

Office of the
Legislative Fiscal Analyst

FY 2001 Budget Recommendations

Joint Appropriations Subcommittee for
Capital Facilities and Administrative Services

Department of Administrative Services
Finance - Mandated

Contents:

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

1.0 Summary: Division of Finance - Mandated Expenditures

Each year the Legislature funds items that are not specific to one agency, solve unique problems, or pose a conflict of interest to agency management. For these programs, the Legislature directs the money to be kept in the Division of Finance. In the past, the Legislature funded Y2K, critical land issues and inmate issues by placing the funds in dedicated accounts managed by the Division of Finance.

The Division manages expenditures as provided in law for each fund, but is not empowered to make policy decisions regarding funding in the Mandated sections.

Last year, the Finance – Mandated section included the following items:

- ▶ Y2K Funds
- ▶ LeRay McAllister Critical Land Fund
- ▶ Navajo Trust Fund
- ▶ Indigent Inmate Defense Fund
- ▶ Post Conviction Indigent Defense Fund

This year, the Analyst is recommending the addition of UCAN funding to the Finance – Mandated section.

	Analyst FY 2001 Base	Analyst FY 2001 Changes	Analyst FY 2001 Total
Financing			
General Fund	\$170,000	\$484,900	\$654,900
General Fund, One-time		1,605,900	1,605,900
Beginning Nonlapsing	238,000		238,000
Closing Nonlapsing	(313,000)		(313,000)
Total	<u>\$95,000</u>	<u>\$2,090,800</u>	<u>\$2,185,800</u>
Programs			
Post Conviction Indigent Defense Fund	\$45,000		\$45,000
Indigent Inmate Defense Fund	50,000	(50,000)	
800 MHz Conversion		2,140,800	2,140,800
Total	<u>\$95,000</u>	<u>\$2,090,800</u>	<u>\$2,185,800</u>

Note: Prior year funding for 800 MHz Conversion was appropriated to individual agencies.

2.0 Issues:

2.1 800 Megahertz Public Safety Radio Conversion (UCAN)

Due to Federal reallocation of radio spectrum, state and local entities are undertaking a joint venture to provide public safety radio service along the Wasatch Front. The venture is coordinated by the Utah Communications Agency Network and funded through service fees charged to member agencies. To support these fees as well as purchase new radios to operate on the system, the Analyst recommends, under conditions set forth in recommended intent language on page 7, an additional \$2,140,800 from the General Fund.

General Fund\$2,140,800

2.2 LeRay McAllister Critical Land Fund

The LeRay McAllister Critical Land fund was created to allow citizens and local governments access to funds for open space preservation. The appropriation was increased from \$100,000 to \$2.75 million in one-time funds for Fiscal Year 2000. The Analyst is recommending that the \$2.75 million be converted to ongoing funds beginning in Fiscal Year 2001.

General Fund\$2,750,000

2.3 Indigent Inmate Defense Fund

Funding for this program was increased by \$50,000 in Fiscal Year 2000. The funds were identified as ongoing, but were only needed one-time. The Analyst recommends an ongoing reduction of \$50,000 for Fiscal Year 2001.

General Fund (\$50,000)

3.0 Programs – Finance - Mandated

3.1 800 Megahertz Public Safety Radio Conversion

Recommendation

The Analyst recommends providing \$1,605,900 in FY 2001 one-time General Fund resources to purchase 1016 additional public safety and law enforcement radios tuned to the 800 MHz frequency band. In addition, the Analyst recommends a \$645,500 ongoing allocation from the General Fund (an increase of \$534,900 from FY 2000) to cover service fees charged by the Utah Communications Agency Network (UCAN) for use of its trunked radio system. The Analyst further recommends that new funding be appropriated to the Department of Administrative Services, Division of Finance to be allocated by the State’s Chief Information Officer and Director of Information Technology Services.

	FY 1999	FY 2000	FY 2001	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
General Fund	\$110,600	\$110,600	\$645,500	\$534,900
General Fund, One-time	1,376,400		1,605,900	1,605,900
Transp Fund, One-time	453,300			
Dedicated Credits			18,000	18,000
Beginning Non-lapsing		1,660,500		(1,660,500)
Closing Non-lapsing	(1,660,500)			
Total	\$279,800	\$1,771,100	\$2,269,400	\$498,300
Expenditures				
Current Expense	\$279,800	\$1,771,100	\$128,600	(\$1,642,500)
Other Charges/Pass Thru			2,140,800	2,140,800
Total	\$279,800	\$1,771,100	\$2,269,400	\$498,300

Note: FY 1999, FY 2000 and FY 2001 base funding is appropriated to each individual agency. New FY 2001 General Funds will be appropriated to Finance - Mandated.

When combined with resources provided in previous years, the recommended level will allow state agencies to purchase the number of radios and consoles envisioned in years one and two of a three year implementation plan as well as pay service fees beginning in July, 2000 (see table on following page). Funding provided to the Department of Transportation in FY 1999 alone is sufficient to purchase 234 radios as well as pay one year of the UCAN service fee on those units.

Purpose

As a result of Federal Communications Commission policy to reallocate public safety radio spectrum, the *Utah Communication Agency Network 800 MHz System* act (House Bill 187, 1997 General Session) created the quasi-governmental Utah Communications Agency Network (UCAN). UCAN’s mission is to construct and operate a new public safety radio system in the 800 MHz frequency band. State, local, and private public safety organizations will use the new system in place of current radios operating in the 150 MHz and 450 MHz bands.

According to UCAN's master plan, phase one will serve approximately 80 percent of the state's population by covering Davis, Morgan, Salt Lake, Summit, Tooele, Utah, Wasatch, and Weber counties. Local entities in each of the above mentioned counties will use the network. UCAN's network will inter-connect with that of Salt Lake City's independent network. Network infrastructure, not including radios and dispatch consoles, will be built under contract with Motorola and financed by a combination of \$11 million in Federal grants and bonding provided by Zion's Bank. Debt will be repaid with monthly service fees of \$30 per radio for State agencies and about \$17.50 per radio for local governments and private entities.

FY 2000 is year two of a three-year implementation

The State has agreed to a three-year implementation schedule to support phase one, having funded about 30% of the needed radios and all of the required consoles in FY 1999 and FY 2000. FY 2001 funding would purchase another 30% of the radios, leaving 40% for funding in future budgets.

Comparison of Anticipated Costs and Recommended Funding				
Costs	Number of Radios	Capital Costs	1 Year Service	Total
Finance - Mandated	1016	\$1,605,900	\$365,800	\$1,971,700
Corrections	348	549,500	125,100	674,600
Facilities Mgt.*	50	79,000	18,000	97,000
DNR Wildlife Resources	98	155,600	35,400	191,000
DNR Parks & Rec	91	143,800	32,700	176,500
DPS Comp Emerg Mgt	22	34,800	7,900	42,700
DPS Highway Patrol	218	345,200	78,600	423,800
Public Safety Consoles		289,700		289,700
Transportation	234	369,200	84,100	453,300
Total	2077	\$3,572,700	\$747,600	\$4,320,300
Cumulative Appropriations	FY 1999 Appropriated	FY 2000 Base	FY 2001 Analyst	Total
Finance - Mandated			\$2,140,800	\$2,140,800
Corrections	\$486,500	\$63,000	63,000	612,500
Facilities Mgt.*	79,000		18,000	97,000
DNR Wildlife Resources	144,200	11,400	11,400	167,000
DNR Parks & Rec	133,200	10,600	10,600	154,400
DPS Comp Emerg Mgt	34,800	4,000	4,000	42,800
DPS Highway Patrol	319,600	21,600	21,600	362,800
Public Safety Consoles	289,700			289,700
Transportation	453,300			453,300
Total	\$1,940,300	\$110,600	\$2,269,400	\$4,320,300

*Funding for DFCM service fees to be derived from dedicated credits revenue.

Delays in negotiation with local governments has pushed the system's in-service date, planned for July, 1999, to at least January, and possibly July, of 2000.

Intent Language

The following intent language was included in the *Supplemental Appropriations Act* (Senate Bill 1, 1999 General Session):

"It is the intent of the Legislature that funds provided for 800 MHz Conversion in FY 1999 be nonlapsing and that those funds not used to pay service charges be used to purchase radio equipment."

At the writing of this document, the Utah Communications Agency Network had not begun operations, and therefore had not begun charging users. The Department of Natural Resources reported having purchased no radios. The Department of Corrections purchased 175 radios for \$426,600 and retained \$122,900 for payment of service fees. The Department of Public Safety spent \$289,700 on consoles, but had not yet purchased radios.

For FY 2001, the Analyst recommends the following intent language:

It is the intent of the Legislature that funds provided for 800 MHz Conversion be allocated among State agencies by the Chief Information Officer in consultation with the Director of Information Technology Services according to the following criteria:

- 1. New ongoing funds shall be distributed to agencies such that total ongoing resources for each agency are sufficient to pay annual service fees on radios purchased with prior year appropriations;*
- 2. One-time and remaining new ongoing funds shall be distributed to agencies for purchase of additional radios and payment of annual service fees.*

3.2 LeRay McAllister Critical Land Fund

The LeRay McAllister Critical Land fund was created to allow citizens and local governments access funds for open space preservation. The appropriation was increased from \$100,000 to \$2.75 million in one-time funds for Fiscal Year 2000. The Analyst is recommending that the \$2.75 million be converted to ongoing funds beginning in Fiscal Year 2001.

	FY 1999	FY 2000	FY 2001	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
General Fund			\$2,750,000	\$2,750,000
General Fund, One-time	100,000	2,750,000		(2,750,000)
Total	<u>\$100,000</u>	<u>\$2,750,000</u>	<u>\$2,750,000</u>	<u>\$0</u>
Expenditures				
Other Charges/Pass Thru	\$100,000	\$2,750,000	\$2,750,000	
Total	<u>\$100,000</u>	<u>\$2,750,000</u>	<u>\$2,750,000</u>	<u>\$0</u>

3.3 Indigent Inmate Defense Fund

Recommendation

The Indigent Inmate Defense fund pays attorney fees for inmates who are accused of crimes committed while in prison. Funds are appropriated on an as-needed basis. The Analyst is recommending the conversion of \$50,000 in ongoing funds to one-time for FY 2000. This will result in a General Fund reduction from the program. The Division of Finance concurs with this adjustment.

	FY 1999	FY 2000	FY 2001	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
Transfers	\$100,000			
Total	<u>\$100,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures				
Current Expense	\$100,000			
Total	<u>\$100,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

3.4 Post Conviction Indigent Defense Fund

Recommendation

The Post Conviction Defense fund pays attorney fees for the automatic appeals for individuals convicted of capital crimes. Funds are housed in the Division of Finance to ensure that prosecutors can not control the funds. The Analyst is recommending \$120,000 in ongoing funds for FY 2001.

	FY 1999	FY 2000	FY 2001	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
General Fund	\$120,000	\$170,000	\$120,000	(\$50,000)
Transfers	(100,000)	(50,000)		50,000
Beginning Nonlapsing	115,000	218,000	238,000	20,000
Closing Nonlapsing	(218,000)	(238,000)	(313,000)	(75,000)
Total	(\$83,000)	\$100,000	\$45,000	(\$55,000)
Expenditures				
Current Expense	\$17,000	\$100,000	\$45,000	(\$55,000)
Other Charges/Pass Thru	(100,000)			
Total	(\$83,000)	\$100,000	\$45,000	(\$55,000)

3.5 Navajo Trust Fund

The State of Utah maintains a trust fund for the Navajo tribe. Trust fund revenues come from 37 ½ percent of the net oil royalties from the "Aneth Extension" of the Navajo Indian Reservation. The fund is administered by a Board of Trustees composed of the State Treasurer, the Director of the Division of Finance and a state officer or employee appointed by the Governor with the advice and consent of the Senate.

The Department of Administrative Services is to provide space and administrative support for the Trust Fund Administration, but it may not direct the activities of the office or the trust administration.

The Board of Trustees reviews and approves the trust fund budget as prepared by the trust administrator. Utah Code Annotated 63-88-102 requires the State Auditor to conduct an annual audit and deliver the report to statutory committees, state offices and two federal offices.

*1999 Projects
Approved by Trust
Fund Board*

Since the 1999 General Session, the Board has authorized the following major items:

1. Committed \$100,000 for renovations within the Montezuma Creek Clinic. This will be matched with \$100,000 from the Federal Government and \$300,000 from the state Division of Facility Construction and Management.

2. Provided educational grants and scholarships to Navajos amounting to \$615,187 in FY 1999 and an estimated \$625,000 in FY 2000.
3. BULA, Inc. renewed its lease with UNTF for the Montezuma Creek sewing plant, currently employing 65 Navajo workers.
4. Authorized matching funds for projects supported by the Navajo Nation and the Navajo Revitalization Fund of \$500,000 in FY 1999 and \$500,000 is also allocated in FY 2000. Per the Dineh Committee's recommendation, these funds have been allocated to chapters by using actual population figures from UNTF's database.
5. Approved FY2000 allocations were made for the following:
 - \$20,000 for equipment purchase or repair
 - \$40,000 for the Dineh Committee Contingency Fund (a yearly allocation)
 - \$10,000 for business training purposes
 - \$10,000 for Housing Archeological Clearances, a new funding category
 - \$10,000 for Adult Enrichment, a new funding category; and,
 - \$334,000 for additional Capital Improvement Projects (based on Chuska settlement agreement)
6. Accepted a settlement from the Navajo Nation in the amount of \$2,260,646 for an outstanding lawsuit against the Nation and Chuska Oil Company.
7. Conducted a Housing Inventory of the Navajo Reservation using GPS Technology.

Beginning Fund balance on April 1, 1992 was \$9,648,585. The balance as of June 30, 1999 was \$17,494,409.

4.0 Additional Information: Finance Mandated Expenditures

	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
Financing	Actual	Actual	Actual	Estimated	Analyst
General Fund	\$300,000	\$2,179,000	\$120,000	\$170,000	\$654,900
General Fund, One-time			5,863,900		1,605,900
Uniform School Fund		667,700			
Uniform School Fund, One-time			4,990,000		
Transfers				(50,000)	
Transfers - Interagency			680,000		
Beginning Nonlapsing		72,100	1,312,000	6,880,600	238,000
Closing Nonlapsing	(72,100)	(1,312,000)	(6,880,600)	(238,000)	(313,000)
Total	\$227,900	\$1,606,800	\$6,085,300	\$6,762,600	\$2,185,800
% Change		605.0%	278.7%	11.1%	-67.7%
Programs					
Post Conviction Indigent Defense Fund	\$100,000	\$205,000	(\$83,000)	\$100,000	\$45,000
Indigent Inmate Defense Fund			100,000		
Year 2000 Programming	127,900	1,401,800	6,068,300	6,662,600	
800 MHz Conversion					2,140,800
Total	\$227,900	\$1,606,800	\$6,085,300	\$6,762,600	\$2,185,800
Expenditures					
Personal Services		\$78,400	\$19,600		
Out of State Travel	1,200				
Current Expense	184,200	918,200	2,146,100	2,193,300	45,000
DP Current Expense	42,500		3,662,500	4,369,300	
DP Capital Outlay		410,200	225,600	200,000	
Capital Outlay			131,500		
Other Charges/Pass Thru		200,000	(100,000)		2,140,800
Total	\$227,900	\$1,606,800	\$6,085,300	\$6,762,600	\$2,185,800