Executive Appropriations Committee
of the Utah State Legislature

Budget Summary

2003 General Session
(Fiscal Years 2003 and 2004)
Questions

- What are trends in state budget?
- What were total annual shortfalls and how were they met?
- How was state budget impacted by 2003 General Session?
- What are trends by subcommittee?
- What were major subcommittee issues in 2003 General Session?
What are overall trends in state budget?

Comparison of Revenue to Appropriation FY 2001 - FY 2004 General & School Funds

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Dollars (in Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>3,750</td>
</tr>
<tr>
<td>2002</td>
<td>3,600</td>
</tr>
<tr>
<td>2003</td>
<td>3,100</td>
</tr>
<tr>
<td>2004</td>
<td>3,700</td>
</tr>
</tbody>
</table>

Legend:
- Appropriation
- Supplementals
- Revenue
What were total annual shortfalls and how were they met?

Comparison of Revenue to Appropriation
FY 2001 - FY 2004 General & School Funds

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Approp of Revised Rev</th>
<th>Approp of Enhanced Rev</th>
<th>Approp Cuts</th>
<th>Supplementals</th>
<th>Estimated Revenue</th>
<th>Revised + Enhanced Rev</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>3,300</td>
<td>3,500</td>
<td>3,700</td>
<td>3,800</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2002</td>
<td>3,200</td>
<td>3,400</td>
<td>3,600</td>
<td>3,800</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2003</td>
<td>3,100</td>
<td>3,300</td>
<td>3,500</td>
<td>3,700</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>3,000</td>
<td>3,200</td>
<td>3,400</td>
<td>3,600</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
How was state (GF/USF) budget impacted by 2003 General Session?

- $12.6 million (+0.4% from December, 2002) in FY 2003 supplemental increases
- $61 million (+1.7%) in FY 2004 increases over FY 2003 revised for March, 2003 action
- $47 million of FY 2004 increases funded benefit cost increases for state workers, teachers, and professors
Major Issues in 2003 General Session
State of Utah

- Elimination of sales tax exemptions on cable and satellite television ($14m)
- New fees on hazardous waste ($2.7m)
- Tuition increases
  - Tier 1 – 4.5%
  - Tier 2 – 7.4% USHE average
- Mark-up on alcoholic beverages ($1.7m)
- Beer tax ($1.1m)
General Fund and School Funds by Area of Expenditure
FY 2004

- Higher Education: 17%
- Public Education: 47%
- Law Enforcement: 11%
- General Gov't: 7%
- Transportation: 2%
- Debt Service: 2%
- Capital Facilities: 1%
- Health & Human Service: 13%
$100,000 to provide legal advice to low income family members and low income victims of domestic violence

$1.2 million to maintain operations of the Department of Corrections’ Lone Peak facility, whereby avoiding early release of inmates

$569,100 for the Genesis Work Camp, Canyonlands, and Washington County Youth Detention Centers.

$62,000 one-time FY 2003 funds and $811,000 FY 2004 ongoing funds for Department of Public Safety enforcement of alcoholic beverage laws (SB 153, “Alcoholic Beverage Amendments”)
$42.7 million for Capital Improvements - the highest funding level ever for maintenance and repair of facilities

Fully funded (with bonds) replacement of the USU Library and the State Archives

Total Bond = $64 million

$482,700 for Critical Lands maintained
Subcommittee Trends
Commerce & Revenue

Historical Funding - Commerce & Revenue Appropriations
Subcommittee

Funding in Millions

- GF/USF/IT
- Federal Funds
- Other Funds
- FTE

2000 2001 2002 2003 2004

1/24/2003, p. 13
Prepared by the Office of the Legislative Fiscal Analyst
Major Issues in 2003 General Session
Commerce & Revenue

- $4,000,000 for HIPUtah (insurer of uninsured) to avoid capping services
- $4,000,000 ongoing General Fund to the Tax Commission for motor vehicle administration
- $1,000,000 for General Assistance (welfare for people without children)
- $1,400,000 for Food Stamp growth and match rate changes
- $394,000 in FY 2003 to prevent a reduction in force of Tax auditors and collectors
Subcommittee Trends
C&R – Applied Tech Education

Historical Funding - Commerce & Revenue - Applied Technology
Education Appropriations Subcommittee

Funding in Millions

2000 2001 2002 2003 2004

FT

GF/USF/IT
Federal Funds
Other Funds
FTE

1/24/2003, p. 15
Prepared by the Office of the Legislative Fiscal Analyst
$1 million to support enrollment growth, lease expenditures and operation and maintenance of new facilities
Historical Funding - Economic Development & Human Resources

Appropriations Subcommittee

Funding in Millions

- GF/USF/IT
- Federal Funds
- Other Funds
- FTE


1/24/2003, p. 17
Prepared by the Office of the Legislative Fiscal Analyst
$1 million in assistance to Utah businesses through the Industrial Assistance Fund

$450,000 to maintain funding of the Utah Technology Alliance

$2,875,000 for economic development

$30,000 for the Emergency Food Network

$30,000 for the Office of Hispanic Affairs
Subcommittee Trends
HHS – Department of Health

Historical Funding - Health & Human Services - Department of Health Appropriations Subcommittee

Funding in Millions

2000 2001 2002 2003 2004

$0 $200 $400 $600 $800 $1,000 $1,200 $1,400

GF/USF/IT Federal Funds Other Funds FTE

1/24/2003, p. 19
Prepared by the Office of the Legislative Fiscal Analyst
$68 million ($19.3m GF) for caseload growth and utilization

$18 million ($5.1m GF) for pharmacy inflation

$1 million ($300k GF) for Return to Work

$19.6 million to maintain health care for 6,000 Medicaid recipients between 60% and 100% of poverty threshold

$7.5 million for 4,000 additional CHIP participants

$1 million for 300 additional Children with Special Health Care Needs
Subcommittee Trends
HHS – Human Services

Historical Funding - Health & Human Services - Department of Human Services Appropriations Subcommittee

- Federal Funds
- Other Funds
- GF/USF/IT
- FTE

Funding in Millions

- 2000
- 2001
- 2002
- 2003
- 2004

1/24/2003, p. 21
Prepared by the Office of the Legislative Fiscal Analyst
Major Issues in 2003 General Session
HHS – Human Services

- $1.9 million for 51 additional Division of Child and Family caseworkers
- Restored funding for Meals on Wheels ($384,000) and in-home services for the elderly ($425,000)
- Moved Non-medicaid Eligible clients to the Medicaid Waiver program, saving $3.3 million in FY 2003 and an additional $600k in FY 2004
- Reduced Foster Care Citizens Review Board budget by 50%, prompting a “top-to-bottom” review
$2.6 million for operation and maintenance of new facilities

$300k for USU Co-operative Extension

$75k for Dixie State College nursing program

$50k for U of U Art Museum

$375k for U of U Reading Program

$400k for UEN network upgrades & expansion
Major Issues in 2003 General Session
Natural Resources

- $11.5 million for wildland fire suppression
- $280,000 for cricket/grasshopper control
- $266,000 for consumer safety inspections
- $250,000 for leasing and O&M of new lab
- Trail and riverway enhancement grants reduced from $850,000 to $30,000
Major Issues in 2003 General Session
Public Education

- $14.7 million (.84 WPU) for teacher benefits
- $12.7 million for teacher retirement costs
- $11.4 million for student growth
- $1.9 million for Charter Schools
- $9.5 million for Voted and Board Leeway
- $5 million for Teacher Supplies
- $257k for USDB salary increases
- $80k for Fine Arts & Sciences
Historical Funding - Transportation & Environmental Quality Appropriations Subcommittee

- **GF/USF/IT**
- **Federal Funds**
- **Other Funds**
- **FTE**
Major Issues in 2003 General Session
Transportation, Env. Qual. & UNG

- $60 million to continue Centennial Highway Program construction as planned
- $2.16 million in new taxes on hazardous and radioactive waste
- $\frac{1}{4}$ Cent per gallon surcharge on motor fuels for underground storage tanks
- Task-forces on Hazardous Waste Regulation and Policy, Transportation Planning, and Impact of Gravel Pits
The End