



APPROPRIATIONS SUMMARY

JOHN E. MASSEY, DIRECTOR

6th Special Session Summary

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STATE SUMMARY

**2002 Sixth Special Session
Supplemental Appropriations Action
FY 2003 General Fund and School Funds**

Budget Changes	Ongoing	One-time	Total	Pct
Legislature	(\$572,600)		(\$572,600)	-4.2%
Exec. Offices & Criminal Justice	(17,591,600)	\$6,735,000	(10,856,600)	-2.6%
Capital Fac. & Admin. Services	(844,400)		(844,400)	-0.5%
Commerce & Revenue	(4,276,000)	1,500,000	(2,776,000)	-2.7%
Applied Technology Edu.	(728,500)	303,500	(425,000)	-1.1%
Economic Dev. & Human Res.	(1,345,000)	50,000	(1,295,000)	-3.8%
HHS - Health	(4,285,200)	4,285,200		0.0%
HHS - Human Services	(3,714,800)	3,714,800		0.0%
Higher Education	(10,988,300)	8,578,500	(2,409,800)	-0.4%
Utah Education Network	(283,200)	118,000	(165,200)	-1.1%
Natural Resources	(1,899,300)	200,000	(1,699,300)	-3.8%
Public Education	(19,000,000)	19,000,000		0.0%
Transp. & Environ. Quality	(632,900)	150,000	(482,900)	-0.5%
Subtotal	(\$66,161,800)	\$44,635,000	(\$21,526,800)	-0.6%
Double Funding of DYC Facility	(3,125,000)		(3,125,000)	
UPASS Testing	(2,100,000)		(2,100,000)	
Centennial Highway Program	(20,000,000)		(20,000,000)	
Health Informatix		1,000,000	1,000,000	
Total	(\$91,386,800)	\$45,635,000	(\$45,751,800)	
Revenue Sources	Ongoing	One-time	Total	
Annual Leave Conversion Balance		\$112,800	\$112,800	
Information Tech Innovation Balance		144,500	144,500	
Debt Collection Retained Earnings		500,000	500,000	
ePurchasing Contributed Capital		782,000	782,000	
Capital Planning & Development	\$20,800,000	14,200,000	35,000,000	
Liquor Profits	110,900		110,900	
Industrial Assistance Fund	1,072,000	1,000,000	2,072,000	
Designated Sales Tax	4,500,000		4,500,000	
MSP Nonlapsing Balances		7,800,000	7,800,000	
Tobacco Settlement		21,135,000	21,135,000	
Total	\$26,482,900	\$45,674,300	\$72,157,200	
Total Sources to Balance	\$117,869,700	\$39,300	\$117,909,000	

6th Special Session - Balancing Summary

Revenue Shortfall	(\$117.3) million
Operating Budget Reductions	\$21.5 million
Capital, Road & Other Project Reductions	24.3 million
Replace Capital Facility cash with bonding	35.0 million
Transfer from Tobacco Permanent Fund	21.1 million
Designated Sales Tax	4.5 million
Minimum School Program Non-Lapsing	7.8 million
Miscellaneous Revenue	3.1 million
Ending Balance	\$0

SUMMARIES BY ISSUE AREA

The Legislature passed H.B. 6006, Budget Reallocation Authority. The bill enhances agency flexibility in addressing appropriations in Senate Bill 1 and House Bill 3 from the 2002 General Session. Each agency shall: "review and analyze its programs and budgets to determine the best allocation of monies between line items and programs; and make specific recommendations for reallocation of monies between line items and programs to the Legislative Fiscal Analyst and the director of the Governor's Office of Planning and Budget by January 27, 2003. The Legislative Fiscal Analyst shall present the recommendations to the Executive Appropriations Committee for review and possible inclusion in a Supplemental Appropriations Act for the 2003 General Session."

PUBLIC EDUCATION

STAFF: MIKE KJAR & BEN LEISHMAN

The Legislature reduced the FY 2003 Public Education budget by \$19,000,000. The Minimum School Program and Public Education Agencies received equal reductions of approximately 1.2%. Appropriators provided for a one-time restoration to the Public Education budget of \$19 million for FY 2003. Restorations made by the Legislature leaves the Public Education budget at the same level as appropriated during the 5th Special Session of the Legislature.

House Bill 6005, Education Testing Amendments, eliminated requirements to include constructive response test items in certain UPASS achievement tests. By eliminating these requirements the state saves approximately \$2.1 million in testing expenditures.

HIGHER EDUCATION

STAFF: BOYD GARRIOTT, DEBBIE HEADDEN & J. BALL (UEN)

The Legislature reduced the Higher Education budget by \$10,988,300. The Legislature provided a one-time restoration of \$4,578,500. An additional restoration of \$4,000,000 was appropriated to the State Board of Regents- Administration line item for a net reduction of \$2,409,800. Legislative Intent Language was included in H.B. 6001 allowing the Regents to distribute \$4,000,000 of the one-time restoration to institutions of Higher Education including the Utah College of Applied Technology (UCAT) and the Utah Education Network (UEN) based on the following criteria:

1. The mission of the institution;
2. The impact of budget cuts on students; and
3. The need identified by the institutions.

Any potential Regents add-back notwithstanding, the Legislature cut UEN's state funds base budget by \$283,200. Appropriators restored \$118,100 in one-time funds for FY 2003. The net impact on UEN's FY 2003 budget is a cut of \$165,200 (1.1% of it's FY 2003 ongoing base).

EXECUTIVE OFFICES & CRIMINAL JUSTICE

STAFF: BILL GREER & GARY RICKS

The agencies under the purview of the Executive Offices and Criminal Justice Appropriations Subcommittee received an ongoing 4.25% “across-the-board” budget reduction totaling \$17,591,600 General Fund. To offset this reduction for FY 2003, legislators provided \$6,735,000 one-time General Fund. One-time restorations for FY 2003 are: State Treasurer - \$35,000; Department of Public Safety - \$500,000; Division of Youth Corrections - \$1,000,000; Department of (Adult) Corrections - \$4,150,000; Board of Pardons and Parole - \$100,000; and Courts - \$950,000. Several of the Agencies listed above have non-lapsing carryover funds which can be used to mitigate the impact of the budget reductions. The FY 2003 appropriation for the nine agencies of this Subcommittee total \$548,605,300 of which \$401,202,000 is from the General Fund.

ECONOMIC DEV. & HUMAN RESOURCES

STAFF: ANDREA WILKO

Legislative action resulted in a net \$1,345,000 State fund reduction to Economic Development and Human Resources. To offset this reduction, appropriators provided for a \$50,000 one-time General Fund (GF) restoration. The Legislature also appropriated \$1,000,000 from the Industrial Assistance Fund to create a Health Informatics business incentive package.

CAPITAL FACILITIES & ADMIN. SERVICES

STAFF: KEVIN WALTHERS & JONATHAN BALL (IT)

Legislator’s reduced operating budgets in the Department of Administrative Services (DAS) and the Capitol Preservation Board (CPB) by \$844,400 (or 4.2%) of ongoing funds. Appropriators provided no one-time FY 2003 restorations in these areas.

The Legislature tapped \$3.125 million in already approved bonds for a youth corrections facility, whereby freeing an equal amount in General Fund cash. They also approved \$35 million in bonds to finance four previously cash-funded projects.

Lawmakers also swept un-obligated balances from a number of accounts and programs managed by DAS. These include: Annual Leave Conversion (\$112,800); IT Innovation Program (\$144,500); Debt Collection (\$500,000); and ePurchasing (\$782,000). The balances were used to fund one-time restorations in other agencies.

HEALTH & HUMAN SERVICES

STAFF: SPENCER PRATT & THOR NILSEN

DEPARTMENT OF HEALTH

The Legislature reduced ongoing General Fund (GF) budgets for the Department of Health by \$4,285,200. However, the reductions were completely offset for FY 2003 only with one-time General Funds. The effect will maintain the FY 2003 budgets at current levels, but will reduce the FY 2004 base budget by \$4,285,200.

DEPARTMENT OF HUMAN SERVICES

The Legislature reduced the FY 2003 base GF budgets of the Department of Human Services by \$3,714,800 in the Divisions of Aging and Adult Services, Mental Health, Substance Abuse, Services for People with Disabilities, Recovery Services, Child and Family Services and the Executive Director Operations. The Legislature offset base reductions with one-time GF appropriations, holding these budgets harmless for FY 2003. The FY 2004 beginning base GF budget will reflect the \$3,714,800 reductions.

COMMERCE & REVENUE

STAFF: STAN ECKERSLEY & DEBBIE HEADDEN (UCAT)

The Legislature reduced State funds in the Tax Commission, Workforce Services, Labor Commission, Insurance, and Public Service Commission by 4.25%. The Legislature added back \$500,000 in one-time GF to the Tax Commission to help maintain revenue collections, and \$1,000,000 to Workforce Services to soften the impact to the General Assistance program. Total agency reductions total \$2,776,000. The Legislature also moved \$110,900 from the Liquor Control Fund to the General Fund.

UTAH COLLEGE OF APPLIED TECHNOLOGY (UCAT)

The Legislature reduced the State funding of the UCAT by \$728,500 in the 6th Special Session. To diminish the impact of these budget reductions, a one-time restoration was appropriated of \$425,000 for a net reduction of \$303,500.

NATURAL RESOURCES

STAFF: STEVE ALLRED

The Department of Natural Resources and the Department of Agriculture and Food had their Fiscal Year 2003 budgets reduced by 4.25 percent. This amounted to a reduction of \$1,492,700 for the Department of Natural Resources, and \$406,600 for the Department of Agriculture and Food, in addition to prior reductions. The Department of Agriculture and Food received a one-time GF increase of \$200,000 to offset some reductions in its regulatory programs in FY 2003 only. In a separate bill (H.B. 6004), \$1,475,000 of sales tax money formerly dedicated to the subcommittee’s water projects was diverted to the General Fund. This is in addition to \$5 million that was deducted in a prior session.

TRANSPORTATION & ENV. QUALITY

STAFF: MARK BLEAZARD

DEPARTMENT OF TRANSPORTATION

Legislative action reduced GF appropriations to operating budgets of the Department of Transportation by \$42,900. General Fund appropriations to the Centennial Highway Program were reduced by \$20,000,000. This action is not anticipated to alter the number of projects built or schedule of construction in the Centennial Highway Program.

DEPARTMENT OF ENVIRONMENTAL QUALITY

Legislative action resulted in a net reduction of \$413,200 to the operating budgets of the Department of Environmental Quality. Water loan programs for drinking water and water quality were also reduced by \$625,000 each during the 6th special session.

NATIONAL GUARD

Legislative action resulted in a State fund reduction of \$176,800 to the Utah National Guard. To mitigate consequences of this reduction to National Guard facilities the Legislature appropriated \$150,000 as a one-time restoration of funding.

LEGISLATURE

STAFF: MARK BLEAZARD

Legislative action resulted in a GF reduction of \$572,600 to the operating budgets of the legislature and legislative staff offices.