

Office of the
Legislative Fiscal Analyst

FY 2002 Supplemental Budget Recommendations

Joint Appropriations Subcommittee for
Commerce and Revenue

Supplemental Funding Items

Contents:

- 1.0 Summary
- 2.0 Issues
- 3.0 Programs-N/A
- 4.0 Additional Information

1.0 Summary: Commerce and Revenue Supplemental

The Legislature provides supplemental funding to current fiscal year issues that were not anticipated during the previous Legislative session. Usually this is for additional, one-time funding for an unexpected expense. The current economic situation makes this year's supplemental recommendations different. Instead of additional funding being recommended, budget reductions will be needed to balance the FY 2002 state budget, given the projected \$202.5 million shortfall.

The Governor anticipated a shortfall early in the fiscal year and requested that agencies "holdback" expenditures at approximately the 2.5 percent level. Commerce and Revenue's holdbacks (not counting Applied Technology Education) totaled \$2,850,000. Later, the shortfall grew even larger and the Governor requested additional reductions from agencies and suggested using the State's Rainy Day Fund to make up the difference. However, current supplemental recommendations of the Legislative Fiscal Analyst do not include use of the Rainy Day Fund.

The FY 2002 revised allocation for Commerce and Revenue includes a reduction of \$6,144,500 from the FY 2002 original appropriation.

The Analyst has identified specific programs or functions that could be downsized. In addition the Analyst has included 10 percent decreases in these expense categories: Conventions / Workshops, Data Processing, Entertainment /Receptions, Office supplies / Equipment, and Travel. The reduction was limited to eight months of the year to allow for expenditures made prior to the Legislative Session.

	Analyst FY 2002 Estimated	Analyst FY 2002 Supplemental	Analyst FY 2002 Revised
Financing			
General Fund	94,705,000		94,705,000
General Fund, One-time	112,000	(5,610,700)	(5,498,700)
Uniform School Fund	17,375,000		17,375,000
Uniform School Fund, One-time		(533,800)	(533,800)
Transportation Fund	4,857,400		4,857,400
Federal Funds	195,384,700	3,617,400	199,002,100
Dedicated Credits Revenue	18,998,100		18,998,100
Restricted Revenue	104,400		104,400
GFR - Bail Bond Surety Admin	22,100		22,100
GFR - Cert Nurse Midwife Ed. & Enf.		(10,000)	(10,000)
GFR - Commerce Service	16,436,600	(250,000)	16,186,600
GFR - Financial Institutions	3,927,400		3,927,400
GFR - Nurses Ed & Enf Fund	10,000	10,000	20,000
GFR - Sales and Use Tax Admin Fees	5,949,400		5,949,400
GFR - Workplace Safety	999,900		999,900
TFR - Uninsured Motorist I.D.	133,800		133,800
Employers' Reinsurance Fund	240,100		240,100
Liquor Control Fund	16,294,800	(100,000)	16,194,800
Real Estate Education and Recovery	163,800		163,800
Uninsured Employers' Fund	587,400		587,400
Universal Public Telecom Service Fur	7,998,000		7,998,000
Transfers	4,106,600		4,106,600
Transfers - Utah State Tax Commissic	16,100		16,100
Beginning Nonlapsing	37,115,200		37,115,200
Beginning Fund Balances - CSF	735,000		735,000
Closing Nonlapsing	(31,033,800)		(31,033,800)
Lapsing Balance	(327,800)		(327,800)
Total	\$394,911,200	(\$2,877,100)	\$392,034,100
Programs			
Tax Commission	64,100,200	(2,017,600)	62,082,600
Workforce Services	256,602,600	39,800	256,642,400
Alcoholic Beverage Control	16,317,900	(100,000)	16,217,900
Labor Commission	9,252,200	(223,600)	9,028,600
Commerce	18,513,100	(250,000)	18,263,100
Financial Institutions	3,927,400		3,927,400
Insurance	14,312,600	(282,700)	14,029,900
Public Service Commission	11,885,200	(43,000)	11,842,200
Total	\$394,911,200	(\$2,877,100)	\$392,034,100
FTE/Other			
Total FTE	3,524	(27)	3,496

2.0 Issues: Commerce and Revenue

2.1 Governor's Original Holdbacks

The Governor's original holdbacks eliminated \$84,700 in funding for an Insurance Actuary, \$112,800 for three FTE in the Labor Commission, \$350,000 for one FTE plus various operating expenses in the Tax Commission, \$2,239,800 for Child Care match in Workforce Services (\$1,679,800 on-going), and \$62,700 from funding to the Comprehensive Health Insurance Pool.

General Fund..... (\$2,850,000)

2.2 Selected 10 percent reductions

The Analyst has included 10 percent decreases in these expense categories: Conventions / Workshops, Data Processing, Entertainment /Receptions, Office supplies / Equipment, and Travel. The reductions are limited to eight months of the year to allow for expenditures made prior to the Legislative Session.

General Fund..... (\$274,500)

Uniform School Fund..... (\$137,600)

2.3 One-day Furlough

A one day furlough at Commerce and Revenue agencies will save the state \$222,900.

General Fund (\$177,800)

Uniform School Fund..... (\$45,100)

2.4 Internal Service Fund Rate Adjustments

As a result of rate changes for services provided by the Department of Administrative Services, the Analyst recommends a one-time supplemental budget reduction of \$125,200 for Commerce and Revenue agencies.

General Fund..... (\$122,100)

Uniform School Fund..... (\$3,100)

2.5 Reductions in Non-state Funded Agencies

The Analyst recommends including Alcoholic Beverage Control and Commerce even though they are not funded from state funds. Excess collections to both of these funds are turned over to the General Fund.

Liquor Control Fund (\$100,000)

Commerce Service Fund..... (\$250,000)

2.6 FTE Position Eliminations

The Analyst has identified several programs which have funded vacancies, or where positions may be considered less essential totaling (\$579,300) and (14.25) FTE.

General Fund..... (\$470,200)
Uniform School Fund..... (\$109,100)

2.7 Reduce Liquor Profit Distribution

The Analyst recommends reducing the amount of liquor profits distributed to local governments by \$609,000. Current total appropriation is \$2,609,000. The amount going to local governments is relatively small because it is divided to many local governments.

General Fund..... (\$609,000)

2.8 Reduce Child Care Matching Funds

In addition to the Governor's original, and already described, holdback of (\$2,239,800), the Analyst recommends reducing another (\$1,159,700). The impact of the reduction can be off-set with federal TANF funding.

General Fund..... (\$1,159,700)
Federal Funds..... \$1,159,700

2.9 Other Miscellaneous Reductions

There are an additional (\$127,000) in miscellaneous reductions: (\$55,900 in employee training, \$41,700 lapsing funds, \$15,200 in Current Expense, and \$14,200 in Data Processing).

General Fund..... (\$127,000)

4.0 Additional Information: Commerce and Revenue

4.1 Funding History

	1999	2000	2001	2002	Difference
Financing	Actual	Actual	Actual	Revised	2001 to 2002
General Fund	87,021,300	89,432,300	92,915,400	94,705,000	1,789,600
General Fund, One-time				(5,498,700)	(5,498,700)
Uniform School Fund	16,147,400	16,238,300	16,580,800	17,375,000	794,200
Uniform School Fund, One-time				(533,800)	(533,800)
Transportation Fund	4,857,400	4,857,400	4,857,400	4,857,400	
Centennial Highway Fund	(257,000)	(693,900)			
Federal Funds	199,157,200	186,218,400	174,148,100	199,002,100	24,854,000
Dedicated Credits Revenue	17,525,700	18,394,200	21,379,600	18,998,100	(2,381,500)
Restricted Revenue			104,400	104,400	
GFR - Bail Bond Surety Admin	15,000	15,000	15,000	22,100	7,100
GFR - Cert Nurse Midwife Ed. & Enf.				(10,000)	(10,000)
GFR - Commerce Service	13,860,400	14,614,900	15,104,600	16,186,600	1,082,000
GFR - Financial Institutions	2,832,800	2,825,400	2,907,800	3,927,400	1,019,600
GFR - Nurses Ed & Enf Fund			10,000	20,000	10,000
GFR - Sales and Use Tax Admin Fees	6,993,600	5,617,000	5,723,100	5,949,400	226,300
GFR - Special Administrative Expense	2,500,000				
GFR - Workplace Safety	795,000	756,500	861,000	999,900	138,900
TFR - Uninsured Motorist I.D.			283,800	133,800	(150,000)
ET - Petroleum Storage Tank	70,000				
Employers' Reinsurance Fund	555,400	314,400	312,700	240,100	(72,600)
Liquor Control Fund	13,997,900	14,095,400	15,299,400	16,194,800	895,400
Real Estate Education and Recovery	143,400	147,500	144,300	163,800	19,500
Uninsured Employers' Fund	321,000	474,600	490,500	587,400	96,900
Universal Public Telecom Service Fund	6,905,000	8,029,200	7,590,500	7,998,000	407,500
Transfers	20,600	344,800	7,068,100	4,106,600	(2,961,500)
Transfers - H - Medical Assistance	4,144,900	3,785,200			
Transfers - Utah State Tax Commission				16,100	16,100
Transfers - Within Agency			2,400		(2,400)
Beginning Nonlapsing	19,866,400	32,802,900	37,413,800	37,115,200	(298,600)
Beginning Fund Balances - CSF		360,100	766,900	735,000	(31,900)
Closing Nonlapsing	(31,631,000)	(39,486,700)	(37,850,200)	(31,033,800)	6,816,400
Lapsing Balance	(1,205,600)	(1,221,300)	(1,100,100)	(327,800)	772,300
Total	\$364,636,800	\$357,921,600	\$365,029,300	\$392,034,100	\$27,004,800
Programs					
Tax Commission	53,149,900	57,161,700	62,237,400	62,082,600	(154,800)
Workforce Services	255,645,200	243,315,100	236,098,400	256,642,400	20,544,000
Alcoholic Beverage Control	13,757,600	14,192,200	15,279,500	16,217,900	938,400
Labor Commission	7,810,900	8,049,300	8,893,400	9,028,600	135,200
Commerce	13,894,500	14,412,500	15,123,300	18,263,100	3,139,800
Financial Institutions	2,618,700	2,592,700	2,751,700	3,927,400	1,175,700
Insurance	9,348,900	10,414,200	14,939,000	14,029,900	(909,100)
Public Service Commission	8,411,100	7,783,900	9,706,600	11,842,200	2,135,600
Total	\$364,636,800	\$357,921,600	\$365,029,300	\$392,034,100	\$27,004,800
Expenditures					
Personal Services	151,249,200	154,285,800	164,091,200	178,266,200	14,175,000
In-State Travel	951,600	897,000	1,008,700	1,156,100	147,400
Out of State Travel	1,272,100	1,163,100	1,198,200	1,482,300	284,100
Current Expense	63,030,900	56,547,500	60,169,500	70,357,500	10,188,000
DP Current Expense	23,203,400	21,668,300	22,338,900	27,269,900	4,931,000
DP Capital Outlay	12,173,900	2,201,400	6,201,200	4,709,800	(1,491,400)
Capital Outlay	593,300	239,200	170,100	223,300	53,200
Other Charges/Pass Thru	112,162,400	120,910,000	109,822,300	108,619,500	(1,202,800)
Trust & Agency Disbursements		9,300	29,200	47,700	18,500
Total	\$364,636,800	\$357,921,600	\$365,029,300	\$392,132,300	\$27,103,000
FTE/Other					
Total FTE	3,437	3,489	3,502	3,496	(6)

1.0 Alcoholic Beverage Control

Summary

The Department regulates the manufacture, sale and use of alcoholic beverages in a manner that serves Utah's citizens and tourists.

	Analyst FY 2002 Estimated	Analyst FY 2002 Supplemental	Analyst FY 2002 Revised
Financing			
Liquor Control Fund	16,294,800	(100,000)	16,194,800
Beginning Nonlapsing	23,100		23,100
Total	<u>\$16,317,900</u>	<u>(\$100,000)</u>	<u>\$16,217,900</u>
Programs			
Alcoholic Beverage Control	16,317,900	(100,000)	16,217,900
Total	<u>\$16,317,900</u>	<u>(\$100,000)</u>	<u>\$16,217,900</u>
FTE/Other			
Total FTE	311	(1)	310

2.0 Issues: Alcoholic Beverage Control

2.1 General Reduction

The Analyst recommends a reduction of \$100,000 that will force efficiencies throughout the agency. While this agency is not funded from state funds, this reduction will help balance the budget because excess funding to the Liquor Control Fund is turned over to the General Fund. The Analyst expects this reduction to result in the loss of one FTE.

Liquor Control Fund (\$100,000)

4.0 Additional Information-Alcoholic Beverage Control

4.1 Funding History

	1999	2000	2001	2002	Difference
	Actual	Actual	Actual	Revised	2001 to 2002
Financing					
Liquor Control Fund	13,997,900	14,095,400	15,299,400	16,194,800	895,400
Beginning Nonlapsing	100,000	100,000	3,200	23,100	19,900
Closing Nonlapsing	(100,000)	(3,200)	(23,100)		23,100
Lapsing Balance	(240,300)				
Total	\$13,757,600	\$14,192,200	\$15,279,500	\$16,217,900	\$938,400
Programs					
Alcoholic Beverage Control	13,757,600	14,192,200	15,279,500	16,217,900	938,400
Total	\$13,757,600	\$14,192,200	\$15,279,500	\$16,217,900	\$938,400
Expenditures					
Personal Services	8,895,800	9,352,600	9,958,000	10,593,800	635,800
In-State Travel	18,300	19,000	22,300	22,300	
Out of State Travel	9,300	11,100	10,200	10,200	
Current Expense	3,495,300	4,252,200	4,523,900	4,560,600	36,700
DP Current Expense	1,206,700	287,800	488,200	585,000	96,800
DP Capital Outlay	31,000	269,500	276,900	330,000	53,100
Capital Outlay	101,200			116,000	116,000
Total	\$13,757,600	\$14,192,200	\$15,279,500	\$16,217,900	\$938,400
FTE/Other					
Total FTE	286	290	311	310	(1)

1.0 Department of Commerce

Summary

Commerce is the licensing and registration agency for Utah’s professional and corporate community. These responsibilities include business registrations, professional licensing, consumer protection and education, oversight of public utilities and monitoring of real estate and securities.

	Analyst FY 2002 Estimated	Analyst FY 2002 Supplemental	Analyst FY 2002 Revised
Financing			
General Fund	(100,000)		(100,000)
Federal Funds	138,400		138,400
Dedicated Credits Revenue	440,800		440,800
Restricted Revenue	104,400		104,400
GFR - Cert Nurse Midwife Ed. & Enf.		(10,000)	(10,000)
GFR - Commerce Service	16,436,600	(250,000)	16,186,600
GFR - Nurses Ed & Enf Fund	10,000	10,000	20,000
Real Estate Education and Recovery	163,800		163,800
Transfers	(80,500)		(80,500)
Beginning Nonlapsing	674,600		674,600
Beginning Fund Balances - CSF	735,000		735,000
Lapsing Balance	(10,000)		(10,000)
Total	<u>\$18,513,100</u>	<u>(\$250,000)</u>	<u>\$18,263,100</u>
Programs			
Commerce General Regulation	17,433,400	(250,000)	17,183,400
Real Estate Education	191,500		191,500
Public Utilities Professional & Technical	281,500		281,500
Committee of Consumer Services Profess	606,700		606,700
Total	<u>\$18,513,100</u>	<u>(\$250,000)</u>	<u>\$18,263,100</u>
FTE/Other			
Total FTE	251	(1)	250

2.0 Issues: Commerce

2.1 General Reduction

The Analyst recommends a reduction of \$250,000 that will force efficiencies throughout the agency. While this agency is not funded from state funds, this reduction will help balance the budget because excess funding to the Commerce Service Fund is turned over to the General Fund.

Commerce Service..... (\$250,000)

2.2 Correction to Nurses Funding

This is a technical correction to the original appropriation of \$10,000 from the General Fund Restricted – Certified Nurses Midwife Education and Enforcement. The amount remains unchanged but should have been from the General Fund Restricted – Nurses Education and Enforcement.

GFR – Cert. Nurses Midwife Ed. & Enforcement . (\$10,000)

GFR – Nurses Education & Enforcement..... \$10,000

4.0 Department of Commerce

4.1 Funding History

	1999	2000	2001	2002	Difference
	Actual	Actual	Actual	Revised	2001 to 2002
Financing					
General Fund		35,000		(100,000)	(100,000)
Centennial Highway Fund	(257,000)	(693,900)			
Federal Funds	141,700	141,400	96,900	138,400	41,500
Dedicated Credits Revenue	310,900	361,100	405,400	440,800	35,400
Restricted Revenue			104,400	104,400	
GFR - Cert Nurse Midwife Ed. & Enf.				(10,000)	(10,000)
GFR - Commerce Service	13,860,400	14,614,900	15,104,600	16,186,600	1,082,000
GFR - Nurses Ed & Enf Fund			10,000	20,000	10,000
Real Estate Education and Recovery	143,400	147,500	144,300	163,800	19,500
Transfers	26,400	330,000	201,600	(80,500)	(282,100)
Transfers - Within Agency			2,400		(2,400)
Beginning Nonlapsing	815,900	758,300	407,300	674,600	267,300
Beginning Fund Balances - CSF		360,100	766,900	735,000	(31,900)
Closing Nonlapsing	(758,400)	(1,167,800)	(1,409,600)		1,409,600
Lapsing Balance	(388,800)	(474,100)	(710,900)	(10,000)	700,900
Total	\$13,894,500	\$14,412,500	\$15,123,300	\$18,263,100	\$3,139,800
Programs					
Commerce General Regulation	13,329,100	13,594,000	14,631,200	17,183,400	2,552,200
Real Estate Education	120,500	151,900	136,100	191,500	55,400
Public Utilities Professional & Technical	118,200	180,100	2,000	281,500	279,500
Committee of Consumer Services Profess	326,700	486,500	354,000	606,700	252,700
Total	\$13,894,500	\$14,412,500	\$15,123,300	\$18,263,100	\$3,139,800
Expenditures					
Personal Services	10,304,400	10,789,600	11,411,800	13,392,700	1,980,900
In-State Travel	57,600	63,300	68,900	83,500	14,600
Out of State Travel	117,500	113,200	119,700	164,300	44,600
Current Expense	2,451,100	2,831,300	2,845,700	3,271,500	425,800
DP Current Expense	541,600	487,100	498,400	1,197,300	698,900
DP Capital Outlay	332,200	33,100		136,800	136,800
Capital Outlay	50,800	9,800	82,000	41,700	(40,300)
Other Charges/Pass Thru	39,300	85,100	96,800	75,300	(21,500)
Total	\$13,894,500	\$14,412,500	\$15,123,300	\$18,363,100	\$3,239,800
FTE/Other					
Total FTE	239	242	251	250	(1)

1.0 Department of Insurance

Summary

The Insurance Department protects the public by reasonably and fairly regulating the Utah insurance industry.

	Analyst FY 2002 Estimated	Analyst FY 2002 Supplemental	Analyst FY 2002 Revised
Financing			
General Fund	7,563,500		7,563,500
General Fund, One-time	3,000	(282,700)	(279,700)
Dedicated Credits Revenue	6,112,700		6,112,700
GFR - Bail Bond Surety Admin	22,100		22,100
Transfers	72,600		72,600
Beginning Nonlapsing	13,036,600		13,036,600
Closing Nonlapsing	(12,480,100)		(12,480,100)
Lapsing Balance	(17,800)		(17,800)
Total	<u>\$14,312,600</u>	<u>(\$282,700)</u>	<u>\$14,029,900</u>
Programs			
Insurance Department Administration	5,784,600	(219,900)	5,564,700
Comprehensive Health Insurance Pool	8,471,200	(62,800)	8,408,400
Bail Bond Program	4,300		4,300
Title Insurance Program	52,500		52,500
Total	<u>\$14,312,600</u>	<u>(\$282,700)</u>	<u>\$14,029,900</u>
FTE/Other			
Total FTE	85	(2)	83

2.0 Issues: Insurance

2.1 Selected 10 percent reductions

The Analyst has included 10 percent decreases in these expense categories: Conventions / Workshops, Data Processing, Entertainment /Receptions, Office supplies / Equipment, and Travel. The reductions are limited to eight months of the year to allow for expenditures made prior to the Legislative Session.

General Fund (\$31,000)

2.2 One-day Furlough

A one day furlough at the Insurance Department will save the state \$12,600.

General Fund (\$12,600)

2.3 Governor’s Original Holdbacks

The Governor’s original holdbacks eliminated \$84,700 in funding for an Insurance Actuary, and \$62,700 from funding to the Comprehensive Health Insurance Pool.

General Fund (\$147,400)

2.4 Internal Service Fund Rate Adjustments

As a result of rate changes for services provided by the Department of Administrative Services, the Analyst recommends a one-time supplemental budget reduction of \$1,400.

General Fund (\$1,400)

2.5 FTE Position Elimination

The Analyst recommends eliminating funding for a Financial Examiner and a Consumer Service Analyst for a total of \$90,200.

General Fund (\$90,200)

2.5 Intent

The Analyst recommends the following intent:

Under the terms of UCA 38-8-8.1, the Legislature intends not to lapse Item 92, Chapter 334, Laws of Utah 2001. Expenditure of these funds is limited to computer equipment and software in the amount of \$120,000.

4.0 Additional Information-Department of Insurance

4.1 Funding History

	1999	2000	2001	2002	Difference
	Actual	Actual	Actual	Revised	2001 to 2002
Financing					
General Fund	7,527,700	6,890,900	7,213,200	7,563,500	350,300
General Fund, One-time				(279,700)	(279,700)
Dedicated Credits Revenue	4,794,000	6,036,000	8,871,400	6,112,700	(2,758,700)
GFR - Bail Bond Surety Admin	15,000	15,000	15,000	22,100	7,100
Transfers	(5,800)			72,600	72,600
Beginning Nonlapsing	6,569,300	9,214,700	11,918,800	13,036,600	1,117,800
Closing Nonlapsing	(9,486,400)	(11,731,200)	(13,036,600)	(12,480,100)	556,500
Lapsing Balance	(64,900)	(11,200)	(42,800)	(17,800)	25,000
Total	\$9,348,900	\$10,414,200	\$14,939,000	\$14,029,900	(\$909,100)
Programs					
Insurance Department Administration	4,096,300	4,741,800	5,417,100	5,564,700	147,600
Comprehensive Health Insurance Pool	5,229,800	5,632,400	9,486,800	8,408,400	(1,078,400)
Bail Bond Program	5,500	3,800	1,300	4,300	3,000
Title Insurance Program	17,300	36,200	33,800	52,500	18,700
Total	\$9,348,900	\$10,414,200	\$14,939,000	\$14,029,900	(\$909,100)
Expenditures					
Personal Services	3,214,700	3,773,300	4,043,900	4,587,300	543,400
In-State Travel	4,700	6,800	7,900	8,800	900
Out of State Travel	61,600	58,000	60,000	60,500	500
Current Expense	5,842,800	6,298,400	9,816,500	9,169,900	(646,600)
DP Current Expense	186,800	242,100	241,300	366,900	125,600
DP Capital Outlay	10,000	12,300	315,900		(315,900)
Capital Outlay	28,300	23,300	48,400		(48,400)
Other Charges/Pass Thru			405,100	(163,500)	(568,600)
Total	\$9,348,900	\$10,414,200	\$14,939,000	\$14,029,900	(\$909,100)
FTE/Other					
Total FTE	75	78	85	83	(2)

1.0 Labor Commission

Summary

The Labor Commission serves the people by assuring a safe, healthful, fair, non-discriminatory work environment, fair housing practices, and by promoting the general welfare of employees and employers without needless interference.

	Analyst FY 2002 Estimated	Analyst FY 2002 Supplemental	Analyst FY 2002 Revised
Financing			
General Fund	5,147,200		5,147,200
General Fund, One-time	100,000	(223,600)	(123,600)
Federal Funds	2,431,400		2,431,400
GFR - Workplace Safety	999,900		999,900
Employers' Reinsurance Fund	240,100		240,100
Uninsured Employers' Fund	587,400		587,400
Transfers	21,200		21,200
Beginning Nonlapsing	25,000		25,000
Lapsing Balance	(300,000)		(300,000)
Total	<u>\$9,252,200</u>	<u>(\$223,600)</u>	<u>\$9,028,600</u>
Programs			
Labor Commission	9,252,200	(223,600)	9,028,600
Total	<u>\$9,252,200</u>	<u>(\$223,600)</u>	<u>\$9,028,600</u>
FTE/Other			
Total FTE	130	(4)	126

2.0 Issues: Labor Commission

2.1 Selected 10 percent Reductions

The Analyst has included 10 percent decreases in these expense categories: Conventions / Workshops, Data Processing, Entertainment /Receptions, Office supplies / Equipment, and Travel. The reductions are limited to eight months of the year to allow for expenditures made prior to the Legislative Session.

General Fund..... (\$14,500)

2.2 One-day Furlough

A one day furlough at the Labor Commission will save the state \$15,300.

General Fund..... (\$15,300)

2.3 Internal Service Fund Rate Adjustments

As a result of rate changes for services provided by the Department of Administrative Services, the Analyst recommends a one-time supplemental budget reduction of \$3,700.

General Fund..... (\$3,700)

2.4 Governor's Original Holdbacks

The Governor's original holdbacks eliminated funding for one FTE Support Specialist II, one FTE Executive Secretary, and one FTE Support Specialist III for a savings of \$112,800.

General Fund..... (\$112,500)

2.5 Other FTE Position Eliminations

The Analyst recommends eliminating .5 FTE Reemployment Coordinators and .5 FTE Intake Officers for a savings of \$35,600.

General Fund..... (\$35,600)

2.6 Lapse One-time Funding

The Analyst recommends lapsing \$41,700 in one-time funding.

General Fund..... (\$41,700)

2.7 Intent

Under the terms of UCA 38-8-8.1, the Legislature intends not to lapse Item 86, Chapter 334, Laws of Utah 2001. Expenditure of these funds is limited to computer equipment and software in the amount of \$50,000.

4.0 Additional Information-Labor Commission

4.1 Funding History

	1999	2000	2001	2002	Difference
	Actual	Actual	Actual	Revised	2001 to 2002
Financing					
General Fund	4,457,300	4,731,200	5,070,400	5,147,200	76,800
General Fund, One-time				(123,600)	(123,600)
Federal Funds	1,857,200	2,166,900	2,207,500	2,431,400	223,900
GFR - Workplace Safety	795,000	756,500	861,000	999,900	138,900
Employers' Reinsurance Fund	555,400	314,400	312,700	240,100	(72,600)
Uninsured Employers' Fund	321,000	474,600	490,500	587,400	96,900
Transfers				21,200	21,200
Beginning Nonlapsing	13,100	22,100	13,000	25,000	12,000
Closing Nonlapsing	(22,100)	(13,000)	(25,000)		25,000
Lapsing Balance	(166,000)	(403,400)	(36,700)	(300,000)	(263,300)
Total	\$7,810,900	\$8,049,300	\$8,893,400	\$9,028,600	\$135,200
Programs					
Labor Commission	7,810,900	8,049,300	8,893,400	9,028,600	135,200
Total	\$7,810,900	\$8,049,300	\$8,893,400	\$9,028,600	\$135,200
Expenditures					
Personal Services	6,219,500	6,330,700	6,901,000	7,491,000	590,000
In-State Travel	41,100	39,600	39,300	37,500	(1,800)
Out of State Travel	44,500	54,200	67,900	67,400	(500)
Current Expense	1,035,600	1,047,800	1,185,100	788,500	(396,600)
DP Current Expense	166,200	237,200	238,300	201,900	(36,400)
DP Capital Outlay		17,900	22,300	25,000	2,700
Other Charges/Pass Thru	304,000	321,900	439,500	417,300	(22,200)
Total	\$7,810,900	\$8,049,300	\$8,893,400	\$9,028,600	\$135,200
FTE/Other					
Total FTE	121	129	130	126	(4)

1.0 Public Service Commission

Summary

The Commission ensures efficient, reliable, high quality, reasonably priced utility service which meets consumer demand for types and quality of service while maintaining financially healthy utility companies.

	Analyst FY 2002 Estimated	Analyst FY 2002 Supplemental	Analyst FY 2002 Revised
Financing			
General Fund	1,471,900		1,471,900
General Fund, One-time		(43,000)	(43,000)
Dedicated Credits Revenue	1,720,100	(2,000,000)	(279,900)
Universal Public Telecom Service Fund	7,998,000		7,998,000
Beginning Nonlapsing	15,116,500		15,116,500
Closing Nonlapsing	(14,421,300)		(14,421,300)
Total	<u>\$11,885,200</u>	<u>(\$2,043,000)</u>	<u>\$9,842,200</u>
Programs			
Public Service Commission	1,557,100	(2,043,000)	(485,900)
Research and Analysis	60,000		60,000
Speech and Hearing Impaired	1,784,600		1,784,600
Universal Telecommunications Support F	8,483,500		8,483,500
Total	<u>\$11,885,200</u>	<u>(\$2,043,000)</u>	<u>\$9,842,200</u>
FTE/Other			
Total FTE	16		16

2.0 Issues: Public Service Commission

2.1 Selected 10 percent reductions

The Analyst has included 10 percent decreases in these expense categories: Conventions / Workshops, Data Processing, Entertainment /Receptions, Office supplies / Equipment, and Travel. The reductions are limited to eight months of the year to allow for expenditures made prior to the Legislative Session.

General Fund..... (\$9,000)

2.2 Internal Service Fund Rate Adjustments

As a result of rate changes for services provided by the Department of Administrative Services, the Analyst recommends a one-time supplemental budget reduction of \$400.

General Fund..... (\$400)

2.3 One-day Furlough

A one day furlough at the Public Service Commission will save the state \$4,200.

General Fund..... (\$4,200)

2.4 Current Expense and Data Processing

The Analyst recommends reducing Current Expense by \$15,200 and Data Processing by \$14,200 for total savings of \$29,400.

General Fund..... (\$29,400)

2.5 Intent

The Analyst recommends the following intent:

Under the terms of UCA 38-8-8.1, the Legislature intends not to lapse Item 96, Chapter 334, Laws of Utah 2001. Expenditure of these funds is limited to computer equipment and software in the amount of \$10,000, training and incentives in the amount of \$5,000, equipment and supplies in the amount of \$5,000, capital equipment or improvements in the amount of \$5,000, and special projects and studies in the amount of \$10,000.

4.0 Additional Information-Public Service Commission

4.1 Funding History

	1999	2000	2001	2002	Difference
	Actual	Actual	Actual	Revised	2001 to 2002
Financing					
General Fund	1,355,800	1,393,600	1,492,300	1,471,900	(20,400)
General Fund, One-time				(43,000)	(43,000)
Dedicated Credits Revenue	3,665,200	2,483,300	1,475,600	(279,900)	(1,755,500)
Universal Public Telecom Service Fund	6,905,000	8,029,200	7,590,500	7,998,000	407,500
Beginning Nonlapsing	7,523,700	10,242,400	14,264,700	15,116,500	851,800
Closing Nonlapsing	(11,014,800)	(14,264,700)	(15,116,500)	(14,421,300)	695,200
Lapsing Balance	(23,800)	(99,900)			
Total	\$8,411,100	\$7,783,900	\$9,706,600	\$9,842,200	\$135,600
Programs					
Public Service Commission	1,335,000	1,348,400	1,481,500	(485,900)	(1,967,400)
Research and Analysis	49,300	29,800	31,800	60,000	28,200
Speech and Hearing Impaired	1,827,500	1,183,800	1,641,900	1,784,600	142,700
Lifeline Telecommunications Service Fur	5,400				
Universal Telecommunications Support F	5,193,900	5,221,900	6,551,400	8,483,500	1,932,100
Total	\$8,411,100	\$7,783,900	\$9,706,600	\$9,842,200	\$135,600
Expenditures					
Personal Services	1,105,800	1,159,800	1,201,300	1,283,000	81,700
In-State Travel	900	1,000	200	7,500	7,300
Out of State Travel	21,400	24,300	22,000	26,800	4,800
Current Expense	1,983,600	1,328,300	1,861,400	1,962,700	101,300
DP Current Expense	89,000	46,200	64,500	71,900	7,400
DP Capital Outlay		2,400			
Capital Outlay	11,100		5,800	6,800	1,000
Other Charges/Pass Thru	5,199,300	5,212,600	6,522,200	6,435,800	(86,400)
Trust & Agency Disbursements		9,300	29,200	47,700	18,500
Total	\$8,411,100	\$7,783,900	\$9,706,600	\$9,842,200	\$135,600
FTE/Other					
Total FTE	16	16	14	16	2

1.0 Tax Commission

Summary

The Tax Commission collects taxes for state and local governments and administers state motor vehicle laws. It handles revenue from more than 40 taxes, surcharges and fees, registers automobiles, and regulates the automobile dealer industry.

	Analyst FY 2002 Estimated	Analyst FY 2002 Supplemental	Analyst FY 2002 Revised
Financing			
General Fund	24,682,000		24,682,000
General Fund, One-time	9,000	(1,483,800)	(1,474,800)
Uniform School Fund	17,375,000		17,375,000
Uniform School Fund, One-time		(533,800)	(533,800)
Transportation Fund	4,857,400		4,857,400
Federal Funds	637,200		637,200
Dedicated Credits Revenue	6,995,300		6,995,300
GFR - Sales and Use Tax Admin Fees	5,949,400		5,949,400
TFR - Uninsured Motorist I.D.	133,800		133,800
Transfers	338,000		338,000
Transfers - Utah State Tax Commission	16,100		16,100
Beginning Nonlapsing	7,239,400		7,239,400
Closing Nonlapsing	(4,132,400)		(4,132,400)
Total	\$64,100,200	(\$2,017,600)	\$62,082,600
Programs			
Tax Administration	59,237,400	(1,408,600)	57,828,800
License Plates Production	2,096,200		2,096,200
Liquor Profit Distribution	2,766,600	(609,000)	2,157,600
Total	\$64,100,200	(\$2,017,600)	\$62,082,600
FTE/Other			
Total FTE	884	(12)	872

2.0 Issues: Tax Commission

2.1 Selected 10 percent reductions

The Analyst has included 10 percent decreases in these expense categories: Conventions / Workshops, Data Processing, Entertainment /Receptions, Office supplies / Equipment, and Travel. The reductions are limited to eight months of the year to allow for expenditures made prior to the Legislative Session.

General Fund..... (\$220,000)
Uniform School Fund.....(\$137,600)

2.2 One-day Furlough

A one day furlough at the Tax Commission will save the state \$110,400.

General Fund (\$65,300)
Uniform School Fund..... (\$45,100)

2.3 Internal Service Fund Rate Adjustments

As a result of rate changes for services provided by the Department of Administrative Services, the Analyst recommends a one-time supplemental budget reduction of \$81,200.

General Fund..... (\$78,100)
Uniform School Fund..... (\$3,100)

2.4 Governor's Original Holdbacks

The Governor's original holdbacks had (\$79,100) in reductions to Training, Tuition, Equipment & Motor Pool, (\$46,400) for (1) FTE in Administration Support, (\$109,300) by no longer requiring signature documents for election day, and (\$115,200) in publications expense from reducing and consolidating publications, for a savings of \$350,000.

General Fund..... (\$350,000)

2.5 Other FTE Position Eliminations

The Analyst recommends eliminating (\$120,000 General Fund) for (2) FTE Programmer / Computer Support, (\$32,500 Uniform School Fund) for (1) FTE Processing Service Tech., (\$50,000 General Fund) for (2) FTE Seasonals, (\$131,300 General Fund) for (2) FTE Call Center (.5) FTE Collectors (1.5) FTE Collection Techs, (\$76,700 Uniform School Fund) for (1.5) Auditors, and (\$43,100 General Fund) for a (.75) FTE County Representative, for a savings of \$453,600.

General Fund..... (\$344,400)
Uniform School Fund..... (\$109,200)

2.6 Liquor Profit Distribution

Liquor profits are distributed to local governments to help with liquor law enforcement. Current total appropriation is \$2,609,000. After division between 265 different local governments, amounts are usually small. Current distributions range from \$9.64 to Hatch City to \$209,021.32 to Salt Lake County. The Analyst recommends reducing the total by \$609,000, a 23.3% reduction.

General Fund (\$609,000)

2.7 Employee Training

The Analyst recommends reducing Employee Training by \$55,000

General Fund (\$55,000)

4.0 Additional Information-Tax Commission

4.1 Funding History

	1999	2000	2001	2002	Difference
	Actual	Actual	Actual	Revised	2001 to 2002
Financing					
General Fund	23,953,600	23,481,400	23,926,400	24,682,000	755,600
General Fund, One-time				(1,474,800)	(1,474,800)
Uniform School Fund	16,147,400	16,238,300	16,580,800	17,375,000	794,200
Uniform School Fund, One-time				(533,800)	(533,800)
Transportation Fund	4,857,400	4,857,400	4,857,400	4,857,400	
Federal Funds	671,400	590,300	570,400	637,200	66,800
Dedicated Credits Revenue	6,131,000	6,203,900	6,796,600	6,995,300	198,700
GFR - Sales and Use Tax Admin Fees	6,993,600	5,617,000	5,723,100	5,949,400	226,300
TFR - Uninsured Motorist I.D.			283,800	133,800	(150,000)
ET - Petroleum Storage Tank	70,000				
Transfers		14,800	85,100	338,000	252,900
Transfers - Utah State Tax Commission				16,100	16,100
Beginning Nonlapsing	4,644,800	12,465,400	10,806,800	7,239,400	(3,567,400)
Closing Nonlapsing	(10,249,300)	(12,306,800)	(7,239,400)	(4,132,400)	3,107,000
Lapsing Balance	(70,000)		(153,600)		153,600
Total	\$53,149,900	\$57,161,700	\$62,237,400	\$62,082,600	(\$154,800)
Programs					
Tax Administration	48,034,300	52,656,500	57,862,300	57,828,800	(33,500)
License Plates Production	2,506,600	1,923,700	2,096,200	2,096,200	
Liquor Profit Distribution	2,609,000	2,581,500	2,278,900	2,157,600	(121,300)
Total	\$53,149,900	\$57,161,700	\$62,237,400	\$62,082,600	(\$154,800)
Expenditures					
Personal Services	35,682,200	37,797,800	39,635,600	42,365,000	2,729,400
In-State Travel	158,600	150,900	197,000	203,300	6,300
Out of State Travel	575,800	544,500	480,100	574,700	94,600
Current Expense	10,781,300	10,384,000	10,745,100	10,277,300	(467,800)
DP Current Expense	5,139,500	4,525,600	4,804,100	4,001,000	(803,100)
DP Capital Outlay	11,283,000	1,002,500	4,087,500	2,478,900	(1,608,600)
Capital Outlay	354,500	174,900	9,100	24,800	15,700
Other Charges/Pass Thru	(10,825,000)	2,581,500	2,278,900	2,157,600	(121,300)
Total	\$53,149,900	\$57,161,700	\$62,237,400	\$62,082,600	(\$154,800)
FTE/Other					
Total FTE	843	882	884	872	(12)

1.0 Department of Commerce-Workforces Services

Summary

	Analyst FY 2002 Estimated	Analyst FY 2002 Supplemental	Analyst FY 2002 Revised
Financing			
General Fund	55,940,400		55,940,400
General Fund, One-time		(3,577,600)	(3,577,600)
Federal Funds	192,177,700	3,617,400	195,795,100
Dedicated Credits Revenue	3,729,200		3,729,200
Transfers	3,755,300		3,755,300
Beginning Nonlapsing	1,000,000		1,000,000
Total	\$256,602,600	\$39,800	\$256,642,400
Programs			
Executive Director's Office	2,937,500		2,937,500
Division I	45,393,900	217,900	45,611,800
Division II	22,643,000		22,643,000
Division III	75,168,000		75,168,000
Region Roll-up	20,449,600		20,449,600
DWS Assistance Payments	81,106,700		81,106,700
Workforce Services	8,903,900	(178,100)	8,725,800
Total	\$256,602,600	\$39,800	\$256,642,400
FTE/Other			
Total FTE	1,798	5	1,803

2.0 Issues: Workforce Services

2.1 Internal Service Fund Rate Adjustments

As a result of rate changes for services provided by the Department of Administrative Services, the Analyst recommends a one-time supplemental budget reduction of \$38,500.

General Fund (\$38,500)

2.2 One-day Furlough

A one day furlough at the Workforce Services will save the state \$80,400.

General Fund (\$80,400)

2.3 Child Care Match

The Governor's Original Holdback's included a \$2,239,800 reduction in Child Care Match. The Analyst recommends increasing that amount by another \$1,159,700 to a total of \$3,399,500. These reductions can be off-set with federal TANF funds.

General Fund (\$3,399,500)

Federal Funds \$3,399,500

2.4 Restructure FACT process

The FACT process of delivering human services, while potentially effective, is bureaucratic, cumbersome and expensive. This reduction is aimed at eliminating most of the bureaucracy and streamlining the collaborative method of service delivery with the goal of making it "the way we do business."

General Fund (\$59,200)

2.5 Federal Fund Increases to Unemployment Insurance

The current economic slowing has caused a 35% workload increase for Unemployment Insurance. Extra federal funding will help the Department cope with the increase and still meet timeliness and quality standards. Funding will increase FTE counts by 5.

Federal Funds \$217,900

2.6 Intent

In 1988, the State of Utah implemented the Public Assistance Case Management Information System (PACMIS) computer system to support the eligibility determination for entitlement programs (AFDC, Food Stamps, Medicaid and General Assistance). The system has been a valuable tool to support workers in determining eligibility for needy individuals and families in Utah based on complex state and federal regulations.

In April 2001, the Department of Workforce Services initiated a gap analysis and planning project to determine if the PACMIS system adequately satisfied the needs of the Department and its customers. The analysis indicated that PACMIS only satisfies approximately 50 percent of the business needs, and significantly impairs customer service.

Today's PACMIS system was developed to support the entitlement philosophy of the 1970's and 1980's. While maintenance fixes could resolve some of the specific issues and gaps, the system architecture is old and ill suited to the principles of welfare reform.

The Analyst recommends that the Legislature endorse the Department's use of federal TANF (Temporary Assistance to Needy Families) funds to replace PACMIS with the following intent.

It is the intent of the Legislature that the Department of Workforce Services use TANF funds to replace the Public Assistance Case Management Information System (PACMIS) to provide an upgraded and integrated eligibility determination system for Temporary Assistance for Needy Families (TANF), and child care.

4.0 Additional Information-Workforce Services

4.1 Funding History

	1999	2000	2001	2002	Difference
Financing	Actual	Actual	Actual	Revised	2001 to 2002
General Fund	49,726,900	52,900,200	55,213,100	55,940,400	727,300
General Fund, One-time				(3,577,600)	(3,577,600)
Federal Funds	196,486,900	183,319,800	171,273,300	195,795,100	24,521,800
Dedicated Credits Revenue	2,624,600	3,309,900	3,830,600	3,729,200	(101,400)
GFR - Special Administrative Expense	2,500,000				
Transfers			6,781,400	3,755,300	(3,026,100)
Transfers - H - Medical Assistance	4,144,900	3,785,200			
Beginning Nonlapsing	161,900			1,000,000	1,000,000
Closing Nonlapsing			(1,000,000)		1,000,000
Total	\$255,645,200	\$243,315,100	\$236,098,400	\$256,642,400	\$20,544,000
Programs					
Executive Director's Office			4,319,600	2,937,500	(1,382,100)
Division I			37,364,400	45,611,800	8,247,400
Division II			16,789,100	22,643,000	5,853,900
Division III			72,045,800	75,168,000	3,122,200
Conferences			74,900		(74,900)
Region Roll-up			10,328,000	20,449,600	10,121,600
DWS Assistance Payments			89,627,500	81,106,700	(8,520,800)
Workforce Services	255,645,200	243,315,100	5,549,100	8,725,800	3,176,700
Total	\$255,645,200	\$243,315,100	\$236,098,400	\$256,642,400	\$20,544,000
Expenditures					
Personal Services	83,748,800	82,857,700	88,596,400	95,599,100	7,002,700
In-State Travel	617,200	559,800	624,100	706,600	82,500
Out of State Travel	367,000	312,800	375,100	447,400	72,300
Current Expense	37,230,600	30,185,700	28,960,400	39,949,400	10,989,000
DP Current Expense	15,803,200	15,795,300	15,952,900	20,503,800	4,550,900
DP Capital Outlay	386,200	863,700	1,498,600	1,739,100	240,500
Capital Outlay	47,400	31,200	11,100		(11,100)
Other Charges/Pass Thru	117,444,800	112,708,900	100,079,800	97,697,000	(2,382,800)
Total	\$255,645,200	\$243,315,100	\$236,098,400	\$256,642,400	\$20,544,000
FTE/Other					
Total FTE	1,819	1,812	1,789	1,803	15