

Office of the
Legislative Fiscal Analyst

FY 2001 Budget Recommendations

Joint Appropriations Subcommittee for
Capital Facilities and Administrative Services

Department of Administrative Services
Division of Administrative Rules

Contents:

- 1.0 Summary
- 2.0 Issues
- 3.0 Programs
- 4.0 Additional Information

1.0 Summary: Division of Administrative Rules

The Division of Administrative Rules establishes procedures for administrative rulemaking, records administrative rules, and makes administrative rules available to the public. As a member of the Department of Administrative Services, the Division "provides agencies assistance in rulemaking; administers [the Utah Administrative Rulemaking Act]; and requires state agencies to comply with filing, publication and hearing procedures." (Utah Code Ann. 63-46a-10) To accomplish these mandates, the Division provides training to agency rulewriters and administrators, performs one-on-one consultations, publishes a periodic newsletter and distributes the *Rulewriting Manual for Utah*. The Division also provides regular notices to agencies of rules due for five-year review, rules about to expire, or rules about to lapse.

	Analyst FY 2001 Base	Analyst FY 2001 Changes	Analyst FY 2001 Total
Financing			
General Fund	\$252,900		\$252,900
Dedicated Credits Revenue	\$500		\$500
Beginning Nonlapsing	\$7,000		\$7,000
Total	\$255,400	\$0	\$255,400
Programs			
DAR Administration	\$246,100		\$246,100
Rules Publishing	\$9,300		\$9,300
Total	\$255,400	\$0	\$255,400
FTE	4.5		4.5

The division has two primary publications - *The Utah State Bulletin* and the *Utah Administrative Code*. The *Utah State Bulletin* is state government's means of notifying the public of rules being proposed by state agencies as well as the basic tool for soliciting public comment. The *Bulletin*, issued on the first and fifteenth each month, is Utah's version of the *Federal Register*. In addition to containing proposed rules, the Bulletin includes emergency rules, notices of five-year reviews, effective notices, other public notices from state agencies, indexes of effective rules, executive orders, and Attorney General opinions. The *Bulletin* is available free of charge either in print or electronically over the Internet.

The *Utah Administrative Code* is the compilation of effective rules with which citizens are required to comply. The *Code* is Utah's version of the *Code of Federal Regulations*. In addition to effective rules, the printed Code contains research aids such as indexes, tables that correlate statutes and rules, case annotations, and history notes. The *Code* is available in print or on CD-ROM from the contracted publisher, or electronically over the internet free of charge.

2.0 Issues: Division of Administrative Rules

2.1 Fiscal Impact of Rules

Fiscal Impact of Rules

Administrative rules have the impact of law – which means that they can have a fiscal impact on State government or on citizens and businesses. Legislators have expressed concern that the Rule Making process lacks a formal fiscal note process. There is concern that State Agencies may enact rules without fully considering costs to the State or citizens. The Division of Administrative Rules, in cooperation with the Analyst, responded to this concern last year. Further details can be found in Section 3.1 of this report.

3.0 Programs: Division of Administrative Rules

3.1 DAR Administration

Recommendation

	FY 1999	FY 2000	FY 2001	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
General Fund	\$236,700	\$252,000	\$246,100	(\$5,900)
Total	\$236,700	\$252,000	\$246,100	(\$5,900)
Expenditures				
Personal Services	\$214,600	\$226,000	\$220,100	(\$5,900)
Out of State Travel	2,200	2,600	2,600	
Current Expense	4,900	8,600	8,600	
DP Current Expense	15,000	14,800	14,800	
Total	\$236,700	\$252,000	\$246,100	(\$5,900)
FTE	4.5	4.5	4.5	

Utah Code 63-46a-10(5) gives this budget nonlapsing authority.

Fiscal Impact of Rules

Members of the Administrative Rules Review Committee recently expressed frustration at what they consider to be inadequate agency responses to questions regarding fiscal impacts of proposed rules. These frustrations rise from rule change requests in which the agency declares the cost to be "unknown" or gives a lengthy description of the rule instead of estimating what the costs will be. The Legislative Process Committee held two hearings on this issue.

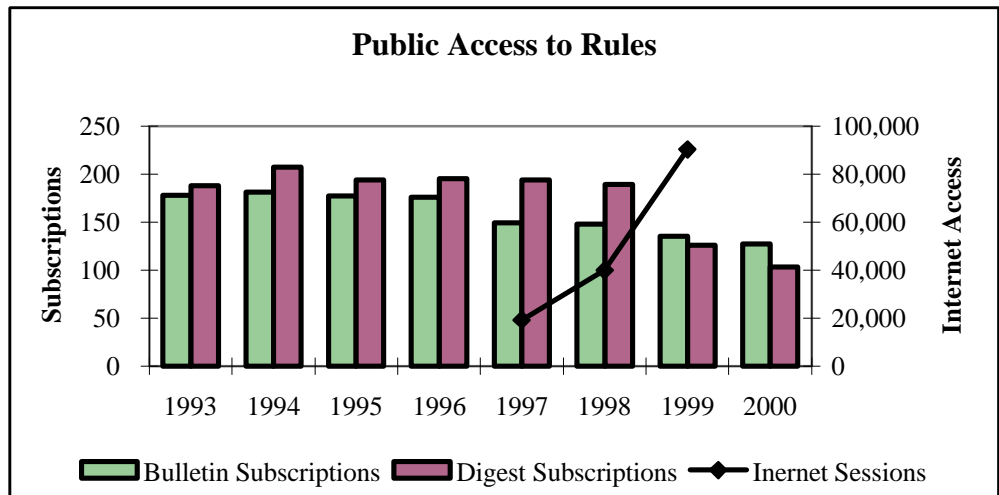
In response to Legislative Intent, the Division of Administrative Rules drafted new standards for agency submission of proposed rules. All impacts must be fully explained, including those proposed rules that have no fiscal impact. In addition, the Office of the Legislative Fiscal Analyst reviews fiscal notes contained in the *Utah Digest* (a summary of the *Bulletin*) every month. The Analyst concurs with staff of the Division of Administrative Rules in stating that the fiscal process of rulemaking has improved significantly in the past year.

3.2 Rules Publication

The Division of Administrative Rules operates an extremely user-friendly internet site that allows anyone to read, download and comment on proposed rules. Last year, the Analyst noted that the Division's use of technology enhanced government access for citizens and added value without requiring additional funding.

	FY 1999	FY 2000	FY 2001	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
General Fund	\$15,300	\$6,800	\$6,800	
Dedicated Credits Revenue	(400)	500	500	
Beginning Nonlapsing	42,300	47,000	7,000	(\$40,000)
Closing Nonlapsing	(47,000)	(7,000)	(5,000)	2,000
Total	\$10,200	\$47,300	\$9,300	(\$38,000)
Expenditures				
Current Expense	\$10,200	\$45,000	\$9,300	(\$35,700)
DP Current Expense		2,300		(2,300)
Total	\$10,200	\$47,300	\$9,300	(\$38,000)

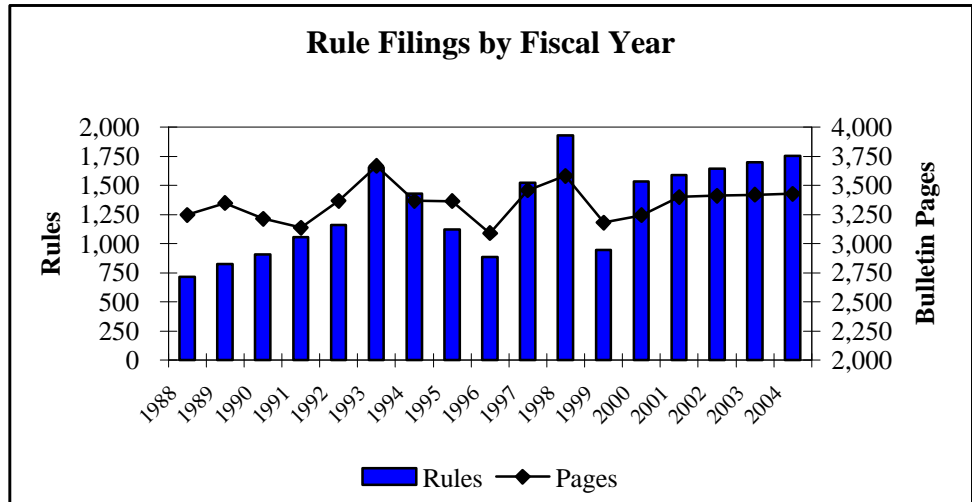
As electronic access grows, the need for hard copy publications declines. The correlation between subscriptions and internet access is (-.97). An inverse relationship means that as one data point declines the other data point rises. In this case, 95% of the decline in subscriptions can be attributed to increased access over the internet.



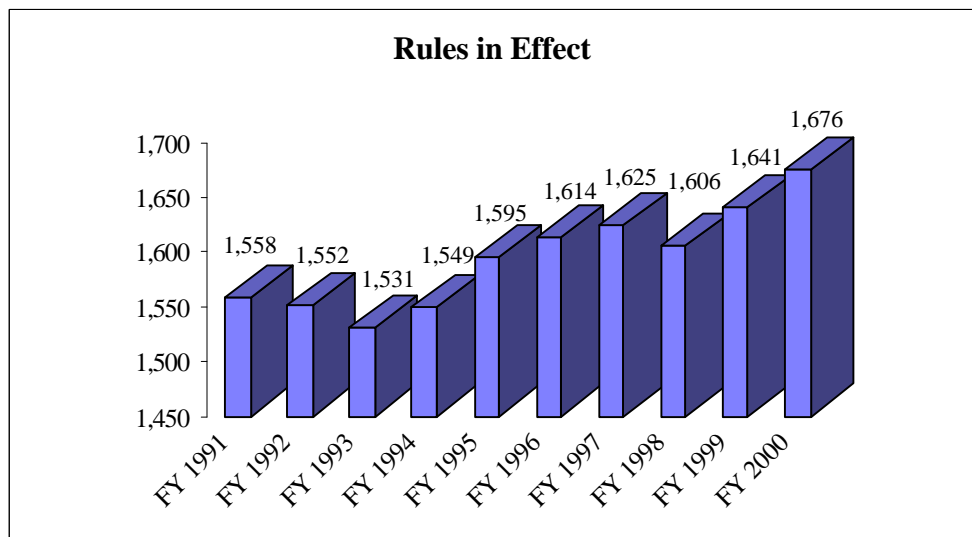
3.3 Performance Measures

Performance Measures

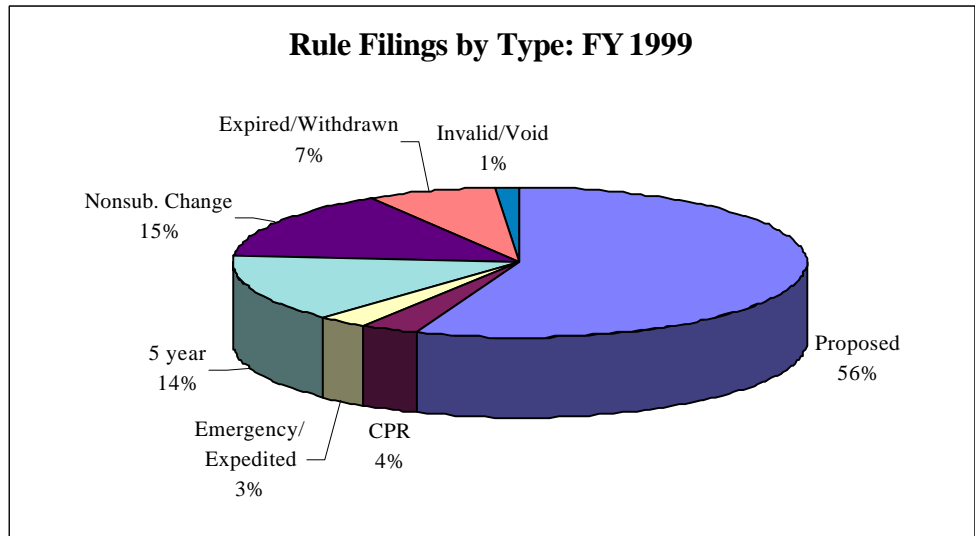
The Division of Administrative Rules counts numbers of rules filed, records the number of rules in effect and the type of rules modified or proposed each year. The following charts depict historical trends relating to Administrative Rules.



Annual rule filings have more than doubled since 1988, but pages printed in the Bulletin have remained constant. The correlation between rules filed and pages printed is (.74). Statistically, the number of rules filed explains only 55 percent of an increase or decrease in pages printed. Other factors include complexity of rules, number of rules up for five-year review and the length of fiscal commentary attached to each rule.



On any given day during the decade of the 1990s, Utah had an average of 1595 rules in effect. Since 1991. Growth in effective rules has increased by an annual rate of less than one percent. Growth in effective rules is just over 7 percent for the decade.



The bulk of rule filings are rule proposals – almost all of which are amendments to existing rules. Of 527 proposed rules, only 85 were new proposals. More than one-half of the 946 total rule filings in 1999 were amendments or nonsubstantive changes.

4.0 Additional Information: Division of Administrative Rules

	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
Financing	Actual	Actual	Actual	Estimated	Analyst
General Fund	\$249,300	\$246,300	\$252,000	\$258,800	\$252,900
Dedicated Credits Revenue		900	(400)	500	500
Beginning Nonlapsing	79,700	39,900	42,300	47,000	7,000
Closing Nonlapsing	(39,900)	(42,300)	(47,000)	(7,000)	(5,000)
Total	\$289,100	\$244,800	\$246,900	\$299,300	\$255,400
% Change		-15.3%	0.9%	21.2%	-14.7%
Programs					
DAR Administration	\$227,000	\$221,500	\$236,700	\$252,000	\$246,100
Rules Publishing	62,100	23,300	10,200	47,300	9,300
Total	\$289,100	\$244,800	\$246,900	\$299,300	\$255,400
Expenditures					
Personal Services	\$213,282	\$197,400	\$214,600	\$226,000	\$220,100
Out of State Travel	2,418	2,500	2,200	2,600	2,600
Current Expense	38,788	23,400	15,100	53,600	17,900
DP Current Expense	34,612	21,500	15,000	17,100	14,800
Total	\$289,100	\$244,800	\$246,900	\$299,300	\$255,400
FTE	4.5	4.5	4.5	4.5	4.5