	\$6,796,200	\$256,918,900	\$258,784,100	\$1,865,200
FTE/Other					
Total FTE	1,812.2	0.0	1,812.2	1,812.2	0.0
Vehicles	112		112	112	0.0

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 or another private carrier or self insuring (with the approval of the Labor Commission). The Workers' Compensation Fund insures over 29,000 Utah employers.

The Workers' Compensation Fund provides employers with low cost workers' compensation and employer liability insurance. All funding comes from premiums paid by policyholders. The Company 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 the Fund's total 2000 premium. No appropriations are listed in the Appropriations Acts.

Senate Bill 276 "Workers' Compensation Coverage for Public Safety Workers" authorizes the State to establish workers' compensation coverage for public safety volunteers during the Olympics.

Applied Technology Education

The legislative budget and oversight responsibilities for Applied Technology Education was transferred to the Commerce and Revenue Joint Appropriations Subcommittee. The budgets for the Applied Technology Centers and Applied Technology Center Service Regions were reviewed by the Subcommittee. More information on Applied Technology Education appears in the Higher Education section of this report beginning on page 168, and in the Public Education section on page 221.

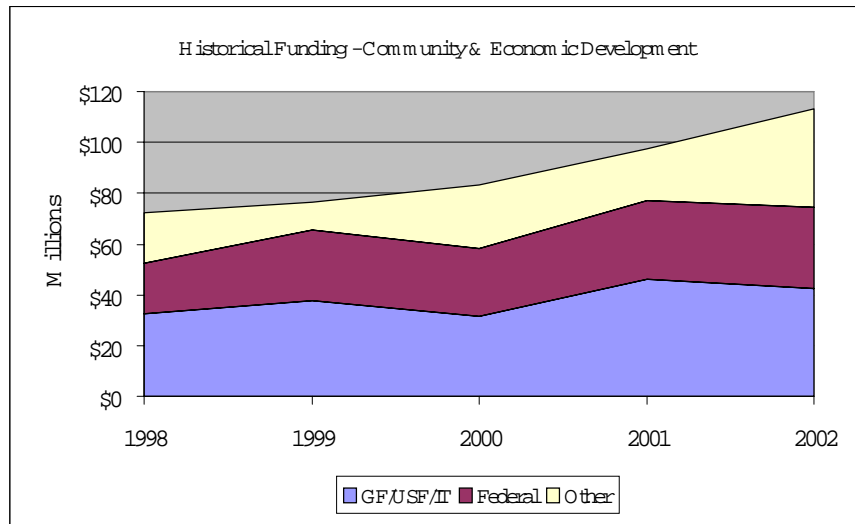
Commerce & Revenue Appropriations Subcommittee					
	2001 Estimated	2001 Supplemental	2001 Revised	2002 Appropriated	Change from 2001 Revised
Financing					
General Fund	92,902,300		92,902,300	94,705,000	1,802,700
General Fund, One-time		(1,204,000)	(1,204,000)	112,000	1,316,000
Uniform School Fund	16,558,300		16,558,300	17,375,000	816,700
Uniform School Fund, One-time		22,500	22,500		(22,500)
Transportation Fund	4,857,400		4,857,400	4,857,400	
CBENT Education and Enforcement Fund				15,000	15,000
Federal Funds	190,981,200	6,852,400	197,833,600	199,028,000	1,194,400
Dedicated Credits Revenue	17,937,000	(4,900)	17,932,100	18,205,800	273,700
GFR - Bail Bond Surety Admin	15,000		15,000	22,100	7,100
GFR - Cert Nurse Midwife Ed. & Enf.				10,000	10,000
GFR - Commerce Service	15,191,000	52,500	15,243,500	16,327,500	1,084,000
GFR - Factory Built Housing Fees				104,400	104,400
GFR - Financial Institutions	2,907,800		2,907,800	3,926,700	1,018,900
GFR - Sales and Use Tax Admin Fees	5,719,800	3,300	5,723,100	5,948,000	224,900
GFR - Workplace Safety	761,400	99,600	861,000	999,900	138,900
TR - Uninsured Motorist ID.	283,800		283,800	133,800	(150,000)
Employees Reinsurance Fund	324,400	(400)	324,000	240,100	(83,900)
Liquor Control Fund	14,952,000	347,400	15,299,400	16,292,500	993,100
Real Estate Education and Recovery	150,600		150,600	154,800	4,200
Uninsured Employees Fund	490,600	(100)	490,500	587,400	96,900
Universal Public Telecom Service Fund	6,102,900		6,102,900	7,073,200	970,300
Transfers	78,300		78,300	78,300	
Transfers - H - Medical Assistance	3,508,200	(8,200)	3,500,000	3,485,200	(14,800)
Beginning Nonlapsing	37,986,700		37,986,700	32,545,800	(5,440,900)
Beginning Fund Balances - CSF		1,220,000	1,220,000	200,000	(1,020,000)
Closing Nonlapsing	(32,545,800)		(32,545,800)	(28,386,900)	4,158,900
Lapsing Balance	(118,900)		(118,900)	(10,700)	108,200
Total	\$379,044,000	\$7,380,100	\$386,424,100	\$394,030,300	\$7,606,200
Programs					
Tax Commission	62,943,200	8,000	62,951,200	63,133,700	182,500
Workforce Services	250,122,700	6,796,200	256,918,900	258,784,100	1,865,200
Alcoholic Beverage Control	14,955,200	347,400	15,302,600	16,292,500	989,900
Labor Commission	8,803,900	116,300	8,920,200	9,429,600	509,400
Commerce	16,852,900	62,200	16,915,100	17,316,600	401,500
Financial Institutions	2,907,800		2,907,800	3,926,700	1,018,900
Insurance	12,918,400		12,918,400	14,191,200	1,272,800
Public Service Commission	9,539,800	50,000	9,589,800	10,955,900	1,366,000
Total	\$379,044,000	\$7,380,100	\$386,424,100	\$394,030,300	\$7,606,200
FTE, Other					
Total FTE	3,494.7	6.0	3,500.7	3,527.5	26.8
Vehicles	262	2	264	264	0.0

Economic Development and
Human Resources

Subcommittee Overview

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

The Legislature appropriated \$131,764,800 to the agencies mentioned above. Of that amount, \$40,017,500 is ongoing General Fund and \$9,821,300 is one-time General Fund. Compared to the FY 2001 Revised Appropriation, the total increased 18.4 percent, with ongoing General Fund increasing by 12.1 percent and one-time General Fund decreasing by 31.7 percent. Year-to-year comparisons are distorted because of large one-time supplemental appropriations and the addition of \$3,950,300 to the Human Resources Budget that will be distributed to other state agencies for Market Comparability Adjustments.



Department of Community and Economic Development

The Department has 56 programs funded through 17 line items. The Department's Divisions are: Administration, 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

The Legislature expects all programs in all divisions to develop performance measures and develop a five year history of those measures for the next General Session.

Special Initiatives

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

Legislative Action

The Legislature decided not to take back funding for the Davis County Convention Center, but directed the Analyst to schedule annual reviews of the project.

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. Custom Fit provides worker training for new businesses.

Legislative Action

The Legislature appropriated \$10,764,600 in one-time supplemental funds to help replenish the Industrial Assistance Fund. Of that amount, the Legislature directed that \$2,000,000 be used to move the Kuhn rendering plant with a two-to-one local match, and \$300,000 to be used for the Silicon Valley Initiative, leaving a net fund increase of \$8,464,600. The Legislature appropriated \$1,000,000 in FY 2001 and \$500,000 in FY 2002 in one-time funds to the Custom Fit program.

The Legislature intends that any proceeds in excess of \$4,000,000 paid to the state from the liquidation of the Utah Technology Finance Corporation be deposited into the Industrial Assistance Fund.

Business and Economic Development

Business and Economic Development promotes and develops Utah's economy.

- The Film Commission entices motion picture, television and advertising businesses to come to Utah.
- 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.

- The Centers of Excellence program, modeled after the National Science Foundation's program, is devoted to commercializing research at Utah's universities.

Legislative Action

To take advantage of the opportunities that the Olympics will provide, the Legislature appropriated an additional \$2,000,000 in one-time funds to Travel Development and other state agencies for Olympic-related needs. All these funds are being transferred to the Governor's budget for administration by the State Olympic Officer.

In the 2001 1st Special Session, the Legislature passed two bills aimed at simplification for certain parties involved in the Olympics. Senate Bill 1003 made sure that those individuals who rent their homes over the period of the Olympics would not be subject to tax. Senate Bill 1004 provided a tax benefit for those motor vehicle dealerships who donate vehicle for use during special sporting events.

To insure that the sports facilities are used after the Olympics, the Legislature appropriated \$1,000,000 in one-time funds and \$350,000 in ongoing General Fund for Utah Sports Incentive.

The Silicon Valley Initiative received \$1,000,000 in one-time General Funds and \$300,000 from the Industrial Assistance Fund.

The Division will pass-through \$1,000,000 in one-time funding for the Ogden High-Tech Center and \$100,000 for a Morgan Economic Development project.

The Legislature appropriated \$350,000 in one-time funding in FY 2001 to finish buying Hill Air Force Base Easements.

The Manufacturers' Extension Service received \$200,000 in ongoing General Fund. H.B. 98 "Enterprise Zone Amendments," gives tax breaks not to exceed \$300,000 state-wide.

The Legislature appropriated \$50,000 in ongoing General Fund for the Utah Summer Games.

Veterans' Affairs was transferred to the National Guard in a supplemental appropriation according to H.B. 140, 2000 General Session.

Minority Offices

The Minority Offices of Asian Affairs, Pacific Islander Affairs, Black Affairs, Hispanic Affairs, and Indian Affairs coordinate issues for the Governor.

Legislative Action

In the next budget cycle, the Minority Offices budgets will be presented as programs in the Community Development budget.

Travel Development

Travel Development improves the State's economy through tourism. Strategic Development has administration, advertising, and research. Internal Development oversees the Welcome Centers, information services, travel publications, and publicity. External Development manages the national and international travel development programs.

Legislative Action

To take advantage of the opportunity provided by the Olympics to promote Utah, the Legislature appropriated \$2,000,000 in one-time funds. These funds are shown in the Governor's Olympic Officer's Budget. The Legislature appropriated \$350,000 in one-time funds for Tourism Marketing Performance.

State History and State Historical Society

State History promotes all things related to the State's history except paleontology, which belongs in 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 as well as 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.

Legislative Action

To help continue the Heritage Areas and Corridors program that received its first funding with the Heritage Highway, the Legislature added \$200,000 in one-time funding. It also funded two local historic preservation projects with \$250,000 in one-time funds. The Legislature gave permission for the Division of State History to rent out space in their facility for the 2002 Olympics. However, the funds may not be spent until a plan is approved by the Legislature in the next General Session.

Arts Council

The Arts Council promotes fine arts. Grants to nonprofit organizations fund more than 200 arts organizations. 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.

Legislative Action

The Arts Council opened the ArtHouse to house the State's art collection. The Legislature funded the increased rent (\$43,000 in FY 2001 and \$57,300 in FY 2002) with one-time funds. The Legislature increased the Grants Program by \$250,000 in one-time General Fund, and it appropriated \$100,000 in one-time funds for the Utah Opera Improvement Fund and \$25,000 in ongoing General Fund for the University of Utah Museum of Fine Arts.

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.

Legislative Action

To help the Library replace aging bookmobiles, the Legislature appropriated \$400,000, in one-time General Fund, both in FY 2001 and in FY 2002, plus \$55,700 in Federal Funds and \$264,300 in Dedicated Credits in FY 2001 to the State Library Donation Expendable Trust Fund.

Energy Services

Energy Services promotes energy efficiency. State Energy is an educational program that targets the general public, school children, private building managers, and federal agencies. Energy Special Projects provides grants and loans to implement the latest energy saving

technologies. The Local Government Building Program finances energy efficiency projects with energy savings repaying the loans. The Alternative Fuels Program finances fleet vehicle conversions to cleaner burning fuels with savings repaying the loans.

Community Development

Community Development is comprised of a number of programs which help local governments develop infrastructure.

- Weatherization 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 Services administers the federal anti-poverty Community Services Block Grant Program and special projects like funding for food banks, 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.
- HEAT is Utah's name for the federal LIHEAP 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

Administration: The Legislature increased funding to the Associations of Government in the amount of \$160,000 in one-time General Fund through Senate Bill 123, "Associations of Governments Appropriations," As administrative pass-throughs, the Legislature funded the Homeless Youth Resource Center with \$200,000, the Ogden Dinosaur Museum with \$100,000 and through House Bill 77, "The State Science Center," with \$225,000, all in one-time funds. The Legislature appropriated \$100,000 from the Constitutional Defense Fund for pass-through to the counties to assist with legal expenses associated with the Utah Wilderness Inventory and the Grand Staircase Escalante National Monument designation. To help restore Memory Grove, the Legislature appropriated \$50,000 to the Memory Grove Foundation through Senate Bill 225, as well as \$75,000 funded in Senate Bill 3.

Museum: Through H.B. 212, "Museum Education Initiative," the Legislature appropriated \$1,000,000 in one-time General Fund. They also appropriated \$2,000,000 for the new Children's Museum in the Gateway Project with the intent that it be matched by \$20,000,000 from Salt Lake County.

Housing: Through House Bill 204, "Olene Walker Housing Trust Fund Appropriations," the Legislature appropriated \$500,000 in ongoing funds and \$300,000 in one-time funds. Through Senate Bill 217, "Domestic Violence Shelters - Responsibility and Funding," the

Legislature funded domestic violence shelters with \$100,000 in one-time funding. The Legislature intends that with the appropriations to the Olene Walker Housing Trust Fund which exceed appropriations made to the Fund during the 2000 General Session, priority be given to funding non-profit efforts to help finance the purchase of at-risk HUD-assisted properties.

Weatherization: The Legislature funded a federal match requirement of \$50,000 with one-time funds. The Legislature increased supplemental funding by \$550,000 in Dedicated Credits from Utah Power and Questar.

Emergency Food: The program received a one-time increase of \$50,000.

HEAT: Through House Bill 165, "Appropriation for Home Energy Assistance Target Program," funded a one-time increase of \$200,000.

The Utah Public Service Commission has agreed to place a small surcharge in Utah Power customer monthly bills that will raise an estimated \$1,850,000 annually that will be used to assist low-income customers. The Division will administer these funds and will receive \$65,000 in Dedicated Credits in FY 2001 and \$40,000 in FY 2002.

Commission on Volunteers: The Legislature appropriated \$100,000 in one-time funds to help with the Literacy Program. The federal Literacy program requires a match from local schools and school districts. This will increase Dedicated Credit funding in FY 2001 by \$425,000.

Community Development Capital

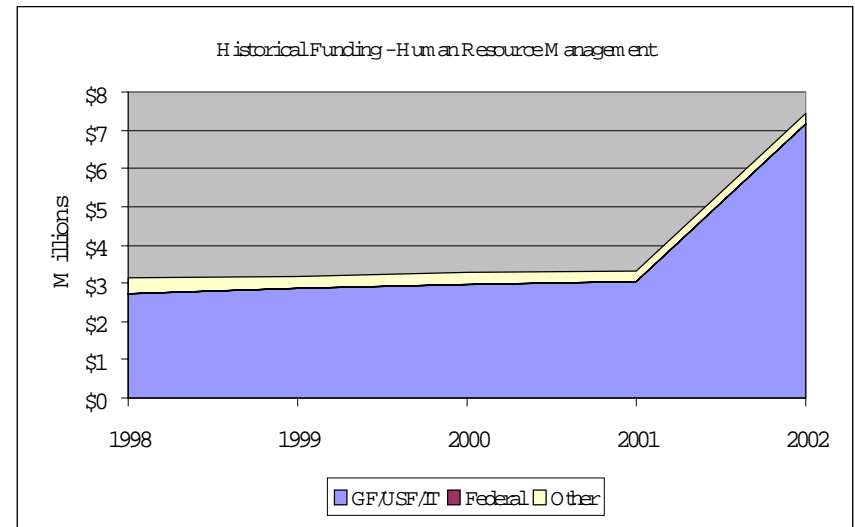
Community Development Capital mitigates the impacts of non-metallic mineral extraction on local communities. It administers the Permanent Community Impact and Special Service District Funds from Mineral Lease Revenues. These funds are distributed by formula. There were no funding increases during the last session.

Funding Detail

Community & Economic Development					
	2001	2001	2001	2002	Change from
	Estimated	Supplemental	Revised	Appropriated	2001 Revised
Financing					
General Fund	32,279,500	(169,200)	32,110,300	32,747,400	637,100
General Fund, One-time	2,402,600	11,752,600	14,155,200	9,742,300	(4,412,900)
Transportation Fund	118,000		118,000	118,000	
Federal Funds	30,726,800	55,700	30,782,500	31,857,300	1,074,800
Dedicated Credits/Revenue	2,597,100	1,299,300	3,896,400	4,252,200	355,800
Federal Minimal Lease	12,093,300	(844,600)	11,248,700	15,044,500	3,795,800
GFR - Constitutional Defense				100,000	100,000
GFR - Homeless Trust	150,000		150,000	150,000	
GFR - Industrial Assistance	185,800	(10,464,600)	(10,278,800)	185,800	10,464,600
GFR - Minimal Bonus	3,150,000	844,600	3,994,600	4,857,100	862,500
GFR - Olene Walker Housing TF				(800,000)	(800,000)
Capital Access	326,100		326,100		(326,100)
Library Donation Expendable Trust		(720,000)	(720,000)	(400,000)	320,000
Oil Overdig - Exxon				2,632,000	2,632,000
Oil Overdig - Stipend Well	1,974,600		1,974,600		(1,974,600)
Olympic Special Revenue	1,000,000		1,000,000		(1,000,000)
Permanent Community Impact	13,893,300		13,893,300	18,295,000	4,401,700
Transfers	(14,244,000)		(14,244,000)	(18,303,800)	(4,059,800)
Transfers - Department of Community and Econ	(91,400)		(91,400)		91,400
Repayments	8,375,000		8,375,000	13,301,500	4,926,500
Beginning Nonlapsing	4,757,200	(24,600)	4,732,600	4,222,300	(510,300)
Closing Nonlapsing	(4,143,000)		(4,143,000)	(4,722,300)	(579,300)
Total	\$95,550,900	\$1,729,200	\$97,280,100	\$113,279,300	\$15,999,200
Programs					
Administration	2,702,300	0	2,702,300	2,741,000	38,700
Special Initiatives	19,800		19,800		(19,800)
Incentive Funds	1,342,300	1,000,000	2,342,300	806,700	(1,535,600)
Indian Affairs	270,700		270,700	229,100	(41,600)
Asian Affairs	127,700		127,700	125,800	(1,900)
Black Affairs	127,300		127,300	125,800	(1,500)
Hispanic Affairs	129,500		129,500	127,700	(1,800)
Pacific Islander Affairs	127,400		127,400	125,700	(1,700)
Business and Economic Development	10,261,600	451,200	10,712,800	11,735,700	1,022,900
Travel Council	5,500,800		5,500,800	4,797,700	(703,100)
Energy Services	3,463,200		3,463,200	4,471,400	1,008,200
State History	2,558,300		2,558,300	3,085,900	527,600
Historical Society	332,200		332,200	423,500	91,300
Fine Arts	3,555,400	43,000	3,598,400	3,826,500	228,100
State Library	7,695,000	(880,000)	6,815,000	7,588,500	773,500
Community Development	32,497,700	1,115,000	33,612,700	38,765,200	5,152,500
Zoos	1,730,000		1,730,000	1,730,000	
Community Development Capital Budget	23,109,700		23,109,700	32,573,100	9,463,400
Total	\$95,550,900	\$1,729,200	\$97,280,100	\$113,279,300	\$15,999,200
FTE, Other					
Total FTE	299.8	5.0	304.8	296.1	(8.7)
Vehicles	34		34	34	0.0

Department of Human Resource Management

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



Legislative Action

The Legislature appropriated \$79,000 to replace an aging Unix computer.

The Legislature directed the department to administer \$2,950,300 for state-wide market comparability adjustments and \$1,000,000 to bring Highway Patrol minimum monthly salaries to \$2,500, as revenues allow. As a result, FY 2002 shows a dramatic increase in funding.

The Department has been directed to work with the Department of Workforce Services to coordinate the Utah Job Match project with the UWORKS project so that they can leverage common elements and functions. The Department will report its progress to the Analyst during the interim.

The Legislature expects that all programs will develop performance measures and develop a five year history of those measures for the next General Session.

Human Resource Management					
	2001 Estimated	2001 Supplemental	2001 Revised	2002 Appropriated	Change from 2001 Revised
Financing					
General Fund	3,038,300	0	3,038,300	6,731,100	3,692,800
General Fund, One-time				79,000	79,000
Uniform School Fund				338,900	338,900
Dedicated Credits Revenue	266,000	0	266,000	277,000	11,000
Beginning Nonlapsing	85,400		85,400	85,400	
Closing Nonlapsing	(85,400)		(85,400)	(85,400)	
Total	\$3,304,300	\$0	\$3,304,300	\$7,426,000	\$4,121,700
Programs					
Human Resource Management	3,304,300	0	3,304,300	7,426,000	4,121,700
Total	\$3,304,300	\$0	\$3,304,300	\$7,426,000	\$4,121,700
FTE/Other					
Total FTE	40.0	0.0	40.0	40.0	0.0

Career Service Review Board

The Career Service Review Board manages the state's grievance and appeals process.

Funding Detail

Career Services Review Board					
	2001 Estimated	2001 Supplemental	2001 Revised	2002 Appropriated	Change from 2001 Revised
Financing					
General Fund	164,600	0	164,600	169,000	4,400
Total	\$164,600	\$0	\$164,600	\$169,000	\$4,400
Programs					
Career Service Review Board	164,600	0	164,600	169,000	4,400
Total	\$164,600	\$0	\$164,600	\$169,000	\$4,400
FTE/Other					
Total FTE	2.0	0.0	2.0	2.0	0.0

Outside Reporting Agencies

Utah State Fair Corporation

The Utah State Fair Corporation operates the Utah State Fair and the fairground facilities.

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.

Legislative Action

In FY 2001, the Utah Technology Finance Corporation should be liquidated to pay back the State and then start again with funding from Industrial Loan Corporations. The Legislature intends to deposit in the Industrial Assistance Fund any proceeds in excess of \$4,000,000 paid to the state from the liquidation of Utah Technology Finance Corporation.

Utah Housing Finance Corporation

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

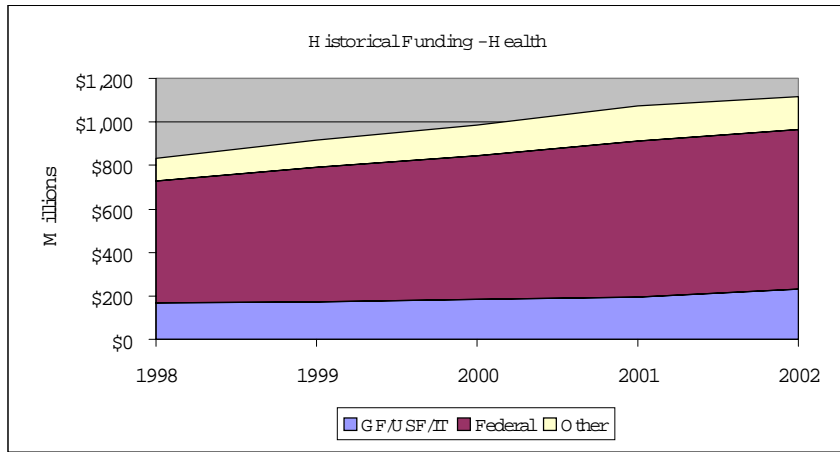
Economic Development & Human Resources Appropriations Subcommittee					
	2001	2001	2001	2002	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2001 Revised
General Fund	35,852,400	(169,200)	35,683,200	40,017,500	4,334,300
General Fund, One-time	2,622,600	11,752,600	14,375,200	9,821,300	(4,553,900)
Uniform School Fund				338,900	338,900
Transportation Fund	118,000		118,000	118,000	
Federal Funds	30,781,800	55,700	30,837,500	31,872,300	1,034,800
Dedicated Credits Revenue	12,625,300	1,299,300	13,924,600	14,764,300	839,700
Federal Mineral Lease	12,093,300	(844,600)	11,248,700	15,044,500	3,795,800
GFR - Constitutional Defense				100,000	100,000
GFR - Homeless Trust	150,000		150,000	150,000	
GFR - Industrial Assistance	185,800	(10,464,600)	(10,278,800)	185,800	10,464,600
GFR - Mineral Bonus	3,150,000	844,600	3,994,600	4,857,100	862,500
GFR - Olene Walker Housing TF				(800,000)	(800,000)
Capital Access	326,100		326,100		(326,100)
Library Donation Expendable Trust		(720,000)	(720,000)	(400,000)	320,000
Oil Overchg - Exxon				2,632,000	2,632,000
Oil Overchg - Stripper Well	1,974,600		1,974,600		(1,974,600)
Olympic Special Revenue	1,000,000		1,000,000		(1,000,000)
Permanent Community Impact	13,893,300		13,893,300	18,295,000	4,401,700
Transfers	(14,244,000)		(14,244,000)	(18,303,800)	(4,059,800)
Transfers - Dept. of Community & Economic Dev.	(91,400)		(91,400)		91,400
Repayments	8,375,000		8,375,000	13,301,500	4,926,500
Beginning Nonlapsing	14,368,200	(24,600)	14,343,600	13,693,200	(650,400)
Closing Nonlapsing	(13,613,900)		(13,613,900)	(13,922,800)	(308,900)
Total	\$109,567,100	\$1,729,200	\$111,296,300	\$131,764,800	\$20,468,500
Programs					
Career Services Review Board	164,600		164,600	169,000	4,400
Human Resource Management	3,304,300		3,304,300	7,426,000	4,121,700
Community & Economic Development	95,550,900	1,729,200	97,280,100	113,279,300	15,999,200
Utah State Fair Corporation	4,033,800		4,033,800	3,961,500	(72,300)
Utah Technology Finance Corporation	6,513,500		6,513,500	6,929,000	415,500
Total	\$109,567,100	\$1,729,200	\$111,296,300	\$131,764,800	\$20,468,500
FTE/Other					
Total FTE	341.8	5.0	346.8	338.1	(8.7)
Vehicles	34		34	34	0.0

Economic Development & Human Resources Appropriations Subcommittee	
One-time State Funding Items (G F / USF / IT)	
Item Name	FY 2002 Appropriated
Human Resource Management	79,000
Community & Economic Development - Incentive Funds - Custom Fit	500,000
Community & Economic Development - Business and Economic Development - Administration	3,100,000
Community & Economic Development - Travel Council - Travel Administration	350,000
Community & Economic Development - State History - Office of Preservation	450,000
Community & Economic Development - Fine Arts - Administration	157,300
Community & Economic Development - Fine Arts - Grants to Non-profits	250,000
Community & Economic Development - State Library - Administration	400,000
Community & Economic Development - Community Development - Weatherization Assistance	50,000
Community & Economic Development - Community Development - Community Development	735,000
Community & Economic Development - Community Development - Museum Services	3,000,000
Community & Economic Development - Community Development - Housing Development	400,000
Community & Economic Development - Community Development - Commission on Volunteering	100,000
Community & Economic Development - Community Development - HEAT	200,000
Community & Economic Development - Community Development - Emergency Food	50,000
Total	\$9,821,300

Department of Health

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 2002 appropriation of \$1,114,461,500 for the Department of Health is an increase of 4.0 percent compared to the FY 2001 revised level of expenditures. The FY 2002 General Fund appropriation is an increase of 18.2 percent.

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

Medical Examiner: The Legislature approved a one-time increase for the Medical Examiner for FY 2002 in the amount of \$200,000. The Legislature also passed House Bill 61, "Medical Examiner Authority", which places certain highway deaths under the jurisdiction of the Medical Examiner. This bill added \$206,800 to the Medical Examiner's budget.

Primary Care Grants: The Legislature approved ongoing General Funds for this program, which provides grants to health care providers whose services are mainly utilized by low-income individuals and families. The funding is in the amount of \$500,000.

Rural Health: The Legislature passed House Bill 89, "Rural Planning Changes", which appropriates \$100,000 to fund one pharmacy dispensing unit and provide funding for on-line telephone services in San Juan County and staff and oversight for the telepharmacy system. The Legislature also funded \$435,000 for capital expenditures related to telehealth.

Nurse Training Grants: The Legislature passed House Bill 306, "Nurse Training Grant Program", which is to pay for the training and certification of 20 Sexual Assault Nurse Examiners through tuition grants.

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 \$856,000 (\$600,000 General Fund).

Sexual Violence Prevention and Community Awareness: The Legislature passed House Bill 69, which funds \$70,000 for heightening awareness and involvement in dealing with the prevention of sexual violence in the community.

General Medicaid Increases: A total increase of \$55,019,300 (of which \$21,543,700 comes from the General Funds), was approved to cover the reduction in the federal match rate, projected inflation, and increases in utilization rates and caseload growth in the Medicaid Program.

Medicaid 18 year olds: Federal law requires all children 18 years or younger who live in families with incomes below 100 percent of federal poverty to be covered under Medicaid. The Legislature approved funding of \$2,532,200 to complete this mandated coverage.

Medicaid Physician/Dentist Reimbursement Rates: The Legislature approved an increase in Medicaid reimbursement rates for

physicians and for dentists working with patients who use dentures. This increase will help retain the services of these providers by providing additional funds for their services.

Medicaid Ambulance Provider Reimbursement Rates: The Legislature approved an increase in Medicaid reimbursement rates for ambulance providers in the amount of \$333,300 (\$100,000 General Fund). This increase will allow the Medicaid program to pay closer to actual costs for these providers.

Medicaid Breast/Cervical Cancer Program : Recently, the Federal government authorized states to provide breast and cervical cancer screening for Medicaid recipients. The Legislature approved \$391,700 to fund this program .

Medicaid "Return to Work": A newer program allows disabled individuals to gain employment, while still retaining their Medicaid coverage, but without the costly "spenddown" provision. The spenddown provision can be a disincentive for people to work, since they must pay all but about \$380 of monthly income to be covered by Medicaid. The Legislature approved using \$500,000 from the Medicaid Restricted account to provide this waiver, which will benefit approximately 300 disabled individuals.

Utah Medical Assistance Program (UMAP): The Legislature approved \$300,000 for one-time funding for FY 2002. This program provides medical services to low income individuals with specific medical difficulties.

Local Health Departments: The Legislature increased the block grant funding which passes through the Department of Health to the local health departments by \$100,000. This replaces the funds reduced by the Legislature during the 2000 Session. In addition, the Legislature approved a three percent cost-of-living adjustment for local health departments.

Graduate Medical Education: The Legislature again approved one-time funding of \$110,000 to the Medical Education Program for assistance in graduate medical education. This funding will be matched with \$440,000 from Federal funds.

Nursing Facility Account: Senate Bill 58, "Repeal of Nursing Facility Assessment", replaces \$4.4 million for funding the Medical Assistance program with General Fund. Of the final balance remaining in the Nursing Facility Account, the Legislature approved funding \$1.6 million for services provided by the Department of Human Services. The Department of Health will contract with the Department of Human Services to provide the services as determined by the Legislature.

Intent Language

Outcome Measures: In the Executive Director's budget, the Legislature again requested detailed outcome measures.

Administrative/Service Budgets: Intent language was approved which requires that the budget include the distribution between costs of administration and costs of services provided to citizens together with the number of citizens served and the cost and type of service.

Budget Presentation: The co-chairs of the Health and Human Services Appropriation Subcommittee will pick one division budget to be presented in extensive detail.

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

FY 2001 Supplements

The Legislature approved the following FY 2001 supplements:

Medical Examiner: In order to continue to be able to provide services 24 hours per day/7 days per week, the Legislature approved a FY 2001 supplement for the Office of the Medical Examiner in the amount of \$100,000.

Laboratory Equipment: To keep the State Health Laboratory's equipment inventory current and in good working order, a supplement of \$313,800 was approved.

Youth Suicide Prevention: To implement recommendations from a task force which studied the problem of youth suicide in Utah, the Legislature approved a one-time supplemental of \$100,000 which will focus attention on youth in the judicial system.

Utah Medical Assistance Program (UMAP): The Legislature approved \$1.4 million from the Medicaid Restricted Account to restore the reductions which were imposed early in FY 2001. The funding will allow the program to operate at its regular workload, while working on a long-term solution to the chronic funding problems. In addition, the Legislature approved \$26,200 to increase the reimbursement rates paid to ambulance providers.

Funding Detail

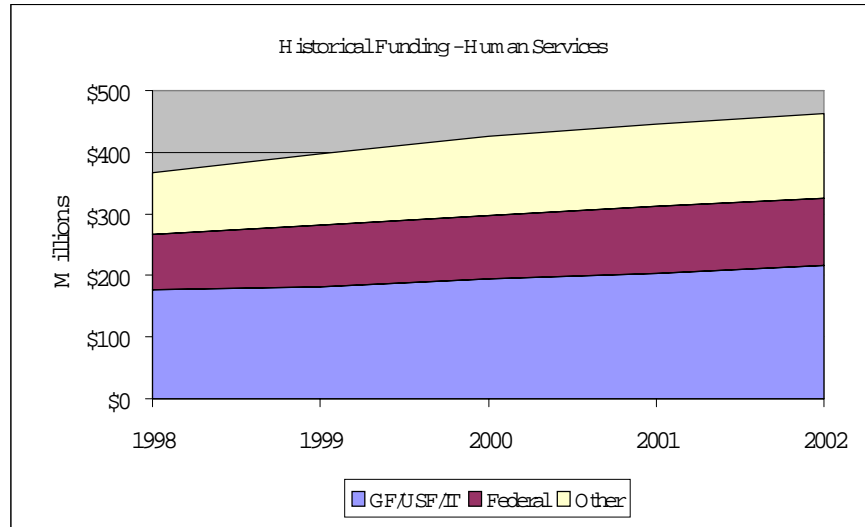
Health					
	2001	2001	2001	2002	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2001 Revised
General Fund	193,861,600	(18,700)	193,842,900	229,149,800	35,306,900
General Fund, One-time	455,000	540,000	995,000	1,235,000	240,000
Federal Funds	715,462,300	(22,800)	715,439,500	735,985,400	20,545,900
Dedicated Credits Revenue	62,474,800	(3,700)	62,471,100	64,477,000	2,005,900
GFR - Cigarette Tax Rest.	250,000		250,000	250,000	
GFR - KautOscason Trans	100,000		100,000	100,000	
GFR - Medicaid Restricted	7,741,200	1,399,800	9,141,000	615,600	(8,525,400)
GFR - Nursing Facility	4,422,400	1,600,000	6,022,400		(6,022,400)
GFR - State Lab Drug Testing Account	149,400		149,400	267,500	118,100
GFR - Tobacco Settlement	9,500,000	(1,100)	9,498,900	9,549,500	50,600
Transfers	72,063,200	(3,000)	72,060,200	72,150,000	89,800
Beginning Nonlapsing	3,669,900		3,669,900	1,827,200	(1,842,700)
Closing Nonlapsing	(1,827,200)		(1,827,200)	(1,145,500)	681,700
Total	\$1,068,322,600	\$3,490,500	\$1,071,813,100	\$1,114,461,500	\$42,648,400
Programs					
Executive Director's Operations	11,989,100	183,700	12,172,800	10,349,600	(1,823,200)
Veterans' Nursing Home	3,320,000	(300)	3,319,700	3,331,200	11,500
Health Systems Improvement	12,115,200	(8,600)	12,106,600	12,911,700	805,100
Physician & Physician Assistants Grant & Schol	550,900		550,900	432,300	(118,600)
Nurse Education Financial Assistance Program	243,000		243,000	238,100	(4,900)
Special Population Health Care Provider Financ	170,500		170,500	150,900	(19,600)
Epidemiology & Lab Services	14,338,100	301,600	14,639,700	13,387,700	(1,252,000)
Community & Family Health	86,848,500	76,900	86,925,400	86,572,500	(352,900)
Health Care Financing	58,437,300	1,511,400	59,948,700	58,145,500	(1,803,200)
Medical Assistance	859,463,300	1,425,900	860,889,200	901,574,700	40,685,500
Children's Health Ins Prog	20,251,200	(100)	20,251,100	24,641,100	4,390,000
Medical Education Program	595,500		595,500	593,500	(2,000)
Local Health Department				2,132,700	2,132,700
Total	\$1,068,322,600	\$3,490,500	\$1,071,813,100	\$1,114,461,500	\$42,648,400
FTE/Other					
Total FTE	1,225.3	0.0	1,225.3	1,209.7	(15.6)
Vehicles	49		49	49	0.0

Health & Human Services - Department of Health Appropriations Subcommittee	
One-time Funding Items (State Funds Only)	
Item Name	FY 2002
Health - Executive Director's Operations - Medical Examiner	Appropriated 203,000
Health - Health Systems Improvement - Primary Care, Rural, and Ethnic Health	544,500
Health - Community & Family Health - Health Education	70,000
Health - Medical Assistance - Medicaid Base Program	117,500
Health - Medical Assistance - Utah Medical Assistance Program	190,000
Health - Medical Education Program	110,000
Total	\$1,235,000

Department of Human Services

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's 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. There is also a separate line item of appropriation for Drug Courts and Boards. The Division of Youth Corrections budget is not included in this chapter of the report as its budget is heard in the Executive Offices and Criminal Justice Appropriations Subcommittee.



FY 2002 Summary: The total FY 2002 appropriation for the Department of Human Services is \$461,911,500, an increase of \$16,840,500 (3.8 percent) over the revised FY 2001 budget. The General Fund appropriation increased by \$13,576,700 (6.7 percent) to \$216,369,500. Major funding increases include \$3.3 million for adoption subsidies, \$6.0 million for services for people with disabilities on the critical needs waiting list, \$1.8 million for additional services for the elderly, \$3.4 million for a 3 percent cost-of-living adjustment for

local authorities and private service providers, and \$1.0 million in new funding for drug courts. The Legislature also provided nearly \$4.1 million from the General Fund to replace reductions in various federal funding sources, including the change in the Medicaid match rate.

FY 2001 Supplementals: The FY 2001 authorized budget was increased by a total of \$2,787,500, including an increase of \$1,409,100 from the General Fund. Major budget adjustments include \$274,600 (\$200,500 General Fund) for seclusion and restraint requirements at the State Hospital, \$613,600 (\$295,900 General Fund) for increased utility costs, and \$2,224,400 (\$944,600 General Fund) for adoption subsidies. The FY 2001 budget was reduced by \$125,100 (\$31,900 General Fund) for changes in Administrative Services' internal service fund rates.

General Departmental Issues

The Legislature appropriated \$3,354,300 (\$1,902,200 General Fund) for a three percent cost-of-living adjustment for private services providers of the Division of Child and Family Services and the Division of Services for People with Disabilities. This also provided three percent COLAs for employees of local mental health, substance abuse, and aging authorities.

Federal Funds Replacement: The Legislature appropriated a total of \$4,083,000 from the General Fund to replace reductions in a number of federally funded programs. The Federal Medical Assistance Payment (FMAP) match rate is being reduced from 71.47 to 70.36 percent for State Fiscal Year 2002. This required an increased State appropriation of \$1,871,500 to maintain current program levels in the Divisions of Services for People with Disabilities, Child and Family Services, Mental Health, and Aging and Adult Services. In addition, local Mental Health Authorities received \$580,000 which covers 80 percent of their match rate change. Congress has reduced the Social Services Block Grant in recent years. The Legislature replaced losses in this grant totaling \$821,600 with state funds for the Divisions of Child and Family Services (DCFS) and Aging and Adult Services. DCFS also received \$738,500 from the General Fund to replace reduced federal participation in the operation of its Child Welfare Management Information System. The Legislature also appropriated \$71,400 to the State Hospital (Division of

Mental Health) for reductions in federal Disproportionate Share (DSH) payments.

Budget Transfers: Several transfers of state funds authorized by the Legislature between divisions resulted in a net increase of \$212,300 to the Department's FY 2002 budget.

The Corrections budget transferred \$190,000 to the State Hospital in response to last year's S.B. 175, "Mental Health and Corrections Law Amendments." These funds were previously appropriated to the Department of Corrections for treatment of inmates at the State Hospital.

The Department of Human Services (DHS) Executive Director Operations' (EDO) budget transferred \$6,700 to the Department of Health for administrative services previously performed by DHS.

The Division of Youth Corrections transferred \$25,000 to the Department's Office of Licensing. In addition, \$50,000 was transferred within the Department from the Division of Child and Family Services. These amounts will fund two additional licensors.

The Department of Administrative Services transferred \$4,000 to the State Hospital for operation of the new 800 MHz radio system.

The Department of Human Services EDO transferred \$56,000 to the Division of Substance Abuse (DSA) for a position that will now be working entirely in DSA.

The Department transferred \$100,000 from the EDO budget to the Division of Services for People with Disabilities. These funds are used for court-ordered placements of individuals with dual diagnosis of mental illness and mental retardation.

The Department transferred \$20,000 from the Office of Recovery Services to EDO. These funds are related to the "Child Access and Visitation Program" which is funded in EDO.

Base Adjustments: The Department's base budget for FY 2002 was reduced to reflect the reduced retirement rates for State employees. It

was also adjusted for FY 2002 rate changes charged by Administrative Services Internal Service Funds.

Base Budget One-time Funding Sources: The 2001 Legislature used one-time funding sources for several areas of the on-going base FY 2002 budget. These funds will be considered for replacement with on-going State General Funds during the next legislative session to maintain current program levels.

The FY 2002 appropriation includes a \$4,737,000 transfer from the Temporary Assistance for Needy Families (TANF) fund to the Social Services Block Grant (SSBG). These funds will be used mainly in the Division of Services for People with Disabilities for people in the home and community based waiver, and in the Division of Child and Family Services for a variety of child and family services. The TANF program is scheduled to be re-authorized by Congress for Federal FY 2002. It is very possible that the current surplus in the State's TANF account will be depleted after State FY 2002. The Legislature included intent language in the FY 2002 appropriation for the Department stating that the Fiscal Analyst should consider a recommendation to replace a portion of these funds with State Funds for FY 2003.

New funding for people with disabilities waiting for services includes a one-time appropriation of \$1.6 million from the Nursing Facilities Restricted Account to the Department of Health. These funds will be made available to the Department of Human Services through a contractual arrangement. The Legislature made a one-time General Fund reduction of the same amount in the Department's base FY 2002 budget.

The 2001 Legislature used one-time General Funds to provide \$550,000 of senior citizen services such as "meals on wheels" and in-home alternative services. It also appropriated \$300,000 of one-time General Funds for additional mental health services provided by the local mental health authorities. To continue these services in FY 2003, the Legislature will need to provide on-going funding.

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 2001, the Legislature provided an additional \$62,900 of General Funds for rate changes in the Administrative Services' internal service funds.

For FY 2002, the Legislature appropriated a total budget of \$19,890,000 (\$8,646,200 General Funds), an increase of \$165,500 (\$121,300 General Fund). This represents a 0.8 percent increase in the total budget and an increase of 1.4 percent from the General Fund over the revised FY 2001 budget. The FY 2002 appropriation includes \$30,000 of transfers from "surplus" TANF funds.

Intent Language

Local Medicaid match rate changes: The Legislature directed the Department to consider changes in this match rate change in its annual budget preparation for FY 2003.

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.

Breakout of Administration and Services Costs: The Department was instructed to present budget analysis documents with a breakdown of cost between administrative functions and services delivered.

Detailed Budget Presentation: The Health and Human Services Appropriations Subcommittee will choose one of the division budgets of the Department of Human Services to be presented in extensive detail during the next annual budget hearing.

Drug Courts, Drug Boards

Drug Court is a judicial process that offers nonviolent, drug-abusing offenders intensive court-supervised drug treatment as an alternative to prison if the offender completes the program. The local area substance abuse authorities and private entities provide treatment services. Drug Board is an administrative process similar to Drug Courts, but is offered by the Board of Pardons and Parole in the Corrections system to individuals entering parole. This is a new line item appropriation created by the 2000 Legislature when it appropriated funds from the Tobacco Settlement monies for expansion of the drug court system and creation of drug boards (S B 15, 2000 General Session).

Legislative Action

The 2001 Legislature appropriated \$2,647,200 for this line item for FY 2002. This includes an increase of \$1,000,000 (General Fund), a 61 percent increase. The balance of \$1,647,200 comes from the General Fund Restricted - Tobacco Settlement Account. The Drug Board pilot project in Weber and Davis Counties will continue to receive \$350,900. The \$1,000,000 increase, intended for new or expanded drug courts, will be distributed by a committee of Department Directors associated with the drug court program. The additional \$1 million will provide treatment services for approximately 285 additional clients.

Funds appropriated to the Department of Human Services (DHS) are intended to provide treatment services. The Legislature also has appropriated funds to the Courts System for administrative needs. Typically, 87 percent of total drug court and drug board funds are appropriated to Human Services for treatment and 13 percent are appropriated to the Courts. In addition to the \$1 million in new funds provided DHS, the Courts received \$168,700 for administrative costs for FY 2002.

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 2001, the Legislature provided a supplemental appropriation of \$552,000 (\$401,300 General Fund). This amount reflects a reduction of \$14,800 (\$10,500 General Fund) for the Administrative Services' internal service fund rate changes. The Legislature provided one-time supplemental appropriations of \$274,600 (\$200,500 General Fund) for seclusion and restraint requirements and \$292,200 (\$211,300 General Fund) for increased utility costs at the State Hospital in Provo.

For FY 2002, the Legislature appropriated \$76,329,700 (\$60,469,600 General Fund), an overall budget increase of \$2,268,900 (\$2,697,800 General Fund). This represents an overall budget increase of 3.1 percent and an increase in the General Fund of 4.7 percent above the revised FY 2001 budget.

Seclusion and Restraint: The federal Health Care Finance Agency (HCFA) now requires that a psychiatrist see a patient within one hour after being placed in seclusion and restraint at the State Hospital. The previous requirement was 24 hours. The Legislature appropriated an increase of \$414,500 (\$302,600 General Fund) for a psychiatrist to always be on site or within one hour of the hospital.

Federal Funds Changes: The Division received \$124,200 to replace the reduced federal Medicaid match rate, plus \$71,400 for the reduced federal "Disproportionate Share" (DSH). DSH funds are provided to institutions which take a "disproportionate share" of Medicaid patients. The local mental health authorities also will receive

80 percent of their cost of the Medicaid match rate change, \$580,000 in State funds.

Provider COLAs: The Legislature appropriated \$505,100 (General Fund) for a three percent cost-of-living adjustment for employees of local mental health authorities and providers.

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 directly or contract with private providers.

Legislative Action

For FY 2001, the Division's authorized budget was reduced by \$600 (\$300 General Fund) for Administrative Services' internal service fund rate changes.

For FY 2002, the Division's total budget was increased by \$974,500 (\$299,000 General Fund) to \$31,248,700 (\$10,979,300 General Fund). This represents an increase of 3.2 percent overall and 2.8 percent from the General Fund.

Provider COLAs: The Legislature appropriated \$224,800 (General Fund) for a three percent cost-of-living adjustment for employees of local substance abuse authorities and providers.

DUI Funds: The Legislature increased funding from the Intoxicated Driver Rehabilitation Account by \$100,000, to a total \$1,050,000 for FY 2002. These funds are distributed to the 13 local substance abuse authorities by formula to support education and intervention services for drivers guilty of driving under the influence.

Medical Director: The Division of Substance Abuse has created the position of Division Medical Director, a requirement for participation in the federal Substance Abuse Prevention and Treatment

(SAPT) grant. The funding (\$160,500) for the position came from existing FY 2001 State funds that will be replaced by growth in the SAPT grant. The director will be a resource to local substance abuse authorities which are becoming more reliant on the use of medications in their treatment programs.

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. 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

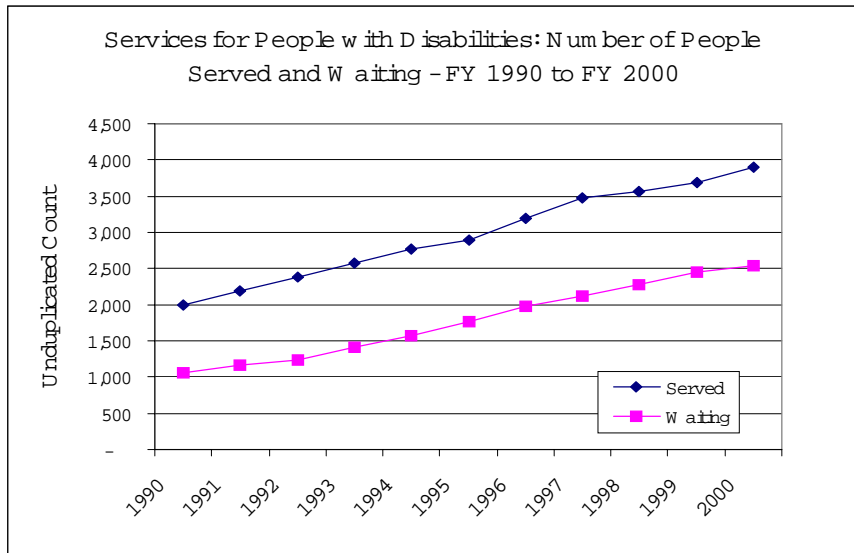
For FY 2001, the Legislature appropriated a supplemental increase of \$80,200 (\$65,100 General Fund). This includes a decrease of \$13,200 (\$5,400 General Fund) for Administrative Services' internal service fund rate changes, and an increase of \$293,400 (\$70,500 General Fund) for increased utility costs at the State Hospital. The Legislature also approved a reduction of \$200,000 from the People with Disabilities Trust Fund as these funds will not be spent in FY 2001.

For FY 2002, the Legislature appropriated a total budget of \$139,214,100 (\$42,103,800 General Fund), an increase of \$4,799,900 (\$3,103,200 General Fund). This represents an overall budget increase of 3.6 percent and an increase of 8.0 percent from the General Fund. In addition, for FY 2002 only, \$1.6 million from the Restricted Nursing Facilities Account in the General Fund will be available to DSPD through a contractual agreement with the Department of Health. The Legislature made a one-time reduction of \$1.6 million from the General

Fund for the Division's FY 2002 budget. The FY 2002 appropriation includes \$3,445,200 of TANF transfers.

Waiting List/Emergency Services: The 2001 Legislature appropriated \$2,000,000 in on-going General Funds for services for people on the critical needs waiting list. This amount should draw down another \$4 million in federal funds. The total of \$6 million in new funds will provide services for about 370 individuals. In addition, \$1,050,000 (\$350,000 General Fund) was appropriated to provide emergency services for people who lose their care givers or are ordered into service by the Courts. This will fund services for approximately 50 individuals. For FY 2002 only, the Legislature reduced the budget for DSPD services by \$1,600,000 in General Funds. This will be replaced in FY 2002 by \$1.6 million from the General Fund Restricted - Nursing Facilities Account appropriated to the Department of Health. DSPD will contract with the Health Department for these funds.

There are currently about 2,600 people with disabilities waiting for a variety of community-based services, with about 1,900 in critical or immediate need of services. Despite the Legislature's attempts to reduce this list, it continues to grow. In the past six years, prior to FY 2002, the Legislature has increased the base budget for services for people on the waiting list by \$28.1 million in new funding (including \$7.7 million State Funds plus \$2.8 million in TANF transfers). In addition, \$2.5 million in new funding has been appropriated for emergency community placement needs (\$725,000 State Funds and TANF transfers). The following chart shows a ten year history of the growth in the number of people served and the number of people on the waiting list.



Provider COLAs: The Legislature appropriated \$1,804,000 (\$598,300 General Fund) for a three percent cost-of-living increase for employees of private service providers contracting with DSPD.

Federal Funds Reduction: The Legislature appropriated \$1,326,500 from the General Fund for the Federal Medical Assistance Payment (FMAP) match rate change to maintain current program levels in DSPD.

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 the interest and lease revenues deposited with the Fund. Proceeds from the sale of assets stay in the Fund. 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 one-time appropriation of \$200,000 in the FY 2001 budget, but re-appropriated the amount for FY 2002, as the planned expenditures were delayed one year.

Intent Language

Limitation on Use of Mini-Grants: The Legislature indicated its intent that DSPD limit the use of one-time mini-grants to people on the waiting list for the most critical immediate needs with final approval coming from DSPD. A detailed report is to be presented to the appropriations subcommittee during the next session.

Prevailing Labor Market Conditions: The division was directed to consider prevailing labor market conditions when renewing contracts with private service providers.

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 continue to seek dismissal of the Lisa P. Settlement at the earliest possible date and provide monthly reports to the Legislature until the settlement is finally dismissed.

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: DSPD must limit funds appropriated for the home and community based services waiting list to direct services and related support only. It is to report by December on the number served and services provided.

TANF Transfers: The Legislature intends that any TANF funds transferred to DSPD in excess of the amount transferred in the FY 2000 base budget (\$1,645,200) be considered one-time. The Fiscal Analyst was instructed to consider replacing the excess transfers with sufficient General Fund to provide the equivalent amount of service. The transfers to DSPD included in the FY 2002 budget total \$3,445,200.

Contract with Health Department: The Department of Health was directed to contract with the Department of Human Services to fund \$1.6 million worth of services provided by DSPD for people whose names are on the critical needs waiting list. (These funds come from the Restricted Nursing Facilities Account in the General Fund appropriated to the Department of Health.)

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 also provide child support collection services to families not receiving government assistance.

Legislative Action

For FY 2001, the Legislature reduced the base budget by \$79,600 (\$28,800 General Fund). This includes a reduction of \$94,300 (\$33,800 General Fund) for changes in Administrative Services internal service fund rates and an increase of \$14,700 (\$5,000 General Fund) for increased utility costs at several field offices.

For FY 2002, the Legislature appropriated a total amount of \$44,112,000 (\$12,575,600 General Fund), an increase of \$1,232,600 (\$268,700 General Fund). This represents a 2.9 percent overall budget increase and a 2.2 percent increase from the General Fund.

Base Adjustments: The 2001 Legislature reduced the FY 2002 base budget by \$711,800 (\$210,900 General Fund) for retirement rate reductions. The Division's budget was also decreased by \$101,600 (\$25,200 General Fund) for changed rates in Administrative Services' internal service funds. The FY 2002 budget also reflects the \$20,000 (General Fund) transferred to the Executive Director Operations' budget for the "Child Visitation Grant."

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 "youth services for minors who are dependent, ungovernable, or runaway . . ."

Legislative Action

For FY 2001, the Legislature increased the base budget by \$2,181,500 (\$911,400 General Fund). This includes a reduction of \$56,200 (\$42,300 General Fund) for changes in Administrative Services' internal service fund rates and an increase of \$13,300 (\$9,100 General Fund) for increased utility costs at several field offices. It also includes an increase of \$2,224,400 (\$944,600 General Fund) for adoption subsidy needs above the current budget.

For FY 2002, the Legislature appropriated \$127,357,800 (\$67,312,500 General Fund), an increase of \$4,270,000 (\$4,425,600 General Fund). This represents an overall budget increase of 3.5 percent and an increase from the General Fund of 7.0 percent. The FY 2002 appropriation includes \$1,804,800 of transfers from TANF, including \$570,000 for one-time costs of implementing the "Milestone Plan".

Adoption Assistance: The State makes available several forms of financial assistance to families adopting children with special needs who are in State custody. As part of a budget control effort in FY 2000, DCFS reviewed, and in many cases reduced or eliminated, "special needs" subsidies for specialized, non-recurring services and other needs. Some reductions were later restored. The Division anticipates that there will be approximately 400 new adoptions in both FY 2001 and FY 2002. To fully fund anticipated needs, the Legislature appropriated \$944,600 from the General Fund as a supplemental appropriation for FY 2001, and a base increase for FY 2002 totaling \$3,333,900 (\$1,722,500 General Fund).

Federal Funds Replacement: The Legislature appropriated a total of \$1,848,000 from the General Fund to replace reductions in several federally funded programs. The Federal Medical Assistance Payment (FMAP) match rate change required an increased State match of \$387,900 in DCFS to maintain current program levels. The Social Services Block Grant, which has been reduced over the past several years, was restored with \$721,600 in State funds. DCFS also received \$738,500 from the General Fund for reduced federal participation in the operation of its Child Welfare Management Information System.

Foster Care Rate Increases: The Division received \$300,000 from the General Fund (which will draw down an additional \$126,000 in federal funds) for increased payments to foster parents. The rates for daily basic and specialized foster care will increase by five percent to \$13.65 and \$17.59 respectively. The two categories of structured foster care daily rates will increase by 2.5 percent to \$26.91 and \$32.03.

Provider COLAs: The Legislature appropriated \$655,400 (\$409,000 General Fund) for a three percent cost-of-living increase for employees of private service providers contracting with DCFS.

"Performance Milestone Plan" Implementation: When the David C. settlement agreement expired in 1998, the federal district court decided to continue its oversight of the Division by requiring the creation and monitoring of a "Performance Milestone Plan." For FY 2002, the Legislature appropriated a total of \$700,000 to DCFS for one-time costs associated with implementing the plan. The funding includes \$570,000 of TANF transfers and \$130,000 in expected matching federal funds. These funds will be used to contract for development of training modules and for independent reviews of Division operations. The State has appealed the court's decision to the 10th Circuit Court of Appeals in Denver, arguing that the Court should not continue its involvement with management of the Division.

Victims of Domestic Violence Services Account: This restricted account in the General Fund receives four percent of surcharges paid on criminal fines, penalties, and forfeitures. These funds are to be used for domestic violence services. Collections are expected to exceed the current base budget authorization of \$550,000 in FY 2002 and the Legislature increased the appropriation by \$100,000.

Tuition Waivers for Ward of the State: The 2001 Legislature passed H.B. 64, "Tuition Waivers for Wards of the State," which extends tuition waivers to postsecondary educational institutions for individuals aged 17 to 26 who are currently, or have been, in State custody. This includes individuals who "had a permanency goal in the individual's treatment plan . . . of long-term foster care while in custody of the division; and for whom the custody of the division was not terminated as a result of adoption." The Legislature funded this bill in the amount of \$44,100 from the General Fund.

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 (AAAs) through an approved funding formula.

Legislative Action

For FY 2001, the Legislature reduced the DAAS budget by \$2,800 (\$2,500 General Fund) for Administrative Services' internal service funds rate changes.

For FY 2002, the Legislature appropriated a total budget of \$21,112,000 (\$13,282,500 General Fund), an increase of \$2,129,100 (\$1,661,100 General Fund). This represents an overall budget increase of 11.2 percent and an increase of 14.3 percent from the General Fund. The FY 2002 base budget includes \$27,000 of transfers from "surplus" TANF funds.

Federal Funds Replacement: The Legislature appropriated a total of \$132,900 from the General Fund to replace reductions in two federally funded programs. The Federal Medical Assistance Payment (FMAP) match rate change required an increased State match of \$32,900 in DAAS to maintain current program levels. The Social Services Block Grant has been reduced over the past several years and the Legislature

provided \$100,000 from the General Fund for the Adult Protective Services program to help make this program whole.

Senior Services: The 2001 Legislature increased funding for a variety of senior services by a total of \$1,829,000 (\$1,300,000 General Fund). Included is \$550,000 (General Fund) for the "Meals on Wheels" program. This amount includes \$300,000 of one-time General Funds. Additionally, the Legislature appropriated \$1,029,000 which includes \$500,000 from the General Fund (\$250,000 on-going and \$250,000 one-time) for people on the "In-Home Services" waiting list. This program provides individuals 60 or older with a variety of assistance with daily activities to help them remain independent and either postpone or eliminate the need for a nursing home. As a result of Legislative action, an additional 740 senior citizens will be provided services in FY 2002. The Legislature also appropriated \$250,000 (General Fund one-time) for acquisition of transportation equipment. Funds for senior services will be passed through to the local area agencies on aging.

Adult Protective Services: The Legislature funded one additional adult protective services investigator in the State office with \$52,000 from the General Fund. The Division indicates this person will assist with the growing need of services in central Utah's six-county area.

Provider COLAs: The Legislature appropriated \$165,000 (General Fund) for a three percent cost-of-living adjustment for employees of the local area agencies on aging.

One-Time Funding for On-Going Services: Of the increased funding provided by the Legislature for FY 2002, \$550,000 comes from one-time General Fund sources for on-going services (meals and other in-home services). Unless the Legislature provides on-going funding for these services next year, they will not be continued after FY 2002.

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 in Salt Lake City. Data Processing provides programming services for the Department.

The FY 2002 Appropriations Act authorized collections of \$4,177,900 with operating expenses estimated at \$4,110,400. This should provide an operating income of \$67,500. Accumulated retained earnings are expected to reach \$465,500 by the end of FY 2002. The Legislature also approved a staffing level of 36 FTEs and no capital acquisitions for FY 2002. The Administration Building square footage rate will remain the same for FY 2002, but the hourly rate for programmers will increase from \$50.00 to \$52.00.

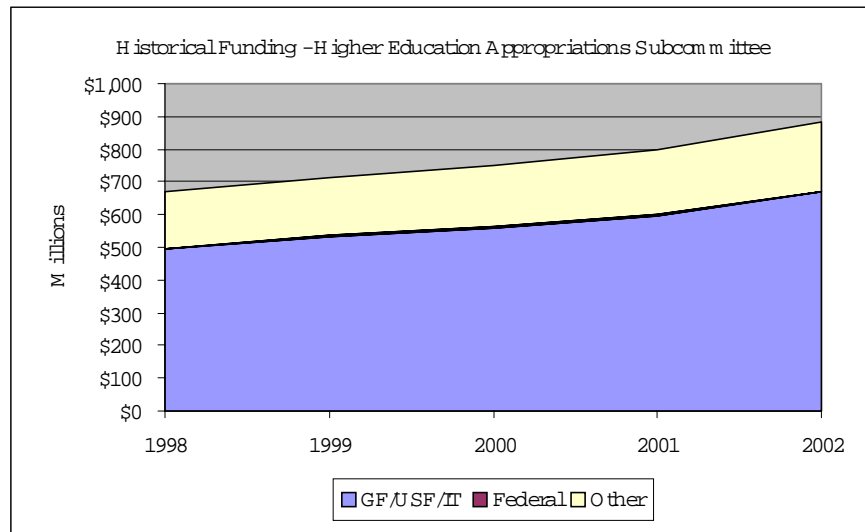
Funding Detail

Human Services					
	2001	2001	2001	2002	Change from
	Estimated	Supplemental	Revised	Appropriated	2001 Revised
Financing					
General Fund	201,283,700		201,283,700	216,869,500	15,585,800
General Fund, One-time	100,000	1,409,100	1,509,100	(500,000)	(2,009,100)
Federal Funds	107,727,000	1,217,400	108,944,400	109,451,200	506,800
Dedicated Credits Revenue	8,138,700	46,000	8,184,700	8,286,400	101,700
GFR - Children's Trust	350,000		350,000	350,000	
GFR - Domestic Violence	550,000		550,000	650,000	100,000
GFR - Intoxicated Driver Rehab	950,000		950,000	1,050,000	100,000
GFR - Tobacco Settlement	1,647,200		1,647,200	1,647,200	
GFR - Trust for People with Disabilities	200,000	(200,000)		200,000	200,000
Transfers - HI - Medical Assistance	115,371,500	315,000	115,686,500	118,337,900	2,651,400
Transfers - Other Agencies	5,960,300		5,960,300	5,569,300	(391,000)
Beginning Nonlapsing	5,100		5,100		(5,100)
Total	\$442,283,500	\$2,787,500	\$445,071,000	\$461,911,500	\$16,840,500
Programs					
Executive Director Operations	19,667,700	56,800	19,724,500	19,890,000	165,500
Drug Courts Board	1,647,200		1,647,200	2,647,200	1,000,000
Mental Health	73,508,800	552,000	74,060,800	76,329,700	2,268,900
Substance Abuse	30,274,800	(600)	30,274,200	31,248,700	974,500
Services for People with Disabilities	134,334,000	80,200	134,414,200	139,214,100	4,799,900
Office of Recovery Services	42,959,000	(79,600)	42,879,400	44,112,000	1,232,600
Child and Family Services	120,906,300	2,181,500	123,087,800	127,357,800	4,270,000
Aging and Adult Services	18,985,700	(2,800)	18,982,900	21,112,000	2,129,100
Total	\$442,283,500	\$2,787,500	\$445,071,000	\$461,911,500	\$16,840,500
FTE, Other					
Total FTE	3,788.2		3,788.2	3,799.2	11.1
Vehicles	326		326	326	

H igher E ducation

Subcommittee Overview

The Legislature appropriated \$838,739,900 for the Utah System of Higher Education and the Utah Education Network, an increase of \$80,873,300 or a 10.7 percent increase over the FY 2001 revised budget of \$757,866,600. State funding from the General Fund, Uniform School Fund, and Income Tax is \$625,960,100 or 74.6 percent of the total funding. The General Fund Restricted Accounts total \$5,300,000 and the remaining balance of \$207,479,800 consists of federal revenue, dedicated credits (tuition), mineral lease, and land grant management funds.



The Utah System of Higher Education

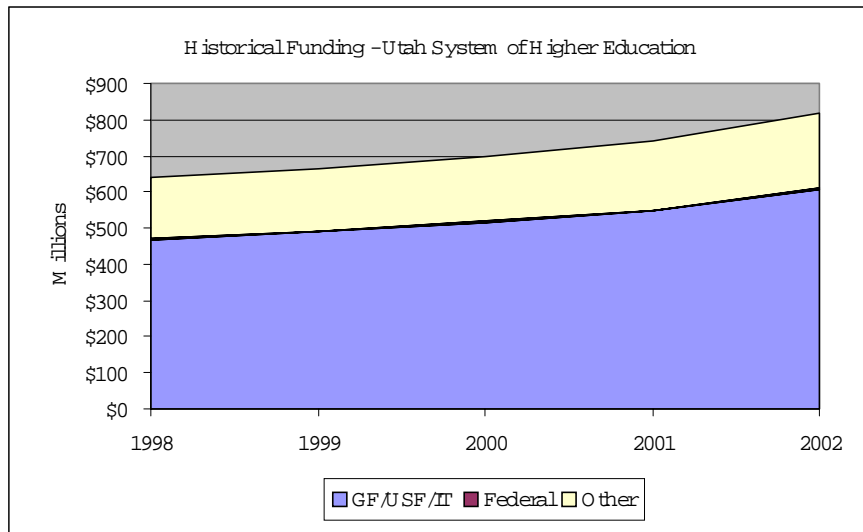
The Utah System of Higher Education (USHE) consists of nine public colleges and universities governed by the sixteen-member State Board of Regents (SBR). The Governor appoints fifteen members of the Board, and the student body presidents' council appoints the sixteenth member. The Board appoints the Commissioner of Higher Education as well as the nine institutional presidents. The USHE consists of two research universities, two metropolitan/regional universities, two state colleges, 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, the 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 39,100 full-time equivalent (FTE) students. Approximately 16 percent of the total enrollments of these two institutions are students seeking graduate degrees.

Metropolitan/Regional Universities: Metropolitan/Regional universities focus on undergraduate education and offer selected graduate degrees. The primary responsibility of the faculty is classroom instruction, although there is an expectation of moderate production of knowledge through applied research. Only two percent of the nearly 17,400 FTE students enrolled at the two metropolitan/regional universities, Weber State University (WSU) and Southern Utah University (SUU), are seeking graduate degrees.

State Colleges: The USHE has two state colleges, Utah Valley State College (UVSC) and Dixie State College of Utah (DSCU). With the passage of House Bill 32, "Dixie College Status," the State Board of Regents approved DSCU to encompass both community college and state college missions. The state colleges are 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 and for the community and student body. Both state colleges will offer specialized certificates in applied technology education, associate degrees, and a limited number of baccalaureate degrees. The combined FTE students enrolled at the two state colleges are about 17,800. Approximately seven percent of the FTE students at UVSC take upper division courses.

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. The mission of the state community colleges is to address the needs with programs of vocational technical training, general education, and continuing education for the personal enrichment and career development of its students. Faculty members at the community colleges are evaluated solely on the quality of their instruction. With no research expectations, the faculty at the community colleges are expected to carry a heavier teaching load than their counterparts at the metropolitan/regional and research universities. The students enrolled at the three community colleges number approximately 19,600 FTE.



Legislative Action

The Legislature increased State funding to the Utah System of Higher Education (USHE) by \$61,058,300 or 11.1 percent over the FY 2001 revised budget of \$546,281,000. Higher education receives its funding from several sources. The total funding of \$820,119,100 for FY 2002 for the USHE consists of General Funds, Uniform School Funds, Income Tax Revenue, dedicated credits (tuition and fees), federal funds, Mineral Lease Account, Land Grant Management, and General Fund Restricted from the Tobacco Settlement and the Nursing Facilities Accounts. State funds (General Fund, Uniform School Fund, and

Income Tax) account for \$607,339,300 or about 74 percent of the Higher Education appropriated budget.

Internal Service Fund Adjustments: The change to the base for Internal Service Fund adjustments of \$266,200 included a net increase for Risk Management of \$283,900 and a reduction for Fleet Management of \$17,700. There was also a reduction in the FY 2001 supplemental Internal Service Fund Adjustment of \$17,700 for Fleet Management.

Retirement Rate Adjustments: Current actuarial studies indicate that the State retirement programs are over-funded by 3.32 percent. Based on changes in the State retirement rates for contributory and non-contributory programs, the retirement rates for higher education were reduced by \$3,931,200 of which \$2,874,900 is State funds and \$1,056,300 is dedicated credits.

Conversion of FY 2001 One-time Funding to Ongoing: In FY 2001, the Legislature funded ongoing expenditures with one-time funding with an agreement in FY 2002 that the funding would be converted to ongoing. The funding consisted of \$1,500,000 for the operation and maintenance of facilities and \$994,700 for salary equity for a total of \$2,494,700.

USU Water Research Lab Mineral Lease Funds: As provided by statute, the Water Research Lab at Utah State University receives 2.25 percent of the total mineral lease revenue. The projected Mineral Lease for FY 2002 is \$810,500.

Tuition: The State Board of Regents approved a 4 percent tuition rate increase for academic year 2001-2002 which the Legislature adopted in its FY 2002 plan of financing. It is projected that the tuition increase will generate approximately \$7.1 million in new revenue. In its March meeting, the Board of Regents adopted a 5.5 percent increase in tuition at the State's nine public universities and colleges for 2001-2002 academic year. In addition to this base tuition increase, the Regents approved supplemental increases of: 1.3 percent at the University of Utah, 1.5 percent at Weber State University, 2 percent at Southern Utah University and 7 percent at Utah Valley State College. The Regents expect to consider a second tier tuition increase for Utah State University at a future date. In addition to the base tuition increase, the

Legislature approved the following intent language that allows a tuition surcharge for several institutions.

It is further the intent of the Legislature that the State Board of Regents may add a tuition surcharge not greater than 4 percent of the current year tuition at the University of Utah, Utah State University - Logan Campus only, Weber State University, and Southern Utah University for the 2001-02 academic year. It is further the intent of the Legislature that the State Board of Regents may add a tuition surcharge not greater than 7 percent of the current year tuition at Utah Valley State College for the 2001-02 academic year. These tuition surcharges at each of these institutions must be based on demonstrated critical institutional needs. It is the intent of the Legislature that any tuition surcharge increase not be across the board but be based on a differential system reflecting the cost of providing for the type of degree sought by the student. These tuition surcharges shall be ongoing, collected and retained by the institution as dedicated credits and used to fund critical institutional needs. If a surcharge is imposed, the amount collected and the use of the surcharge shall be reported to the Higher Education Appropriations Subcommittee during the 2001 interim.

As required by Utah Code Ann. Section 53B-7-101, the State Board of Regents shall recommend to each session of the Legislature the minimum tuition, resident and nonresident, for each institution which it considers necessary to implement the budget recommendations. It is the intent of the Legislature that tuition increases beyond those authorized by this intent, be brought to the Higher Education Appropriations Subcommittee as part of each annual general session before they are implemented.

It is the intent of the Legislature that 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 in consultation with the student body representatives.

Senate Bill 210 "Higher Education Tuition Disclosure" The passage of this bill requires an institution intending to modify tuition rates, to hold a public meeting prior to increasing tuition rates to consider public input and response to their proposed changes. The disclosure statement will include a comparison to changes in the Consumer Price Index (CPI) and a "detailed accounting of how and where the increased tuition revenues will be spent." The proposed surcharge must also be reported to the Higher Education Appropriations Subcommittee during the 2001 interim.

Compensation: The Legislature funded a compensation and benefit package of approximately six percent. The compensation package is comprised of an increase in salaries of four percent, health and dental insurance of \$8,079,000 and salary equity of \$4,544,500. Legislative policy requires agencies that receive revenue from dedicated credits to fund a proportional share of compensation with the revenue received. In accordance with this policy, a proportional amount (about 23 percent) of the USHE salary package is funded by dedicated credits (tuition). The compensation package totals \$34,461,000 of which \$24,442,800 is from Income Tax Revenue and \$8,018,200 is from tuition revenue, mineral lease funds, land grant management and federal funds. 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 2002 was salary equity. The appropriation of \$4,544,500 is the second phase of a multi-year effort of the Legislature to help address the issue of market comparability.

Funding Formula: The USHE request for FY 2002 operating funds was partially based on a new funding mechanism that was developed during the interim by a Board of Regents' task force. The first component in the proposed funding formula is the Financing Mechanism which established the total value of the funding request for state

resources at \$62,157,600. After this amount was determined, the Allocation Mechanism distributed these funds by institution for enrollment growth, compensation, inflation for non-personnel operating expenses, and "quality" enhancements. Quality enhancements included funding for library materials, technology, financial aid and funding equity.

One of the concerns of the Legislature with the Regents' proposed formula was that it did not include funding for basic mandated costs like utility rate adjustments and other operating expenses needed to keep the institution functioning. As a result, the Legislature appropriated approximately 80 percent of the requested amount of state resources for Enrollment Growth for 4,363 new FTE students (\$12,103,700) and 27 percent of the request for "Base Student Support" (\$582,600) and "Funding Equity" (\$579,900). Funding for library materials, technology and financial aid were funded outside the formula generated request. Regarding the issue of formula funding for the next session of the Legislature, the following intent was adopted:

It is the intent of the Legislature that the Council of Presidents and representatives of the Board of Regents working in conjunction with legislators, the Legislative Fiscal Analyst and a representative of the Governor's Office review and refine the funding formula for the Utah System of Higher Education. It is the intent of the Legislature that this proposed formula reduce dependence on growth funding, link to measurable system wide and institutional specific performance indicators, respond to changes in costs of instruction due to the implementation of technology or the utilization of cost saving measures and respond to market demand, student performance as well as recognized differences in institutional roles and mission.

The following intent language was adopted by the Legislature that impacted the funding of enrollment growth:

It is the intent of the Legislature that the budgets of Utah State University's Southeastern Continuing Education Center, and the College of Eastern Utah at

the Price and San Juan Campuses be held harmless this fiscal year because of the temporary nature of the downturn in enrollments. In addition, it is projected that the enrollments will be substantially higher than predicted by the Board of Regents in this academic year and will reach the enrollment target in the next academic year.

It is the intent of the Legislature that developmental courses at Utah State University Branch campuses and extension centers be converted to budget related enrollments.

Holding the smaller institutions and branch campuses harmless for FY 2002 and adding students enrolled in developmental classes at USU branch campuses will increase the required enrollment funding for FY 2003 budgets.

Engineering Initiative: The Legislature, through the passage of Senate Bill 61, established an Engineering and Computer Science Initiative within the USHE. The purpose of the initiative is to double the number of graduates in engineering, computer science and related technologies by 2006 and to triple the number by 2009.

A Technology Initiative Advisory Board was created to assist the Board of Regents in its administration of the technology initiative by:

- Making recommendations on the allocation of funds for a faculty incentive program;
- Developing a strategic plan for the initiative;
- Assessing current program offerings at higher education institutions to ascertain their impact on the economic prosperity of the state;
- Developing an assessment and reporting plan that measures the results of the initiative against planned expectations. This includes an analysis of market demand for technical employment, tracking student placement, monitoring student admissions, transfer, retention and graduation rates as well as verifying the matching requirements for institutions. An appropriation of \$4 million (\$1 million ongoing/\$3 million one-time funding) is intended to hire and retain faculty, improve the quality of instructional programs (\$2.5

million one-time), and capitalize a student loan program (\$0.5 million). It should be noted that the state institutions of higher education are required to match the Legislative appropriation on a one-to-one basis in order to qualify for the state funds appropriated for this initiative.

Technology Initiative: For FY 2002, the Legislature appropriated \$7,313,100 to expand the use of technology for administrative data processing, Internet access, distance learning, and multimedia instruction. Of this amount, a one-time appropriation of \$250,000 was approved to contract with a consultant for a plan and cost proposal to migrate current administrative data processing systems to a new platform, replace and upgrade technology infrastructures across the USHE campuses, and enhance the ability of faculty to integrate technology with instruction. Other appropriations include \$1 million to the University of Utah to enhance campus computer network connectivity, \$5,563,100 for computer and technology upgrades and enhancements system wide, and \$500,000 for Salt Lake Community College's (SLCC) wireless pilot program.

Fuel and Power Rate Increases: Natural gas companies are predicting rate increases will be approximately 50 percent higher than last year due to low inventories and colder weather causing increased demands for fuel. Power companies are experiencing rate increases as well because of their dependency on natural gas to fuel their generators. Because of the uncertainty of future fuel and power costs, the Legislature appropriated one-time supplemental funds of \$3,102,900 for FY 2001 and \$4,386,600 in one-time funds for FY 2002. The system was asked to re-evaluate funding needs after fuel and power rates stabilize. In anticipation of rising fuel and power rates, the Legislature adopted the following intent language

It is the intent of the Legislature that the State Board of Regents be directed to closely supervise the fuel and power budgets with the intent of promoting greater energy efficiency on each campus. It is also the intent of the Legislature that the Board of Regents report during the interim to the Subcommittee on Higher Education on the implementation of long term plans to control and manage energy costs.

Financial Aid: Qualified students may receive financial aid to help subsidize their education. The Utah Centennial Program for Education (UCOPE) was established in 1997 to provide state-funded, need-based financial aid for Utah students attending public or private institutions of higher education. The New Century Scholarship awards a two-year, 75 percent tuition scholarship to students who complete the requirements of an Associate degree by the September after their high school graduation. Since the inception of the New Century Scholarship program in FY 2000, approximately 95 students have qualified for this scholarship. Many students also qualify for federal financial aid received by the USHE which requires State matching funds. The 2001 Legislature funded financial aid for the USHE at \$2,572,000 of which \$400,000 is one-time and \$40,000 is a FY 2001 supplemental appropriation as follows:

- Utah Centennial Opportunity Program for Education (UCOPE) - \$1,366,000
- New Century Scholarships - \$65,000 plus a \$40,000 FY 2001 Supplemental
- Student Financial Aid for State match requirements on federal financial aid programs - \$701,000 of which \$400,000 is one-time

Vocational Rehabilitation and Americans with Disabilities (ADA): The Americans with Disabilities Act is designed to remove obstructions that prevent disabled persons from fully participating in activities to the general public such as educational opportunities. With the passage of the Americans with Disabilities Act in 1990, it was intended that higher education would assume the responsibility for auxiliary aids and services associated with disabled students. The Utah State Office of Rehabilitation (USOR) coordinates the placement of handicapped students in higher education institutions. The USOR paid \$738,000 to higher education to provide auxiliary support services to these students. Because of federal funding limitations, the USOR has withdrawn financial support. In FY 2002, the Legislature replaced the funding for Vocational Rehabilitation from the USOR and increased the Americans with Disabilities funding for a total of \$938,000 as follows:

- Vocational Rehabilitation - \$738,000
- Americans with Disabilities - \$200,000

Operation and Maintenance (O & M) of New Facilities: The O & M for 24 USHE facilities was funded in FY 2002 totaling \$3,415,400 as well as a supplemental appropriation for FY 2001 of \$179,000 as follows:

- University of Utah - \$105,100
- Utah State University - \$413,300 and \$179,000 supplemental
- Weber State University - \$265,800
- Southern Utah University - \$436,900
- Snow College - \$64,600
- Dixie State College of Utah - \$196,600
- College of Eastern Utah - \$43,300
- Utah Valley State College - \$917,900
- Salt Lake Community College - \$971,900

The following intent language was approved:

It is the intent of the Legislature that all Utah System of Higher Education institutions use facility operation and maintenance (O & M) funding consistent with State Agencies only for O & M purposes.

Utah Academic Library Consortium (UALC): The Utah Academic Library Consortium coordinates the identification and prioritization of the USHE library needs. The UALC also offers the Utah Article Delivery Service that offers 24-hour delivery to students and faculty of available books and articles thus eliminating the need for every library to carry expensive media. Funding for FY 2002 is \$1,070,000, of which \$310,000 is one-time.

U of U School of Medicine: Historically, the School of Medicine at the University of Utah has been funded by State funding, dedicated credits, and clinical revenues. In 1999, physician practices subsidized medical education by \$17 million. Changes in healthcare financing have affected the ability of the physicians and the hospital to continue supporting the School of Medicine. In FY 2002, the Legislature appropriated \$1,500,000 of one-time funding for the U of U School of Medicine. During the FY 2001 Interim, the Office of Legislative Fiscal Analyst will be evaluating the funding needs of the School of Medicine.

USU Cooperative Extension and Agriculture Experiment Station: In FY 2002, the Legislature appropriated \$1,876,000 in State funds as follows:

- Cooperative Extension - \$561,000 ongoing and \$215,000 one-time
- House Bill 111, "Appropriation for Water Quality Protection" - \$40,000 one-time
- Wildlife Damage Management - \$86,000 ongoing
- Cooperative Extension - \$475,000 ongoing and \$175,000 one-time
- Agriculture Experiment Station - \$400,000 ongoing and \$700,000 one-time
- Utah Botanical Center - \$125,000 ongoing and \$200,000 one-time
- House Bill 87, "Appropriation for Utah Botanical Center" - \$250,000 one-time
- Veterinarian Lab - \$100,000 one-time for the Veterinarian Station in Utah County
- Agriculture Experiment Station - \$275,000 ongoing and \$150,000 one-time

USU Branch Campus Support: The Legislature appropriated \$35,000 for the Utah State University Continuing Education Centers at Tooele, Brigham City, and Uintah Basin. The following intent language was adopted by the Legislature:

It is the intent of the Legislature that the continuing education programs at Brigham City and Tooele be shown as separate line items. These line items shall include program instructional costs, administrative and student support, facility operation and maintenance expenses, and building lease payments for FY 2002. It is also the intent of the Legislature that the building lease payments and the financing arrangements be reviewed to determine whether the students using these facilities are paying a reasonable amount of the cost.

UVSC Access Road: The Legislature appropriated \$360,000 of one-time funding for an access road at Utah Valley State College.

SUU Nursing Program : In the 2001 Legislative Session, \$100,000 was appropriated to Southern Utah University for its nursing program .

Regional Dental Education Program (RDEP): RDEP received an increase in its appropriation of \$20,000 for the contract with Creighton University to cover the costs of in-state tuition for Utah residents enrolled in the dental program .

Western Interstate Commission on Higher Education (WICHE): WICHE was appropriated an additional \$30,000 to cover the expenses associated with the membership fees and to help support professional education of Utah residents enrolled in graduate programs in western states.

Water Rate Increases: The Legislature appropriated \$145,400 for water rate increases at the University of Utah and Dixie State College of Utah.

Hazardous Waste: Federal mandated regulations require the removal and safe disposal of hazardous materials from classrooms and laboratories. The Legislature appropriated \$80,000 in FY 2002 for hazardous waste.

National Guard Utilities Rate Contract with UVSC : The National Guard entered into a cooperative agreement with Utah Valley State College to build a Readiness Center adjacent to the Mountainlands Applied Technology Center. The agreement for the utilization of the facility has the National Guard using it on weekends and UVSC during the week. The Legislature appropriated one-time funding of \$90,000 to cover utility costs and maintenance expenses.

House Bill 99, "Reading Skills Development Center Amendments" During the 2001 Legislative Session, the Public Education Appropriation Subcommittee appropriated one-time funding of \$450,000 to the State Office of Education to support the Reading Skills Development Clinic located on the University of Utah campus.

Bills with Fiscal Impact

Senate Bill 58, "Repeal of Nursing Facilities Assessment" appropriates one-time funding of \$1,300,000 from the General Fund Restricted Nursing Facilities Account to the University of Utah for the expansion of the Area Health Education Centers (AHEC).

Senate Bill 120, "Distance Education Doctorate" appropriates \$195,000 to Utah State University to provide for a Distance Education Doctorate Program for the State System of Higher Education over the Utah Education Network.

House Bill 246, "Substitute Teachers in Public Schools" appropriates \$75,000 of one-time funding for the Substitute Teacher Institute at Utah State University.

Intent Language

Electronic Coursework :

It is the intent of the Legislature that funding be 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.

Financial Reporting:

It is the intent of the Legislature that the U S H E 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.

Distribution of Educationally Disadvantaged Funds to Branch Campuses:

It is the intent of the Legislature that the Utah System of Higher Education in submitting its budget for FY 2002 for the educationally disadvantaged shall separate their request by the main campus and by any branch campuses. It is further the intent of the Legislature that the Office of Legislative Fiscal Analyst in preparing the annual Appropriations Act for FY 2002 shall separate into line items of appropriation those requests approved for the educationally disadvantaged by the main campus and by any branch campuses.

Utah Academic Library Consortium :

It is the intent of the Legislature that the State Board of Regents in consultation with the Utah Academic Library Consortium should coordinate the acquisition of library materials for the nine U S H E institutions.

Hospital Fees:

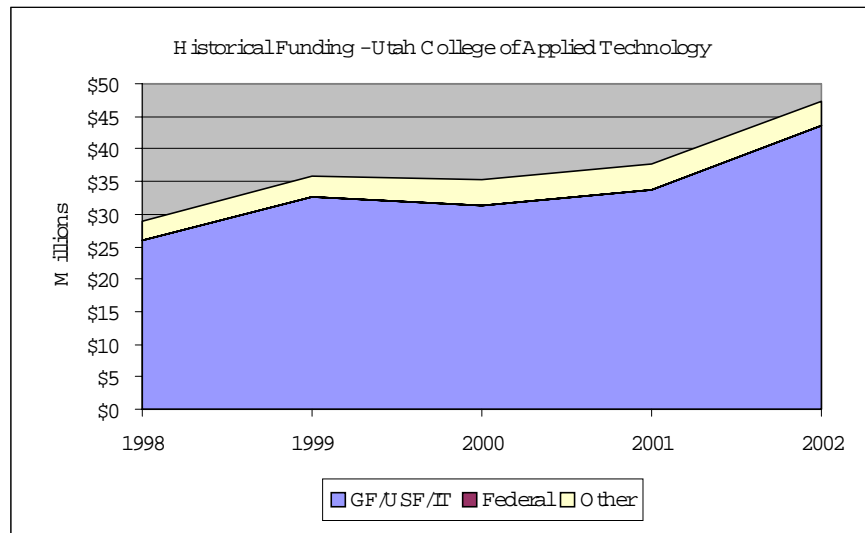
It is the intent of the Legislature that patient fees shall be retained by the Hospital provided that they are spent in compliance with the Hospital's operating budget approved by the State Board of Regents.

Funding Detail

Utah System of Higher Education					
	2001	2001	2001	2002	Change from
	Estimated	Supplemental	Revised	Appropriated	2001 Revised
Financing					
General Fund	378,042,000		378,042,000	406,294,200	28,252,200
General Fund, One-time	2,009,900	(17,700)	1,992,200	9,482,600	7,490,400
Uniform School Fund	217,100		217,100	50,000	(167,100)
Income Tax	161,714,600		161,714,600	181,181,100	19,466,500
Income Tax, One-time	993,200	3,321,900	4,315,100	8,867,100	4,552,000
Federal Funds	4,592,900		4,592,900	4,593,700	800
Dedicated Credits Revenue	186,236,600		186,236,600	201,292,900	15,056,300
Dedicated Credits - Land Grant	752,700		752,700	753,700	1,000
Federal Mineral Lease	607,500		607,500	839,500	232,000
GFR - Nursing Facility				1,300,000	1,300,000
GFR - Tobacco Settlement	4,000,000		4,000,000	4,000,000	
Total	\$739,166,500	\$3,304,200	\$742,470,700	\$818,654,800	\$76,184,100
Programs					
University of Utah	268,258,700	1,631,200	269,889,900	295,212,300	25,322,400
Utah State University	160,732,900	1,178,900	161,911,800	177,007,500	15,095,700
Weber State University	75,747,500	354,000	76,101,500	82,628,600	6,527,100
Southern Utah University	33,738,800	(12,000)	33,726,800	37,518,600	3,791,800
Snow College	20,105,900	(3,600)	20,102,300	20,148,800	46,500
Dixie State College	20,624,500	(500)	20,624,000	22,507,300	1,883,300
College of Eastern Utah	13,504,500	20,700	13,525,200	14,391,100	865,900
Utah Valley State College	59,112,500	(1,800)	59,110,700	67,069,500	7,958,800
Salt Lake Community College	70,923,500	97,300	71,020,800	78,591,700	7,570,900
State Board of Regents	16,417,700	40,000	16,457,700	23,579,400	7,121,700
Total	\$739,166,500	\$3,304,200	\$742,470,700	\$818,654,800	\$76,184,100
FTE/Other					
Total FTE	11,246.7	0.0	11,246.7	11,247.0	0.3
Vehicles				1,755	1,755.0

Applied Technology Education

The purpose of applied technology education (ATE) is to meet the social and economic needs of the state efficiently and effectively through collaborative partnerships between the educational systems and business and industry through quality educational programs and innovative delivery systems to ensure a skilled and educated workforce. ATE programs by the delivering institutions offer short-term, intensive training programs tailored for business and industry, credit and non-credit courses, as well as associate degree curriculums.



Legislative Action

In the 2000 Legislative Session, House Bill 336, "Applied Technology Education Task Force" was passed establishing a task force to address the issues of applied technology education. After deliberation, the task force drafted legislation to create a new governance structure for applied technology education. The proposed bill, House Bill 34, "Applied Technology Education Governance" did not pass in the 2001 General Legislative Session.

In the Special Legislative Session on June 20, 2001, the Legislature passed House Bill 1003, "Applied Technology Governance." With the passage of this bill, the Utah College of Applied Technology (UCAT) will be established September 1, 2001 and become the tenth higher

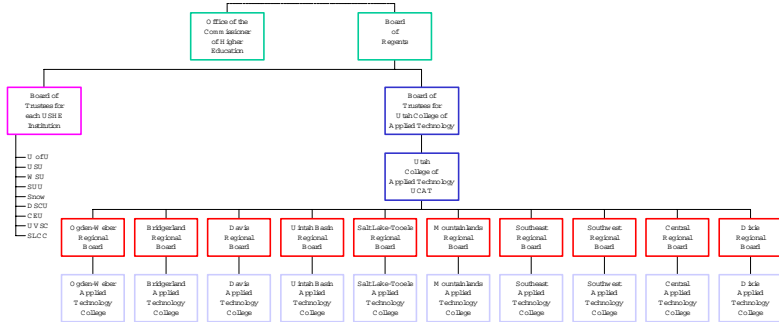
education institution. UCAT will include ten regional technology colleges consisting of the five existing ATC's and the three ATCSR's.

The ATC's and ATCSR's will be known as Applied Technology Colleges. The Wasatch Front ATC will undergo a name change to the Salt Lake-Tooele Applied Technology College. The Southwest ATCSR will be divided into two colleges, the Southwest and Dixie Applied Technology Colleges. The tenth technical college, the Central Applied Technology College will be located in Richfield. All assets associated with each ATC and ATCSR will transfer to the respective colleges with the Southwest's being allocated appropriately between the Southwest and Dixie Technology Colleges. The Central Applied Technology College will receive their funding from the Snow College South-Secondary line item.

House Bill 1003, also transferred existing funds to the appropriate entities created by the bill. These transfers include new funding for FY 2002 of \$7,709,700 (includes \$3,100,000 of one-time) as provided by the Legislature in the 2001 General Session.

The following chart illustrates the new governance structure for applied technology education:

Applied Technology Governance

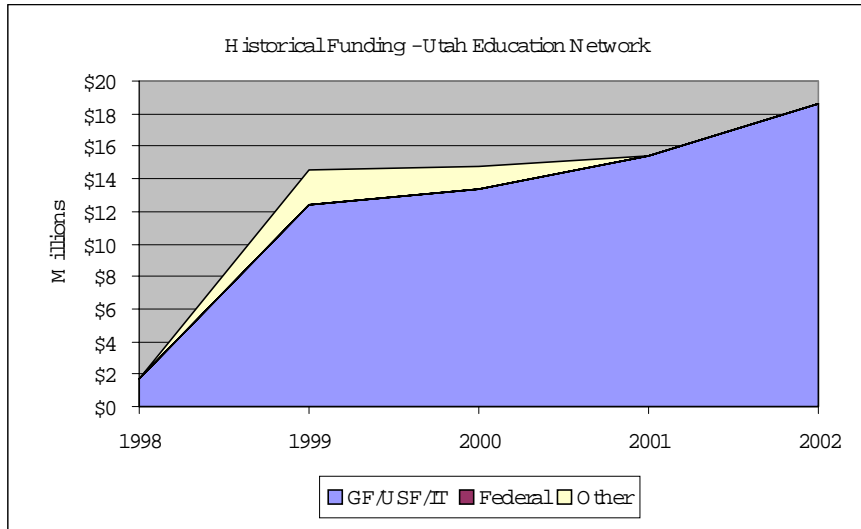


Funding Detail

Utah College of Applied Technology					
	2001	2001	2001	2002	Change from
	Estimated	Supplemental	Revised	Appropriated	2001 Revised
Financing					
General Fund	1,221,400		1,221,400	1,324,500	103,100
Uniform School Fund	32,590,800		32,590,800	26,291,000	(6,299,800)
Income Tax				12,790,600	12,790,600
Income Tax, One-time	1,500		1,500	3,100,000	3,098,500
Dedicated Credits Revenue	3,428,600		3,428,600	3,452,100	23,500
Dedicated Credits - Investments	242,000		242,000	309,600	67,600
Beginning Nonlapsing	1,111,208		1,111,208	876,308	(234,900)
Closing Nonlapsing	(897,308)		(897,308)	(744,508)	152,800
Total	\$37,698,200	\$0	\$37,698,200	\$47,399,600	\$9,701,400
Programs					
Administration				7,160,500	7,160,500
Bridgerland A TC	7,811,400		7,811,400	8,646,100	834,700
Central A TC				1,464,300	1,464,300
Davis A TC	7,844,200		7,844,200	8,602,700	758,500
Dixie A TC				784,200	784,200
Mountainlands A TC				2,192,600	2,192,600
Ogden/Western A TC	8,482,800		8,482,800	9,317,800	835,000
Salt Lake/Tooele A TC	1,417,000		1,417,000	2,604,100	1,187,100
Southeast A TC				895,500	895,500
Southwest A TC				1,274,100	1,274,100
Utah Basin A TC	3,981,200		3,981,200	4,457,700	476,500
Higher Ed A TC Service Regions	1,223,000		1,223,000		(1,223,000)
Public Ed A TC Service Regions	1,872,100		1,872,100		(1,872,100)
A TC A TC SR Development	1,700,000		1,700,000		(1,700,000)
Custom Fit	3,366,500		3,366,500		(3,366,500)
Total	\$37,698,200	\$0	\$37,698,200	\$47,399,600	\$9,701,400
FTE/Other					
Total FTE	433.3	0.0	433.3	435.3	2.0
Vehicles	70		70	70	0.0

Utah Education Network

The Utah Education Network (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 also coordinates both public and higher education technology initiatives.



Legislative Action

The Legislature increased State funding to the Utah Education Network (UEN) by \$3,224,900 for FY 2002. The total FY 2002 appropriation for UEN from all sources of funding is \$18,620,800. The plan of financing for the UEN consists of \$2,649,700 from the General Fund, \$1,967,500 from Income Tax, and \$14,003,600 from the Uniform School Fund resulting in a 20.9 percent increase from FY 2001.

Internal Service Fund Adjustments: The change to the base for Internal Service Fund was a reduction of \$200 for Fleet Management. There was also a reduction for the FY 2001 supplemental Internal Service Fund Adjustment of \$200 for Fleet Management.

Retirement Rate Adjustments: Current actuarial studies indicate that the State retirement programs are over-funded by 3.32 percent.

Based on changes in the State retirement rates for contributory and non-contributory programs, the UEN adjustment for retirement rates was reduced by \$40,200 of State funds.

Conversion of FY 2001 One-time Funding to Ongoing: In FY 2001, the Legislature funded ongoing expenditures with one-time funding with an agreement in FY 2002 that the funding would be converted to ongoing. The funding consisted of \$5,300 for salary equity.

Internal Adjustments: The Legislature transferred \$736,400 of State funding from the University of Utah's Statewide TV Administration to the Utah Education Network's UtahLINK where operating costs occur.

Compensation: The Legislature funded a compensation and benefit package of approximately six percent. The compensation package is comprised of an increase in salaries of four percent, health and dental insurance of \$65,900 and salary equity of \$200,000. The compensation package for FY 2002 totals \$461,900. 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: A high funding priority for the Utah Education Network for FY 2002 was salary equity for technology staff. UEN lost eleven skilled employees due to the lack of competitive compensation. The appropriation of \$200,000 is intended to help address the issue of market comparability for technical staff.

Digital TV 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. Utah's public television stations, KUED (Channel 7) and KULC (Channel 9 - Utah's Learning Channel), have joined forces with commercial broadcasters in the state to form DTV of Utah, a consortium that has constructed a common digital transmission site on Farnsworth Peak. The total cost of the transition for both stations, including production equipment and programming will be about \$16 million with most coming from federal funding. The Legislature approved a one-time

appropriation of \$2,066,800 to complete the State funding of the conversion of KUED and KULC from analog to digital broadcasting.

Bandwidth and Network Reliability: UEN provides the equipment and the technical support that provides statewide access to the Internet for public and higher education, as well as the state's libraries and the agencies of state government. The network traffic volumes continues to grow by over 80 percent per year. The Legislature appropriated \$2.0 million (of which \$1.0 million is one-time funding) to cover increased circuit charges, purchase equipment to expand bandwidth capacity and to ensure network reliability for FY 2002.

Funding Detail

Utah Education Network					
	2001	2001	2001	2002	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2001 Revised
General Fund	2,415,800		2,415,800	2,649,700	233,900
General Fund, One-time		(200)	(200)		200
Uniform School Fund	10,975,000		10,975,000	10,936,800	(38,200)
Uniform School Fund, One-time	2,000,000		2,000,000	3,066,800	1,066,800
Income Tax				1,967,500	1,967,500
Income Tax, One-time	5,300		5,300		(5,300)
Total	\$15,396,100	(\$200)	\$15,395,900	\$18,620,800	\$3,224,900
Programs					
UtahLINK	12,996,800	(200)	12,996,600	16,179,400	3,182,800
UEN Technology Initiative	615,000		615,000	615,000	
USU Satellite Telecom	1,526,500		1,526,500	1,546,100	19,600
CEU Distance Learning	257,800		257,800	280,300	22,500
Total	\$15,396,100	(\$200)	\$15,395,900	\$18,620,800	\$3,224,900
FTE/Other					
Total FTE	75.0	0.0	75.0	75.0	0.0

Higher Education Appropriations Subcommittee					
	2001	2001	2001	2002	Change from
Financing	Estimated	Supplemental	Revised	Appropriated	2001 Revised
General Fund	381,679,200		381,679,200	410,268,400	28,589,200
General Fund, One-time	2,009,900	(17,900)	1,992,000	9,482,600	7,490,600
Uniform School Fund	43,782,900		43,782,900	37,277,800	(6,505,100)
Uniform School Fund, One-time	2,000,000		2,000,000	3,066,800	1,066,800
Income Tax	161,714,600		161,714,600	195,939,200	34,224,600
Income Tax, One-time	1,000,000	3,321,900	4,321,900	11,967,100	7,645,200
Federal Funds	4,592,900		4,592,900	4,593,700	800
Dedicated Credits Revenue	189,665,200		189,665,200	204,745,000	15,079,800
Dedicated Credits - Land Grant	752,700		752,700	753,700	1,000
Dedicated Credits - Investments	242,000		242,000	309,600	67,600
Federal Mineral Lease	607,500		607,500	839,500	232,000
GFR - Nursing Facility				1,300,000	1,300,000
GFR - Tobacco Settlement	4,000,000		4,000,000	4,000,000	
Beginning Nonlapsing	1,111,208		1,111,208	876,308	(234,900)
Closing Nonlapsing	(897,308)		(897,308)	(744,508)	152,800
Total	\$792,260,800	\$3,304,000	\$795,564,800	\$884,675,200	\$89,110,400
Programs					
University of Utah	268,258,700	1,631,200	269,889,900	295,212,300	25,322,400
Utah State University	160,732,900	1,178,900	161,911,800	177,007,500	15,095,700
Weber State University	75,747,500	354,000	76,101,500	82,628,600	6,527,100
Southern Utah University	33,738,800	(12,000)	33,726,800	37,518,600	3,791,800
Snow College	20,105,900	(3,600)	20,102,300	20,148,800	46,500
Dixie State College	20,624,500	(500)	20,624,000	22,507,300	1,883,300
College of Eastern Utah	13,504,500	20,700	13,525,200	14,391,100	865,900
Utah Valley State College	59,112,500	(1,800)	59,110,700	67,069,500	7,958,800
Salt Lake Community College	70,923,500	97,300	71,020,800	78,591,700	7,570,900
Utah College of Applied Technology Ed	37,698,200		37,698,200	47,399,600	9,701,400
State Board of Regents	16,417,700	40,000	16,457,700	23,579,400	7,121,700
Utah Education Network	15,396,100	(200)	15,395,900	18,620,800	3,224,900
Total	\$792,260,800	\$3,304,000	\$795,564,800	\$884,675,200	\$89,110,400
FTE/Other					
Total FTE	11,755.0	0.0	11,755.0	11,757.3	2.3
Vehicles	70		70	1,825	1,755.0

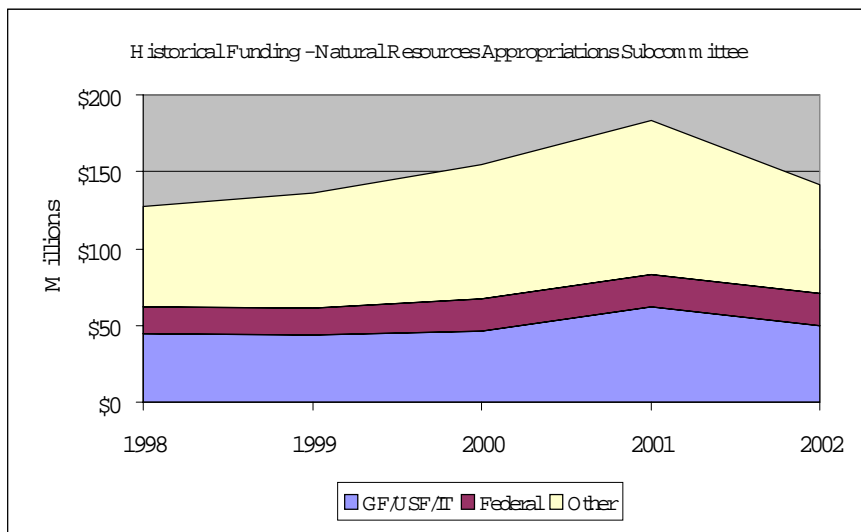
Higher Education Appropriations Subcommittee
One-time State Funding Items (GF/USF/IT)

Item Name	FY 2002 Appropriated
University of Utah - Education and General	1,581,900
University of Utah - Education and General	2,609,600
University of Utah - School of Medicine	1,500,000
Utah State University - Education and General	1,996,700
Utah State University - Education and General	397,500
Utah State University - Uintah Basin Continuing Education Center - Uintah Basin	34,500
Utah State University - Southeastern Utah Continuing Education Center - Southeastern	8,000
Utah State University - Agricultural Experiment Station - Agriculture Experiment Station	400,000
Utah State University - Cooperative Extension Division - Cooperative Extension	315,000
Utah State University - Cooperative Extension Division - Cooperative Extension	200,000
Weber State University - Education and General	1,343,400
Southern Utah University - Education and General	319,700
Snow College - Education and General	160,500
Snow College - Snow College South - Snow South Education and General	25,200
Dixie State College - Education and General	232,300
College of Eastern Utah - Education and General	149,500
College of Eastern Utah - San Juan Center - San Juan Center Academic	22,100
Utah Valley State College - Education and General	892,200
Utah Valley State College - Education and General	450,000
Salt Lake Community College - Education and General	1,751,600
Utah College of Applied Technology Education - Administration	200,000
Utah College of Applied Technology Education - Administration - Custom Fit	500,000
Utah College of Applied Technology Education - Bridgerland ATC	334,500
Utah College of Applied Technology Education - Central ATC	206,200
Utah College of Applied Technology Education - Davis ATC	336,000
Utah College of Applied Technology Education - Dixie ATC	86,500
Utah College of Applied Technology Education - Mountainlands ATC	167,400
Utah College of Applied Technology Education - Ogden Weber ATC - Ogden	336,300
Utah College of Applied Technology Education - Salt Lake/Tooele ATC	543,000
Utah College of Applied Technology Education - Southeast ATC	116,800
Utah College of Applied Technology Education - Southwest ATC	70,800
Utah College of Applied Technology Education - Uintah Basin ATC	202,500
State Board of Regents - Engineering Initiative	3,000,000
State Board of Regents - Student Aid	400,000
State Board of Regents - Higher Education Technology Initiative	250,000
State Board of Regents - Utah Academic Library Consortium	310,000
Utah Education Network - Utah LINK	3,066,800
Total	<u>\$24,516,500</u>

Natural Resources

Subcommittee Overview

The FY 2002 appropriation of \$141,210,500 for the School and Institutional Trust Lands Administration, the Department of Natural Resources, and the Department of Agriculture and Food is a 22.9 percent decrease from revised FY 2001 appropriations. The General Fund appropriation of \$49,949,500 is a decrease of 19.2 percent from revised FY 2001 appropriations. Decreases in FY 2002 appropriations reflect significant one-time FY 2001 appropriations, not ongoing operating budget reductions.



General Subcommittee Issues

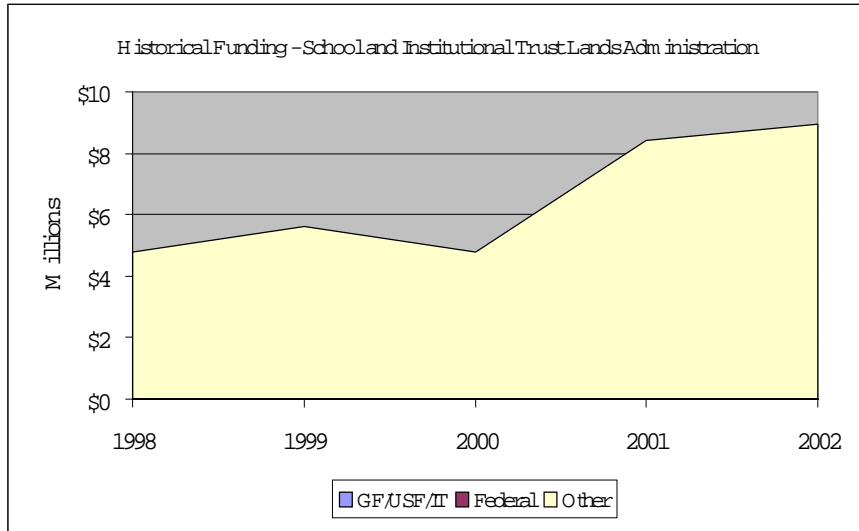
Memorandum of Understanding between the Department of Natural Resources and the School and Institutional Trust Lands Administration: The Legislature passed the following intent language:

It is the intent of the Legislature that the Department of Natural Resources and the School and Institutional Trust Lands Administration join together in reaching a Memorandum of Understanding. The Memorandum should detail areas of mutual benefit

arising from resolution of conflicts in respective mission statements and statutory requirements. The Memorandum should also detail conflict of mission statement and statutory requirements that cannot be resolved by mutual agreement. This Memorandum of Understanding shall be jointly presented to the Natural Resources Appropriations Subcommittee or the Natural Resources, Agriculture, and Environment Interim Committee on or before October 2001.

School and Institutional Trust Lands Administration

The School and Institutional Trust Lands Administration (SITLA), an independent state agency, is established to manage lands that Congress granted to the state of Utah for the support of common schools and other beneficiary institutions under the Utah Enabling Act. Management in this sense refers to maximizing revenue in the interest-bearing permanent fund of the beneficiaries. Funding for SITLA operations is provided through the Land Grant Management Fund, which consists of revenues derived from trust lands. Unexpended appropriations are distributed back to the permanent fund. The FY 2002 Land Grant Management Fund appropriation of \$8,949,400 is a 6.1 percent increase from revised appropriations for FY 2001.



Legislative Action

Rental and Space Increases: Rental costs for the agency's office at 675 E. 500 S. will increase by \$54,400 in FY 2002.

West Desert Land Exchange Transaction Costs: The Legislature approved a one-time appropriation of \$57,900 to cover transaction costs associated with carrying out the recently approved West Desert land exchange with the federal government.

Management Incentive Package: The Legislature appropriated an additional \$30,000 toward the Board of Trustee's incentive package for the agency's senior managers. This funding will be used to increase the total package from \$120,000 to \$150,000 per year.

Block Management Program: SITLA is responsible for the management of several large blocks of land scattered throughout the state. The Legislature appropriated \$250,000 to establish a comprehensive management strategy to fulfill their revenue potential and protect them from a loss in value. The Legislature also adopted intent language requiring the agency to report on the use of these funds during the fall of 2001.

Conservation Easements on Former Trust Lands: The Legislature appropriated \$1,000,000 in one-time General Funds to the Division of Wildlife Resources for purchase of conservation easements on former trust lands purchased by private parties (see Division of Wildlife Resources).

Intent Language

Block Management Program :

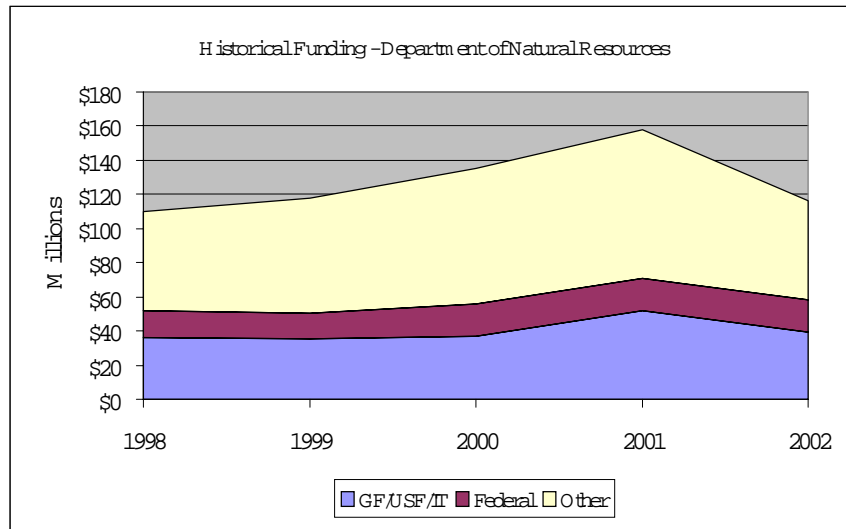
It is the intent of the Legislature that the School and Institutional Trust Lands Administration report on the development of management strategies and on the use of the \$250,000 appropriation for blocks of trust lands during fall 2001.

Funding Detail

School and Institutional Trust Lands Administration					
	2001	2001	2001	2002	Change from
	Estimated	Supplemental	Revised	Appropriated	2001 Revised
Financing					
Land Grant Mgt Fund	\$8,437,700		\$8,437,700	\$8,949,500	\$511,800
Total	\$8,437,700	\$0	\$8,437,700	\$8,949,500	\$511,800
Programs					
School & Inst Trust Lands	\$8,437,700		\$8,437,700	\$8,949,500	\$511,800
Total	\$8,437,700	\$0	\$8,437,700	\$8,949,500	\$511,800
FTE/Other					
Total FTE	58.0	0.0	58.0	57.5	(0.5)
Vehicles	13		13	13	0.0

Department of Natural Resources

The Department of Natural Resources contains an administrative section and seven divisions that regulate, change, monitor, enhance access to, and maintain the natural resources of the state. The FY 2002 General Fund appropriation of \$39,369,200 is a 24.2 percent decrease from revised appropriations for FY 2001. Funding in FY 2001 is higher due to one-time General Fund appropriations and prior-year nonlapsing funds for capital projects.



Administration

The 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

RS 2477 Roads Defense: The Legislature appropriated one-time General Funds of \$25,000, for legal costs associated with defending RS 2477 rights-of-way.

Species Protection: Protection of sensitive or endangered plant and animal species has become an important component of developing land and water for future population growth. The Legislature authorized an FY 2001 supplemental appropriation of \$400,000 from the General Fund Restricted - Species Protection Account for species protection projects. In addition, H.B. 275 (2000 General Session) takes effect in FY 2002, and will direct \$2,300,000 from sales tax revenues into the Species Protection program.

Intent Language

Water Rights Issues:

It is the intent of the Legislature that the Department of Natural Resources organize, staff, and conduct a task force to study water rights issues, and report back to the Natural Resources, Agriculture, and Environment Interim Committee on or before their October 2001 meeting. The Water Development Commission shall be kept apprised of the progress of the task force.

Forestry, Fire and State Lands

The Division of Forestry, Fire and State Lands manages the sovereign lands of the State. This includes 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 fires.

Legislative Action

Wildland Fire Suppression: After two relatively insignificant fire seasons in 1998 and 1999, the 2000 fire season was one of the worst in recent memory. The Legislature authorized an FY 2001 supplemental appropriation of \$5,500,000 from one-time General Funds to reimburse the Fire Suppression Program and the Wildland Fire Suppression Fund for expenses incurred during the 2000 fire season.

Boundary Disputes: The division is involved in litigation and negotiation regarding the exact boundaries of its lands on the Great Salt Lake and Utah Lake. The Legislature appropriated \$9,600 for FY 2001, and \$20,000 for FY 2002, from the General Fund Restricted - Sovereign Land Management Account, for services to resolve the disputes.

Intent Language

Wildland Fire Suppression Fund:

It is the intent of the Legislature that any unexpended balances from the \$5,500,000 FY 2001 supplemental appropriation for wildland fire suppression be transferred to the Wildland Fire Suppression Fund created in UCA 65A-8-6.1.

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 of Oil, Gas and Mining was increased by the amount of the compensation package.

Utah Geological Survey

The Utah Geological Survey is a professional organization that 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 form, the Utah Geological Survey helps make the public more knowledgeable about natural resources issues facing the state.

Legislative Action

Paleontology: The Legislature appropriated \$100,000 in one-time General Funds for stabilizing and preparing the recently-discovered fossilized dinosaur footprints in St. George for transportation to a better location.

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.

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, state-wide boating safety and state-wide off-highway vehicle safety.

Legislative Action

Capital Repairs/Improvements: The Legislature authorized an FY 2001 supplemental appropriation of \$10,000,000 from one-time General Funds for needed facility repairs and improvements at state parks. The Legislature also passed intent language requiring that at least \$2 million of the appropriation be used to add nine holes at the Green River State Park golf course (see intent language below).

Other Capital Developments: The Legislature passed S.B. 65, "Bonding for Soldier Hollow Golf Course," which authorized issuance of up to \$12,000,000 in bonds to finance 36 holes of golf at Soldier Hollow in Wasatch Mountain State Park. The Legislature also approved \$6,741,000 for improvements to the Vernal Field House of Natural History.

Sand Hollow Reservoir: This new reservoir near St. George will soon be completed and filled. The reservoir is expected to be a major recreation attraction in the area. The Legislature appropriated ongoing General Funds of \$60,000 for the Division of Parks and Recreation to manage the location and look toward establishing a new state park there.

Old Iron Town: This historic site near Cedar City is currently owned by the Sons of Utah Pioneers. The Legislature appropriated \$90,000 in one-time General Funds for the division to take ownership of the land and make necessary capital improvements to bring the site up to state park standards. The Legislature also appropriated \$10,000 in ongoing General Funds for operation and maintenance.

H.B. 243, "Appropriation for Camp Floyd - Stagecoach Inn" appropriates \$9,000 in one-time General Funds for renovation and reconstruction of the restrooms at the old schoolhouse at Camp Floyd - Stagecoach Inn State Park.

H.B. 378, "Appropriation for Statewide Trail Development" appropriates \$50,000 in one-time General Funds to develop and coordinate a program for a statewide trail system.

Transfer of Veterans' Cemetery to the Utah National Guard: As required by H.B. 140 (2000 General Session), funding for the Veterans' Cemetery was transferred to the Utah National Guard. This included a transfer of \$146,000 in ongoing General Funds and \$33,000 in Dedicated Credits.

Boating Specialist: The Legislature authorized an FY 2001 supplemental appropriation of \$15,000 and an FY 2002 appropriation of \$60,000 from the General Fund Restricted - Boating Account to hire a boating specialist to assist with the growing numbers of boaters in the state.

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 2001 interim to the Natural Resources, Agriculture, and Environment Interim Committee and the Natural Resources Appropriations Subcommittee on the planning process for closure of existing parks or incorporation of new parks, including Sand Hollow, into the state system.

Bonneville Shoreline Trail:

It is the intent of the Legislature that \$100,000 of the Trails Grants budget be dedicated to the Bonneville Shoreline Trail pursuant to UCA 63-11A-504, if applications and matching funds are available from local governments.

Golf Course at Soldier Hollow (S.B. 65):

It is the intent of the Legislature that no portion of a golf course constructed at Soldier Hollow shall infringe upon space designated for biathlon or other Olympic winter events.

Capital Improvements at Green River State Park :

It is the intent of the Legislature that \$2,000,000 of the \$10,000,000 appropriated for Parks improvements be expended at Green River State Park.

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 all applications to appropriate or change the use of water in the local newspapers. The Legislature appropriated \$40,000 in ongoing General Funds to cover increases in these advertising costs.

Staffing Increases: The Legislature appropriated \$120,000 in ongoing General Funds for increased staffing to assist with investigations requested by water corporations or their shareholders and to review change applications (see intent language below).

Intent Language

Appropriation for Staffing Increases:

It is the intent of the Legislature that the \$120,000 General Fund appropriation increase for the State Engineer's office be used for salaries, benefits, and expenses of personnel who will provide advice and technical assistance to water corporations and their shareholders on proposed changes in the point of diversion, place of use, or purpose of use of the water corporation's water.

Water Resources

The Division of Water Resources is the water resources authority for the state of Utah. The division provides comprehensive water planning, protects Utah's rights to interstate waters, and manages Utah's water resource 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 by the amount of the compensation package.

Wildlife Resources

The Division of Wildlife Resources is responsible for the wildlife that lives within the boundaries of the state. Whether a species is consumptive, non-consumptive, endangered, or somewhere in between, the division is responsible for its management. The division also acts as a regulator of the hunting and fishing activities in Utah.

Legislative Action

Conservation Easements on Former Trust Lands: The Legislature appropriated \$1,000,000 in one-time General Funds to the Division of Wildlife Resources for purchase of conservation easements on former trust lands purchased by private parties (see intent language below).

H.B. 338, "Appropriation for Utah Blue Ribbon Fisheries Initiative" appropriates \$300,000 from one-time General Funds for development and preservation of high quality aquatic systems to produce healthy fish populations for angling and aesthetic experiences.

Reimbursement for State-Subsidized Licenses: The Legislature appropriated \$29,600 from ongoing General Funds to reimburse the division for fishing licenses that by law are free or discounted for certain groups of citizens.

Intent Language

Conservation Easements on Former Trust Lands:

In making this appropriation for the acquisition of conservation easements for big game habitat on land previously owned by School and Institutional Trust Lands, the Legislature recognizes that under Utah's Enabling Act, Utah's Constitution, case law, and statute, that the state holds School and Institutional Trust Lands as trustee and is responsible for managing the trust lands for the best interests of the trust beneficiaries. It is the intent of the Legislature that the Wildlife Board use the \$1 million appropriation for the acquisition of conservation easements for big game habitat on land disposed of after July 1, 2001, by the School and Institutional Trust Lands Administration. It is further the intent of the Legislature that the ownership of the real property shall be in a property tax paying, private party or parties, with the Division of Wildlife Resources owning the conservation easements for big game habitat in that real property as provided in Utah Code Ann. Sec. 57-18-4. This appropriation is nonlapsing.

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.

Predator Control:

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.

It is the intent of the Legislature that 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). It is further the intent of the legislature that the division spend a minimum of \$265,000 to improve deer herds according to management plan objectives.

Revenue Generation:

It is the intent of the Legislature that the Division of Wildlife Resources emphasize as much as possible the revenue-generating activities within its mission.

Funding Detail

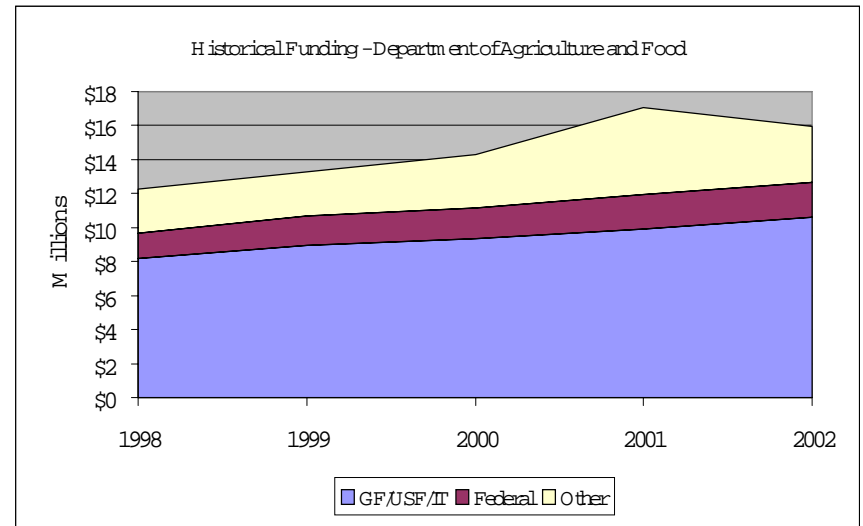
Department of Natural Resources					
	2001	2001	2001	2002	Change from
	Estimated	Supplemental	Revised	Appropriated	2001 Revised
Financing					
General Fund	36,394,700	(12,600)	36,382,100	37,795,200	1,413,100
General Fund, One-time	30,000	15,524,000	15,554,000	1,574,000	(13,980,000)
Federal Funds	18,737,400	2,200	18,739,600	18,989,000	249,400
Dedicated Credits Revenue	11,492,100	11,000	11,503,100	14,536,000	3,032,900
Federal Mineral Lease	790,200	(100)	790,100	827,100	37,000
GFR - Boating	3,149,900	21,900	3,171,800	3,309,800	138,000
GFR - Off Highway Vehicle	1,997,300	(1,000)	1,996,300	2,044,500	48,200
GFR - Oil & Gas Conservation Account		1,373,000	1,373,000	1,476,500	103,500
GFR - Sovereign Land Mgt	1,421,700	9,000	1,430,700	1,668,500	237,800
GFR - Species Protection	324,100	400,000	724,100	324,100	(400,000)
GFR - State Fish Hatch Maint	1,000,000		1,000,000	1,000,000	
GFR - Wildlife Habitat	2,383,800	(600)	2,383,200	2,383,100	(100)
GFR - Wildlife Resources	22,479,500	9,600	22,489,100	22,400,100	(89,000)
Designated Sales Tax	8,700,000		8,700,000		(8,700,000)
Fixed Collections	1,373,600	(1,373,600)			
Oil Overdig - Stripper Well	500,000		500,000	500,000	
Olympic Special Revenue	700,000		700,000		(700,000)
Water Resources C&D	8,575,600	(500)	8,575,100	5,637,200	(2,937,900)
Water Res Construction	150,000		150,000	150,000	
Transfers	(8,063,900)		(8,063,900)	411,100	8,475,000
Repayments	14,386,400		14,386,400		(14,386,400)
Beginning Nonlapsing	20,665,200		20,665,200	1,398,700	(19,266,500)
Closing Nonlapsing	(5,422,800)		(5,422,800)	(142,500)	5,280,300
Total	<u>\$141,764,800</u>	<u>\$15,962,300</u>	<u>\$157,727,100</u>	<u>\$116,282,400</u>	<u>(\$41,444,700)</u>
Programs					
Administration	4,124,300	(1,100)	4,123,200	4,066,700	(56,500)
Species Protection	950,000	400,000	1,350,000	3,250,000	1,900,000
Building Operations	1,608,500		1,608,500	1,608,500	
Forestry, Fire and State Lands	10,040,900	5,508,200	15,549,100	8,578,100	(6,971,000)
Oil, Gas and Mining	6,715,600	(2,700)	6,712,900	7,016,600	303,700
Wildlife Resources	35,133,900	14,900	35,148,800	35,289,500	140,700
Contributed Research	334,200		334,200	336,700	2,500
Cooperative Env Studies	3,524,700		3,524,700	3,574,200	49,500
Wildlife Resources Capital	4,521,000		4,521,000	5,116,000	595,000
Parks & Recreation	22,927,300	47,600	22,974,900	23,112,600	137,700
Parks & Recreation Capital	12,664,600	10,000,000	22,664,600	2,513,800	(20,150,800)
Utah Geological Survey	4,581,500	(1,000)	4,580,500	4,646,500	66,000
Water Resources	7,690,900	(800)	7,690,100	4,778,000	(2,912,100)
Water Resources Education	25,000		25,000	25,000	
Water Resources Const	7,900,900		7,900,900	4,363,000	(3,537,900)
Water Resources Water Loan	2,070,600		2,070,600		(2,070,600)
Water Resources Conserv & Develop	10,257,700		10,257,700	1,089,500	(9,168,200)
Water Rights	6,693,200	(2,800)	6,690,400	6,917,700	227,300
Total	<u>\$141,764,800</u>	<u>\$15,962,300</u>	<u>\$157,727,100</u>	<u>\$116,282,400</u>	<u>(\$41,444,700)</u>
FTE/Other					
Total FTE	1,217.5	1.0	1,218.5	1,216.4	(2.1)
Vehicles	567		567	567	0.0

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, rule-making, 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 2002 General Fund appropriation of \$10,580,300 is a 7.0 percent increase from revised appropriations for FY 2001.



Legislative Action

Information Technology: The Legislature appropriated \$50,000 from ongoing General Funds for hiring an additional staff person to manage the department's Information Technology systems. Additional funding for this purpose will come from the agency's federal and restricted monies.

Meat Inspection: Due to the growing number of meat packing plants in the state, the Legislature appropriated \$18,600 from ongoing General Funds to hire an additional inspector. The Legislature also appropriated \$19,100 from ongoing General Funds for automated field reporting systems. Both of these appropriations will be matched on a one-to-one basis with federal funds.

Veterinary Diagnostic Lab: In order to fund increasing operations and maintenance costs at the department's Veterinary Diagnostic Lab on the Utah State University campus, the Legislature appropriated \$68,000 in ongoing General Funds.

Engineer for Soil Conservation Districts: The Legislature appropriated \$55,000 from ongoing General Funds to hire an engineer to assist the Soil Conservation Districts with monitoring and improving water quality at Animal Feeding Operations.

Agriculture in the Classroom: This program, operating in cooperation with Utah State University, provides youth with a better understanding of the importance of food production from farms and ranches in the state. The Legislature appropriated \$69,700 in one-time General Funds for increased participation through workshops and material for hands-on experiences.

Cedar Mountain Science Center: The Legislature appropriated \$50,000 from one-time General Funds for the Cedar Mountain Science Center and Cedar Mountain Initiative operated by the Utah State University Cooperative Extension Service.

High School Rodeo Competitors: High school rodeo competitors who represent the state in interstate competitions will receive financial

assistance from a one-time appropriation of \$20,000 to help with travel costs.

S.B. 66, "Animal Feeding Operations Grants" appropriates \$400,000 from one-time General Funds for grants to owners or operators of animal feeding operations to pay for costs of plans or projects to improve manure management or control surface water runoff.

H.B. 172, "Appropriation for Herd Testing for Johne's Disease" appropriates \$40,000 from one-time General Funds for initial herd testing to prevent and control the spread of Johne's Disease in domestic livestock.

Intent Language

Line Item Consolidation:

It is the intent of the Legislature that appropriation line items for the Department of Agriculture and Food be consolidated into a smaller number, and follow the organizational structure of the department.

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 that this appropriation be nonlapsing.

Rules Affecting Seed Industry:

It is the intent of the Legislature that the 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.

Predator Control:

It is the intent of the Legislature that 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.

Funding Detail

Department of Agriculture and Food					
	2001	2001	2001	2002	Change from
	Estimated	Supplemental	Revised	Appropriated	2001 Revised
Financing					
General Fund	9,576,500	(5,200)	9,571,300	10,000,600	429,300
General Fund, One-time	315,000		315,000	579,700	264,700
Federal Funds	2,026,400	(1,100)	2,025,300	2,054,000	28,700
Dedicated Credits Revenue	897,200		897,200	929,800	32,600
GFR - Horse Racing	50,000		50,000	50,100	100
GFR - Livestock Brand	737,500		737,500	681,900	(55,600)
GFR - TB & Bangs Control	10,000		10,000	6,800	(3,200)
GFR - Wildlife Damage Prev	506,200		506,200	518,000	11,800
Agri Resource Development	531,200		531,200	531,200	
Utah Rural Rehab Loan	18,000		18,000	18,000	
Transfers	796,100	(100)	796,000	604,800	(191,200)
Beginning Nonlapsing	1,577,800		1,577,800	3,700	(1,574,100)
Closing Nonlapsing	(3,700)		(3,700)		3,700
Total	\$17,038,200	(\$6,400)	\$17,031,800	\$15,978,600	(\$1,053,200)
Programs					
Administration	13,527,900	(6,100)	13,521,800	12,437,500	(1,084,300)
Building Operations	228,000		228,000	228,000	
Predatory Animal Control	1,591,700		1,591,700	1,163,900	(427,800)
Resource Conservation	1,376,500	(300)	1,376,200	1,835,100	458,900
Loans	314,100		314,100	314,100	
Total	\$17,038,200	(\$6,400)	\$17,031,800	\$15,978,600	(\$1,053,200)
FTE/Other					
Total FTE	206.1	0.0	206.1	206.1	0.0
Vehicles	100		100	100	0.0

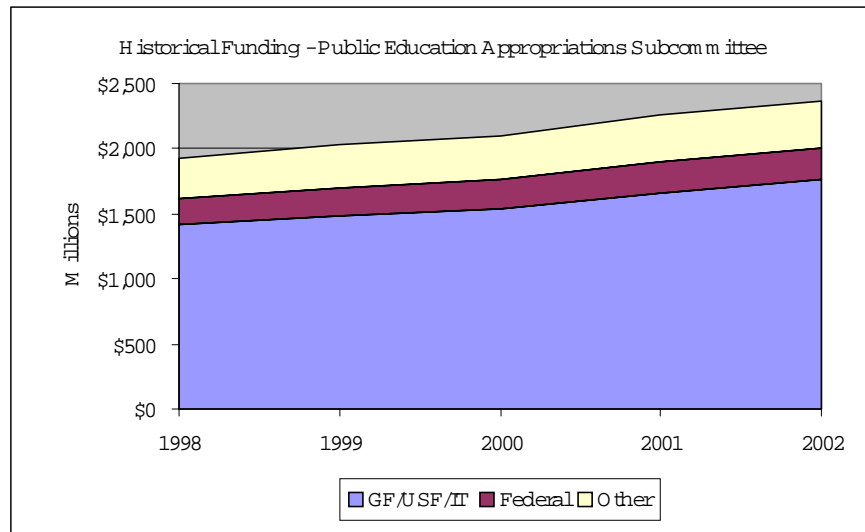
Natural Resources Appropriations Subcommittee					
	2001	2001	2001	2002	Change from
	Estimated	Supplemental	Revised	Appropriated	2001 Revised
Financing					
General Fund	45,971,200	(17,800)	45,953,400	47,795,800	1,842,400
General Fund, One-time	345,000	15,524,000	15,869,000	2,153,700	(13,715,300)
Federal Funds	20,763,800	1,100	20,764,900	21,043,000	278,100
Dedicated Credits Revenue	12,389,300	11,000	12,400,300	15,465,800	3,065,500
Federal Mineral Lease	790,200	(100)	790,100	827,100	37,000
GFR - Boating	3,149,900	21,900	3,171,800	3,309,800	138,000
GFR - Horse Racing	50,000		50,000	50,100	100
GFR - Livestock Brand	737,500		737,500	681,900	(55,600)
GFR - Off Highway Vehicle	1,997,300	(1,000)	1,996,300	2,044,500	48,200
GFR - Oil & Gas Conservation Acct		1,373,000	1,373,000	1,476,500	103,500
GFR - Sovereign Land Mgt	1,421,700	9,000	1,430,700	1,668,500	237,800
GFR - Species Protection	324,100	400,000	724,100	324,100	(400,000)
GFR - State Fish Hatch Maint	1,000,000		1,000,000	1,000,000	
GFR - TB & Bangs Control	10,000		10,000	6,800	(3,200)
GFR - Wildlife Damage Prev	506,200		506,200	518,000	11,800
GFR - Wildlife Habitat	2,383,800	(600)	2,383,200	2,383,100	(100)
GFR - Wildlife Resources	22,479,500	9,600	22,489,100	22,400,100	(89,000)
Agri Resource Development	531,200		531,200	531,200	
Designated Sales Tax	8,700,000		8,700,000		(8,700,000)
Fixed Collections	1,373,600	(1,373,600)			
Land Grant Mgt Fund	8,437,700		8,437,700	8,949,500	511,800
Oil Overdig - Stripper Well	500,000		500,000	500,000	
Olympic Special Revenue	700,000		700,000		(700,000)
Utah Rural Rehab Loan	18,000		18,000	18,000	
Water Resources C&D	8,575,600	(500)	8,575,100	5,637,200	(2,937,900)
Water Res Construction	150,000		150,000	150,000	
Transfers	(7,267,800)	(100)	(7,267,900)	1,015,900	8,283,800
Repayments	14,386,400		14,386,400		(14,386,400)
Beginning Nonlapsing	22,243,000		22,243,000	1,402,400	(20,840,600)
Closing Nonlapsing	(5,426,500)		(5,426,500)	(142,500)	5,284,000
Total	\$167,240,700	\$15,955,900	\$183,196,600	\$141,210,500	(\$41,986,100)
Programs					
School & Institutional Trust Lands	8,437,700		8,437,700	8,949,500	511,800
Natural Resources	141,764,800	15,962,300	157,727,100	116,282,400	(41,444,700)
Agriculture	17,038,200	(6,400)	17,031,800	15,978,600	(1,053,200)
Total	\$167,240,700	\$15,955,900	\$183,196,600	\$141,210,500	(\$41,986,100)
FTE/Other					
Total FTE	1,481.6	1.0	1,482.6	1,480.0	(2.6)
Vehicles	680		680	680	

Natural Resources Appropriations Subcommittee	
One-time State Funding Items (GF/USF/IT)	
Item Name	FY 2002 Appropriated
Natural Resources - Administration - RS 2477 Roads Defense	25,000
Natural Resources - Wildlife Resources Capital - Blue Ribbon Fisheries	300,000
Natural Resources - Wildlife Resources Capital - Conservation Easements	1,000,000
Natural Resources - Parks & Recreation Capital - Old Lion Town	90,000
Natural Resources - Parks & Recreation Capital - Camp Floyd - Stagecoach	9,000
Natural Resources - Parks & Recreation Capital - Statewide Trails System	50,000
Natural Resources - Utah Geological Survey - Paleontology	100,000
Agriculture - Administration - Agriculture in the Classroom	69,700
Agriculture - Administration - High School Rodeo Competitors	20,000
Agriculture - Administration - Cedar Mountain	50,000
Agriculture - Administration - Johnes Disease Prevention	40,000
Agriculture - Resource Conservation - Animal Feeding Operation Grants	400,000
Total	<u>\$2,153,700</u>

Public Education

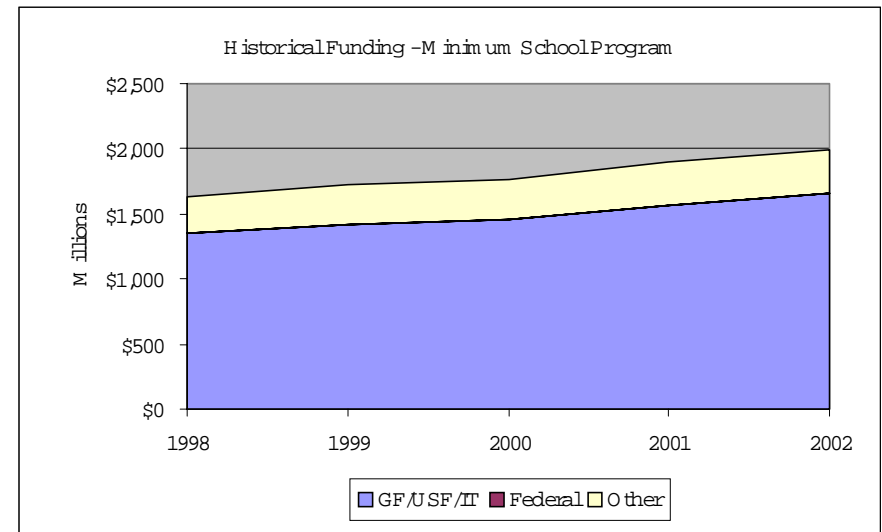
Subcommittee Overview

The Public Education Appropriations Subcommittee oversees the largest allocation of Utah's budget. The Legislature appropriated more than \$2.4 billion to Public Education for FY 2002, or 46 percent of the State's General and Uniform School Funds expenditures. This is an 11.7 percent increase over the previous fiscal year's appropriation. The subcommittee oversees budgeting for the Minimum School Program, the Utah State Office of Education, the Child Nutrition Programs, the School Building Programs, the Utah State Office of Rehabilitation, the Utah Schools for the Deaf and the Blind, the Fine Arts and Sciences Outreach Program, and the Educational Contracts.



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 40 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 just slightly under \$2 billion for FY 2002 to the Minimum School Program. This is an eight percent increase over the last fiscal year's appropriation.



Legislative Action

Weighted Pupil Unit (WPU) Equivalent Increase: The Legislature increased the value of the WPU \$110 to \$2,116 for FY 2002. This amounted to an increase of more than \$89.5 million. The Legislature also funded two additional days (\$10 million) for teacher professional development beyond the regular school year. This increase effectively raised the value of the WPU by 6.0 percent over the last year.

Block Granting: The Legislature consolidated a number of programs within the Minimum School Program under four major funding blocks. A description of each follows:

Local Discretionary Block: The Local Discretionary Block consolidated the following ten programs: Truancy Intervention and Prevention, Unrestricted Local Program, Incentives for Excellence, Education Technology Initiative, Character Education, School Nurses, Alternative Middle Schools, Reading Initiative, Experimental Developmental Formula, and Local Discretionary Program. The total appropriation to the Local Discretionary Block Grant for FY 2002 is \$49.9 million.

Professional Development Block: The Professional Development Block combined the Career Ladder Program with the new funding of two additional days for teacher development. The total appropriation for FY 2002 to the Professional Development Block is \$68.8 million.

District Services Block: The Contingency Fund, Regional Service Centers, Reading Scholarship Program, and Staff Development were combined as the District Services Block and transferred to the Utah State Office of Education budget. The appropriation for this block for FY 2002 is \$3.5 million. The Legislature also provided an additional \$58,600 ongoing funds to this block to pay for compensation increases for employees at Regional Service Centers.

Applied Technology Block: The Applied Technology Block consolidated the ATE District, Technology/Life Careers - Work Based Learning Program, and Comprehensive Guidance. The total appropriation to this block for FY 2002 is \$49.5 million.

The Legislature also appropriated \$3.9 million as "Hold Harmless" funding to protect those programs which were previously WPU funded, to receive the same percent increase for FY 2002 as the WPU.

Growth: The Legislature funded education growth with \$4.6 million. The Legislature increased funding for voted and board leeway. The State's guarantee for the voted and board leeway to the school districts also increased.

Youth in Custody: The Legislature appropriated \$540,000 ongoing funds to the Youth in Custody Program. This funding replaces one-time funds from the previous year for programs that are ongoing.

Highly Impacted Schools: The Legislature appropriated \$250,000 ongoing funds to facilitate the retention of teachers with higher pay who are hired to work with at-risk students at the 54 designated Highly Impacted Schools in the State.

Concurrent Enrollment: The Legislature appropriated \$250,000 ongoing funds and \$650,000 one-time supplemental funds for Concurrent Enrollment. The Concurrent Enrollment Program enables qualified high school students to earn college credit while finishing high school graduation requirements. This program has grown from 11,725 students participating in 1995-96 to 19,744 participating in 1998-99. High school students earned 124,057 semester hours of credit to be used toward college requirements during the 1998-99 school year.

Alternative Language Services: Lawmakers provided \$200,000 additional ongoing funds for Alternative Language Services. This appropriation will enable districts to provide training for the endorsement of teachers in English as a Second Language (ESL). Figures indicate that there were 38,998 Limited English Proficient students enrolled in Utah public schools in School Year 2000. Local districts have reported to the USOE that 1,013 teachers are currently in some stage of ESL endorsement and 3,576 additional teachers need ESL endorsements to satisfy district demand.

School Nurses: The Legislature appropriated \$250,000 ongoing funds for the School Nurses Program. Prior to this year's appropriation, the current funding of \$496,949 brought the nurse to student ratio to 1:6,378. The additional funding should bring the ratio to approximately 1:5,700.

Electronic High School: The Legislature provided \$200,000 one-time supplemental funds and \$200,000 ongoing funds for the Electronic High School. The Electronic High School enables Utah students to take secondary courses over the Internet. The funding enables the continued development of courses for Internet access and delivery. The Legislature also granted the State Office of Education the legal right to charge out-of-state residents a fee to access these courses.

Guarantee Transportation Levy: Law makers provided an additional \$275,000 to the Guarantee Transportation Levy for FY 2002.

Incentives for Excellence: The Legislature appropriated an additional \$200,000 ongoing funds for the Incentives for Excellence Program. Law makers provided a total of \$814,911 for FY 2002. The Incentives for Excellence Program funds can be used for any worthy project as approved by the State Board of Education through the submission of the proposal request process. Monies must be matched on a dollar for dollar basis with private donations according to State Board of Education guidelines established in Board rule as authorized by the Legislature.

Trust Lands: The State's contribution increased with \$125,000 one-time supplemental funds and \$425,000 ongoing funds. The total State contribution for FY 2002 is \$5.2 million.

Special Issues: The Legislature addressed a number of additional issues within the Minimum School Program. Law makers appropriated \$23.7 million one-time funding for textbooks; teacher supplies and materials were funded with \$5 million one-time money. The Legislature created an Education Protection Fund for future Public Education spending needs with up to \$20 million of residual Uniform School Funds for FY 2002. The Legislature also increased Pre-School Special Education by \$2.4 million.

The Legislature provided the following amounts of one-time funds to the following programs: Schools for the 21st Century, \$1.06 million; Education Technology Initiative, \$8.25 million; Library Media, \$3.8 million; Staff Development, \$2.8 million; ATE School District Equipment, \$1.375 million; and the Math/Science Initiative, \$7.5 million (the Math/Science Initiative also received \$2.4 million in ongoing funds).

Intent Language

(1) It is the intent of the Legislature that pregnancy prevention programs in public schools must stress the importance of abstinence from all sexual activity before marriage and fidelity after

marriage as methods for preventing certain communicable diseases.

(2) It is the intent of the Legislature that programs that have been block granted by the 2001 Legislature and are no longer calculated with weighted pupil units be given priority for equivalent weighted pupil unit increases when considering compensation or weighted pupil unit increases by the 2002 Legislature.

(3) (a) It is the intent of the Legislature that school districts meet existing spending criteria and requirements specific to those programs included within block grant categories and for which the local board of education chooses to expend block grant funds.

(b) It is the further intent of the Legislature that school districts report the expenditure of block grant funds to the degree of specificity and detail established by the Utah State Board of Education and sufficient to meet the intent of the Legislature as articulated in this Section (3).

(c) It is the further intent of the Legislature that block grant funds shall be allocated to school districts proportionately based upon the district's total weighted pupil units in kindergarten, grades one through 12, and the necessarily existent small schools portions of the Minimum School Basic Program.

(4) (a) It is the intent of the Legislature that the State Office of Education convene a representative committee to study the needs of English Language Learners (ELL students) in Utah and related issues.

(b) It is the further intent of the Legislature that the committee report to the Education Interim Committee by November 2001.

(5) It is the intent of the Legislature that \$72,000 of the one-time appropriation of \$8,250,000 for the Educational Technology Initiative be transferred to the Utah Schools for the Deaf and the Blind for fiscal year 2002.

(6) It is the intent of the Legislature that no more than \$70,000 of the monies appropriated to fund the School Land Trust program shall be expended for

administration of the program each year.

(7) It is the intent of the Legislature that with the fiscal year beginning July 1, 2001 and for subsequent years the State Office of Education may use carry forward funds from the Minimum School Program to pay school districts the amount necessary to make them whole for any support in subsidizing a charter school for students for whom the district does not receive appropriate state or federal funding.

MINIMUM SCHOOL PROGRAM						
1	3/27/01 10:27 AM	FY 2001 Appropriation		FY 2002 Recommendations		Percent % D.iff.
		W F U S	Funding @ \$2,006	W F U S	Funding @ \$2,116	
2	<u>Financing</u>					
3	Local Revenue:					
4	A. Basic Tax Levy	0.001847	\$189,329,826	0.001768	\$196,908,771	4.0%
5	B. Voted Levy		110,412,316		124,207,548	12.6%
6	C. Board Levy		31,970,524		35,242,041	10.2%
7	Total Local Contribution (A, B, & C)		\$331,712,666		\$356,458,360	7.5%
8	State Revenue:					
9	A. Uniform School Fund		\$1,535,119,246		\$1,607,061,760	4.7%
10	B. Uniform School Fund - One Time		10,400,000		29,785,000	186%
11	Total Revenue		\$1,877,231,912		\$1,993,305,120	6.2%
12	<u>Program</u>					
13	I. Basic Program					
14	A. Regular Basic School Programs					
15	1. Kindergarten	20,222	\$40,565,332	20,616	\$43,623,456	7.5%
16	2. Grades 1-12	426,422	855,402,532	427,244	904,048,304	5.7%
17	3. Necessarily Existent Small Schools	7,080	14,202,480	7,336	15,522,976	9.3%
18	4. Professional Staff	41,394	83,036,364	41,394	87,589,704	5.5%
19	5. Administrative Costs	1,655	3,319,930	1,655	3,501,980	5.5%
20	Total Regular Basic School Programs (1-5)	496,773	\$996,526,638	498,245	\$1,054,286,420	5.8%
21	B. Restricted Basic School Programs					
22	1. Special Education - Regular Program					
23	a. Special Education add-on W F U S	52,697	\$105,710,182	53,153	\$112,471,748	6.4%
24	b. Self-Contained Regular W F U S	12,299	24,671,794	12,466	26,378,056	6.9%
25	2. Special Education - Pre-School	5,038	10,106,228	6,109	12,926,644	27.9%
26	3. Extended Year Program for Severely Disabled	237	475,422	237	501,492	5.5%
27	4. Special Education - State Programs	1,350	2,708,100	1,350	2,856,600	5.5%
28	Total Special Education (1-4)	71,621	\$143,671,726	73,315	\$155,134,540	8.0%
29	5. Applied Technology Education - District	19,464	\$39,044,784	23,423	\$49,563,068	26.9%
30	6. Applied Tech. Education - District - Set Aside	989	1,983,934	989	2,092,724	5.5%
31	Total Applied Technology Ed. (5-6)	20,453	\$41,028,718	24,412	\$51,655,792	25.9%
32	7. Adult Education	3,407	\$6,834,442			-100.0%
33	8. Adult Programs	10,039	20,138,234			-100.0%
34	9. Accelerated Learning Programs	3,841	7,705,046			-100.0%
35	10. Career Ladder	24,253	48,651,518			-100.0%
36	11. Class Size Reduction	29,577	59,331,462	29,577	62,584,932	5.5%
37	Total Other Restricted Programs (7-11)	71,117	\$142,660,702	29,577	\$62,584,932	-56.1%
38	C. Unrestricted Local Program	11,549	\$23,167,294			-100.0%
39	Total Basic School Programs (A - C)	671,513	\$1,247,055,078	625,549	\$1,323,661,684	-1.7%
40	D. Related to Basic Programs					
41	1. Professional Development Block Grant				\$68,821,511	
42	2. Social Security & Retirement		\$253,325,728		214,685,479	-15.3%
43	3. Pupil Transportation		53,236,772		55,745,940	4.7%
44	4. Guarantee Transportation Levy		225,000		500,000	122.2%
45	5. Local Discretionary Block Grant Program				49,948,636	
46	6. Math Science - Beginning Teacher Recruitment				2,400,000	
47	<u>E. Special Populations</u>					
48	1. Families, Agencies & Communities Together		1,250,670		1,250,670	
49	2. Alternative Language Services		3,208,564		3,208,564	6.0%
50	3. Highly Impacted Schools		4,873,207		5,123,207	5.1%
51	4. At Risk Programs				25,023,588	
52	5. Adult Education				8,368,247	
53	6. Accelerated Learning Programs				9,551,074	
54	<u>F. Other</u>					
55	1. Block Grant Hold Harmless				3,897,110	
56	2. Experimental/Developmental Programs		5,893,056		3,102,369	-47.7%
57	3. Election: High School				200,000	
58	4. School Land Trust Program		4,775,000		5,200,000	8.9%
59	<u>Blocked Programs for FY 2002</u>					
60	1. Incentives for Excellence		614,911			-100.0%
61	2. Comprehensive Guidance		7,420,659			-100.0%
62	3. Educational Technology Initiative - Maintenance		8,970,322			-100.0%
63	4. Character Education		397,680			-100.0%
64	5. School Nurses		496,949			-100.0%
65	6. Technology Literacy Cases: School to Work		2,235,000			-100.0%
66	7. Truancy Intervention and Prevention		150,000			-100.0%
67	8. Reading Initiative		5,000,000			-100.0%
68	9. Alternative Middle School		2,000,000			-100.0%
69	10. Local Discretionary Programs		1,113,100			-100.0%
70	<u>District Services</u>					
71	1. Contingency Fund		419,246			-100.0%
72	2. Regional Service Centers		1,172,733			-100.0%
73	3. Staff Development		1,965,577			-100.0%
74	4. Assessment and Accountability		3,500,000			-100.0%
75	5. Reading Performance Improvement Awards		18,000			-100.0%
76	Total Related to Basic Programs		\$362,422,174		\$457,346,395	26.2%
77	<u>II. Board and Voted Leeway Programs:</u>					
78	A. Voted Leeway Program		\$121,242,797		\$141,362,359	16.6%
79	B. Board Leeway Program		36,111,863		41,149,682	14.0%
80	Total Board and Voted Leeway Programs		\$157,354,660		\$182,512,041	16.0%
81	III. One-Time Appropriations		\$10,400,000		\$29,785,000	186.4%
82	Total Minimum School Program		\$1,877,231,912		\$1,993,305,120	6.2%
83	Assessed Value = \$104,931,000,000					Student Growth Factor = (0.24%)

Block Grant Programs

MINIMUM SCHOOL PROGRAM				
Franchise	FY 2001 Estimated		FY 2002 Appropriation	
	2001-01 W PUS	Funding@ \$2,006	2001-02 W PUS	Funding@ \$2,116
Local Revenue:				
A. Basic Tax Levy	0,003,947	\$189,329,836	0,003,768	\$196,908,771
B. Voted Levy		110,412,316		124,307,548
C. Bond Levy		31,970,524		35,242,041
Total Local Contribution (A, B & C)		\$331,712,666		\$356,458,360
State Revenue:				
A. Uniform School Fund		\$1,535,119,246		\$1,607,061,760
B. Uniform School Fund - One-Time		10,400,000		29,785,000
Total Revenue		\$1,877,231,912		\$1,993,305,120
Programs				
I. Basic Program				
A. Regular Basic School Programs				
1. K-12 Regular	20,222	\$40,565,332	20,616	\$43,623,456
2. Grades 1-12	426,422	855,402,532	427,244	904,048,304
3. Annually Reduct Small Schools	7,080	14,202,480	7,336	15,522,976
4. Pre-School Staff	41,394	83,036,364	41,394	87,889,704
5. Administrative Costs	1,655	3,319,930	1,655	3,501,960
Total Regular Basic School Programs (1-5)	496,773	\$966,526,638	498,245	\$1,054,286,420
B. Restricted Basic School Programs				
1. Special Education Regular Program				
a. Special Education add-on W PUS	52,697	\$105,710,182	53,353	\$112,471,748
b. Self-Contained Regular W PUS	12,289	24,671,794	12,466	26,278,055
2. Special Education - Pre-School	5,038	10,106,228	6,109	12,825,644
3. Extended Year Program for Severely Disabled	237	475,422	237	510,493
4. Special Education - State Programs	1,360	2,708,100	1,360	2,856,600
Total Special Education (1-4)	71,621	\$143,671,726	73,315	\$155,134,540
5. Applied Technology Education - District	19,484	\$39,044,784	23,422	\$49,563,068
6. Applied Tech. Education - District at Side	989	1,983,934	989	2,022,234
Total Applied Technology Ed. (5-6)	20,473	\$41,028,718	24,412	\$51,655,792
7. Adult Education	3,487	\$6,984,442		
8. Adult Programs	10,039	20,139,234		
9. Adult Learning Programs	3,941	7,755,046		
10. Career Ladder	24,253	49,651,518		
11. Career Restructuring	29,577	59,331,462	29,577	62,594,832
Total Adult Restricted Programs (7-11)	71,117	\$143,660,702		\$62,594,832
Unrestricted Local Programs	11,549	\$23,357,294		
Total Basic School Programs (A - B)	671,513	\$1,347,155,678	625,549	\$1,323,661,694
C. Related to Basic Programs				
1. Professional Development				\$68,821,511
2. Social Security & Retirement		\$53,325,728		24,685,479
3. Pupil Transportation		53,236,772		55,745,940
4. Quasi-State Transportation Levy		225,000		500,000
5. Local Discretionary Block Grant Programs				49,948,636
6. Math Science - Beginning Teacher Recruitment				2,400,000
D. District Services		3,575,556		
E. Special Populations				
1. Families, Agencies & Communities Together		1,250,670		1,250,670
2. Alternative Language Services		3,328,564		3,528,564
3. Highly Impacted Schools		4,873,207		5,123,207
4. Adult Programs		25,023,588		
5. Adult Education		8,368,247		
6. Adult Learning		9,551,074		
F. Other		30,765,521		
1. Hold Harmless for Block Granting				3,897,110
2. Experimental/Developmental Programs		5,933,056		3,102,369
3. Electronic High School				200,000
4. School Land Trust Program		4,775,000		5,200,000
5. Local Discretionary Programs		1,113,100		
Total Related to Basic Programs (C - F)		\$362,422,174		\$457,346,395
II. Board and Voted Levy Programs:				
A. Voted Levy Program		\$121,242,797		\$141,362,859
B. Board Levy Program		36,111,863		41,149,682
Total Board and Voted Levy Programs		\$157,354,660		\$182,512,541
III. One-Time Appropriations		\$10,400,000		\$29,785,000
Total Minimum School Program		\$1,877,231,912		\$1,993,305,120
Assessed Value = \$104,951,000,000		Student Growth Factor = (0.24%)		

Includes:

Pre-School Special Ed.	\$10,395,517
Formula Change - 695 W PUS	253,127
Total	\$10,648,644

Includes:

1. Applied Technology Ed. - District	\$39,879,952
2. Tech. Lab Cases - W. Cabard	\$241,355
3. Comprehensive Guidance	7,441,761
Total	\$49,563,068

Includes:

1. Career Ladder	\$58,821,511
2. Beta Days (NEW)	10,000,000
Total	\$68,821,511

Includes:

Desi/Blind School Transportation	\$1,823,449
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Includes:

1. Truancy Intervention & Prevention	\$150,000
2. Unrestricted Local Program	27,904,887
3. Incentives for Excellence	814,911
4. Ed. Technology Initiative	8,970,322
5. Character Education	397,880
6. School Nurses	746,949
7. Alternative Middle School	2,000,000
8. Reading Initiative	5,000,000
9. Bip. Dev. Formula amount	2,830,887
10. Local Discretionary Program	1,113,100
Total	\$49,948,636

Includes:

1. Contingency Fund	\$49,246
2. Regional Service Centers	1,172,733
3. Reading Scholarship Program	18,000
4. Staff Development	1,965,577
Total	\$3,575,556

* Moved to Utah State Office of Education Budget

Minimum School Program One-time Funding

	FY 2001 Estimated	FY 2001 Supplemental	FY 2001 Revised	FY 2002 Appropriation	Difference
1. Applied Technology - District Equipment				\$1,375,000	\$1,375,000
2. Classroom Supplies	\$4,400,000		\$4,400,000	5,000,000	600,000
3. Schools for the 21st Century				1,060,000	1,060,000
4. Math/Science - Beginning Teacher Recruitment				7,500,000	7,500,000
5. Educational Technology Initiative				8,250,000	8,250,000
6. Library Media				3,800,000	3,800,000
7. Staff Development				2,800,000	2,800,000
8. Textbooks and Supplies	6,000,000	23,790,000	29,790,000		(29,790,000)
9. Student Enrollment		650,000	650,000		(650,000)
10. School Trust Lands		125,000	125,000		(125,000)
Total	\$10,400,000	\$24,565,000	\$34,965,000	\$29,785,000	(\$5,180,000)

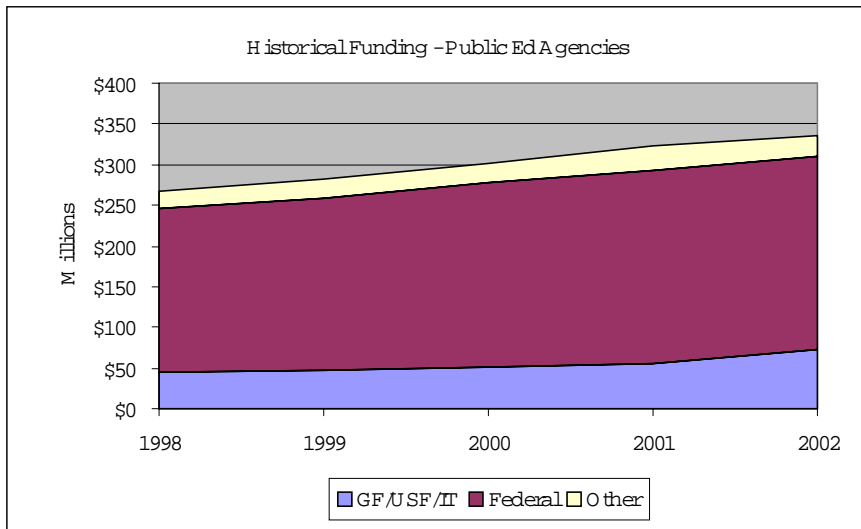
School Building Programs

The School Building Programs are written in statute under the Capital Outlay Foundation Program to provide revenue to school districts for the purpose of capital outlay bonding, construction, and renovation. The Legislature appropriated an additional \$10 million for FY 2002. The total amount of the State's contribution for FY 2002 is \$38,358,000.

School Building Program	FY 2001 Estimated	FY 2002 Appropriation	Difference
Uniform School Fund			
A. Capital Outlay Foundation Program			
1. Uniform School Fund	\$22,686,400	\$38,358,000	15,671,600
B. Emergency School Building Aid Programs			
1. Uniform School Fund	5,671,600		(5,671,600)
Total School Building Aid Programs	\$28,358,000	\$38,358,000	\$10,000,000

Public Education Agencies

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 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 (delivered through the local school districts), Fine Arts and Sciences, and Educational Contracts. The Utah State Office of Education budget includes only those programs that relate to services and functions provided by the office itself.



Legislative Action

Transfers: The Legislature transferred \$3.7 million ongoing funds from the Minimum School Program to the State Office of Education budgets. The transfer reflects allocations for the Utah Performance Assessment System for Students (UPASS) (\$3.5 million) and a Risk Program (\$200,600) spent directly by the State Office of Education. As previously mentioned, the Legislature also created a block grant within the Minimum School Program entitled, "District Services" and also

transferred this funding to the State Office of Education Budget. The amount of this transfer is slightly more than \$3.5 million. The Legislature also appropriated \$58,600 to pay for salary increases for employees at the Service Centers (now included in this block grant).

Enhancement of Public Education Task Force: The Legislature created the enhancement of Public Education Task Force to review and make recommendations on the following issues:

- ▶ The ability of schools and school districts to comply with Legislative and other governmental mandates given by public education policymakers.
- ▶ The purpose, functions, roles, and responsibilities of the State Office of Education in relation to school districts and public schools, to include whether the role of the State Office of Education should be primarily that of a facilitator or resource or primarily that of a regulator or a combination of the two in order to enhance public education within the state system.
- ▶ Whether the functions, roles, and responsibilities should be modified and put into a statutory framework.
- ▶ The costs required to operate the State Office of Education.
- ▶ Its current ability to track and monitor state and federal monies distributed to school districts through the State Office and to verify or validate how those monies are being used at the district and school level.
- ▶ The nature and magnitude of administrative costs at the school district level and whether those costs are duplicative of administrative costs incurred at the State Office of Education.
- ▶ The authority or ability of the State Office to deal with a school district that is out of compliance with state law or rules.
- ▶ The conditions and tools required for schools to provide each student with a reasonable opportunity to achieve expected objectives.

- ▶ Any other matters the task force identifies to be important to enhance the state's Public Education System .

UPASS: The Legislature appropriated \$3.9 million ongoing funds for the continued implementation of the UPASS system . The funding will be used for test development, materials purchases, distribution, retrieval, test scoring, and other requirements. Additional funding will be required in future years to fully implement the UPASS system .

MUSIC in the Schools: The Legislature provided \$500,000 one-time funds for the "MUSIC in the Schools" program . The program uses music as a means of enhancing and improving the learning of students.

Advanced Readers at Risk: The Legislature passed House Bill 216, "Appropriation for Advanced Readers at Risk." This one-time funding of \$500,000 will be used to address the needs of students who surpass basic standards and are not adequately challenged with the current reading activities in the regular classroom . The funding will be used for professional development of teachers, development of model classrooms where trained teachers can instruct others regarding the methods needed to address these students' needs, and opportunities for participating students to assist others through community projects emphasizing reading skills.

Charter Schools: The Legislature passed Senate Bill 169, "Charter School Amendments," which removes the pilot program status of charter schools and authorizes the creation of four new charter schools annually beginning with the 2001-02 school year. The Legislature appropriated \$420,000 ongoing funds to pay the associated costs.

Reading Skills Development Center: The Legislature passed House Bill 99, "Reading Skills Development Center Amendments," to enhance the Reading Skills Development Center at the University of Utah to assist children with reading difficulties. The Legislature provided \$450,000 one-time funds for this program .

Read to Me Program : The Legislature funded the "Read to Me Program ," with \$300,000 one-time funds. This program encourages children to develop good reading habits and foster a lifelong interest in reading.

Title IX Indian Education Specialist: The Legislature funded this position with \$125,000 ongoing funds. The position will address the learning styles, literacy, comprehension and recognition of the unique educational and culturally related academic needs of American Indian and Alaska Native students.

Replacement of Federal Funds: The Legislature restricted the State Office of Education from receiving federal funds for AIDS education. The Legislature replaced the foregone federal funding with ongoing Uniform School Funds of \$240,000.

Child Nutrition

The total budget for the Child Nutrition Program for FY 2002 is \$95 million which provides for the overall administration and implementation of the school lunch programs. The funding provides free and reduced price meals for those who qualify. This budget primarily consists of Federal Funds (85 percent). It receives approximately \$14.5 million in Dedicated Credits from Liquor Control revenues, \$80.3 million in Federal Funds, and \$170,500 from the Uniform School Fund.

Utah State Office of Rehabilitation

The Utah State Office of Rehabilitation (USOR) is under the direction of the Utah State Board of Education. USOR operates programs designed to assist individuals with disabilities to prepare for, and obtain, gainful employment and increase their independence. USOR 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 employment.

The Legislature appropriated \$49,083,500 for FY 2002. This is \$2,439,200 more than the revised estimate. USOR receives the greatest part of its funding from the Federal Government. It is estimated that in FY 2002, USOR will receive approximately \$30.6 million in Federal Funds and \$17.6 million in Uniform School Funds.

Legislative Action

Base Budget Adjustment: 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. There was a difference in the funded amount for the facility versus the actual cost. (The actual cost was lower than the amount funded by the Legislature.) It was therefore necessary to reduce the appropriation for FY 2001 by \$389,300 to correct the overage.

Vocational Rehabilitation Services: This program continues to experience growing demand for its services. The Legislature appropriated an additional \$650,000 ongoing funds to meet the growing demand. The Legislature also passed Senate Bill 112, "Appropriation for Assistive Technology." The bill provides \$75,000 ongoing funds to acquire technology devices to aid the disabled.

Independent Living Centers Program: The Legislature provided \$328,600 ongoing funds to complete funding for the two Independent Living Centers serving the Davis-Walker and Utah County areas. The Legislature also provided a cost-of-living adjustment for Independent Living Centers employees.

Blind and Visually Impaired Services: Lawmakers passed House Bill 84, "Appropriations for the Blind Center," which provides \$360,000 ongoing funds to provide services to deaf and blind persons who require communication assistance in their daily activities. The Legislature also appropriated \$54,000 ongoing funds to enhance salary increases available to teachers of the blind.

Deaf and Hard of Hearing Services: The Legislature appropriated \$47,100 ongoing funds to hire a full-time Training and Service Coordinator. This position will provide case management and training services to individuals who are deaf and hard of hearing, or have other disabilities and health challenges.

Funding Detail

State Office of Rehabilitation					
	2001	2001	2001	2002	Change from
	Estimated	Supplemental	Revised	Appropriated	2001 Revised
Financing					
General Fund	254,900		254,900	254,900	
Uniform School Fund	15,815,900		15,815,900	17,659,900	1,844,000
Uniform School Fund, One-time		(394,000)	(394,000)		394,000
Federal Funds	30,428,000	(5,200)	30,422,800	30,615,900	193,100
Dedicated Credits Revenue	444,600	100	444,700	452,800	8,100
Transfers - Interagency	100,000		100,000	100,000	
Beginning Nonlapsing	287,400		287,400	287,400	
Closing Nonlapsing	(287,400)		(287,400)	(287,400)	
Total	<u>\$47,043,400</u>	<u>(\$399,100)</u>	<u>\$46,644,300</u>	<u>\$49,083,500</u>	<u>\$2,439,200</u>
Programs					
Rehabilitation Administration	1,587,500	5,800	1,593,300	1,606,600	13,300
Blind and Visually Impaired	4,688,500	(390,600)	4,297,900	5,159,500	861,600
Rehabilitation Services	31,948,600	(11,500)	31,937,100	33,343,500	1,406,400
Disability Determination	7,210,000	(3,000)	7,207,000	7,293,600	86,600
Deaf and Hard of Hearing	1,608,800	200	1,609,000	1,680,300	71,300
Total	<u>\$47,043,400</u>	<u>(\$399,100)</u>	<u>\$46,644,300</u>	<u>\$49,083,500</u>	<u>\$2,439,200</u>
FTE/Other					
Total FTE	389.7	0.0	389.7	389.7	0.0
Vehicles	35		35	35	

Utah Schools for the Deaf and the Blind

The Utah Schools for the Deaf and the Blind (USDB) provide educational programs and services for 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 appropriated \$21,647,800 to USDB for FY 2002. This is an increase of \$579,500 over the FY 2001 revised estimate.

Legislative Action

Growth: The Legislature appropriated \$400,000 ongoing funds to hire additional staff to provide instruction and consultation services to children in rural and outreach locations.

Orientation and Mobility Specialist: The Legislature provided \$63,200 ongoing funds to increase the number of orientation and mobility specialists. With this increase, USDB will have 6.0 FTEs of such specialists. These specialists will teach travel techniques to vision disabled children.

Student Transportation Funding: In addition to its Instruction and Support Services budgets, USDB also receives funds through the Minimum School Program Act to provide transportation services to disabled students. USDB was appropriated \$1,923,148 through the Minimum School Program Act for FY 2002. This was an increase of \$212,913 over the previous year.

Vehicle Purchases: The Legislature provided \$75,000 one-time supplemental funds for vehicle purchases. The vehicles will be used by USDB employees in place of personal vehicles to perform outreach services to disabled students throughout the State.

Textbooks: The Legislature appropriated \$122,800 one-time supplemental funds for textbook purchases by USDB. Textbooks for disabled students such as those written in Braille are significantly more expensive than conventional books.

Funding for Utility Rates Increases: Lawmakers provided \$19,900 one-time supplemental funds for higher utilities costs which are expected in the near term.

Compensation Package: The Legislature appropriated a four percent salary increase for USDB employees. Benefits increases were also provided. During the 2000 General Session, lawmakers provided additional compensation funding and added statutory language to enable USDB to remain competitive with local school districts regarding 20-year earnings for certificated teachers. The statutory language requires an annual comparison with the forty school districts. Additional compensation funding is to be provided in any year that USDB is not ranked among the top ten in 20-year earnings. In Utah Education Association rankings published in January 2001, USDB ranked ninth in earnings for certificated teachers with a bachelor's degree and fourth in earnings for certificated teachers with a master's degree.

House Bill 365, "Institutional Trust Lands Amendments": The Legislature passed House Bill 365 which establishes an Educational Enrichment Program for hearing and/or visually impaired students. Its purpose is to provide learning opportunities in a family friendly environment, thereby enhancing the educational services to students with disabilities. The bill directs USDB to fund this program with the interest and dividends received from the School and Institutional Trust Lands Administration.

Intent Language

The Legislature also guaranteed that USDB would receive its appropriate share of Educational Technology Initiative one-time funding (\$72,000) and extra day funds provided through the Minimum School Program.

Funding Detail

School for the Deaf and Blind					
	2001	2001	2001	2002	Change from
	Estimated	Supplemental	Revised	Appropriated	2001 Revised
Financing					
Uniform School Fund	16,557,800		16,557,800	17,450,000	892,200
Uniform School Fund, One-time		215,100	215,100		(215,100)
Dedicated Credits Revenue	791,600	(300)	791,300	1,075,400	284,100
Transfers - Interagency	2,968,900	(700)	2,968,200	3,122,400	154,200
Beginning Nonlapsing	1,135,900		1,135,900	600,000	(535,900)
Closing Nonlapsing	(600,000)		(600,000)	(600,000)	
Total	\$20,854,200	\$214,100	\$21,068,300	\$21,647,800	\$579,500
Programs					
Instruction	11,898,200	217,700	12,115,900	12,711,500	595,600
Support Services	8,956,000	(3,600)	8,952,400	8,936,300	(16,100)
Total	\$20,854,200	\$214,100	\$21,068,300	\$21,647,800	\$579,500
FTE/Other					
Total FTE	379.7	0.0	379.7	379.7	0.0
Vehicles	26		26	26	

Fine Arts and Sciences

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

Legislative Action

The Legislature appropriated \$3,544,500 to the Fine Arts and Sciences Program for FY 2002. Law makers provided a cost-of-living adjustment for the current line item organizations and the Request For Proposal Program (RFP). The Legislature also established four new line item organizations beginning FY 2002. They are: the Utah Shakespearean Festival; Utah Museum of Natural History; Utah Festival Opera; and the Children's Museum of Utah. The Legislature provided \$750,000 (\$250,000 ongoing and \$500,000 one-time funds) to these organizations. The individual allocations will be determined during the interim and by the formula adopted by the State Office of Education. The Legislature also directed the current line item organizations to undergo a "Request for Proposal" process during the interim to

reestablish their participation in the program at the level indicated. The State Office of Education will be the supervising agent of this process.

Intent Language

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.

It is the intent of the Legislature that the listed program groups go through a request for proposal process to reestablish their participation in the program at the level indicated during the 2001 interim. The USOE will be the supervising agent of this process.

The State Office of Education shall validate the groups' function in the planned curriculum for arts and sciences in the schools.

The State Office of Education shall report to the Legislature any problems or changes necessary to implement and maintain the validity of the arts and sciences program in the school curriculum.

It is the intent of the Legislature that \$750,000 (\$250,000 ongoing and \$500,000 one-time) be distributed to the Utah Shakespearean Festival, Utah Museum of Natural History, Utah Festival Opera, and the Children's Museum of Utah beginning FY 2002. The distribution shall be determined during the interim by the Utah State Office of Education. The allocations shall be according to the allocation formula adopted by the State Office of Education which assures parity among the line items organizations.

Educational Contracts

The Educational Contracts furnish educational services to the State Hospital Youth Center in Provo and to adult correctional facilities in the State. Funding for the Developmental Center in American Fork has been terminated due to low student enrollments. The Legislature appropriated \$55,100 in one-time supplemental funds for FY 2001 to the Developmental Center to complete the contract. The Legislature appropriated \$1,160,200 to the Youth Center and \$2,768,100 to corrections institutions for FY 2002. The Educational Contracts received a cost-of-living adjustment over the previous year's appropriation.

Applied Technology Education

In the Special Legislative Session on June 20, 2001, the Legislature passed House Bill 1003, "Applied Technology Governance." With the passage of this bill, the Utah College of Applied Technology (UCAT) will be established September 1, 2001 and become the tenth higher education institution. UCAT will include ten regional technology colleges consisting of the five existing ATCs and the three ATCSR's. The ATCs and ATCSR's will be known as Applied Technology Colleges. The Wasatch Front ATC's name will change to the Salt Lake-Tooele Applied Technology College. The Southwest ATCSR will be divided into two colleges, the Southwest and Dixie Applied Technology Colleges. The tenth technical college, the Central Applied Technology College will be located in Richfield. All assets associated with each ATC and ATCSR will transfer to the respective colleges with the Southwest's being allocated between the Southwest and Dixie Technology Colleges. The Central Applied Technology College will receive their funding from the Snow College South-Secondary line item.

House Bill 1003 also transferred existing funds to the appropriate entities created by the bill. These transfers include new funding for FY 2002 of \$7,709,700 (includes \$3,100,000 of one-time) as provided by the Legislature in the 2001 General Session.

Funding Detail

	Public Ed Agencies				
	2001 Estimated	2001 Supplemental	2001 Revised	2002 Appropriated	Change from 2001 Revised
Financing					
General Fund	254,900		254,900	254,900	
Uniform School Fund	55,140,600		55,140,600	69,881,456	14,740,856
Uniform School Fund, One-time	169,500	63,100	232,600	2,250,000	2,017,400
Federal Funds	238,059,300	(8,700)	238,050,600	237,427,400	(623,200)
Dedicated Credits Revenue	20,444,800	(500)	20,444,300	21,010,600	566,300
Federal Internal Lease	671,800	(300)	671,500	859,300	187,800
Restricted Revenue	75,000		75,000		(75,000)
GFR - Substance Abuse Prevention	350,800		350,800	400,700	49,900
USFR - Professional Practices		30,000	30,000	140,900	110,900
Transfers	3,500,000		3,500,000	300	(3,499,700)
Transfers - Interagency	3,353,900	(700)	3,353,200	3,507,400	154,200
Beginning Nonlapsing	5,789,500		5,789,500	5,126,500	(663,000)
Closing Nonlapsing	(5,170,100)		(5,170,100)	(5,126,500)	43,600
Total	\$322,640,000	\$82,900	\$322,722,900	\$335,732,956	\$13,010,056
Programs					
State Office of Education	153,098,600	13,300	153,111,900	162,466,056	9,354,156
Dist Svcs Comp - Regional Svc Ctrs				58,600	58,600
State Office of Rehabilitation	47,043,400	(399,100)	46,644,300	49,083,500	2,439,200
School for the Deaf and Blind	20,854,200	214,100	21,068,300	21,647,800	579,500
Child Nutrition	94,673,700	(500)	94,673,200	95,004,200	331,000
Fine Arts and Sciences	2,687,100		2,687,100	3,544,500	857,400
Educational Contracts	4,283,000	55,100	4,338,100	3,928,300	(409,800)
Electronic High School		200,000	200,000		(200,000)
Total	\$322,640,000	\$82,900	\$322,722,900	\$335,732,956	\$13,010,056
FTE/Other					
Total FTE	981.6	0.0	981.6	1,006.1	24.5
Vehicles	65		65	65	

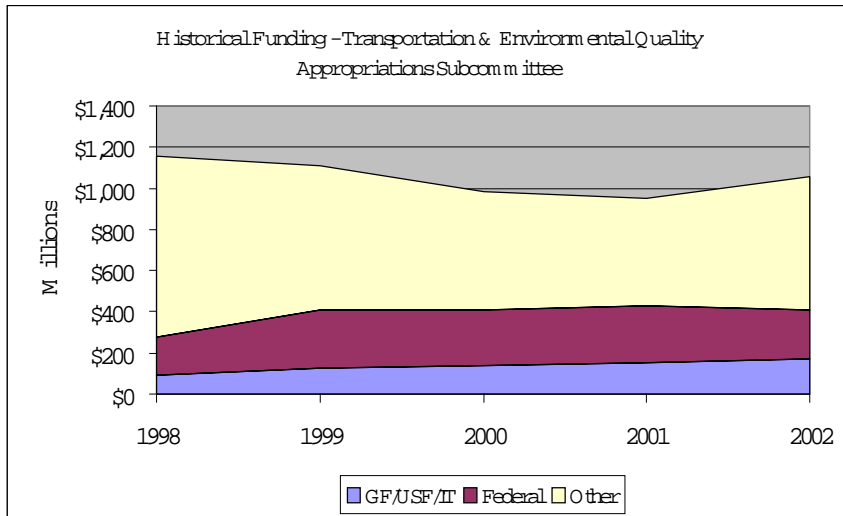
Public Education Appropriations Subcommittee					
	2001	2001	2001	2002	Change from
	Estimated	Supplemental	Revised	Appropriated	2001 Revised
Financing					
General Fund	254,900		254,900	254,900	
Uniform School Fund	1,618,617,846		1,618,617,846	1,715,301,216	96,683,370
Uniform School Fund, One-time	10,569,500	24,628,100	35,197,600	52,035,000	16,837,400
Federal Funds	238,059,300	(8,700)	238,050,600	237,427,400	(623,200)
Dedicated Credits Revenue	20,444,800	(500)	20,444,300	21,010,600	566,300
Federal Mine Lease	671,800	(300)	671,500	859,300	187,800
Restricted Revenue	75,000		75,000		(75,000)
GFR - Substance Abuse Prevention	350,800		350,800	400,700	49,900
USFR - Growth in Student Population				(20,000,000)	(20,000,000)
USFR - Professional Practices		30,000	30,000	140,900	110,900
Local Property Tax	331,712,666		331,712,666	356,458,360	24,745,694
Transfers	3,500,000		3,500,000	300	(3,499,700)
Transfers - Interagency	3,353,900	(700)	3,353,200	3,507,400	154,200
Beginning Nonlapsing	22,270,300		22,270,300	5,126,500	(17,143,800)
Closing Nonlapsing	(21,650,900)		(21,650,900)	(5,126,500)	16,524,400
Total	\$2,228,229,912	\$24,647,900	\$2,252,877,812	\$2,367,396,076	\$114,518,264
Programs					
Public Agencies	322,640,000	82,900	322,722,900	335,732,956	13,010,056
Minimum School Program	1,877,231,912	24,565,000	1,901,796,912	1,993,305,120	91,508,208
School Building Program	28,358,000		28,358,000	38,358,000	10,000,000
Total	\$2,228,229,912	\$24,647,900	\$2,252,877,812	\$2,367,396,076	\$114,518,264
FTE/Other					
Total FTE	981.6	0.0	981.6	1,006.1	24.5
Vehicles	65		65	65	

Public Education Appropriations Subcommittee	
One-time State Funding Items (GF/USF/IT)	
Item Name	FY 2002 Appropriated
Public Agencies - State Office of Education - Instructional Services	1,300,000
Public Agencies - State Office of Education - Planning and Project Services	450,000
Public Agencies - Fine Arts and Sciences - Arts and Science Subsidy	500,000
Minimum School Program - Growth in Student Population Restricted Account	20,000,000
Minimum School Program	29,785,000
Total	\$52,035,000

Transportation,
Environmental Quality and
National Guard

Subcommittee Overview

The Legislature provided funding of \$1,043,643,400 to the Department of Transportation, Department of Environmental Quality, and the Utah National Guard for FY 2002. 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 under the purview of the Transportation and Environmental Quality Subcommittee.

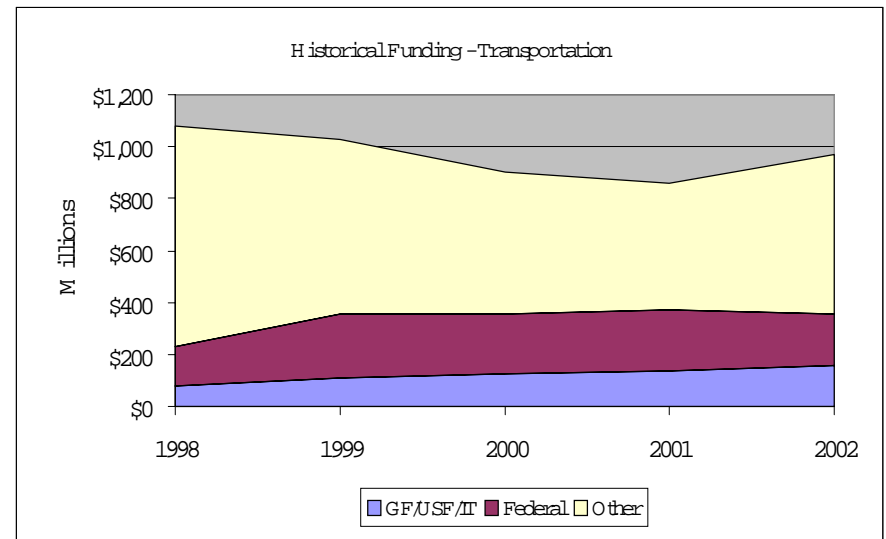


Department of Transportation

State highways in Utah are constructed and maintained, for the most part, with highway user revenues. Principal 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 2002 for the Transportation Fund total \$403,700,000 plus an additional \$194,090,600 in federal funds.

Legislative Action

The Legislature approved FY 2002 expenditures for the Department of Transportation of \$970,506,800. This includes \$6,444,800 in compensation adjustments and \$407,643,000 to fund the FY 2002 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. The Legislature approved a FY 2002 budget of \$34,876,800 for Support Services which is an increase of \$11,752,700 from the FY 2001 appropriation. The appropriation included the following new items:

Project Development System - An appropriation of \$250,000 from the Transportation Fund was made to continue the phase funding for development and hardware purchase of a project development system.

Local Attorney Fees for Legacy Highway Litigation - A one-time appropriation of \$100,000 from the General Fund was granted to assist with legal expenses associated with legal challenges to the construction of the Legacy Highway in Davis County.

Traffic Operations Software and Hardware Maintenance - The Legislature appropriated \$3,881,500 from the Transportation Fund to provide for maintenance of the software and hardware at the Traffic Operations Center.

Space Port Appropriation - The Legislature appropriated \$60,000 to the Department of Transportation to enact requirements of HB 307, Utah Spaceport Authority Act.

FTE Transfers - The Legislature increased the FY 2001 appropriation by \$115,500 to cover the transfer of two FTEs from the Construction Management Program within the Department.

Commuter Rail Right of Way appropriation - A one-time General Fund appropriation of \$10,000,000 was made available to the Utah Transit Authority to purchase rights-of-way in Box Elder, Weber, Davis, Salt Lake, and Utah Counties for a regional commuter rail system.

Intent Language

Regional Commuter Rail Project

It is the intent of the Legislature that \$10,000,000 of the appropriated funds shall be immediately available to the Utah Transit Authority (UTA) to preserve essential transportation corridors upon the execution of a binding purchase and sale agreement between UTA and the Union Pacific Railroad. This appropriation is nonlapsing.

If UTA's agreement with the Union Pacific Railroad does not require the Utah Department of Transportation (UDOT) to build an overpass over the Denver and Rio Grande Western Railroad right of way as UDOT builds the Legacy Highway, it is the intent of the Legislature that UDOT shall provide another \$10,000,000 toward the UTA's corridor preservation. This money shall be immediately available to UTA upon execution of binding purchase and sale agreement between UTA and the Union Pacific Railroad that eliminates the need for UDOT to build this overpass. This appropriation is nonlapsing.

It is the further intent of the Legislature that the UDOT, the Utah Transportation Commission, and the UTA shall work cooperatively, and in good faith to identify and transfer selected parcels or portions of parcels of real property owned by UDOT which are contiguous to the Union Pacific mainline corridor between Payson and Brigham City, for the purposes of preserving a corridor of adequate width for future potential transportation purposes, which purposes include stations and siting and other potential passenger rail appurtenances. These parcels or portions of parcels agreed upon between UDOT and UTA shall be transferred from UDOT to UTA upon the execution of a binding purchase and sale agreement between UTA and the Union Pacific Railroad. It is the intent of the Legislature that in making this land transfer, that UDOT not transfer any land which will adversely affect the operation and maintenance of the state highway system, including any presently identified, future highway expansion.

Engineering Services

The Engineering Services Division includes the following programs: Safety Operations, Traffic Safety, Program Development, Preconstruction Administration, Structures, Materials Lab, Research, Engineering Services, and Right of Way. The FY 2002 budget approved for the Engineering Services Division is \$21,496,700.

The Legislature adjusted the FY 2001 appropriation by \$149,000 and the FY 2002 appropriation by \$215,700 to the Engineering Services line item. These appropriations include the following FTE and assignment changes:

- The transfer of one FTE in the Program Development Program to the Region Management Program.
- Transfer of one FTE to the Engineering Services Program from each of the following: the Support Services Program, Region Management, and Construction Management.

Photolog Imaging appropriation - An appropriation of \$50,000 as a one time appropriation from the Transportation Fund was made to continue the phase funding for purchase of a centralized image server and software to continue development of a new photolog imaging system.

Intent Language

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 Joint Appropriations Committee prior to the General 2002 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 Joint Appropriation Committee and any transfer of funding will be facilitated through a supplemental appropriations request in the 2002 General Session.

It is the intent of the Legislature that the Department of Transportation, in conjunction with the Transportation Commission, and Wasatch Front Regional Council, prepare a Salt Lake County ten year transportation plan, which will include the environmental assessment study for the Western Transportation Corridor as part of that plan, preservation of key properties in that corridor, and funding sources and requirements.

Construction

The Construction line item includes the Construction Management Program, Rehabilitation/Preservation, Federal Construction-New, and State Construction-New. The Legislature approved a total FY 2002 budget for the Construction line item of \$229,337,900. 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 been provided since 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 2001 supplements for:

- The transfer of 18 FTEs from the Construction line item to assist with other assignments within the Support Services Program of the Department.
- The transfer of three FTEs to the Construction line item to assist with contracts for state wide highway construction projects.

Intent Language

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 crew 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 of 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. The 2002 Fiscal Year commitment to the Centennial Highway Fund is \$407,643,000. The following are some of the key funding sources:

The Legislature made \$146,000,000 available to the Department of Transportation for highway construction from the General Fund as ongoing funding to the Centennial Highway Fund. These funds are anticipated to be used to mitigate critical statewide transportation issues, particularly along the I-15 corridor and Legacy Highway.

An appropriation of \$5,460,000 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 \$8,441,500 in FY 2002.

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 \$53,392,500 in FY 2002.

House Bill 414, "Registration Fees on Vehicles", enacted during the 1997 General Session is estimated to increase revenues to the Centennial Highway Fund by \$18,670,000 in FY 2002.

Designated Sales Tax of \$5,077,000 made available by shifting the 1/64 percent of sales tax from the 2002 Olympics to the Centennial Highway Fund and \$74,667,000 from beginning balances in the Centennial Highway Fund.

General Obligation bonds will be issued in FY 2002 in the amount of \$125,000,000 for use on projects within the Centennial Highway Program. Debt service on previous bond issues is estimated to be \$82,657,500 for FY 2002.

Federal funds available for Centennial Highway Projects are estimated to be \$38,016,000. In addition, \$10,135,000 will be available for projects on I-15 with the enactment of a local transit tax added to the sales tax in Salt Lake County.

Region Management

The Legislature approved a total FY 2002 budget for Region Management of \$22,720,600 which is an increase of \$2,225,600 from FY 2001 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:

- A one-time appropriation of \$450,000 was approved to purchase testing equipment for the regional laboratories. This equipment will be used to test asphalt materials used in new construction and highway rehabilitation.
- A transfer of the eleven FTEs to various Region Management functions was made to decentralize field crews to assignments in the four regions to assist with preconstruction engineering and materials testing.

Equipment Management

The Legislature approved a FY 2002 expenditure of \$19,096,000 for Equipment Management.

Replacement Equipment - 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.

800 Megahertz Funding - An appropriation of \$377,300 was provided for the Department of Transportation's portion of the FY 2002 phase of the new 800 Megahertz communications system. Equipment purchases make up \$177,900 of the funding and is considered as a one-time expenditure.

One-time Capitol Outlay Increase - A one-time appropriation of \$1,100,000 was granted to purchase equipment for the 21 new maintenance FTEs approved to cover the expansion of I-15 in Salt Lake and Davis counties.

Maintenance Management

The Legislature approved a FY 2002 budget for Maintenance Management of \$78,570,900. The appropriation includes an increase of \$809,100 from the Transportation Fund to increase maintenance of state highways.

I-15 Maintenance Personnel Increase - The rebuilt portion of I-15 in Salt Lake County and lane expansion in Davis County are expected to increase surface areas to be maintained by approximately three times. The Legislature appropriated funding of \$3,778,900 for snow plowing and routine maintenance functions of these new surfaces. That funding also provided 21 new FTEs to handle the additional workload.

Maintenance Shed Additions - The Legislature also included \$640,000 from the Transportation Fund as a one-time expenditure to expand current maintenance sheds to accommodate the new equipment that the additional personnel will require at these facilities.

Intent Language

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 2002 budget for the Sidewalk Construction Program of \$550,000. The \$50,000 portion of the appropriation is a one-time appropriation from the General Fund.

Intent Language

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 72-8-104, 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 2002 expenditure for the Mineral Lease/Payment in Lieu programs of \$16,760,000.

Intent Language

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 industries 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 \$117,194,800 for distribution to local governments through the B & C Road Account for FY 2002. This is an estimate only since the actual disbursement will depend on the total free revenues collected in the Transportation Fund in FY 2002. The appropriation includes 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 \$19,000,000 to the B & C Road Fund in FY 2002.

Aeronautics

The Legislature approved a total FY 2002 budget for the Aeronautics Division of \$22,260,100 which is an increase of \$1,775,700 from estimated FY 2001. Included in that increase are the following:

Airplane Replacement - An appropriation of \$288,400 from the Transportation Fund Restricted - Aeronautics was approved to fund the FY 2002 lease of a new plane that was approved by the Legislature during the 2000 General Session.

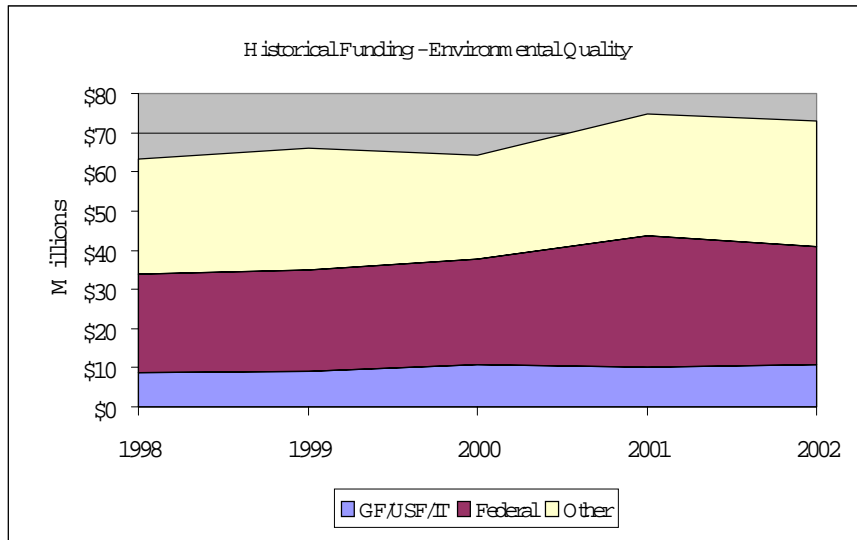
Airport Authority - Continued funding of \$200,000 from the General Fund was implemented with provisions of Senate Bill 150, "An appropriation for Airport Authority" during the 2000 General Session. These funds are anticipated to be used to assist local airports with maintenance and reconstruction of their airport facilities. In addition, a one-time appropriation of \$2,152,000 was also approved.

Funding Detail

	Transportation				
	2001 Estimated	2001 Supplemental	2001 Revised	2002 Appropriated	Change from 2001 Revised
Financing					
General Fund	115,246,600		115,246,600	147,299,800	32,053,200
General Fund, One-time	20,000,000	3,079,000	23,079,000	12,362,000	(10,717,000)
Transportation Fund	376,271,700		376,271,700	388,729,000	12,457,300
Transportation Fund, One-time				2,585,500	2,585,500
Centennial Highway Fund	18,032,000		18,032,000	18,670,000	638,000
Centennial Highway Fund, One-time		(3,079,000)	(3,079,000)		3,079,000
Federal Funds	232,715,500		232,715,500	194,090,600	(38,624,900)
Dedicated Credits Revenue	19,761,100		19,761,100	22,688,700	2,927,600
Dedicated Credits - Transportation Bonds				125,000,000	125,000,000
Federal Mineral Lease	13,000,000		13,000,000	16,760,000	3,760,000
Restricted Revenue	1,000,000		1,000,000		(1,000,000)
TFR - Aeronautics Fund	9,768,500		9,768,500	9,492,200	(276,300)
Trust and Agency Funds	1,135,900		1,135,900		(1,135,900)
Debt Service	(41,104,400)		(41,104,400)	(82,657,500)	(41,553,100)
Designated Sales Tax	22,770,000		22,770,000	35,212,000	12,442,000
Transfers - Within Agency	6,166,000		6,166,000	6,166,000	
Beginning Nonlapsing	64,189,600		64,189,600	74,667,000	10,477,400
Closing Nonlapsing	(8,600)		(8,600)	(558,500)	(549,900)
Total	\$858,943,900	\$0	\$858,943,900	\$970,506,800	\$111,562,900
Programs					
Support Services	23,654,100	315,800	23,969,900	34,876,800	10,906,900
Engineering Services	20,866,300	149,000	21,015,300	21,496,700	481,400
Maintenance Management	72,631,400	(3,800)	72,627,600	78,570,900	5,943,300
Construction Management	234,313,700	(948,100)	233,365,600	229,337,900	(4,027,700)
District Management	20,495,000	487,100	20,982,100	22,720,600	1,738,500
Equipment Management	17,041,400		17,041,400	19,096,000	2,054,600
Aeronautics	20,484,400		20,484,400	22,260,100	1,775,700
Band C Roads	110,744,800		110,744,800	117,194,800	6,450,000
Safe Sidewalk Construction	1,779,800		1,779,800	550,000	(1,229,800)
Mineral Lease	13,000,000		13,000,000	16,760,000	3,760,000
Centennial Highway Program	323,933,000		323,933,000	407,643,000	83,710,000
Total	\$858,943,900	\$0	\$858,943,900	\$970,506,800	\$111,562,900
FTE/Other					
Total FTE	1,777.0	0.0	1,777.0	1,832.0	55.0
Vehicles	1,892		1,892	1,892	0.0

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 2002 expenditures for the Department of Environmental Quality of \$73,136,600. This includes \$1,698,400 in compensation adjustments.



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 2002 budget for the Executive Director's Office of \$5,396,500. This appropriation includes salary and benefit adjustments of \$156,400.

High Level Nuclear Waste Storage - One-time appropriations of \$300,000 in FY 2001 and \$800,000 in FY 2002 from the General Fund and \$439,000 from the General Fund Restricted - Environmental Quality Account were approved to conduct an investigation to identify, evaluate, and communicate risks associated with the storage of high level nuclear waste in Utah. These funds will also be used to initiate litigation to fight the disposal of high level nuclear waste in Utah.

Intent Language

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

It is the intent of the Legislature that the Department of Environmental Quality implement an internal Performance Management Initiative that assesses efficient use of Department personnel and budgets. This plan will continue to be updated and coordinated through a Department 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 Joint Appropriations Subcommittee for Transportation and Environmental Quality prior to the General 2002 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 Environmental Quality, in conjunction

with these improvement initiatives, be given authorization to adjust the assignment of FTE positions between program 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 Joint Appropriations Subcommittee for Transportation and Environmental Quality and any transfer of funding will be facilitated through a supplemental appropriations request in the 2002 Session.

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 2002 budget for Air Quality of \$7,285,600.

Intent Language

Operating Permit Program

It is the intent of the Legislature that any unexpended funds in the Air Operating Permit Program are non-lapsing and authorized for use in the Operating Permit Program in FY 2002 to reduce emission fees.

The following intent statements were included with the Air Quality Program in the FY 2000 budget that continue to be applicable in FY 2002:

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 \$11,229,7000 to the Response and Remediation Program for FY 2002. 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 2002 to continue services of an attorney to recover funds that have been expended to clean up sites not covered by the Petroleum Storage Tank Expendable Trust Fund.

Hazardous Materials Clean up - The Legislature appropriated \$400,000 from the General Fund Restricted - Environmental Quality Account as a one-time appropriation. These funds will be used to clean up hazardous material releases that cause an immediate threat to public health or the environment when the responsible party is unwilling, unavailable, or unable to take appropriate action.

Intent Language

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.

Radiation Control

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

The Legislature appropriated \$1,971,900 as an expenditure level for FY 2002 for the Radiation Control Program.

Containerized Low Level Radioactive Waste - The State's low level radioactive waste licensee has requested an amendment to their license to be able to accept Containerized Low Level Radioactive Waste. An increase of \$317,700 from the General Fund Restricted Account - Environmental Quality was provided to fund increased costs to administer regulations if the amendment to the license is granted.

House Bill 370 - "Hazardous Waste Amendment" was enacted to begin to tax low-level nuclear waste that is disposed in Utah.

Intent Language

It is the intent of the Legislature that the \$125,000 appropriated to the Department of Environmental Quality from the Environmental Quality Restricted Account for the development of a Generator Site Access license data base and electronic system be non-lapsing until the design and implementation of the system is completed. At the end of the fiscal year in which the system is completed, any funds remaining from the appropriation will lapse into the Environmental Quality Restricted Account.

It is the intent of the Legislature that the Executive Director of the Department of Environmental Quality may accept and expend funds under the provision of UCA 19-1-202(2)(c) for review of Radioactive Waste license amendments for disposal of Containerized Class A Low Level Radioactive Waste. Any funding received by the Executive Director for review of radioactive waste license amendments for disposal of Containerized A Low Level Radioactive Waste shall be non-lapsing.

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 \$8,233,700 was approved by the Legislature for the Water Quality Program for FY 2002. In addition, \$17,546,400 was approved for the water quality loan program for FY 2002. The plan of financing includes \$5,000,000 in federal funds, \$7,900,000 from loan repayments, and \$4,646,400 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", enacted during the 2000 General Session reduces the 1/64 cent portion by \$575,000 annually for species protection.

Intent Language

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 2002 of \$3,255,900. In addition, an appropriation of \$11,302,200 was approved for the Drinking Water Loan Program for FY 2002. This appropriation includes \$6,500,000 in federal funds and \$4,646,400 from Designated Sales Tax Revenue. The Designated Sales Tax Revenue comes from 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", enacted during the 2000 General Session reduces the 1/64 cent portion by \$575,000 annually for species protection. In addition, \$70,000 from General Fund will be made available from within current budgets to implement provisions of the Environmental Protection Agency's requirements for storm water discharge permitting.

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 2002 budget for Solid and Hazardous Waste of \$6,524,700.

House Bill 115, "Waste Tire Recycling," was enacted which increases the fee charged on new tires purchased from \$.85 to \$1 per tire.

Funding Detail

	Environmental Quality				
	2001 Estimated	2001 Supplemental	2001 Revised	2002 Appropriated	Change from 2001 Revised
Financing					
General Fund	9,759,000		9,759,000	9,969,500	210,500
General Fund, One-time		295,200	295,200	800,000	504,800
Federal Funds	33,497,400	(4,800)	33,492,600	30,043,800	(3,448,800)
Dedicated Credits Revenue	6,285,900	(4,000)	6,281,900	5,999,900	(282,000)
GFR - Environmental Quality	4,990,500	199,100	5,189,600	5,270,800	81,200
GFR - Used Oil Administration				685,600	685,600
GFR - Voluntary Cleanup	54,000	32,500	86,500	88,900	2,400
GFR - WDS - Drinking Water	586,700		586,700	52,000	(534,700)
GFR - WDS - Water Quality	792,400		792,400	544,900	(247,500)
ET - Petroleum Storage Tank	941,300		941,300	1,112,100	170,800
ET - Waste Tire Recycling				98,500	98,500
Designated Sales Tax	9,110,600		9,110,600	9,292,800	182,200
Petroleum Storage Tank Account	50,000		50,000	50,000	
Petroleum Storage Tank Loan	123,400		123,400	130,000	6,600
Transfers - Within Agency	198,900	(100)	198,800	174,400	(24,400)
Repayments	6,946,800		6,946,800	8,055,800	1,109,000
Beginning Nonlapsing	1,846,300		1,846,300	769,000	(1,077,300)
Closing Nonlapsing	(779,000)		(779,000)	(1,400)	777,600
Total	\$74,404,200	\$517,900	\$74,922,100	\$73,136,600	(\$1,785,500)
Programs					
Environmental Quality	44,008,200	517,900	44,526,100	43,888,000	(638,100)
Water Security Devel Act - Water Pollution	18,686,800		18,686,800	17,546,400	(1,140,400)
Water Security Devel Act - Drinking Water	11,709,200		11,709,200	11,302,200	(407,000)
Hazardous Substance Mitigation Fund				400,000	400,000
Total	\$74,404,200	\$517,900	\$74,922,100	\$73,136,600	(\$1,785,500)
FTE/Other					
Total FTE	423.0	4.0	427.0	417.5	(9.5)
Vehicles	44		44	44	0.0

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 2002 expenditures for the Utah National Guard of \$16,208,000. This includes \$403,500 in compensation adjustments and \$598,100 to fund increased expenditures for legislation enacted during the 2000 General Session of the Legislature. The appropriation included the following new items:

Office of Veterans' Affairs - An appropriation of \$174,200 to transfer the Office of Veterans' Affairs from the Department of Community and Economic Development to the National Guard as required by enactment of House Bill 140 "Reorganization of Veteran Related Programs" during the 2000 General Session.

Veterans' Cemetery - Appropriations of \$423,900 were approved for the transfer of responsibility for the Veterans' Cemetery from the Department of Natural Resources to the National Guard as required by enactment of House Bill 140 "Reorganization of Veteran Related Programs" during the 2000 General Session.

Utility Rate Increases - A one time General Fund appropriation of \$90,600 in FY 2001 was approved to offset the rapid increases in electricity and natural gas costs.

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 transfer 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. The Veterans' Affairs Program and Veterans' Cemetery transfers were completed with the FY 2002 appropriation and the Veterans' Nursing Home will be part of the FY 2003 budget recommendation.

Funding Detail

National Guard					
	2001 Estimated	2001 Supplemental	2001 Revised	2002 Appropriated	Change from 2001 Revised
Financing					
General Fund	3,672,300		3,672,300	4,090,000	417,700
General Fund, One-time		259,800	259,800	282,000	22,200
Federal Funds	11,524,700		11,524,700	11,676,900	152,200
Dedicated Credits Revenue	40,000	5,000	45,000	78,000	33,000
Transfers - Intergovernmental	137,000		137,000	40,500	(96,500)
Beginning Nonlapsing	16,800	36,900	53,700	36,900	(16,800)
Closing Nonlapsing		(36,900)	(36,900)	(36,900)	
Total	\$15,390,800	\$264,800	\$15,655,600	\$16,167,400	\$511,800
Programs					
Utah National Guard	15,390,800	264,800	15,655,600	16,167,400	511,800
Total	\$15,390,800	\$264,800	\$15,655,600	\$16,167,400	\$511,800
FTE/Other					
Total FTE	131.0	2.0	133.0	137.5	4.5
Vehicles	29		29	29	0.0

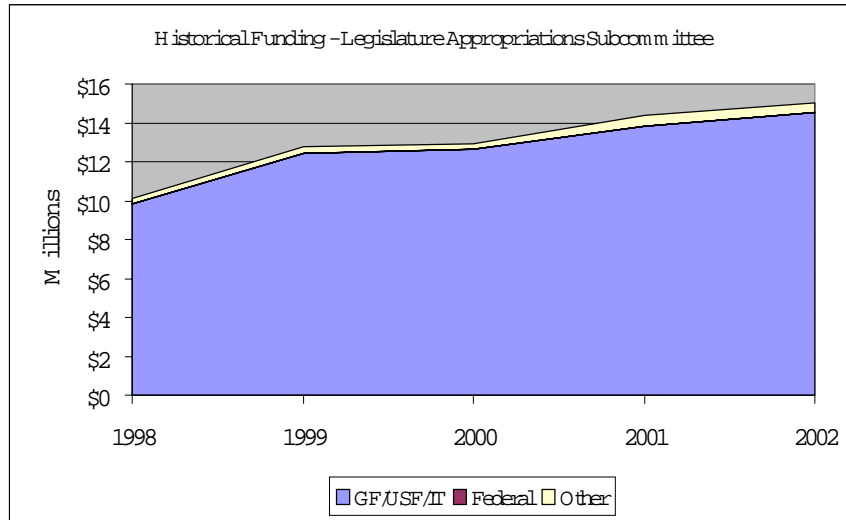
Funding Detail

Transportation & Environmental Quality Appropriations Subcommittee					
	2001	2001	2001	2002	Change from
	Estimated	Supplemental	Revised	Appropriated	2001 Revised
Financing	128,677,900		128,677,900	161,359,300	32,681,400
General Fund	20,000,000	3,634,000	23,634,000	13,444,000	(10,190,000)
Transportation Fund	376,271,700		376,271,700	388,729,000	12,457,300
Transportation Fund, One-time				2,585,500	2,585,500
Centennial Highway Fund	18,032,000		18,032,000	18,670,000	638,000
Centennial Highway Fund, One-time		(3,079,000)	(3,079,000)		3,079,000
Federal Funds	277,737,600	(4,800)	277,732,800	235,811,300	(41,921,500)
Dedicated Credits Revenue	26,087,000	1,000	26,088,000	28,766,600	2,678,600
Dedicated Credits - Transportation Bonds				125,000,000	125,000,000
Federal Mineral Lease	13,000,000		13,000,000	16,760,000	3,760,000
Restricted Revenue	1,000,000		1,000,000		(1,000,000)
GFR - Environmental Quality	4,990,500	199,100	5,189,600	5,270,800	81,200
GFR - Used Oil Administration				685,600	685,600
GFR - Voluntary Cleanup	54,000	32,500	86,500	88,900	2,400
GFR - WDS - Drinking Water	586,700		586,700	52,000	(534,700)
GFR - WDS - Water Quality	792,400		792,400	544,900	(247,500)
TRF - Aeronautics Fund	9,768,500		9,768,500	9,492,200	(276,300)
Trust and Agency Funds	1,135,900		1,135,900		(1,135,900)
ET - Petroleum Storage Tank	941,300		941,300	1,112,100	170,800
ET - Waste Tire Recycling				98,500	98,500
Debt Service	(41,104,400)		(41,104,400)	(82,657,500)	(41,553,100)
Designated Sales Tax	31,880,600		31,880,600	44,504,800	12,624,200
Petroleum Storage Tank Account	50,000		50,000	50,000	
Petroleum Storage Tank Loan	123,400		123,400	130,000	6,600
Transfers - Intergovernmental	137,000		137,000	40,500	(96,500)
Transfers - Within Agency	6,364,900	(100)	6,364,800	6,340,400	(24,400)
Repayments	6,946,800		6,946,800	8,055,800	1,109,000
Beginning Nonlapsing	66,052,700	36,900	66,089,600	75,472,900	9,383,300
Closing Nonlapsing	(787,600)	(36,900)	(824,500)	(596,800)	227,700
Total	\$948,738,900	\$782,700	\$949,521,600	\$1,059,810,800	\$110,289,200
Programs					
National Guard	15,390,800	264,800	15,655,600	16,167,400	511,800
Environmental Quality	74,404,200	517,900	74,922,100	73,136,600	(1,785,500)
Transportation	858,943,900		858,943,900	970,506,800	111,562,900
Total	\$948,738,900	\$782,700	\$949,521,600	\$1,059,810,800	\$110,289,200
FTE/Other					
Total FTE	2,331.0	6.0	2,337.0	2,387.0	50.0
Vehicles	1,965		1,965	1,965	0.0

Transportation & Environmental Quality Appropriations Subcommittee	
One-time State Funding Items (G F / USF / IT)	
Item Name	FY 2002 Appropriated
National Guard - Utah National Guard - Armory Maintenance	100,000
National Guard - Utah National Guard - Veterans' Cemetery	182,000
Environmental Quality	800,000
Transportation - Support Services - Administrative Services	10,160,000
Transportation - Aeronautics - Airport Construction	2,152,000
Transportation - Safe Sidewalk Construction - Sidewalk Construction	50,000
Total	13,444,000

Legislature

Legislature



Legislative Action

The total FY 2002 appropriation of \$15,010,850 for the Legislature and its staff agencies is an increase of 5.1 percent from estimated expenditures in FY 2001. 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, committee secretaries, pages, sergeant-at-arms, clerks, public information officers, tour guides, and hostess personnel.
- The Legislature approved funding of \$41,800 for the Office of Legislative Research and General Counsel to allow office personnel to participate with the Commission on Uniform Code.
- Funding of \$50,000 was provided to increase the stipend granted to legislative interns.

- The Legislature appropriated \$1,000,000 for the three staff offices to address market comparability adjustments to staff personnel. The Office of Legislative Research and General Counsel received \$720,000, the Legislative Auditor General received \$130,000, and the Legislative Fiscal Analyst received \$150,000 to accomplish those adjustments.
- An appropriation of \$47,750 was provided for the expense and staff support of a task force for "Enhancement of Public Education".
- The Legislature also approved supplemental funding of \$214,750 in FY 2001 for four additional task forces and commissions:
 - Government Revenue and Tax System Task Force
 - Access to Health Care Force
 - Task Force on Implementation of Water Floridation
 - Enhancement of Public Education Task Force

Funding Detail

Legislature					
	2001	2001	2001	2002	Change from
	Estimated	Supplemental	Revised	Appropriated	2001 Revised
Financing					
General Fund	13,005,500		13,005,500	14,344,800	1,339,300
General Fund, One-time	564,300	232,250	796,550	197,750	(598,800)
Dedicated Credits Revenue	331,000		331,000	319,600	(11,400)
Transfers	50,000		50,000		(50,000)
Beginning Nonlapsing	2,508,500		2,508,500	899,300	(1,609,200)
Closing Nonlapsing	(2,333,100)		(2,333,100)	(750,600)	1,582,500
Total	\$14,126,200	\$232,250	\$14,358,450	\$15,010,850	\$652,400
Programs					
Senate	1,598,300	43,950	1,642,250	1,752,850	110,600
House of Representatives	2,736,700	58,300	2,795,000	2,816,100	21,100
Legislative Auditor General	2,008,000		2,008,000	2,131,500	123,500
Legislative Fiscal Analyst	1,939,100		1,939,100	2,156,800	217,700
Legislative Printing	854,500		854,500	851,600	(2,900)
Legislative Research and General Counsel	4,717,500	130,000	4,847,500	5,197,000	349,500
Tax Review Commission	50,000		50,000	50,000	
Dues - CSG	74,700		74,700		(74,700)
Dues - NCSL	92,400		92,400		(92,400)
Constitutional Revision Commission	55,000		55,000	55,000	
Total	\$14,126,200	\$232,250	\$14,358,450	\$15,010,850	\$652,400
FTE/Other					

G lossary

G lossary of Term s

A llocation -The division of an appropriation into parts which are designated for expenditure by specific units or for specific purposes.

Appropriation -A legislative authorization to make expenditures and incur obligations.

Bill -A proposed law or statute presented to the Legislature for their consideration.

Bill of Bills (Supplemental Appropriations Act II) -A bill which contains funding for legislation that has fiscal impact and funding for other legislative action. It covers two fiscal years.

Bond -A certificate of indebtedness issued by a government entity as evidence of money borrowed. It is a written promise to pay a specified sum at a specified date or dates together with specific periodic interest at a specified rate. The primary bonds used by the State are General Obligation Bonds, Lease Revenue Bonds, and Revenue Bonds.

Budget -Estimates of proposed expenditures and expected revenues for a fiscal year.

Building Blocks -Funding increases or decreases to existing programs.

Calendar Year -The year beginning 1 January and ending 31 December.

Capital Outlay -Expenditures which result in the acquisition or replacement of fixed assets other than computers and related hardware.

Current Expense -An expenditure category which includes general operational expenses of the programs including: consultants, contracts, building maintenance, small office supplies, etc.

Data Processing (DP) -An expenditure category which includes costs incurred to operate information technology systems, such as LAN connections, software under \$5,000, and supplies.

Data Processing Capital -An expenditure category which includes funding for computer hardware, support equipment, systems and software over \$5,000.

Debt Service -The money required to pay the current outstanding interest payments on existing obligations according to the terms of the obligations.

Dedicated Credits Revenue -Money that is paid to an agency by other agencies or the public for services or goods. These funds are usually dedicated to paying for expenses of the agency.

Encumbrance -An obligation in the form of purchase orders, contracts or salary commitments which are chargeable to an appropriation and for which a portion of an appropriation is reserved.

Enterprise Fund -Fund established by a governmental unit which operates much like a business. Used by governmental units that cover most or all of their operating costs through user charges.

Expenditures -Expense categories for personnel, goods and services needed by the State programs. These include: personal services, travel, current expense, DP processing, DP capital, capital outlay, pass-through, and other.

Federal Funds -Money made available to the State by an Act of the Federal Congress. The Governor is authorized to accept, on behalf of the state, any federal assistance funds for programs that are consistent with the needs and goals of the state and its citizens and that are not prohibited by law. Generally, money comes to the State from the federal government with specific requirements. In many cases, the state must provide a match in State funds.

Fiscal Note - The estimate by the Legislative Fiscal Analyst of the amount of present and/or future revenue and/or expenditures that will be affected by the passage of a given bill.

Fiscal Year (FY) - An accounting period of 12 months at the end of which the organization ascertains its financial conditions. The State fiscal year runs from July 1 through June 30 the following year. The federal fiscal year (FFY) is from October 1 through September 30 the following year.

Fee - A fixed charge for a good or service. This is often recorded as Dedicated Credit Revenue.

Fixed Assets - Long term assets which will normally last in excess of one year, such as land, buildings, machinery, furniture, etc.

FTE - is the abbreviation for "Full Time Equivalent" position or employee. It is a method of standardizing the personnel count. One person working a full 40 hour week for one year is equal to 1 FTE. Two people working part-time 20 hour weeks are equal to 1 FTE. Any combination of hours that would be the equivalent of a full time, 40 hour a week employee.

Full Faith and Credit - A pledge of the general taxing power of the government for the payment of a debt obligation.

Fund - An independent fiscal and accounting entity with a self-balancing set of accounts.

General Fund (GF) - A major revenue source for the State. These funds can be spent at the discretion of the Legislature, as the Constitution allows. The primary source of this revenue is the sales tax, although there are several other taxes and fees that contribute to the General Fund.

General Obligation Bonds (GO) - GO debt is secured by the full faith and credit of the State and its ability to tax its citizens and is limited both by the Constitution and statute. GO debt is the least expensive tool available to the state for long term borrowing and is usually issued for six year terms.

Grant - A contribution by one entity to another without expectation of repayment. This is usually made in support of some specified function or goal.

Income Tax Revenue - A major source of revenue for the Uniform School Fund and a potential source of revenue for Higher Education.

Indirect Charges - Also called Overhead Shared Expenses, which cannot be exactly identified to a specific product or service that are often allocated rather than computed.

Initiative - A procedure by which citizens can propose a law and ensure its submission to the electorate.

Intent Language - A statement, added to appropriations bills to explain or put conditions on the use of line item appropriations. These statements are part of an Appropriations Act and expire at the end of the fiscal year. Intent language cannot replace or supersede current statutes.

Interim - The period between regular sessions of the Legislature.

Internal Service Fund - A fund established by a governmental unit to provide goods and services, primarily to other governmental agencies which will be financed through user charges.

Lapse - Means the automatic termination of an appropriation and the return of the unexpended funds to the base fund.

Lapsing Funds - Money that is left over at the end of the year reverts (or lapses) back to the base fund, unless otherwise designated.

Lease Revenue Bonds - The State Building Ownership Authority, issues lease revenue bonds as the official owner of state facilities. Debt service (usually paid over 20 years) is funded through rents collected from user agencies and carries an interest rate slightly higher than general obligation debt.

Legislative Oversight - The responsibility of the Legislature to review operations of executive and judicial agencies.

Line Item - Each appropriated sum is identified by an item number in an appropriations bill. Each line item appropriation may have several programs. Once the appropriation becomes law, funds can be moved from program to program within the line item, but, cannot be moved from one line item to another. The Governor has line item veto power.

Nonlapsing Funds - The Legislature can authorize an agency to keep unused funds at the end of a fiscal year. This can be done in statute or through intent language. Otherwise, unexpended funds lapse to their account of origin.

Obligations - Amounts which a governmental unit may be legally required to pay out of its resources.

One-time vs. Ongoing Funding - Both revenue and expenditures may be one-time (short, distinct period of time) or ongoing (lasting from year to year).

Operating Expenses - Those costs which are necessary to the operations of an agency and its program(s).

Operations and Maintenance (O & M) - Expenses to clean and maintain facilities on a regular basis.

Pass-Through - An expenditure category where funds that are collected by a program or agency and "passed-through" to another group for services or expenditure.

Per Diem - Literally, per day, daily expense money rendered legislators and State personnel.

Personal Services - An expenditure category which includes all personnel costs, including salary and benefits.

Referendum - A method by which a measure, adopted by the Legislature, may be submitted to a popular vote of the electorate.

Regulation - A rule or order of an agency promulgated under the authority of a statute.

Restricted Funds (GFR, USFR, Transportation Fund Restricted) - These accounts restrict revenue for specific purposes or programs.

Retained Earnings - The accumulated earnings of an Internal Service Fund (ISF) or Enterprise Fund (EF) which have been retained in the fund which are not reserved for any specific purpose.

Revenue - The yield of taxes and other sources of income that the state collects.

Revenue Bonds - Revenue bonds are funded through a dedicated source other than a lease payment. Revenue debt service comes primarily from sales revenue such as at State Liquor stores or from auxiliary functions (such as student housing) at institutions of higher education.

Rule - The precise method or procedure of action to govern as determined by each house or both houses.

Administrative rules are the detailed procedures established by the Departments to implement statute and programs.

Shared Revenue - Revenue levied by one governmental unit and distributed to one or more other governmental units.

Statute - A written law enacted by a duly organized and constituted legislative body and approved by the Governor.

Supplemental Appropriation - The adjustment of funds allocated over/under the original appropriation. Generally, an increase in current year appropriations above the original legislative appropriation.

Surety Bond - A written commitment to pay damages for losses caused by the parties named due to non-performance or default.

Tax - A compulsory charge or contribution levied by the government on persons or organizations for financial support.

Transfers - Movement of money from one governmental unit account to another governmental unit account. (Usually reflects the exchange of funds between line items.)

Transportation Fund - The funding is primarily from the gas tax. This revenue is constitutionally restricted to road and highway related issues.

Travel, in-state and out-of-state - An expenditure category which includes funding for program travel and supportive services, e.g. airline tickets, rental cars, hotels, meals, etc.

Uniform School Fund (USF) - Revenue for education programs that is primarily from personal income taxes and corporate franchise taxes.

Veto - An official action of the governor to nullify legislative action. The legislature may override the action by a constitutional 2/3 vote of each house if still in Session or if called back into veto override session.