# STATE OF UTAH Operations Budget 1983-84

## BUDGET IN BRIEF

DECEMBER 1982

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# STATE OF UTAH
# OPERATIONS BUDGET 1983-84

## BUDGET IN BRIEF

CONTAINING THE RECOMMENDATIONS OF
GOVERNOR SCOTT M. MATHESON

DECEMBER 1982

## Acknowledgements

The budget process is a year round effort of many people, from policy makers to department heads and budget officers. Sincere appreciation is expressed to the dedicated state employees who spent many long hours to develop a responsible state budget in these difficult economic times.

The State Budget Office is again able to present a printed budget document with the cooperative efforts of staff, the dedication of Janice Ray and Cecile Boulton, the wonders of the computer age, and the extra effort made by the employees of Column Type and Lorraine Press. Special appreciation is also accorded to Doug Macdonald, State Tax Commission Economist, and John Gisler, State Personnel Director, who contributed to the writing of the budgetary perspective and Steve Brown who did the editing and proofreading for this document.

Scott M. Matheson
GOVERNOR

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Michael B. Zuhl
STATE BUDGET DIRECTOR

December 1982

Honorable Scott M. Matheson
Governor, State of Utah
State Capitol
Salt Lake City, Utah 84114

Dear Governor Matheson:

Pursuant to the Budgetary Procedures Act, Title 63, Chapter 38, Utah Code Annotated, 1953, as amended, I am presenting your proposed budget for the fiscal year July 1, 1983, through June 30, 1984. As required by law, I have transmitted a draft copy of your recommendations to the legislative fiscal analyst on a confidential basis.

The budget process in place continues the approach to budgeting which you initiated as part of your commitment to improving the effectiveness and accountability for state government. This process is distinguished by its openness and by its focus on vital policy issues confronting the state.

This year's budget contains a separate Capital Budget which you have already released. The Capital Budget will allow the Legislature to better understand this growing area of state expenditures.

Your budget was prepared by the staff of the State Budget Office in conformance with the policies and guidelines you initiated. The budget attempts to meet our vital state needs with available resources.

Sincerely,

Michael B. Zuhl

Michael B. Zuhl
State Budget Director

MBZ:cb

# Foreword

The fiscal year 1983-84 budget process has been unique. After months of budget preparation and analysis, a pessimistic economic forecast and declining revenue projections have forced the governor to recommend a continuation of state programs at the appropriation level that existed in fiscal year 1982-83. The governor is recommending appropriations above the 1982-83 fiscal year level for certain programs that are experiencing unavoidable increases. In some instances agencies have opted to reduce appropriation levels in order to fund enhancements in other areas. Because the budget, in effect, represents a "continuing resolution" from the current fiscal year, the budget is being prepared in summary form. Therefore, the detail of the governor's budget recommendations, which has been contained in a separate document in past years, is not being prepared. This Budget in Brief contains all of the governor's operating budget recommendations for fiscal year 1983-84. A separate document contains the governor's capital budget recommendations for fiscal years 1983-84 and 1984-85.

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# BUDGETARY PERSPECTIVE

## INTRODUCTION

The budgetary perspective provides a backdrop for the fiscal year 1983-84 budget. It is divided into four sections. The first section discusses the budget issues, guidelines and major recommendations for the fiscal year 1983-84 budget. The second section provides the economic assumptions and the revenue projections upon which the budget is based. The third section contains the governor's recommendations for public employees' compensation. Suggested tax modifications and auxiliary budget recommendations are contained in the fourth section.

## I. GOVERNOR'S BUDGET RECOMMENDATIONS

### Historical Background

The budgets of the past four fiscal years were carefully constructed to restrict the growth of government expenditures. These budgets followed significant government expansion in the 1970s. With strong economic growth, particularly in the middle and latter part of the decade, large surpluses were occurring at the same time government programs were expanding. It was obvious, particularly with the cries for tax relief nationwide, that state government needed to restrict its growth and provide relief to the overburdened taxpayer.

From 1979 to the present, the state's economy has been deteriorating. After significant growth in the previous five years, the creation of jobs in the state has declined dramatically, particularly in mining and manufacturing. The decline of economic activity has spawned very tight budgets and has precluded significant tax relief. In fact, in three of the past four fiscal years, declining revenues have necessitated across-the-board budget reductions. In fiscal year 1982-83, the governor has already mandated a 2 percent budget reduction and avoided an additional 3 percent reduction by using school land trust monies available to the uniform school fund as a result of the 1982 Utah Supreme Court decision in *Jensen vs. Dinehart.*

The nation is still feeling the effect of the most severe recession in 40 years. Following the 1980-81 national recession, the 1981-82 decline of the national economy has produced unemployment at levels not seen since the Great Depression.

At the same time, the Reagan administration has instituted a new fiscal policy designed to reduce government expenditures in certain segments of the federal budget. This has reduced aid to state and local governments. While federal aid comprised 25 percent of Utah's budget in fiscal year 1978-79, it is only 20.8 percent of the budget being prepared for fiscal year 1983-84. The Federal Reserve Board has also attempted to slow the wheels of inflation by instituting tight monetary policies. This policy has driven up interest rates and slowed consumer spending. Even though the prime interest rate has declined recently, commercial lending rates for consumers are still high and have inhibited major consumer purchases.

### Major Influences Impacting Fiscal Year 1983-84 Budget

The condition of the state's economy remains the dominant influence in the budget. In particular, the disastrous performance of the residential and non-residential construction sector of the economy has hindered economic growth in the state. Until interest rates decline and overall economic conditions improve, revenues will only grow at modest levels. Severely constrained revenues have greatly restricted the available funding for many programs.

Federal funds for nearly all state agencies are dwindling. Reduced federal funds are particularly impacting social service, health and education programs. In many instances, these federal funds have financed vital state programs. The present fiscal constraints, however, prohibit replacing a large portion of these declining federal funds with state funds.

Despite the economic decline and reduced federal expenditures, the state's rapid growth has placed great pressure to provide many governmental services. The clearest example is in our system of public education. In the fall of 1982, 14,798 new students en-

tered our public schools. A total of 12,442 students is projected to enter our schools in 1983 (this figure would be 5,290 students higher if legislation requiring a uniform enrollment date for kindergarten were not in place). The trend toward increasing student enrollment will continue through the 1980s and will be a significant part of the state's budget as our birthrate is twice the national average.

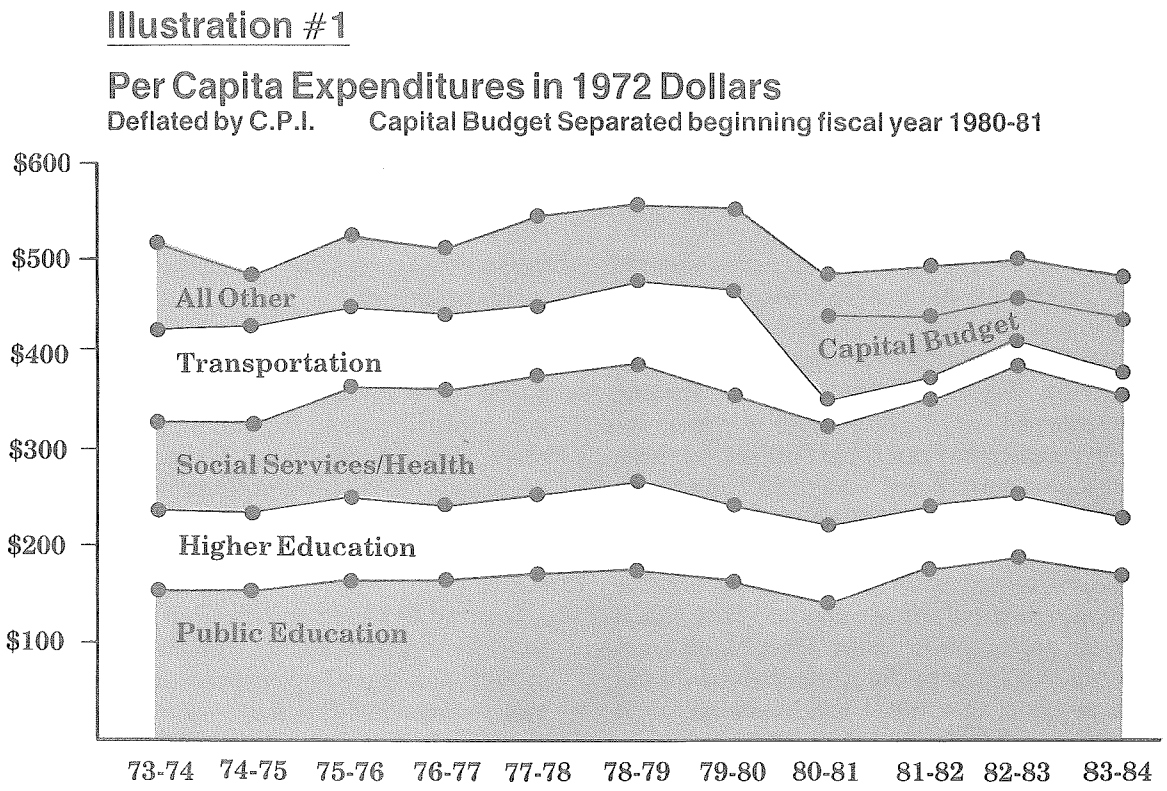
Enrollment growth has also greatly impacted our institutions of higher education. For the fifth year in a row, our colleges and universities saw an increase in enrollment in the fall of 1982. This is at a time when most systems of higher education, nationwide, are experiencing declines in student enrollment. The increase in student enrollment is being fueled in part by the economic decline. Undoubtedly, some students are going back to school at a time when it is difficult to locate jobs. In addition, more Utah students are staying here for their education. Enrollment growth in higher education is expected to increase dramatically through the mid-1990s.

Health and social service programs also face increasing demands with a growing and more diverse population. With a large urban population center and rapid growth in certain rural areas of our state, demands for protective, alcohol and drug, and mental health services are great. The need to provide adequate services is greatly affected by the fact that the state cannot replace much of the declining federal funds that have supported a large part of these programs in the past.

In nearly every other segment of the state's budget, state agencies are facing a demand for expanded services. Our growth has strained our ability to provide many public safety services; it has affected our ability to maintain and rehabilitate our existing roads; it has restricted our ability to maintain parks; it has caused overcrowding at our state correctional facilities; and has put tremendous pressure on the state's regulatory agencies to provide adequate protection for our citizens.

### Summary of Governor's Recommendations

The governor recommends a total budget of $1 billion 938 million for fiscal year 1983-84, a 3.3 percent increase over the 1982-83 fiscal year. Illustration #1 shows the per



capita expenditures recommended by the governor.

The formulation of the fiscal year 1983-84 budget was dictated by declining state revenues. With the deterioration of the state's economy and little prospect for immediate economic improvement, it became apparent that the governor could not recommend even nominal increases for state employees' salaries or for state agencies' operating budgets. After reviewing the present state of the economy with a group of economic advisers in the fall of 1982, the governor determined that very cautious economic assumptions and revenue estimates must be used in the 1983-84 budget. This economic realization occurred many months after the fiscal year 1983-84 budget process began. It followed hundreds of hours of agency analysis of needs and State Budget Office review of agency budgets and priorities. The revenue estimates for fiscal year 1983-84 do not come close to meeting the state's needs.

It became apparent that the revenues would only support a continuation of the same general fund and uniform school fund appropriation level as had existed for agencies in fiscal year 1982-83. This appropriation level was the starting point for the governor to use in making his recommendations for fiscal year 1983-84. In several instances, departments have opted to increase appropriation levels for certain programs above the fiscal year 1982-83 base by reducing other program areas.

The governor recommends several mandated increases above the 1982-83 appropriation level. These increases are primarily for increased debt service, enrollment growth in the minimum school program and in higher education institutions, and the operating costs of new correctional facilities opening in the 1983-84 fiscal year.

### State Retirement System Surplus

Recent studies reveal that the present contribution rates in all retirement systems exceed the amounts necessary to ensure that the funds support the existing retirement programs. The governor recommends that the contribution rates to the three retirement systems covering state employees be reduced. This will save approximately $26.5 million in state revenues and will still maintain the existing retirement program at the same benefit levels. The change in the state's contribution rate will require legislation in the 1983 session.

### Public Education

The recommendations for the public education program acknowledge the growth in the public school system. The minimum school program is increasing by 20,487 weighted pupil units. While the governor is not recommending an increase in the value of the weighted pupil unit, the increase in the number of WPUs results in $30 million of additional costs in the school program — $17 million in state funds and $13 million in local property taxes. The exact estimate of local school property tax revenues is uncertain, due to the passage of Proposition One in November 1982.

Again, the governor is recommending block grants for certain categories of state public education programs. These block grants are designed to provide the 40 local school districts maximum flexibility in using funds for programs. This flexibility is especially critical at a time of severe revenue shortfalls. The governor recommends that the local school districts supply to the Board of Education a work program specifying how these funds are used. In addition, he recommends that all operating funds for the area vocational centers be appropriated to the Board for Vocational Education. The board may distribute these funds at its discretion to achieve the maximum effectiveness for vocational education programs. Accountability for vocational education programs has not been adequately ensured with the past practice of appropriating funds directly to each area vocational center. By appropriating the funds to a central source and distributing the funds to each center on a prescribed basis, greater accountability will be realized.

### Higher Education

Enrollment growth is also a major concern in our system of higher education. In the past five years, state appropriations to help fund the costs of the enrollment growth have been inadequate. Some institutions of higher education have had to limit class offerings and increase the size of classes. The continued demands of enrollment growth is

jeopardizing the quality of education in our state. To help meet the projected costs of enrollment growth in the fiscal year 1983-84 budget, the governor has recommended $3.3 million in additional state appropriations.

Another important concern to the higher education community is the deterioration of faculty salaries compared to comparable institutions outside the state and industries in the private sector. This has led to an exodus of faculty members to other institutions and industries. Unless faculty salaries become more competitive, our state will continue to experience a "brain drain" from our colleges and universities. Available revenues from tuition and other sources can be used to improve faculty equity in fiscal year 1983-84, but will not meet the equity adjustments requested by higher education institutions.

The governor, following a recommendation of the Utah Council of Student Body Presidents and the Board of Regents, is recommending a 6.5 percent increase in tuitions for resident students and 3.2 times the resident tuition amount for non-resident students. These tuition revenues, when combined with the state appropriations for enrollment growth, can satisfy many of the critical needs higher education institutions will have in meeting basic operating expenses in fiscal year 1983-84.

### Social Services and Health

The Division of Corrections has required more state resources in recent years because of overcrowding of state correctional facilities. In fiscal year 1983-84, three new facilities will be operational — a community correction center, a 288-bed regional facility and a new women's facility. These three facilities will require approximately $3.5 million to operate during the 1983-84 fiscal year. The governor has also included $.7 million to assist counties with their jail costs as mandated in House Bill 32, passed in the 1982 legislative session. The burden placed on correctional staffs is a growing concern, particularly in adult probation and parole. Despite this burden, available revenues will not permit increasing correctional staff above present levels except for the new centers.

Social service programs have been greatly affected by the poor economic conditions of the state. Pressures to provide additional services are abundant for nearly the entire array of social service programs. Available revenues will not permit significant expansion of any of these services in fiscal year 1983-84.

Recent cost-containment efforts by the Department of Health have been successful in limiting the grants of expenditures in the medicaid budget. The medicaid budget requested a minimal increase in state revenues in fiscal year 1983-84; however, due to limited revenues, no increase in state funds is being recommended. Unless the caseload increases significantly, funding should be adequate to maintain current service levels.

### Transportation

Even though revenues in the transportation fund are increasing above fiscal year 1982-83 appropriation levels, the governor is essentially holding the department to that same base figure. Exceptions are in the Equipment Management, District Management, Administrative Services, Maintenance, Aeronautics, Comptroller, and Safety Divisions to meet important needs. With these few exceptions, the state construction program should increase by 8.7 percent over fiscal year 1982-83.

### Other State Departments

In the Department of Community and Economic Development, the governor recommends $500,000 for additional promotional activities in the Divisions of Economic and Industrial Development and Travel Development. Because the economy of the state is sagging and the competition in other states for new industry and the tourist dollar is greatly increasing, the governor believes it is prudent to invest wisely in these programs. These programs traditionally have reaped great dividends for the state.

Recognizing the need to develop a well-defined information systems strategy for the 1980s, the governor convened a group of 40 state employees to review our information processing needs and priorities. After an intensive two-month examination, the group developed a series of recommendations designed to be a blueprint for state data processing development. In recognition of this, and the need to manage information more efficiently and effectively, the governor is recommending several data processing en-

hancements. They include enhancements to the state's central accounting system, supporting the data base management program with state funds, developing a new tax management system, and further developing the automated geographic reference and geographic mapping systems.

The governor is also recommending funds to expand agricultural promotion and research. While agriculture is mired in the worst economic downturn since the Great Depression, there is a compelling need to aid agricultural development in the state to protect and provide for our needs for food and fiber.

A recent examination of the Department of Natural Resources and Energy's Division of Oil, Gas and Mining revealed the need to improve reporting and information management of oil and gas production in the state. The governor is recommending additional resources to hire new employees in the division to meet this need.

### Mineral Lease Funds

Current projections for mineral lease funds are $35 million for fiscal year 1982-83 and $38 million for fiscal year 1983-84 (see table I). It is anticipated that a surplus of $9.8 million will be realized at the close of fiscal year 1982-83. The governor is recommending that $5.5 million of this surplus lapse to the general fund at the close of the fiscal year. In fiscal year 1983-84, beyond the mandatory appropriations, the governor is recommending $22.8 million in discretionary appropriations from mineral lease funds. Of these, $12.9 million are for capital projects and $9.9 million are to support programs.

### Additional Items Recommended

The governor acknowledges there are many critical state needs that will not be met with existing revenues. If the economy improves and additional revenues are available, or if the legislature enacts tax or fee increases which would provide additional funds, the governor has recommended $38.9 million for additional state appropriations. Of this amount, $27 million would fund salary increases or benefit enhancements. Additionally, the governor has recommended $11.9 million for workload and expansion increases. These items are worthy of state investments and are discussed in more detail in Section IV.

In recognition of the austere budget, the governor recommends maximum flexibility for state agencies in the 1983-84 budget. To this end, he recommends that each department's line items of appropriation for fiscal year 1983-84 be consolidated as much as possible. This will help ensure the most efficient use of funds and that critical needs are met. The governor also recommends the appropriations in the general fund and uniform school fund in fiscal year 1982-83 be non-lapsing to ensure they will be used judiciously and provide an additional source of monies in the 1983-84 budget.

### A Biennial Budget

Prior to the rapid decline of state revenues, the governor proposed moving from annual to biennial budgeting. It was his intention to present a biennial budget for fiscal years 1983-84 and 1984-85 to the 1983 session of the legislature. Due to the current revenue picture, the governor will only propose the 1983-84 budget. He still believes, however, that biennial budgeting has many advantages. One of its chief features would be that funds at the conclusion of the first year of the biennium would not lapse, as is presently the case. If funds did not lapse at the end of the fiscal year, greater incentives would exist for agencies to spend funds wisely. The governor will propose legislation to change the lapsing provision in the Budgetary Procedures Act. With this provision in place, the governor may propose a biennial budget when revenue projections make two-year budgeting feasible.

### Capital Budget

The governor recommends a total capital budget in fiscal year 1983-84 of $246.2 million. This includes $215.4 million for capital developments and $11.2 million for capital improvements. The recommendation for funding for these projects follows months of careful analysis by the State Building Board, the Board of Water Resources and the Transportation Department. For fiscal year 1984-85, the governor recommends a capital budget of $248.6 million, $216.6 million for capital developments and $12.6 million for capital improvements. He is also recom-

mending passage of a $136 million general obligation bond and $40 million grant anticipation note issue for building, water and interstate road construction projects.

## Summary

The fiscal year 1983-84 budget recommended by the governor attempts to provide resources for the most vital state programs in a period of economic uncertainty. The budget was constructed within current revenue projections and largely maintains existing programs at present levels, with the present state workforce. Constrained revenues do not permit the governor to even recommend meager increases for state programs. When taking into account 5-6 percent inflation, some program costs will increase even if they are not funded. Therefore, the 1983-84 budget cannot even be called a "status quo" budget, and some services will have to be curtailed at proposed funding levels. The budget does, however, attempt to meet our most essential concerns with the resources provided by our existing tax base.

Table II presents the governor's proposed plan of financing for the general fund and the uniform school fund for fiscal years 1982-83 and 1983-84.

Table III provides a more detailed summary of the governor's recommendation for the state for fiscal year 1983-84. Tables IV-VII present the governor's recommendation by fund.

## Table I

### STATE OF UTAH

## Mineral Lease Account
## Current and Proposed Allocations

| | Actual FY 1982 | Estimated FY 1983 | Governor's Recommendation FY 1984 |
|---|---|---|---|
| Beginning Balance | $ | $ 3,903,668 | $ 4,264,968 |
| Actual and Estimated Mineral Lease Receipts | 26,890,423 | 35,000,000 | 38,000,000 |
| Total Available | $ 26,890,423 | $ 38,903,668 | $ 42,264,968 |
| MANDATED | | | |
| Community Impact (32.5%) | $ 8,739,423 | $ 11,375,000 | $ 12,350,000 |
| Board of Regents[a] | 3,743,800 | 4,118,200 | 4,324,100 |
| Board of Education (2.25%) | 605,044 | 787,500 | 855,000 |
| Geological/Mineral Survey (2.25%) | 605,044 | 787,500 | 855,000 |
| USU Water Research Lab (2.25%) | 605,044 | 787,500 | 855,000 |
| Subtotal | $ 14,298,355 | $ 17,855,700 | $ 19,239,100 |

(a) The Board of Regents receive 33½ percent, or a maximum increase of 10 percent, or the cost-of-living index, whichever is less.

## Table I Con't.

### STATE OF UTAH

## Mineral Lease Account
## Current and Proposed Allocations

| | Actual FY 1982 | Estimated FY 1983 | Governor's Recommendation FY 1984 |
|---|---|---|---|
| DISCRETIONARY APPROPRIATIONS | | | |
| Field Services | $ -0- | $ -0- | $ 175,000 |
| Area Vocational Centers | 39,200 | 86,100 | 91,300 |
| Energy Council | 84,000 | 191,200 | 231,200 |
| Geo-Mapping | -0- | -0- | 320,000 |
| Automated Geographical Reference | -0- | -0- | 329,000 |
| Coal Research Lab | 300,000 | 300,000 | 300,000 |
| Ground Water Study | 47,100 | 51,700 | 51,700 |
| Agricultural Experiment Station | -0- | 50,000 | 50,000 |
| CEU Mine Training | -0- | 154,000 | 151,000 |
| USU Vernal Center | -0- | -0- | 223,000 |
| U of U Chemistry Building | 2,500,000 | -0- | -0- |
| Rangeland Loan Fund | 250,000 | 450,000 | 5,000,000 |
| Cities Water Loan Fund | 1,000,000 | 3,000,000 | 3,000,000 |
| Water Resources Construction | 500,000 | 500,000 | 500,000 |
| Transportation[b] | -0- | 5,000,000 | 7,600,000 |
| School Building Program | 3,968,100 | -0- | 4,000,000 |
| USU Engineering Building | -0- | -0- | 800,000 |
| Woman's Correction Facility | -0- | 1,500,000 | -0- |
| Subtotal | $ 8,688,400 | $ 11,283,000 | $ 22,822,200 |
| TOTAL ALLOCATIONS | $ 22,986,755 | $ 29,138,700 | $ 42,061,300 |
| Subtotal | $ 3,903,668 | $ 9,764,968 | $ 203,668 |
| LAPSE TO GENERAL FUND[c] | | $ 5,500,000 | |
| ENDING BALANCE | $ 3,903,668 | $ 4,264,968 | $ 203,668 |

(b) Amounts in the capital budget document reflect a transfer of $7,600,000 from the mineral lease fund to the transportation fund to support state construction.

(c) The governor recommends $5,500,000 of mineral lease funds lapse to the general fund at the close of the 1982-83 fiscal year.

## Table II

### STATE OF UTAH

# State Fiscal Plan (in thousands of dollars)

### FY 1981-82 — FY 1983-84 (General Fund, Uniform School Fund)

| | Actual FY 1981-82 | Legislative Appropriation FY 1982-83[a] | SBO Revised FY 1982-83 | Percentage Change | Governor's Recommend. FY 1983-84 | Percentage Change |
|---|---|---|---|---|---|---|
| **Beginning Balance** | $ 24,300 | $ 15,131 | $ 30,073 | 23.8 | $ 8,303 | (72.4) |
| **Unrestricted Revenue** | | | | | | |
| General Fund | 497,554 | 546,580 | 500,400 | 0.6 | 533,900 | 6.7 |
| Uniform School Fund | 392,679 | 449,100 | 433,500 | 10.4 | 473,000 | 9.1 |
| Overhead Allocation | 1,498 | 1,800 | 1,609 | 7.4 | 1,701 | 5.7 |
| Subtotal | 891,731 | 997,480 | 935,509 | 4.9 | 1,008,601 | 7.8 |
| **Total Funds Available** | $ 916,031 | $ 1,012,611 | $ 965,582 | 5.4 | $ 1,016,904 | 5.3 |
| **Operations Appropriations:** | | | | | | |
| Public Education | 415,404 | 482,128 | 482,128 | 16.1 | 481,129 | (0.2) |
| Higher Education | 174,302 | 196,695 | 196,695 | 12.8 | 198,165 | 0.7 |
| Social Services/Health | 137,816 | 166,644 | 166,644 | 20.9 | 168,983 | 1.4 |
| Other | 98,660 | 106,210 | 106,294[b] | 7.7 | 108,712 | 2.2 |
| Subtotal | $ 826,182 | $ 951,677 | $ 951,761 | 15.2 | $ 956,939 | 0.5 |
| **Capital Budget & Debt Service** | 60,616 | 56,327 | 56,442[b] | (6.9) | 52,228 | (7.5) |
| Supplementals[c] | -0- | -0- | 460 | | | -0- |
| 2% Reduction | -0- | -0- | (18,490) | | | -0- |
| Circuit Breaker/Tax Relief | 2,506 | 2,033 | 2,606 | 4.0 | 2,700 | 3.6 |
| **Total Expenditures** | $ 889,304 | $ 1,010,037 | $ 992,779 | 11.6 | $1,1011,917 | 1.9 |
| Adjustments | $ 3,346[d] | $ -0- | $ 30,000[e] | | | |
| Mineral Lease Lapsing | -0- | -0- | 5,500 | | -0- | |
| **Closing Surplus** | $ 30,073 | $ 2,574 | $ 8,303 | | $ 4,987 | |

(a) Includes appropriations from second special session, June 1982.
(b) The revised 1982-83 appropriation includes $200,000 for Department of Public Safety, as per legislative intent (1982 Appropriation Act Item 218). The revised 1982-83 capital budget appropriation includes $70,000 in state construction funds and $45,000 in predator control funds which the legislature has identified as part of the operations appropriation.
(c) Supplementals for fiscal year 1982 included in department expenditures.
(d) Adjustment included in annual financial report (see note c).
(e) Transfer of funds from state lands account to uniform school fund, as per *Jensen v. Dinehart* 1982.

## Table III

### STATE OF UTAH

# State Fiscal Plan (in thousands of dollars)

**FY 1983-84 (unrestricted revenue: General Fund, Uniform School Fund, Transportation Fund)**

| | General Fund | Uniform School Fund | Transportation Fund | Total All Funds |
|---|---|---|---|---|
| **Beginning Balance** | $ 8,303 | $ -0- | $ 12,213 | $ 20,516 |
| **Unrestricted Revenue** | | | | |
| General Fund | 533,900 | | | 533,900 |
| Uniform School Fund | | 473,000 | | 473,000 |
| Transportation Fund | | | 124,211[a] | 124,211 |
| Overhead Allocation | 8,418 | (6,717) | (1,458) | 243 |
| **Total Funds Available** | $ 550,621 | $ 466,283 | $ 134,966 | $ 1,151,870 |
| **Operations Expenditures:** | | | | |
| Legislature | 4,023 | -0- | -0- | 4,023 |
| Elected Officials | 6,759 | -0- | -0- | 6,759 |
| State Courts | 13,665 | -0- | -0- | 13,665 |
| Government Operations | 18,647 | 6,407 | 5,221 | 30,275 |
| Public Safety | 21,612 | -0- | 6,851 | 28,463 |
| Social Services | 109,308 | -0- | -0- | 109,308 |
| Health | 59,675 | -0- | -0- | 59,675 |
| Public Education | -0- | 481,129 | -0- | 481,129 |
| Higher Education | 197,865 | 300 | -0- | 198,165 |
| Natural Resources | 14,257 | -0- | -0- | 14,257 |
| Business, Labor and Agriculture | 14,571 | -0- | -0- | 14,571 |
| Community and Economic Development | 8,127 | -0- | 118 | 8,245 |
| Transportation | 645 | -0- | 54,101 | 54,746 |
| Subtotal Recommendations | $ 469,154 | $ 487,836 | $ 66,291 | $ 1,023,281 |
| **Capital Budget and Debt service** | 52,228 | -0- | 62,700[b] | 114,928 |
| Circuit Breaker/Tax Relief | 2,700 | -0- | -0- | 2,700 |
| **Total Expenditures** | $ 524,082 | $ 487,836 | $ 128,991 | $ 1,140,909 |
| **CLOSING SURPLUS/ DEFICIT** | $ 26,539 | $ (21,553) | $ 5,975 | $ 10,961 |

(a) Includes various transfers to the transportation fund from other accounts such as the depreciation reserve account.

(b) Includes $11,804,000 transfer to the transportation fund from restricted accounts.

Table IV

STATE OF UTAH

# Summary of Governor's Recommendations

General Fund/Uniform School Fund

| | Actual 1981-82 | Authorized Program 1982-83 | Governor's Recommendation 1983-84 | Percent Change Over 82-83 |
|---|---|---|---|---|
| Legislature | $ 3,192,800 | $ 4,303,700 | $ 4,023,000 | (6.5) |
| Elected Officials | 6,320,800 | 6,715,700 | 6,758,600 | 0.6 |
| State Courts | 12,168,600 | 13,885,000 | 13,664,600 | (1.6) |
| Government Operations | 21,134,400 | 23,163,300 | 25,053,600 | 8.2 |
| Public Safety | 17,658,400 | 21,625,700 | 21,612,200 | (0.1) |
| Social Services | 94,184,200 | 106,485,200 | 109,308,000 | 2.7 |
| Health | 50,052,600 | 60,158,800 | 59,674,900 | (0.8) |
| Public Education | 415,775,100 | 482,127,600 | 481,129,000 | (0.2) |
| Higher Education | 174,338,300 | 196,695,200 | 198,165,200 | 0.7 |
| Natural Resources | 13,980,700 | 14,729,400 | 14,256,800 | (3.2) |
| Business, Labor and Agriculture | 10,356,100 | 13,546,100 | 14,571,400 | 7.6 |
| Community and Economic Development | 15,439,100 | 7,671,300 | 8,126,900 | 5.9 |
| Transportation | 251,100 | 654,000 | 645,000 | (1.4) |
| Operations Budget | $ 834,852,200 | $ 951,761,000 | $ 956,989,200 | 0.5 |
| Capital Budget and Debt Service | 60,616,300 | 56,441,900 | 52,228,400 | (7.5) |
| TOTAL | $ 895,468,500 | $1,008,202,900 | $ 1,009,217,600 | 0.1 |

## Table V

### STATE OF UTAH

# Summary of Governor's Recommendations

General Fund/Uniform School Fund/Transportation Fund

| | Actual 1981-82 | Authorized Program 1982-83 | Governor's Recommendation 1983-84 | Percent Change Over 82-83 |
|---|---|---|---|---|
| Legislature | $ 3,192,800 | $ 4,303,700 | $ 4,023,000 | (6.5) |
| Elected Officials | 6,320,800 | 6,715,700 | 6,758,600 | 0.6 |
| State Courts | 12,168,600 | 13,885,000 | 13,664,600 | (1.6) |
| Government Operations | 25,205,600 | 28,116,700 | 30,275,000 | 7.7 |
| Public Safety | 25,061,400 | 27,491,800 | 28,463,000 | 3.5 |
| Social Services | 94,184,200 | 106,485,200 | 109,308,000 | 2.7 |
| Health | 50,052,600 | 60,158,800 | 59,674,900 | (0.8) |
| Public Education | 415,775,100 | 482,127,600 | 481,129,000 | (0.2) |
| Higher Education | 174,338,300 | 196,695,200 | 198,165,200 | 0.7 |
| Natural Resources | 13,980,700 | 14,729,400 | 14,256,800 | (3.2) |
| Business, Labor and Agriculture | 10,356,100 | 13,546,100 | 14,571,400 | 7.6 |
| Community and Economic Development | 15,557,100 | 7,789,300 | 8,244,900 | 5.8 |
| Transportation | 47,562,900 | 50,212,900 | 54,746,200 | 9.0 |
| Operations Budget | $ 893,756,200 | $1,012,257,400 | $ 1,023,280,600 | 1.1 |
| Capital Budget and Debt Service | 102,762,100 | 92,821,900 | 103,123,700 | 11.1 |
| TOTAL | $ 996,518,300 | $1,105,079,300 | $ 1,126,404,300 | 1.9 |

Table VI

STATE OF UTAH

# Summary of Governor's Recommendations

Expenditures From All Sources

| | Actual 1981-82 | Authorized Program 1982-83 | Governor's Recommendation 1983-84 | Percent Change Over 1982-83 |
|---|---|---|---|---|
| Legislature | $ 3,385,800 | $ 4,462,800 | $ 4,168,000 | (6.6) |
| Elected Officials | 6,926,900 | 7,985,100 | 7,631,700 | (4.4) |
| State Courts | 12,069,500 | 13,904,300 | 13,667,600 | (1.6) |
| Government Operations | 38,603,400 | 41,042,400 | 52,056,800 | 26.8 |
| Public Safety | 29,208,500 | 30,751,100 | 31,032,000 | 0.9 |
| Social Services | 214,131,000 | 239,143,200 | 241,091,800 | 0.8 |
| Health | 139,676,100 | 175,208,900 | 187,091,700 | 6.8 |
| Public Education | 638,157,700 | 731,435,400 | 746,374,700 | 2.0 |
| Higher Education | 231,470,800 | 260,773,600 | 265,382,800 | 1.8 |
| Natural Resources | 37,463,400 | 38,699,000 | 38,372,500 | (0.8) |
| Business, Labor and Agriculture | 21,210,000 | 27,346,500 | 27,867,000 | 1.2 |
| Community and Economic Development | 13,408,700 | 16,386,800 | 15,690,600 | (4.2) |
| Transportation | 50,443,700 | 55,326,100 | 61,562,700 | 11.3 |
| Operations Budget | $1,436,155,500 | $1,642,465,200 | $ 1,691,819,900 | 3.0 |
| Capital Budget and Debt Service | 223,177,600 | 233,401,000 | 246,180,600 | 10.2 |
| TOTAL | $1,659,333,100 | $1,875,866,200 | $ 1,938,000,500 | 3.3 |

# Table VII

## STATE OF UTAH

## Summary of Plan for Financing

| | General Fund | Uniform School Fund | Transportation Fund | Federal Grants | Dedicated Credits | Mineral Lease | Restricted & Trust Accounts | Other | Local School Property Tax | Total 1981-82 | Total 1982-83 | Total 1983-84 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Legislature | | | | | | | | | | | | |
| Actual 81-82 | 3,192.8 | -0- | -0- | -0- | 0.4 | -0- | -0- | 192.6 | -0- | 3,385.8 | | |
| Authorized 82-83 | 4,303.7 | -0- | -0- | -0- | -0- | -0- | -0- | 159.1 | -0- | | 4,462.8 | |
| Gov. Rec. 83-84 | 4,023.0 | -0- | -0- | -0- | -0- | -0- | -0- | 145.0 | -0- | | | 4,168.0 |
| Elected Officials | | | | | | | | | | | | |
| Actual 81-82 | 6,320.8 | -0- | -0- | 141.0 | 879.2 | -0- | 140.4 | (554.5) | -0- | 6,926.9 | | |
| Authorized 82-83 | 6,715.7 | -0- | -0- | -0- | 1,090.2 | -0- | 179.2 | -0- | -0- | | 7,985.1 | |
| Gov. Rec. 83-84 | 6,758.6 | -0- | -0- | -0- | 637.8 | -0- | 159.3 | 76.0 | -0- | | | 7,631.7 |
| State Courts | | | | | | | | | | | | |
| Actual 81-82 | 12,168.6 | -0- | -0- | 13.9 | 18.5 | -0- | 2.2 | (133.7) | -0- | 12,069.5 | | |
| Authorized 82-83 | 13,885.0 | -0- | -0- | 2.8 | 12.0 | -0- | 4.5 | -0- | -0- | | 13,904.3 | |
| Gov. Rec. 83-84 | 13,664.6 | -0- | -0- | -0- | 8.5 | -0- | 4.5 | -0- | -0- | | | 13,677.6 |
| Government Operations | | | | | | | | | | | | |
| Actual 81-82 | 15,363.0 | 5,771.4 | 4,071.2 | 9,202.8 | 3,630.5 | -0- | 798.7 | (234.2) | -0- | 38,603.4 | | |
| Authorized 82-83 | 16,917.7 | 6,245.6 | 4,953.4 | 8,142.4 | 4,158.4 | -0- | 647.6 | (22.7) | -0- | | 41,042.4 | |
| Gov. Rec. 83-84 | 18,647.0 | 6,406.6 | 5,221.4 | 17,007.3 | 4,110.8 | -0- | 644.6 | 19.1 | -0- | | | 52,056.8 |
| Public Safety | | | | | | | | | | | | |
| Actual 81-82 | 17,658.4 | -0- | 7,403.0 | 3,936.6 | 139.0 | -0- | -0- | 71.5 | -0- | 29,208.5 | | |
| Authorized 82-83 | 21,625.7 | -0- | 5,866.1 | 2,944.2 | 63.8 | -0- | -0- | 251.3 | -0- | | 30,751.1 | |
| Gov. Rec. 83-84 | 21,612.2 | -0- | 6,850.8 | 2,498.5 | 70.5 | -0- | -0- | -0- | -0- | | | 31,032.0 |
| Social Services | | | | | | | | | | | | |
| Actual 81-82 | 94,184.2 | -0- | -0- | 87,439.7 | 31,284.6 | -0- | 2,927.6 | (1,705.1) | -0- | 214,131.0 | | |
| Authorized 82-83 | 106,485.2 | -0- | -0- | 91,699.2 | 37,665.2 | -0- | 3,293.6 | -0- | -0- | | 239,143.2 | |
| Gov. Rec. 83-84 | 109,308.0 | -0- | -0- | 91,027.1 | 37,326.5 | 175.0 | 3,255.2 | -0- | -0- | | | 241,091.8 |
| Health | | | | | | | | | | | | |
| Actual 81-82 | 50,052.6 | -0- | -0- | 88,405.4 | 4,534.1 | -0- | -0- | (3,316.0) | -0- | 139,676.1 | | |
| Authorized 82-83 | 60,158.8 | -0- | -0- | 109,582.9 | 5,432.3 | -0- | -0- | 34.9 | -0- | | 175,208.9 | |
| Gov. Rec. 83-84 | 59,674.9 | -0- | -0- | 121,451.6 | 5,965.2 | -0- | -0- | -0- | -0- | | | 187,091.7 |
| Public Education | | | | | | | | | | | | |
| Actual 81-82 | -0- | 415,775.1 | -0- | 53,662.4 | 4,674.0 | 644.2 | 7,414.6 | (3,579.5) | 159,566.9 | 638,157.7 | | |
| Authorized 82-83 | -0- | 482,127.6 | -0- | 65,741.1 | 2,797.0 | 873.6 | 11,513.0 | 2,410.5 | 165,972.6 | | 731,435.4 | |
| Gov. Rec. 83-84 | -0- | 481,129.0 | -0- | 69,182.9 | 2,971.4 | 946.3 | 12,293.8 | 13.4 | 179,837.9 | | | 746,374.7 |

| | General Fund | Uniform School Fund | Transportation Fund | Federal Grants | Dedicated Credits | Mineral Lease | Other Restricted & Trust Accounts | Other | Local School Property Tax | Total 1981-82 | Total 1982-83 | Total 1983-84 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Higher Education | | | | | | | | | | | | |
| Actual 81-82 | 174,077.0 | 261.3 | -0- | 442.2 | 49,285.2 | 4,695.9 | 1,176.5 | 1,532.7 | -0- | 231,470.8 | | |
| Authorized 82-83 | 196,395.2 | 300.0 | -0- | 3,795.5 | 54,020.3 | 5,461.4 | -0- | 801.2 | -0- | | 260,773.6 | |
| Gov. Rec. 83-84 | 197,865.2 | 300.0 | -0- | 4,168.2 | 56,048.3 | 5,954.8 | -0- | 1,046.3 | -0- | | | 265,382.8 |
| Natural Resources | | | | | | | | | | | | |
| Actual 81-82 | 13,980.7 | -0- | -0- | 9,307.0 | 2,983.8 | 689.0 | 11,500.2 | (997.3) | -0- | 37,463.4 | | |
| Authorized 82-83 | 14,729.4 | -0- | -0- | 6,423.2 | 2,678.3 | 978.7 | 12,711.5 | 1,177.9 | -0- | | 38,699.0 | |
| Gov. Rec. 83-84 | 14,256.8 | -0- | -0- | 6,364.0 | 2,599.0 | 1,735.2 | 13,183.9 | 233.6 | -0- | | | 38,372.5 |
| Business, Labor and Agriculture | | | | | | | | | | | | |
| Actual 81-82 | 10,356.1 | -0- | -0- | 1,963.4 | 1,262.5 | 250.0 | 8,650.3 | (1,272.3) | -0- | 21,210.0 | | |
| Authorized 82-83 | 13,546.1 | -0- | -0- | 2,076.2 | 836.1 | 450.0 | 10,436.6 | 1.5 | -0- | | 27,346.5 | |
| Gov. Rec. 83-84 | 14,571.4 | -0- | -0- | 1,959.1 | 862.1 | -0- | 10,342.4 | (48.0) | -0- | | | 27,687.0 |
| Comm. & Econ. Dev. | | | | | | | | | | | | |
| Actual 81-82 | 15,439.1 | -0- | 118.0 | 2,997.2 | 2,575.8 | -0- | 63.2 | (7,784.6) | -0- | 13,408.7 | | |
| Authorized 82-83 | 7,671.3 | -0- | 118.0 | 6,595.7 | 1,908.3 | -0- | 36.9 | 56.6 | -0- | | 16,386.8 | |
| Gov. Rec. 83-84 | 8,126.9 | -0- | 118.0 | 5,513.8 | 1,895.0 | -0- | 36.9 | -0- | -0- | | | 15,690.6 |
| Transportation | | | | | | | | | | | | |
| Actual 81-82 | 251.1 | -0- | 47,311.8 | 1,385.3 | 121.7 | -0- | 2,650.0 | (1,276.2) | -0- | 50,443.7 | | |
| Authorized 82-83 | 654.0 | -0- | 49,558.9 | 3,516.5 | 68.0 | -0- | 2,750.0 | (1,221.3) | -0- | | 55,326.1 | |
| Gov. Rec. 83-84 | 645.0 | -0- | 54,101.2 | 2,546.0 | 60.0 | -0- | 3,960.5 | 250.0 | -0- | | | 61,562.7 |
| **TOTAL OPERATIONS BUDGET** | | | | | | | | | | | | |
| Actual 81-82 | 413,044.4 | 421,807.8 | 58,904.0 | 258,896.9 | 101,389.3 | 6,279.1 | 35,323.7 | (19,056.6) | 159,566.9 | 1,436,155.5 | | |
| Authorized 82-83 | 463,087.8 | 488,673.2 | 60,496.4 | 300,519.7 | 110,729.9 | 7,763.7 | 41,572.9 | 3,649.0 | 165,972.6 | | 1,642,465.2 | |
| Gov. Rec. 83-84 | 469,153.6 | 487,835.6 | 66,291.4 | 321,718.5 | 112,555.1 | 8,811.3 | 43,881.1 | 1,735.4 | 179,837.9 | | | 1,691,819.9 |
| **TOTAL CAPITAL BUDGET** | | | | | | | | | | | | |
| Actual 81-82 | 48,928.4 | 11,687.9 | 42,145.8 | 101,135.1 | 2,359.9 | 16,707.5 | 1,000.0 | (787.0) | -0- | 223,177.6 | | |
| Authorized 82-83 | 41,720.1 | 14,721.8 | 36,380.0 | 87,349.6 | 3,721.8 | 21,375.0 | 19,754.1 | 8,378.6 | -0- | | 233,401.0 | |
| Gov. Rec. 83-84 | 52,228.4 | -0- | 50,895.3* | 86,492.0 | 444.0 | 33,250.0 | 22,870.9 | -0- | -0- | | | 246,180.6 |
| **GRAND TOTALS** | | | | | | | | | | | | |
| Actual 81-82 | 461,972.8 | 433,495.7 | 101,049.8 | 360,032.0 | 103,749.2 | 22,986.6 | 36,323.7 | (19,843.6) | 159,566.9 | 1,659,333.1 | | |
| Authorized 82-83 | 504,807.9 | 503,395.0 | 96,876.4 | 387,869.3 | 114,451.7 | 29,138.7 | 61,327.0 | 12,027.6 | 165,972.6 | | 1,875,866.2 | |
| Gov. Rec. 83-84 | 521,382.0 | 487,835.6 | 117,186.7** | 408,210.5 | 112,999.1 | 42,061.3 | 66,752.0 | 1,735.4 | 179,837.9 | | | 1,938,000.5 |

* The transportation fund amount shown is less than is shown in the capital budget because of two transfers, mineral lease $7,600,000 and transportation fund highway rehabilitation restricted account $11,804,800.

** The transportation fund includes $2,400,000 from depreciating reserve account.

## II. FORECASTING UTAH'S ECONOMY AND STATE REVENUES

### Utah Economic Trends

In 1982 the Utah economy was buffeted by the deepening national recession. High interest rates, tight monetary policies and declining economic activity caused the unemployment rate to rise from 6 percent in December 1981 to 8.9 percent in October 1982. Depression-level conditions in the residential housing sector greatly affected the demand for durable goods and exacerbated the state's economic woes. Despite a worsening economic condition, Utah's economy remained among the most healthy in the country, due to its diversification.

Forecasts of an economic recovery in Utah in 1982 were stymied by the Federal Reserve Bank's record-high interest rates which fostered a continued decline in consumer demand for durable goods. The inability to revive U.S. consumer demand for housing, motor vehicles and appliances has cut deeply into the demand for Utah copper, steel, coal and even into Utah oil drilling. By the spring of 1982, this trend eventually hit Utah's previously considered "untouchable" data processing industry.

Layoffs and wage cuts in Utah's mining, construction and manufacturing sectors affected not only wages and salaries, but also consumer confidence. Utah has barely been able to create 10,000 new non-agricultural jobs since 1980. This contrasts to the boom year of 1978 when 34,000 jobs were created. Utah's unemployment, almost 6 percent in 1981, rose to 9 percent in October 1982. In stark numbers, over 17,000 additional people were unemployed this year. Of these, 5,000 workers had been employed in manufacturing and almost 3,000 had been employed in mining.

In the confluence of Utah's economy, three sectors actually gained in employment — services; finance, insurance and real estate; and transportation, communications and public utilities. One thousand jobs were created when Western Airlines relocated its main hub to the Salt Lake International Airport. Utah ski resorts' close proximity to an international airport, in addition to Salt Lake City's rising attractiveness as a convention center, has pulled in some major hotel chains in recent years, boosting hotel employment by 13 percent in 1982. Continued gains in service employment in data processing, amusement, medical care and educational services also persist despite the national recession.

Over 1,000 jobs have been added in the communications and electric, gas and pipeline sector in 1982. Sales in the communication sector have rocketed 24 percent in 1982 because of beefed up telephone, broadcasting and cable television services. Utah's finance sector employment has been spurred by bullish stock markets as well as deregulation of savings and loans into full-fledged banking services.

### Current Revenue Shortfall

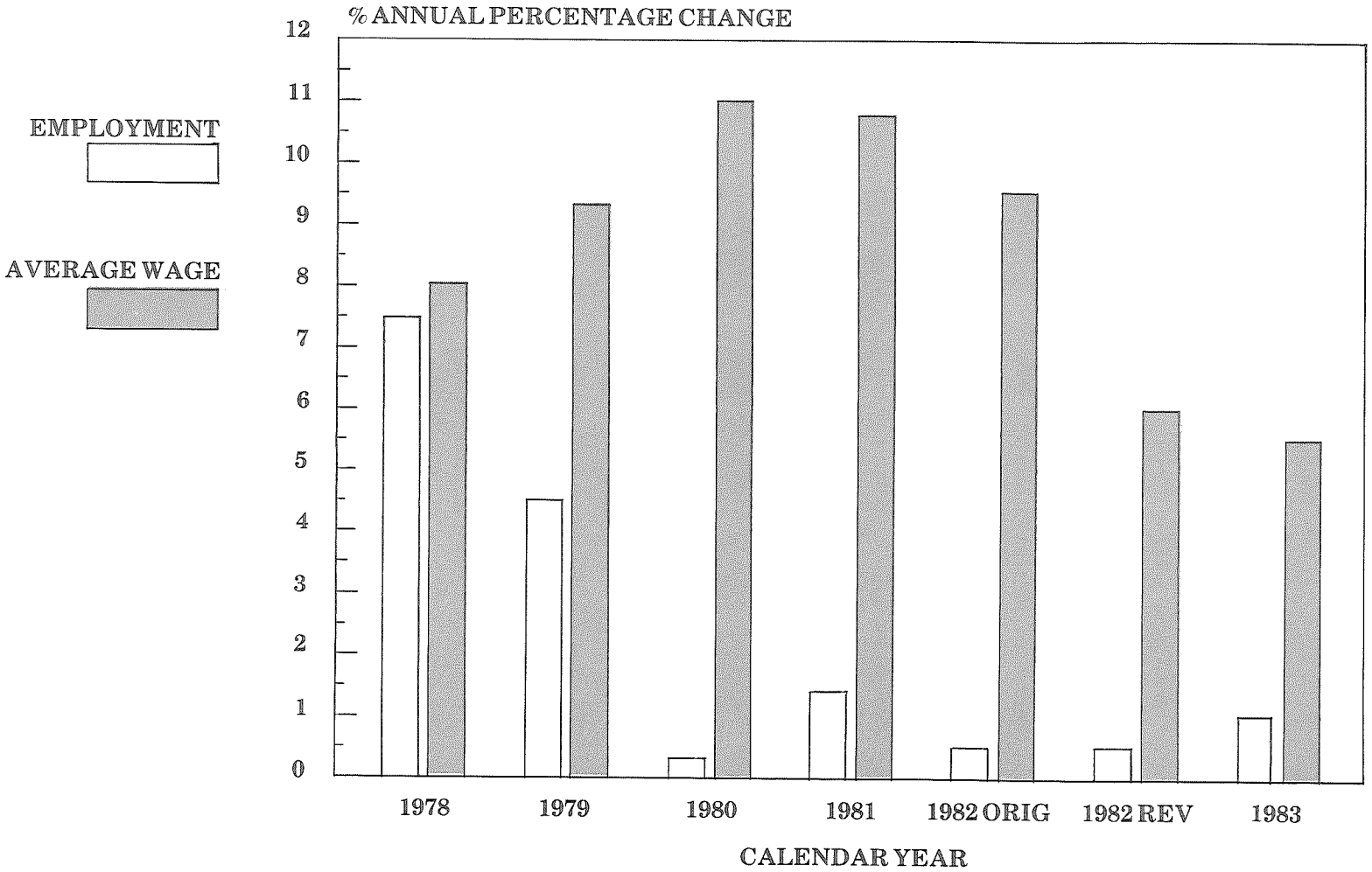
In September 1982, it became obvious that the promised economic recovery was bogged down by high interest rates, slack consumer demand and unprecedented post-war unemployment. At that time Gov. Matheson directed an across-the-board 2 percent reduction in general and uniform school fund expenditures. In late November after another flat quarter of revenues, the governor instructed that the $30 million in school land trust fund monies, which came to the uniform school fund as a result of a Utah Supreme Court ruling, would be used to offset further revenue reductions.

Although it is not clear if the worst is over, current estimates for fiscal year 1982-83 revenues assume a modest upturn in consumer spending during the Christmas season and the first calendar quarter of 1983. In addition, upward adjustments to the state's withholding tax rates and smaller refund checks due to the federal government's individual income tax cuts are expected to boost state revenue as the 1982-83 year comes to a close.

Compounding the current revenue problems is the fact that average wage increases in 1982 have not risen to forecasted levels (see Illustration #2). Projected at 9 percent increases, wages are only increasing an average 5 to 6 percent. In many cases, average weekly earnings are actually below 1981 levels. Particularly hard hit are coal mining and construction wages. Little or no increases in wages have been received in manufacturing, transportation, and trade. Thus, wage hikes which are a key factor in "core inflation" have been dealt a severe blow in 1982. These wage decreases should moder-

## Illustration #2

## Utah Employment and Average Wage Growth



ate wage negotiations in 1983 and contribute to a 5 to 6 percent inflation rate during 1983.

### General Economic Assumptions for 1983

Coupled with constrained wage increases and increased productivity, U.S. businesses, given positive signals from financial markets, might be poised for a sustained but slow recovery in the next few years. However, many economists advise that this is a time for cautious projections for economic growth, given the lack of consumer confidence, continued high installment credit rates and cautious capital spending by businesses.

The State Budget Office and the Economic and Statistical Unit of the State Tax Commission monitor a variety of state and national economic indicators, as shown on Table VIII. Many of these indicators are used in the models to project revenues for fiscal year 1983-84.

Nationally, we expect the U.S. gross national product to increase 7 percent in 1983, a 2 percent increase in real or constant dollars. Such a modest growth rate will be assisted by a 7 percent increase in sales of new cars and trucks and a 14.3 percent increase in U.S. housing starts (which should pick up steam as long as conventional mortgage rates decline below 13 percent). Copper prices should firm up close to 77 cents per pound as housing starts edge up in 1983. Thus, Utah copper production is expected to stay close to 400 million pounds. Utah coal production is expected to reach 1982 record levels as export and utility markets slowly expand in 1983.

The fundamentals are finally shaping up for a rebound in Utah's housing industry. Conventional mortgage rates edging down to 12.75 percent during 1983 coupled with Utah's high birth and marriage rates should help spur a significant increase in Utah housing starts. The downside risk is the possibility that mortgage rates will retreat to the 14-16 percent plateau of 1981.

A 14 percent interest rate for an average-priced home valued at $79,000 in 1983 would result in a prohibitive $730 monthly mortgage payment. The odds are, however, that the softness of the overall U.S. economy will keep interest rates down in 1983. Economists estimate that 90-day U.S. Treasury bill rates will average between 6 and 7.5 percent in 1983. Based on these considerations, there should be about 10,700 new dwelling unit permits in 1983 along with $467 million in residential construction (see Illustration #3).

In recent years, expansion in Utah's non-residential construction industry has helped offset some of the decline in residental construction. Ranging between $400 million and $500 million annually since 1979, a significant amount of non-residential construction in the form of retail and office space has been built along the Wasatch Front. Regional economists expect this sector to be soft in 1983, perhaps reaching only $375 million. On the industrial side, almost $1 billion will be spent by the Intermountain Power Project in Delta and the Bonanza Power Project outside Vernal. An additional $125 million was added to non-residential construction due to substantial power plant expenditures.

Utah production of oil and natural gas appears to have increased slightly as additional production in the Overthrust Belt has offset production declines in the other major fields. The price of crude oil in Utah is expected to drop from $33.82 per barrel in 1981 to $30 in 1982 and 1983. The decontrol of natural gas prices should help stabilize oil industry revenue as well as the state oil and gas occupation tax.

### The Utah Consumer — Will He Save It Or Spend It?

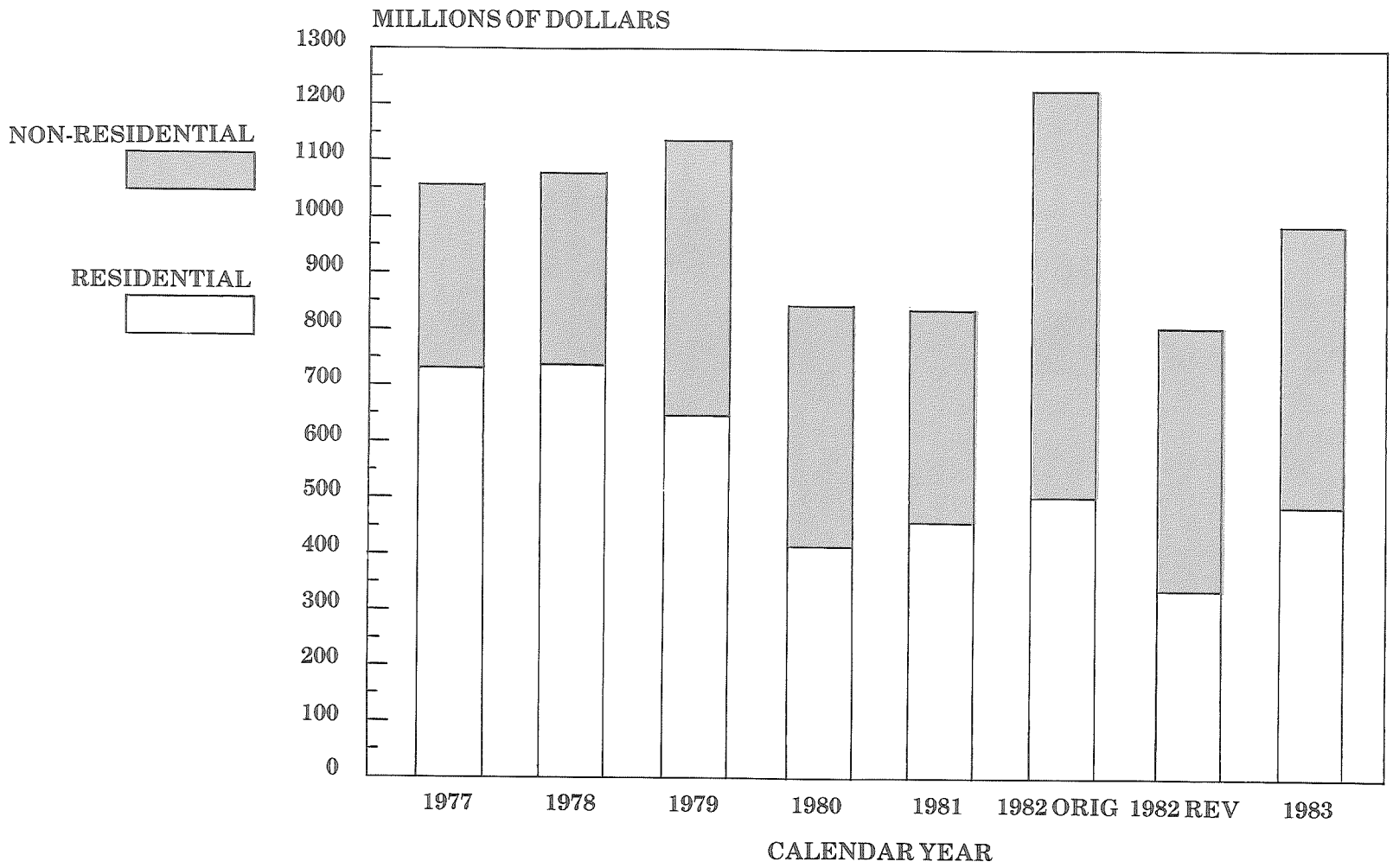
With disposable income rising and money market rates declining to less than 10 percent, it is likely that consumer spending will pick up. Installment debt is relatively low and consumers are in good financial shape.

Although consumer confidence has picked up since last summer, it is still at record lows. One national survey indicated that 41 percent of the families expect upcoming employment difficulties including layoffs and reductions in salary and/or workweek. Considerable consumer caution exists with the exception of sales in electronics and home entertainment items. It appears that consumers are shopping for sales and are waiting for prices to drop further. As hard times have set in, the inflationary psychology has reversed itself and the consumer has held back.

Although many economists have speculated that considerable pent-up demand is ready to be unleashed, it is also possible that fundamental changes in consumer attitudes may be occurring. Consumers have been able to keep their older model cars longer, have

## Illustration #3

### Residential & Non-Residential Construction
In Utah, 1977 through 1983



spurned record-high credit card rates over 20 percent and have reduced consumption of gasoline.

## Revenue Projections for Fiscal Years 1982-83 and 1983-84

### General Fund

Based on the assumptions above, we expect sales and use taxes, which comprise about 80 percent of general fund revenues, to increase by 2.7 percent to $395.6 million in fiscal year 1982-83 and increase 7 percent to $423.3 million in fiscal year 1983-84 (see Illustration #4). The major impetus to sales tax growth will be a 1 percent increase in Utah employment, coupled with a 5.5 percent increase in average non-agricultural wages. Additional stimulus will be received from Utah's construction sector in 1983.

In the 1982-83 fiscal year, shortfalls in ancillary revenues have been a drag on the general fund, which is estimated to increase only 0.6 percent. This contrasts to the 11.9 percent forecast made in the 1982 legislative session. Although a significant drop in the insurance premium tax was foreseen, absolute declines in investment income (due to recent interest rate declines), and oil and mine occupation taxes were not anticipated.

In fiscal year 1983-84, we expect modest gains in all general fund sources with the exception of investment income, which will drop if 90-day U.S. Treasury bill rates fall to 6.5 percent. All in all, general fund revenues should increase close to the 7 percent sales and use tax pace.

### Uniform School Fund

After experiencing 20 and 17 percent increases in fiscal years 1978-79 and 1979-80, individual income tax growth slowed to 11.1 and 12.2 percent rates in 1980-81 and 1981-82, respectively. Individual income tax is projected at $401.6 million, a 9.7 percent increase over fiscal year 1982-83. The individual income tax is being bolstered by the federal tax cuts (since lower federal taxes can be deducted from state taxable income) to the tune of $4.7 million in fiscal year 1982-83 and by $17 million in fiscal year 1983-84. Without the $17 million boost, the income tax forecast would be only an 8.2 percent increase. This is primarily due to the fact that Utah's once progressive individual income tax has become a modified proportional tax, as inflation-induced wage increases will push over 65 percent of the returns into the highest state bracket by 1983. Over 95 percent of Utah net taxable income will be carried by those returns in the highest bracket. Thus, bracket creep, which granted generous real increases during the 1970s, will become extinct in the 1980s.

Corporation franchise taxes which comprise about 10 percent of the uniform school fund are besieged on two fronts. The first front is the U.S. Supreme Court ruling that limits states from taxing the dividend and interest income of multi-state and international corporations' subsidiaries. A recent survey by department auditors reveals that the state will lose $3 million in fiscal year 1982-83 and perhaps $5 million in 1983-84 due to this court decision. The projections for this tax source take into account these reductions.

The second front is weak corporation profits during the recession. Although U.S. profits are expected to increase in 1983 by 15 percent, Utah taxable profits should increase 6.7 percent. The forecast for $36 million, a 12 percent decline in fiscal year 1982-83, followed by $36.6 million, a 1.7 percent increase in fiscal year 1983-84, reflects the investment and interest income assumption discussed previously.

### Transportation Fund

Following a 3.4 percent decline in fiscal year 1980-81, the Utah legislature raised motor and special fuel tax rates from 9 to 11 cents per gallon. Thus, transportation fund revenues increased 16.9 percent in fiscal year 1981-82. A 14 percent increase is expected in fiscal year 1982-83 largely due to increased motor vehicle registration and drivers license fees. Also stimulating revenues is the increased gasoline consumption foreseen this year. Barring further tax increases, the transportation fund should increase 4.6 percent to $121 million in fiscal year 1983-84 due to steady increases in gasoline consumption.

Table IX presents a summary of the joint revenues estimates of the State Budget Office and Tax Commission for fiscal years 1982-83 and 1983-84.

## Illustration #4

### Sales and Individual Income Tax Growth

Percent Change from Prior Fiscal Year

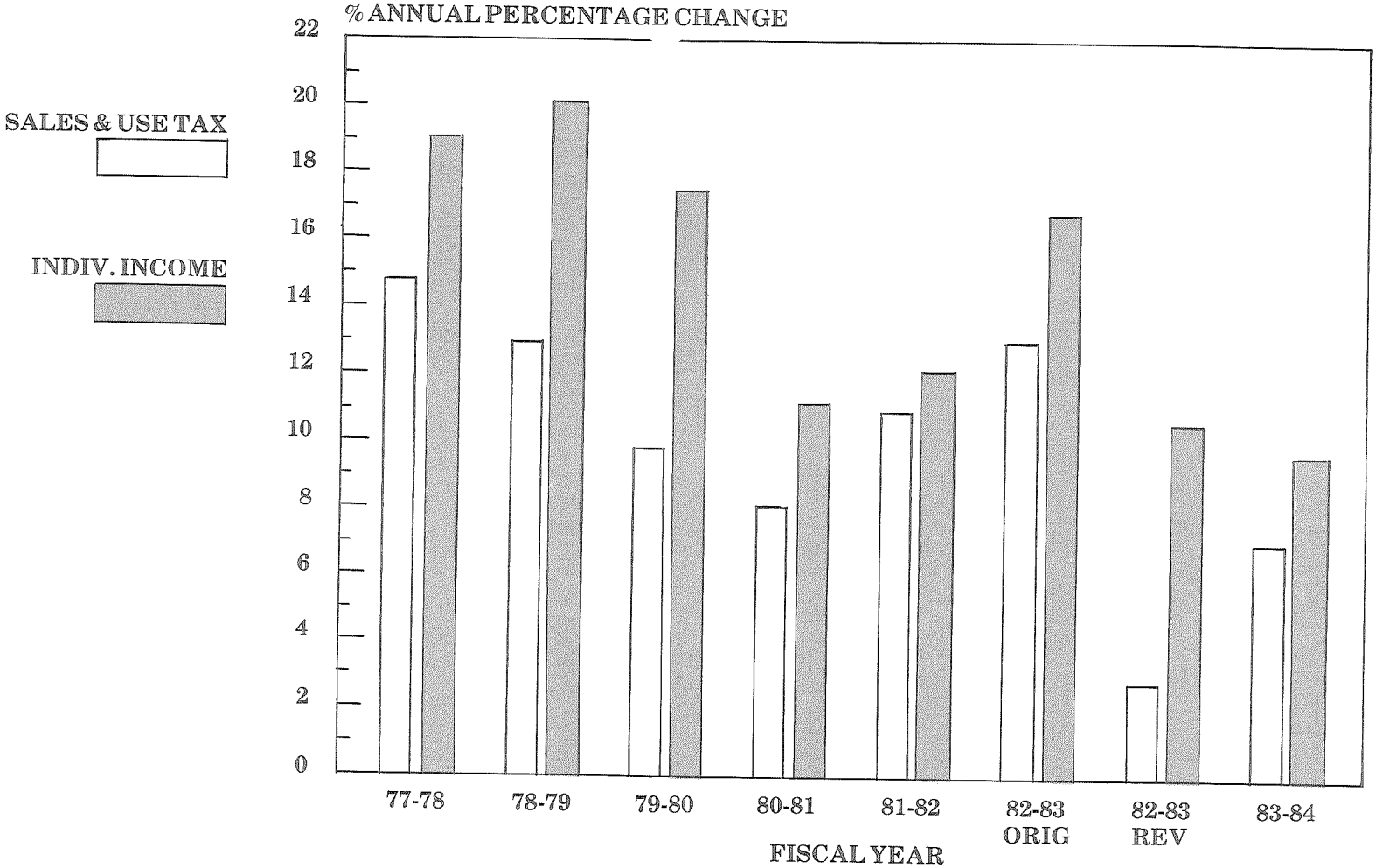


Table VIII

STATE OF UTAH

# Forecast of Salient Economic Indicators

Economic and Statistical Unit, State Tax Commission

| Utah and United States Indicators | Units | 1980 Actual | 1981 Actual | 1982 Estimated | 1983 Forecast | Percent Change 80-81 | Percent Change 81-82 | Percent Change 82-83 |
|---|---|---|---|---|---|---|---|---|
| **Production** | | | | | | | | |
| U.S. Gross National Product | Billion Dollars | 2,633.1 | 2,937.7 | 3,075.8 | 3,291.1 | 11.6 | 4.7 | 7.0 |
| U.S. Raw Steel Production | Million Tons | 112 | 120 | 83 | 88 | 7.1 | (30.8) | 6.0 |
| Utah Coal | Million Tons | 13.6 | 14.6 | 15.0 | 15.0 | 7.4 | 2.7 | -0- |
| Utah Copper | Million Pounds | 397 | 444 | 402 | 390 | 11.8 | (9.5) | (3.0) |
| U.S. New Cars and Trucks | Thousands | 8,979 | 8,535 | 8,600 | 9,200 | (4.9) | 0.8 | 7.0 |
| U.S. Housing Starts | Thousands | 1,313 | 1,100 | 1,050 | 1,200 | (16.2) | (4.5) | 14.3 |
| Utah Dwelling Units | Thousands | 10.9 | 9.3 | 7.3 | 10.7 | (14.7) | (21.5) | 46.6 |
| Residential Construction Value | Million Dollars | 408 | 452 | 336 | 467 | 10.8 | (25.7) | 39.0 |
| Non-Residential Construction Value | Million Dollars | 430 | 378 | 467 | 500 | (12.1) | 23.5 | 7.1 |
| **Social Indicators** | | | | | | | | |
| Utah Population | Thousands | 1,474 | 1,520 | 1,558 | 1,598 | 3.1 | 2.5 | 2.6 |
| **Prices** | | | | | | | | |
| U.S. CPI, December | 1967 = 100 | 258.7 | 281.1 | 293.7 | 311.3 | 8.7 | 4.5 | 6.0 |
| GNP Deflator | 1972 = 100 | 177.4 | 193.7 | 204.7 | 215.0 | 9.2 | 5.7 | 5.0 |
| Utah Crude Oil Prices | $ Per Barrel | 22.60 | 33.82 | 30.00 | 30.00 | 49.6 | (11.3) | -0- |
| U.S. Regular Lead Gasoline | $ Per Gallon | 1.29 | 1.33 | 1.25 | 1.35 | 3.1 | (6.0) | 8.0 |
| Domestic Copper Prices | $ Per Pound | 1.03 | 0.83 | 0.71 | 0.77 | (19.4) | (14.5) | 8.5 |
| **Financing** | | | | | | | | |
| Federal Discount Rate | Percent | 11.77 | 13.41 | 10.88 | 8.00 | 13.9 | (18.9) | (26.5) |
| U.S. 90-Day Treasury Bills | Percent | 11.51 | 14.08 | 12.18 | 6.50 | 22.3 | (13.5) | (46.6) |
| Conventional 1st Mortgage Rates | Percent | 12.25 | 14.17 | 14.50 | 12.75 | 15.7 | 2.3 | (12.1) |
| **Utah Employment and Wages** | | | | | | | | |
| Utah Employment | Thousands | 550.8 | 558.4 | 561.2 | 567.0 | 1.4 | 0.5 | 1.0 |
| Average Non-Agriculture Wage | Dollars | 13,337 | 14,774 | 15,660 | 16,521 | 10.8 | 6.0 | 5.5 |
| Total Non-Agriculture Wages | Million Dollars | 7,346 | 8,250 | 8,788 | 9,387 | 12.3 | 6.5 | 6.8 |
| U.S. Disposable Income Rate | Percent | 84.2 | 83.9 | 84.5 | 85.0 | (0.4) | 0.7 | 0.6 |
| Real Disposable Non-Agriculture Wages | Million Dollars | 3,460 | 3,563 | 3,615 | 3,718 | 3.0 | 1.5 | 2.8 |
| Utah Personal Income | Million Dollars | 11,203 | 12,610 | 13,429 | 14,405 | 12.6 | 6.5 | 7.3 |

# Table IX

## STATE OF UTAH

# Comparative Revenue Estimates (in thousands of dollars)

Joint Projections of State Budget Office and State Tax Commission

| | FY 81 Actual | FY 82 Actual | Percent Change | FY 83 Estimate | Percent Change | FY 84 Projection | Percent Change |
|---|---|---|---|---|---|---|---|
| **General Fund** | | | | | | | |
| Sales and Use Tax | $ 347,380 | $ 385,033 | 10.8 | $ 395,600 | 2.7 | $ 423,300 | 7.0 |
| Liquor Profits | 17,604 | 17,851 | 1.4 | 20,500 | 14.8 | 22,000 | 7.3 |
| Insurance Premiums | 15,778 | 21,494 | 36.2 | 18,000 | (16.3) | 19,300 | 7.2 |
| Beer, Cig., and Tobacco | 13,484 | 14,082 | 4.4 | 17,400 | 23.6 | 18,500 | 6.3 |
| Investment Income | 14,743 | 21,134 | 43.3 | 13,400 | (36.6) | 12,500 | (6.7) |
| Mine Occupation Tax | 14,757 | 20,694 | 40.2 | 17,900 | (13.5) | 19,400 | 8.4 |
| Inheritance Tax | 2,046 | 4,514 | 120.6 | 4,000 | (11.4) | 4,000 | -0- |
| Other | 13,125 | 12,752 | (2.8) | 13,600 | 6.6 | 14,900 | 9.6 |
| Total | $ 438,917 | $ 497,554 | 13.4 | $ 500,400 | 0.6 | $ 533,900 | 6.7 |
| **Uniform School Fund** | | | | | | | |
| Individual Income Tax | $ 294,817 | $ 330,840 | 12.2 | $ 366,000 | 10.6 | $ 401,600 | 9.7 |
| Corporate Franchise Tax | 40,665 | 40,894 | 0.6 | 36,000 | (12.0) | 36,600 | 1.7 |
| School Land Income | 14,443 | 18,857 | 30.6 | 29,500 | 56.4 | 31,600 | 7.1 |
| Other | 2,462 | 2,088 | (15.2) | 2,000 | (4.2) | 3,200 | 60.0 |
| Federal Revenue Sharing | 6,999 | -0- | (100.0) | -0- | (100.0) | -0- | -0- |
| Total | $ 359,386 | $ 392,679 | 9.3 | $ 433,500 | 10.4 | $ 473,000 | 9.1 |
| Total Both Funds | $ 798,303 | $ 890,233 | 11.5 | $ 933,900 | 4.9 | $ 1,006,900 | 7.8 |
| **Transportation Fund** | | | | | | | |
| Motor Fuel Tax | $ 56,568 | $ 67,734 | 19.7 | $ 72,200 | 6.6 | $ 73,800 | 2.2 |
| Special Fuel Tax | 10,107 | 12,672 | 25.4 | 11,200 | (11.6) | 13,000 | 16.1 |
| Other | 20,135 | 21,084 | 4.7 | 32,300 | 53.2 | 34,200 | 5.9 |
| Total | $ 86,810 | $ 101,490 | 16.9 | $ 115,700 | 14.0 | $ 121,000 | 4.6 |
| **TOTAL ALL FUNDS** | $ 885,113 | $ 991,723 | 12.0 | $ 1,049,600 | 5.8 | $ 1,127,900 | 7.5 |

## III. GOVERNOR'S RECOMMENDATION ON STATE COMPENSATION

State employee compensation, which consists of salaries and benefits, comprises two-thirds of the state's budget. Recognizing the importance of compensation, the State Personnel Management Act gives the director of the Division of Personnel Management (DPM) the responsibility for recommending revisions in the state compensation plan to attract and retain a quality workforce and to maintain parity with private enterprise. Senate Bill 271, passed in the 1981 general session of the legislature, gave statutory responsibility to the Division of Personnel Management for total compensation.

### Objectives of the Compensation Plan

To obtain and maintain a quality workforce, the following objectives are suggested by the Division of Personnel Management:

- Attract quality employees to assure the delivery of quality services.
- Increase employee productivity through improved employee motivation, morale, training, staff development, and job satisfaction.
- Use accurate tools to identify projected annual salary and benefit adjustments.

### Compensation Methodology

The State Personnel Management Act requires that recommended salary and benefit revisions be based on a salary and benefit survey conducted each even-numbered year and on changes in the average wages in the Utah labor market each odd-numbered year. The Division of Personnel Management's recommendations to the governor for implementation on July 1, 1983, relate to various elements of compensation, including base pay adjustments and benefit proposals.

The statute requires that the survey be weighted according to the number of employeees in each firm and the government/non-government mix in the state. The statute defines acceptable survey data where 15 or more employers match the state's benchmark position or where employers having 150 or more incumbents in a position match a state benchmark position.

The survey response for organizations with less than 250 employees was poor. This made it virtually impossible to apply the weighting required by statute using valid statistical techniques.

Recognizing this poor response, the Legislative Management Committee requested an analysis of the data obtained from the larger companies. This analysis deviates from the statute by using the traditional techniques of weighting data by incumbent matches and using only data supplied by employers with 250 or more employees.

Based on this methodology, the survey results show that as of July 1, 1982, state employees, on average, are .14 percent higher in salaries and 5.05 percent higher in benefits than the marketplace.

### Division of Personnel Management Recommendations

As a result of the salary survey, the Division of Personnel Management recommends no cost-of-living increase for state employees. Instead, it recommends that the state provide a salary package of 3 percent to provide funding for promotions, merit increases, bonuses, implementation of a new salary plan, and salary adjustments as justified by survey data.

More specifically, to minimize low morale created by not providing a cost-of-living increase, it is important to provide funds for warranted promotions, merit increases, and possible bonuses. A new salary plan has been developed that will provide a more efficient means of salary adjustment for employees and save the state $2 million annually. There is an initial cost to bring state employees from the existing salary plan to the new salary plan. Part of the 3 percent will fund this implementation cost. The survey results also show a need to adjust some of the salary ranges for state positions. The remainder of the 3 percent package will provide these adjustments.

As the survey results show state employees to be high in benefits, the Division of Personnel Management recommends no increase in overall benefits. However, excess contribution rates in the retirement program is 4.5 percent of the total contribution. The Division of Personnel Management recommends a redistribution of the excess funds in the retirement program to provide a 1.8 percent state contribution toward a dental plan

and a .5 percent state contribution toward a long-term disability plan. The remaining amount of excess funding in the retirement program may be used for a 1 percent cost-of-living adjustment for retirees; a reduction in final years of service for salary averaging; and 100 percent vesting employer contributions after 10 years of employment.

An early retirement program is recommended where cost savings can be shown and where early retirement benefits both the employee and the agency.

### Executive and Judicial Compensation

The Division of Personnel Management has extensively surveyed positions in surrounding states which are comparable to Utah's executive and judicial positions. The survey data reveals that some of Utah's positions require salary adjustments to bring them in line with the practices of the surrounding states.

Details regarding DPM's recommendations are found in the division's compensation plan. The Executive and Judicial Compensation Commission was unable to present its recommendations to DPM prior to Oct. 30, the statutory deadline for completion of the compensation plan.

### Statutory Amendment Regarding Salary Package

The Division of Personnel Management concurs with the logic applied to the development of the current statute which is to include adequate representation of Utah employers' compensation practices according to their size.

The Division of Personnel Management believes this can be more effectively achieved by amending the statute to adopt the use of the Average Wage Index (AWI). The AWI, supplied by employment security, reflects the changes in pay from one year to the next for all non-agricultural jobs in Utah. The AWI will determine the amount available each year to the state for all pay, including cost-of-living adjustments, merit increases, promotions, bonuses and other salary changes.

In addition, it will be necessary to conduct salary surveys to establish pay ranges for specific jobs. The Division of Personnel Management wishes to acquire representation of all company sizes for their jobs which can match those jobs in the state. Based on past experience, however, it appears unlikely that small employers will read through a detailed survey with approximately 121 benchmark positions when they can only match a small number of them. Therefore, the Division of Personnel Management recommends that employers complete functional surveys made up only of positions they can match with the state.

### New Pay Plan

The implementation of the new pay plan will require an amendment which will abolish the existing classified and trade and craft plans. A single pay plan will be created in their place consisting of steps one through 70. The new plan will make no reference to grades and will be consistent with the state's new classification system which does not use grades.

### Cafeteria Style Benefits

In an economic period when it is becoming increasingly difficult to provide salary increases, improvement of benefit packages is an alternative to a salary increase. In the upcoming year, the Division of Personnel Management is committed to researching the possibilities of a "cafeteria style" or "market basket" approach to benefits. The flexibility and individuality found in allowing employees to choose their benefits is appealing.

### Policy Issues

Finally, the Division of Personnel Management recommends that two policy issues be studied during the interim period: 1) to what extent should there be uniformity among the state's agencies in how employees are hired, paid, and managed; and 2) how should benefits for state employees be managed? These issues will have significant impact on state compensation. A study of these interests during the interim period following the 1983 legislative session is advised.

### Governor's Recommendations

The governor supports the objectives and recommendations of the Division of Personnel Management. Fiscal constraints, how-

ever, preclude him from recommending funds to implement the division's compensation recommendations.

No funds are being recommended for cost-of-living raises, merit adjustments or promotions for state, public education and higher education employees. The governor supports the findings of the Division of Personnel Management relative to executive and judicial compensation, but consistent with the other salary recommendations, cannot recommend funding to implement them.

The governor supports the implementation of a new pay plan. Even if sufficient revenues are not available, this can be accomplished by adjusting each salary transaction to the new pay plan without attaching the additional salary increment with it. Agencies can fund the new salary level when monies are available for salary adjustments.

The governor acknowledges that the excess contribution rates in the retirement program present a good opportunity to enhance retirement or other benefits for state employees. Under normal economic times with sufficient state revenues, he would recommend such enhancements. Due to the austere budget, and faced with drastically reducing programs, the governor is recommending a reduction of the state contribution rate to the three retirement systems — public and school, public safety and judicial. This will result in considerable savings in state revenues and will enable the state to maintain its existing workforce.

If sufficient funds are available, the governor will recommend the 3 percent salary package recommended by the Division of Personnel Management. This package may include cost-of-living increases, promotions, merit adjustments or benefit enhancements. Utah's public employees are among the most efficient in the nation and deserve adequate compensation and recognition. It is only because this is a "no growth" budget that additional state employees compensation was not recommended.

## IV. TAX PROPOSALS AND AUXILIARY BUDGET

While current revenues can only support a continuation of present program funding levels, the needs of our state will not remain constant. State programs must have more funding to accommodate additional costs of operation. Salary increases for state employees, public school teachers, and faculty and staff of our institutions of higher education must be funded. Finally, many workload pressures and program investments need additional resources.

These necessary items can be funded with the revenue produced from one or more tax increases. The additional revenue could also be used in place of reducing the state's contribution to the retirement system. The governor encourages consideration of the following tax modifications.

### Tax Modifications Recommended

- **Repeal the rollback of locally assessed property valuations from Jan. 1, 1978 level.** Expected increase in revenues: $49 million. **Increase the local mill levy assessment in the minimum school program** (this is recommended only if rollback is not repealed). Expected increase in revenues: $6.7 million for each mill.

  Local property taxes supporting the minimum school program have not increased in proportion to state revenues supporting the basic education program. This disparity is more difficult to accommodate with revenue shortfalls and an escalating school-age population. Enrollment in our public education system will grow by nearly 40 percent during the rest of the 1980s, placing extreme pressure on state revenues to finance the basic eduction program.
- **Increase the severance tax on oil and gas from 2 to 6 percent.** Expected increase in revenues: $33 million.

  Of oil- and gas-producing states, Utah has one of the lowest severance taxes. Surrounding states have higher severance taxes on these commodities.
- **Reduce or eliminate the oil depletion allowance.** Estimated increase in revenues: $1 million to $1.5 million.

  The federal oil depletion allowance is being reduced gradually. It now is at 17 percent. Utah's allowance is at 33⅓ percent.
- **Provide for quarterly collection of corporation franchise taxes.** One-time estimated increase in revenues: $9 million.
- **Provide for quarterly collection of severance taxes.** One-time estimated increase in revenues: $4.8 million.

  Tax payments from these two sources come in the last two months of the fiscal year. Quarterly collections would provide better cash flow for the state and make it easier to project yearly revenue.

### Tax Modifications Recommended for Study

Several other possible tax changes require further review. The governor encourages the legislature to study the following tax modifications in the interim:

- Increase the state sales tax base to include non-medical professional services.
- Require monthly remittance or prepayment of state sales tax from taxpayers with a tax liability of over $5,000 per month.
- Raise the state income tax in $2,500 increments from $7,500 to $20,000 and increase the rate of tax from 7¾ percent to 9 percent in ¼ percent increments per each $2,500; or consideration of raising top bracket from 7¾ percent to 8 percent.
- Raise the corporate franchise tax from 4 percent to 6 percent.
- Increase the minimum tax on corporate income from $25 to 1/10 of 1 percent of gross revenues.
- Eliminate the three-year "loss carryback" provision for corporate franchise taxes.
- Impose the corporate franchise tax on insurance company income received from sources outside insurance transactions.
- Repeal or shorten the exemption on pollution control equipment.
- Increase the fees for special fuel permits.

## Auxiliary Budget Items

The following items are the priorities the governor would support if additional revenues are available. These items total $38.9 million. They include $27 million for salary compensation, and $11.9 million for program enhancements. They can be funded from one or more of the governor's proposed tax modifications or if revenues increase above the current forecast.

### Statewide

| | |
|---|---|
| • Three percent increase in compensation for state employees. | $27 million |

### Elected Officials

| | |
|---|---|
| • Two additional positions in the Corporation Division. | $ 40,000 |
| • Career service attorney salary adjustments. | 300,000 |
| • Increase contractural attorney fees for specialized litigation. | 35,000 |
| • Increase for emergency prosecution training. | 25,000 |
| • Implementation of single auditing by state auditor. | 194,500 |

### State Courts

| | |
|---|---|
| • Supreme Court record system. | 30,000 |
| • State judicial information system data processing enhancements. | 16,000 |
| • Additional court commissioner and judicial secretaries for trial courts. | 93,000 |
| • Personnel officer and judicial planner/analyst for court system. | 37,800 |
| • Additional juvenile judge and capital costs. | 90,000 |
| • Additional juror and witness fees. | 50,000 |

### Government Operations

| | |
|---|---|
| • Compensation analyst in Division of Personnel Management. | 34,500 |
| • Statewide training program. | 200,000 |
| • Productivity improvement fund. | 75,000 |

### Public Safety

| | |
|---|---|
| • Additional current expense and capital expenditure increases for Drivers License Division. | 223,100 |
| • Additional current expense and capital expenditure increases for Bureau of Criminal Identification. | 51,800 |
| • Additional current expense and capital expenditure increases for Fire Marshal's Office. | 28,000 |
| • Data processing enhancements and equipment. | 408,700 |
| • Hazardous materials officer. | 26,900 |

### Social Services

| | |
|---|---|
| • Additional eligibility investigators to reduce error rates in public assistance programs. | 86,100 |
| • Additional quality control analysts. | 106,100 |
| • Specialized programs to address sexual abuse of children. | 93,200 |
| • Additional protective service workers. | 106,400 |
| • Additional agents and secretaries/trackers in adult probation and parole. | 933,000 |
| • Additional staff for Board of Pardons. | 20,000 |
| • Additional facilities planner and a fiscal compliance auditor. | 46,000 |
| • Alternative placements for runaway and ungovernable youth. | 68,800 |
| • Operating funds for three mentally retarded/developmentally disabled group homes. | 105,000 |

### Health

| | |
|---|---|
| • Genetic predisposition program. | 112,900 |
| • Assume primacy for radiation regulation. | 137,100 |
| • Health profession data system. | 54,000 |
| • State assumption of county medical indigent program. | 2,008,700 |

### Public Education

- Increased supplementary security income for the disabled. 464,400

### Higher Education

- Additional fuel and power costs for all institutions. 1,020,500
- Additional library collections for all institutions. 586,600
- Equipment replacement for all institutions. 550,000
- Additional residents and interns at University of Utah Hospital. 226,900
- Expansion of Utah State's campus outreach centers in Delta, Richfield and Tooele. 171,500

### Natural Resources

- Interstate stream research project. 20,000
- Communications equipment for firefighting activities. 62,000
- Updating hydrologic inventories. 30,000
- Increase fire suppression fund. 25,000
- Additional personnel, current expense and capital equipment for state parks system. 200,000
- State assumption of Hogle Zoo. 1,400,000

### Business, Labor and Agriculture

- Additional staff for Securities Division. 132,800
- Additional clerical help and investigators for Registration Division. 121,400
- Additional training and data processing for Insurance Department. 95,000
- Data processing enhancements and a legal secretary for Workmen's Compensation Division. 50,700

### Community and Economic Development

- Additional promotional activities for industrial development. 133,000
- Additional promotional activities for travel development. 150,000
- Housing specialist to assist in housing rehabilitation and assessment projects. 39,900
- State Library collections computer system. 109,900
- State Library center for state reports and information. 192,000
- State Youth Fair 75,000

## Illustration #5

### The Budget Dollar
Fiscal Year 1983-84

# Where it comes from:

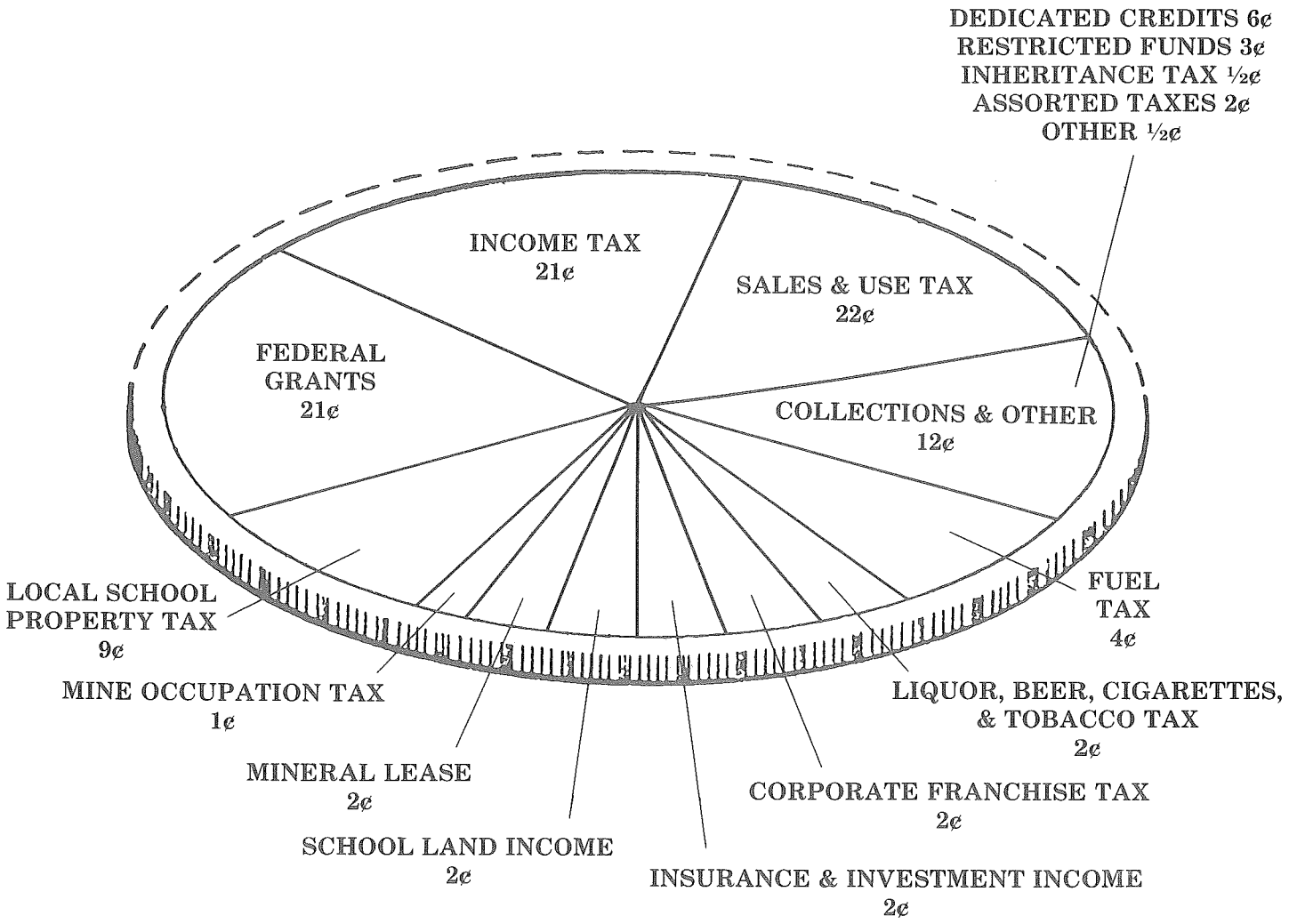
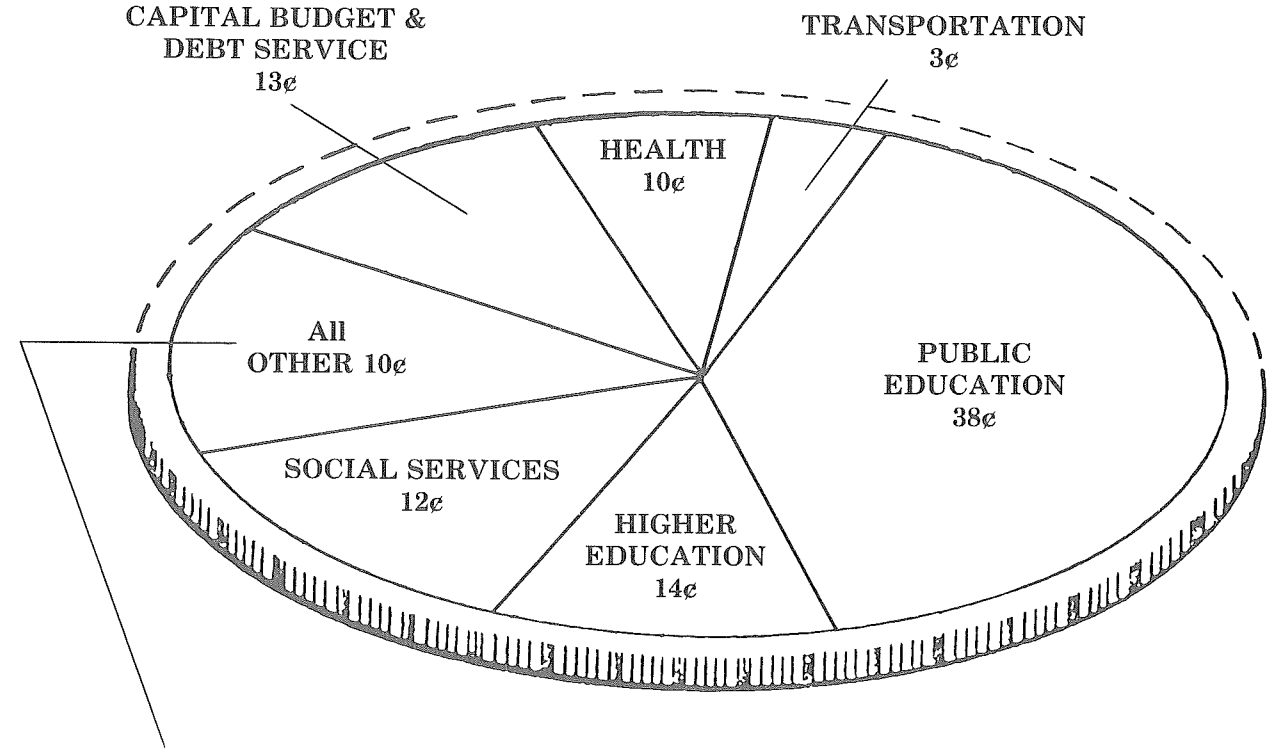


Illustration #6

**Budget Dollar**
Fiscal Year 1983-84

# Where it goes:




GOVERNMENT OPERATIONS 3¢
EXECUTIVE and JUDICIAL 1¢
PUBLIC SAFETY 2¢
NATURAL RESOURCES 2¢
BUSINESS, LABOR and AGRICULTURE 1¢
COMMUNITY and ECONOMIC DEVELOPMENT 1¢

# Operations Budget By Department

In accordance with the Budgetary Procedures Act, Utah Code Annotated, Section 63-38-2(4), the legislative branch certified to the State Budget Office its estimated budget for fiscal year 1983-84. The legislature's budget estimate of $4,168,000 is a 6.6 percent decrease from fiscal year 1982-83 and a 6.5 percent decrease in general funds.

Budget decreases for the Senate, the House of Representatives, and the Legislative Printing Office are the result of a 20-day session in fiscal year 1983-84 rather than a 60-day session in the 1982-83 fiscal year. The budget decrease for the Council of State Government results from a one-time appropriation for hosting a conference in the 1982-83 fiscal year. The legislature is requesting increases to its base budget for all other legislative offices, including a workload increase for the Judicial Qualifications Commission to employ part-time investigative services to "assist in meeting the significantly increased workload of complaints filed."

At the close of fiscal year 1980-81, the legislature had a total of $658,400 in non-lapsing funds of which $192,600 was used in fiscal year 1981-82, and $159,100 is anticipated being used in fiscal year 1982-83, leaving a non-lapsing balance of $306,700 for fiscal year 1983-84. Officials of the legislature and its staff agencies have taken the non-lapsing balances into account and included $145,000 of these funds as part of their 1983-84 budget request. Legislative leaders have indicated that the legislature will review these balances in making the final appropriations.

| Schedule of Programs: | Actual 1981-82 | Authorized 1982-83 | Governor's Recommendation 1983-84 | % Increase |
|---|---|---|---|---|
| Senate | $ 281,400 | $ 441,500 | $ 345,700 | (21.7) |
| House of Representatives | 428,700 | 722,500 | 505,700 | (30.0) |
| Legislative Printing | 134,400 | 245,300 | 180,500 | (26.4) |
| Office of Legislative Research | 627,600 | 731,200 | 767,000 | 4.9 |
| Office of Legislative Fiscal Analyst | 608,300 | 710,600 | 730,200 | 2.8 |
| Office of Legislative Auditor General | 710,400 | 829,300 | 857,600 | 3.4 |
| Office of Legislative General Counsel | 489,600 | 608,400 | 646,000 | 6.2 |
| Legislature — Dues to the National Conference of State Legislatures | 28,500 | 31,400 | 33,500 | 6.7 |
| Legislature — Dues to the Council of State Governments | 31,100 | 83,800 | 33,800 | (59.7) |
| Constitutional Revision Commission | 44,600 | 54,000 | 56,000 | 3.7 |
| Judicial Qualifications Commission | 1,200 | 4,800 | 12,000 | 150.0 |
| Total Expenditures | $ 3,385,800 | $ 4,462,800 | $ 4,168,000 | (6.6) |

**Plan of Financing:**

| | | | | |
|---|---|---|---|---|
| General Fund | $ 3,192,800 | $ 4,303,700 | $ 4,023,000 | (6.5) |
| Dedicated Credits | 400 | -0- | -0- | -0- |
| Other | 192,600 | 159,100 | 145,000 | (8.9) |
| Total Revenue | $ 3,385,800 | $ 4,462,800 | $ 4,168,000 | (6.6) |
| Full-Time Equivalent Positions | 92.1 | 106.1 | 92.6 | |

# ELECTED OFFICIALS
## Summary

This section includes the offices of the five elected state officials and several special appropriations. These special appropriations include the governor's emergency fund, the governor's discretionary fund, the statewide election fund, contractual legal fees, the emergency prosecution fund, the Commission on Uniform State Laws, and the fund for miscellaneous claims against the state. The liquor law enforcement fund, which was previously funded to the state auditor, has been moved to the Department of Public Safety. The governor's recommendation for the entire elected officials area for fiscal year 1983-84 is $7,631,700, a 4.7 percent overall decrease, and 0.6 percent increase in general funds from fiscal year 1982-83.

Beyond the base budget, the governor recommends $114,800 for the Lieutenant Governor's Office to enable the Business Division to move to the Heber Wells Building and $25,000 for a National Lieutenant Governors Conference. He also recommends $8,300 in unclaimed property trust fund monies for the State Treasurer's Office to hire an auditor.

The governor is recommending $194,200 to the Attorney General's Office to reduce its dependence on uncertain dedicated credits. It is proposed that the Attorney General's Office be allowed to bill agencies when trust funds, federal funds, fines, fees, and collections are available to offset general fund appropriations. Money from such billings would be placed in a separate legal billing fund from which the legislature could make future appropriations to the Attorney General's Office. It is important that this new funding approach be initiated now since the tight fiscal situation has created strains between the Attorney General's Office and agencies billed for legal services.

The governor is also recommending that $76,000 from the attorney general's revolving lien and judgement trust fund be transferred to the Attorney General's Office to help meet pressing workload needs. It is proposed that the lien and judgement fund be replenished with dedicated credits generated by legal billings.

| Schedule of Programs: | Actual 1981-82 | Authorized 1982-83 | Governor's Recommendation 1983-84 | % Increase |
|---|---|---|---|---|
| Governor | $ 600,000 | $ 648,900 | $ 659,200 | 1.6 |
| Emergency Fund | -0- | 100,000 | 100,000 | -0- |
| Discretionary Fund | -0- | 50,000 | 50,000 | -0- |
| National Governors Seminar | -0- | 25,000 | -0- | (100.0) |
| Lieutenant Governor | 794,800 | 828,800 | 931,900 | 12.4 |
| Elections | -0- | 217,000 | -0- | (100.0) |
| National Lieutenant Governors Conference | | | 25,000 | New |
| Attorney General | 3,229,900 | 4,038,400 | 3,859,300 | (4.4) |
| Contractual Fees | 50,000 | 50,000 | 50,000 | -0- |
| Prosecution Fund | 68,700 | 50,000 | 50,000 | -0- |
| Commission on Uniform State Laws | 6,600 | 7,800 | 7,800 | -0- |
| Lien and Judgement Fund | 248,400 | -0- | -0- | -0- |
| Miscellaneous Claims | 209,900 | -0- | -0- | -0- |
| State Auditor | 1,274,400 | 1,404,700 | 1,319,800 | (6.0) |
| State Treasurer | 314,900 | 410,300 | 419,400 | 2.2 |
| Unclaimed Property | 129,300 | 154,200 | 159,300 | 3.3 |
| Total Expenditures | $ 6,926,900 | $ 7,985,100 | $ 7,631,700 | (4.4) |
| **Plan of Financing:** | | | | |
| General Fund | $ 6,320,800 | $ 6,715,700 | $ 6,758,600 | 0.6 |
| Federal Funds | 141,000 | -0- | -0- | -0- |
| Restricted Funds | 140,400 | 179,200 | 159,300 | (11.1) |
| Dedicated Credits | 879,200 | 1,090,200 | 637,800 | (41.5) |
| Other | (554,500) | -0- | 76,000 | 100.0 |
| Total Revenue | $ 6,926,900 | $ 7,985,100 | $ 7,631,700 | (4.4) |
| Full-Time Equivalent Positions | 181.8 | 204.7 | 202.8 | |

## PRIORITIES RECOMMENDED
(If Revenues Are Available)

| | |
|---|---|
| • **Lieutenant Governor's Office** — For two additional positions in Corporations Division to meet increased workload. | $ 40,000 |
| • **Attorney General's Office** — To implement the first phase of a salary adjustment program for career service attorneys whose compensation has fallen drastically behind the statutorily mandated market rate. | 300,000 |
| • **Attorney General's Office** — To the contractual attorney fee account for assistance with major specialized litigation. | 35,000 |
| • **Attorney General's Office** — To the emergency prosecution fund for training. | 25,000 |
| • **State Auditor's Office** — To implement a more efficient single audit of all state and federal funds. This approach complies with federal directives that give the state responsibility for conducting federal compliance audits. | 194,500 |
| Total | $594,500 |

# STATE COURTS
## Summary

The state courts include the Utah Supreme Court, district courts, circuit courts and juvenile courts, as well as the State Court Administrator's Office, the state law library and juror and witness fee fund. The governor's recommendation for the judiciary is $13,677,600, a 1.6 percent decrease from fiscal year 1982-83.

Within the trial courts, the base budget has been increased by $57,600 in the district courts to pay for full-year costs of new judges, court reporters, and a court commissioner and by $71,400 in the circuit courts to pay lease costs for new or improved court space.

It is proposed that the funding of the district and circuit courts and the State Court Administrator's Office be combined into one trial courts line item to allow flexibility.

| Schedule of Programs: | Actual 1981-82 | Authorized 1982-83 | Court Request 1983-84 | Gov. Recommend. 1983-84 | % Inc. |
|---|---|---|---|---|---|
| Supreme Court | $ 989,900 | $ 1,231,900 | $ 1,318,300 | $ 1,197,600 | (2.8) |
| Law Library | 2,200 | 4,500 | 5,000 | 4,500 | -0- |
| Trial Courts | 5,699,400 | 6,538,500 | 7,343,100 | 6,497,400 | (0.6) |
| Juror and Witness fees | 316,300 | 324,700 | 7,695,400 | 324,700 | -0- |
| Juvenile Court | 5,061,700 | 5,804,700 | 394,600 | 5,653,400 | (2.6) |
| Total Expenditures | $ 12,069,500 | $ 13,904,300 | $ 16,756,400 | $ 13,677,600 | (1.6) |
| **Plan of Financing:** | | | | | |
| General Fund | $ 12,168,600 | $ 13,885,000 | $ 16,742,900 | $ 13,664,600 | (1.6) |
| Federal Funds | 13,900 | 2,800 | | -0- | (100.0) |
| Restricted Funds | 2,200 | 4,500 | 5,000 | 4,500 | -0- |
| Dedicated Credits | 18,500 | 12,000 | 8,500 | 8,500 | (29.2) |
| Other | (133,700) | -0- | -0- | -0- | -0- |
| Total Revenue | $ 12,069,500 | $ 13,904,300 | $ 16,756,400 | $ 13,677,600 | (1.6) |
| Full-Time Equivalent Positions | 321.7 | 334.7 | 385.1 | 334.7 | |

### PRIORITIES RECOMMENDED
(If Revenues Are Available)

- **Supreme Court** — To initiate a two-year effort to convert the courts' operation to data processing for maintaining court records and tracking cases. $ 30,000
- **Trial Courts** — To purchase a disk drive for the State Judicial Information System. Without such equipment, the information system will have filled all available data storage space by the end of this year. 16,000
- **Trial Courts** — To hire an additional court commissioner to assist the court with its heavy domestic relations calendar and to hire three judicial secretaries to enable the judges to better utilize their time. 93,000
- **Trial Courts** — Full funding of judicial personnel officer and reinstating funding for a judicial planner/analyst. 37,800
- **Juvenile Court** — For an additional judge in the second district and for related capital expenses. 90,000
- **Juror and Witness Fees** — Additional funding for state mandated juror and witness fee reimbursement to local government. A deficit is projected for the current year and continued funding at this level would be inadequate. 50,000

Total $316,800

The agencies and programs listed under government operations provide general government services to other state agencies and the public. The governor recommends a budget of $52,056,800, a 26.8 percent increase over fiscal year 1982-83. The general fund, uniform school fund and transportation fund combined represent a 7.7 percent increase. The overall increase is primarily attributable to a 110.5 percent increase in federal funds in the Office of Labor and Training, resulting from the job training block grant.

For the Department of Administrative Services, the governor recommends two major initiatives in data processing. In the Division of Finance, the budget includes $500,000 in general funds and $128,000 in transportation funds to finance vitally needed enhancement and development of the state's central accounting system (FIRMS). The new funds for FIRMS will be used to develop the following subsystems: materials management, purchasing, accounts receivable, fixed asset, cash management, personnel/payroll and others. The expansion will add eight full-time equivalent positions — five in the Division of Finance, two in the Personnel Division and one in the Division of Purchasing. It is recommended that the FIRMS development appropriation be non-lapsing.

In the Division of Data Processing, the governor recommends $500,000 in general fund money to support data base management. At present, data base management is supported from central processing overhead charges. The $500,000 will shift 13 full-time equivalent positions in the Division of Data Processing to a new division program — data base management. This recommendation recognizes that adequate management of the state's data resources is required, regardless of where data resources are stored. It is not appropriate for the users of the central system to be charged for managing data that is stored on distributed systems. A direct general fund appropriation will relieve this inequity and prevent agency autonomy from adversely influencing design and implementation decisions.

In the Division of Finance, the governor recommends that the veterans' representative program be eliminated and that the $70,000 be applied to the government affiliations and unemployment compensation programs.

For the Tax Commission, the governor recommends five workloads in the commission's administration line item to be financed from a combination of savings resulting from a reduction of the local valuation program and additional state funds. The commission's workloads produce revenues and are therefore vitally needed. They are: (1) $38,500 for a statistician to produce valid statistical samples of tax returns for tax analysis and tax forecasting; (2) $192,400 for the Auditing Division to audit royalty payments and oil and gas conservation fees to return at least $12 for each $1 spent; (3) $91,600 to add four employees to the Collections Division which will result in approximately $2 million in revenue that would otherwise not be collected; (4) $245,200 for central services to create a telephone taxpayer service and funds to take advantage of new microfilming technology to make the revenue collection and deposit system more efficient; and (5) $700,000 to support enhancements to the commission's tax management system (TMS) development. TMS is needed for continued modernization and efficiency, thus allowing the commission to maximize its collection efforts and significantly increase the state's revenues. It is recommended that the TMS development appropriation be non-lapsing.

The governor recommends the reduction of 24 full-time equivalent positions from the commission's Local Valuation Division and the transfer of two positions from local valuation to the administrative services program. The two positions are being transferred to handle property appeals. The reduction is recommended because the Local Valuation Division does not expect any new contracts for reappraisal from counties in fiscal year 1983-84. The amount subtracted from local valuation ($567,700 in uniform school funds) includes salaries, travel and current expenses.

| Schedule of Programs: | Actual 1981-82 | Authorized 1982-83 | Governor's Recommendation 1983-84 | % Increase |
|---|---|---|---|---|
| Administrative Services | | | | |
| Archives and Records .... | $ 1,277,800 | $ 1,374,000 | $ 1,349,600 | (1.8) |
| Data Processing ..... | 6,839,100 | 8,956,000 | 9,319,600 | 4.1 |
| Less Data Processing Dedicated Credits[1] .... | (6,839,100) | (8,956,000) | (8,819,600) | (1.5) |
| Executive Director's Office | 560,400 | 551,300 | 462,400 | (16.1) |
| Facilities Construction and Management Administration ..... | 1,461,700 | 1,600,400 | 1,558,300 | (2.6) |
| Facilities Management[2] | 1,692,900 | 1,818,000 | 1,798,500 | (1.1) |
| Energy Conservation... | 16,100 | 87,400 | 86,500 | (1.0) |
| Finance Administration ..... | 1,359,600 | 1,656,900 | 2,307,100 | 39.2 |
| Mandated Programs ... | 1,729,600 | 1,787,000 | 1,787,000 | -0- |
| Personnel Management Administration ..... | 1,009,600 | 1,057,300 | 1,050,100 | (0.7) |
| State House Fellows ... | 52,100 | 45,000 | 43,700 | (2.9) |
| Purchasing..... | 344,600 | 346,400 | 337,600 | (2.5) |
| Tax Commission Administration ..... | 8,830,900 | 10,446,600 | 12,570,300 | 20.3 |
| Motor Vehicle ..... | 4,080,100 | 4,869,100 | 4,777,200 | (1.9) |
| Property Assessment..... | 2,750,100 | 3,000,500 | 2,338,300 | (22.1) |
| State Planning Coordinator Office of Policy and Planning Coordination | 1,401,500 | 893,400 | 880,500 | (1.4) |
| Labor and Training..... | 8,961,100 | 8,005,000 | 16,850,000 | 110.5 |
| State Budget Office ..... | 439,200 | 456,700 | 422,900 | (7.4) |
| State Data Processing Coordinator ..... | 146,300 | 161,100 | 178,800 | 11.0 |
| Committee on Executive Reorganization ..... | 118,100 | 162,200 | 143,000 | (11.8) |
| Personnel Review Board ... | 63,900 | 73,700 | 72,200 | (2.0) |
| Retirement Systems | | | | |
| Legislative and Governor's Pension .... | 157,400 | 160,000 | 107,000 | (33.1) |
| Retirement Assistance ... | 1,558,000 | 1,855,000 | 1,762,300 | (5.0) |
| Group Insurance..... | 592,200 | 635,400 | 673,500 | 6.0 |
| IPP Task Force..... | 200 | -0- | -0- | -0- |
| Total Expenditures .... | $ 38,603,400 | $ 41,042,400 | $ 52,056,800 | 26.8 |

**Plan of Financing:**

| | | | | |
|---|---|---|---|---|
| General Fund | $ 15,363,000 | $ 16,917,700 | $ 18,647,000 | 10.2 |
| Uniform School Fund | 5,771,400 | 6,245,600 | 6,406,600 | 2.6 |
| Transportation Fund | 4,071,200 | 4,953,400 | 5,221,400 | 5.4 |
| Federal Funds | 9,202,800 | 8,142,400 | 17,007,300 | 108.9 |
| Trust and Other Funds | 798,700 | 647,600 | 644,600 | (0.5) |
| Dedicated Credits | 3,630,500 | 4,158,400 | 4,110,800 | (1.1) |
| Other | (234,200) | (22,700) | 19,100 | (184.1) |
| Total Revenue | $ 38,603,400 | $ 41,042,400 | $ 52,056,800 | 26.8 |
| Full-Time Equivalent Positions[3] | 843.5 | 851.4 | 846.4 | |

(1) Dedicated credits collected from other state agencies are subtracted from the summary to prevent these collections being counted twice in the state budget.
(2) To avoid double counting, the fiscal year 1983-84 budget does not include $892,600 in dedicated credits for Heber Wells and Agriculture Buildings maintenance, collected from the Utah State Building Ownership Authority.
(3) Fiscal year 1983-84 includes 13 full-time equivalent positions in the Division of Data Processing's new data base managment program. The balance of the division's full-time equivalents is shown in the enterprise budget.

## PRIORITIES RECOMMENDED
(If Revenues Are Available)

| | |
|---|---|
| • **Administrative Services — Division of Personnel Management** — Funding for an additional position in compensation management. Recent changes in Utah statutes have increased demands on Division of Personnel Management to prepare annual compensation plans, recommendations for executive compensation and plan employee benefits. | $ 34,500 |
| • **Administrative Services — Division of Personnel Management** — Establish a statewide training program. This would allow the state to begin the essential work of training state employees in management and supervisory skills, data processing and writing skills. | 200,000 |
| • **Administrative Services — Director's Office** — Establish a productivity revolving fund. A productivity investment fund would lend funds to agencies for productivity improvement opportunities that arise outside the normal budget cycle and require a modest investment. Agencies would pay back funds with the savings generated by their increased productivity. | 75,000 |
| Total | $309,500 |

# PUBLIC SAFETY
## Summary

The Department of Public Safety helps protect against traffic accidents, crime, and natural or man-made disasters.

The governor recommends a budget of $31,032,000 for fiscal year 1983-84, an increase of 0.9 percent over fiscal year 1982-83. The recommendation includes general funds of $21,612,200, a 0.1 percent decrease from fiscal year 1982-83. Total state funds for the department's 1983-84 budget increase 3.5 percent over the 1982-83 fiscal year.

Federal cutbacks have had a severe impact on the Department of Public Safety. The Narcotics and Liquor Law Enforcement Division budget includes an additional $262,400 from the general fund to cover reductions in federal funds. This additional funding will allow the division to fund the minimum number of security agents required by state law. The Office of Planning and Research has also lost federal funds and will need an additional $79,500 in general funds to provide the necessary research and support staff for long-range planning in the Department of Public Safety. The Division of Medicaid Fraud budget includes an additional $40,100 in general funds, due to an increased state match for obtaining federal funds. The department has made reductions in several divisions to provide the increased state funds required by these federal changes.

The Driver License Division fiscal year 1983-84 budget is funded entirely through the transportation fund and dedicated credits. The Highway Patrol recently implemented two salary increases for all sworn officers in the division. The governor recommends an additional $849,600 in transportation fund money to fund these salary increases and to purchase 50 additional patrol vehicles.

To supplant an eroded base in the commissioner's office, the department has recommended a reduction in the budget of the state crime lab. The base budget for the Peace Officers Standards and Training Division was also reduced. However, the division budget includes an additional $450,000 in fee assessment money that will be used to enhance training programs within the division.

The governor is also recommending $266,000 for the development and operation of a veteran's cemetery to be located at Camp Williams.

| Schedule of Programs: | Actual 1981-82 | Authorized 1982-83 | Governor's Recommendation 1983-84 | % Increase |
|---|---|---|---|---|
| Comprehensive Emergency Management | $ 799,000 | $ 840,600 | $ 819,700 | (2.5) |
| Commissioner | 639,500 | 695,000 | 746,100 | 7.4 |
| Highway Patrol | 15,896,500 | 16,547,900 | 16,614,400 | 0.4 |
| Safety Promotion | 83,500 | 90,300 | 87,600 | (3.0) |
| Narcotics and Liquor Law Enforcement | 918,800 | 901,100 | 858,700 | (4.7) |
| Liquor Law Enforcement Allocation | 1,000,000 | 1,000,000 | 1,000,000 | -0- |
| Peace Officers Standards and Training | 532,400 | 762,600 | 961,500 | 26.1 |
| Bureau of Criminal Identification | 1,201,500 | 1,619,600 | 1,501,900 | (7.3) |
| Driver License | 3,624,900 | 4,104,700 | 4,015,800 | (2.2) |
| Capitol Security | 243,600 | 349,700 | 339,900 | (2.8) |
| Highway Safety | 1,273,600 | 1,064,600 | 1,018,700 | (4.3) |
| Planning and Research | 361,100 | 185,100 | 169,400 | (8.5) |
| Medicaid Fraud | 268,000 | 536,100 | 524,800 | (2.1) |
| Fire Marshal | 339,200 | 352,700 | 345,900 | (1.9) |
| Commercial Drivers Training | 800 | 3,100 | -0- | (100.0) |
| Building Maintenance | 385,400 | -0- | -0- | -0- |
| National Guard | 1,640,700 | 1,698,000 | 1,761,600 | 3.7 |
| Veteran's Cemetery | | | 266,000 | New |
| Total Expenditures | $ 29,208,500 | $ 30,751,100 | $ 31,032,000 | 0.9 |

**Plan of Financing:**

| | | | | |
|---|---|---|---|---|
| General Fund | $ 17,658,400 | $ 21,625,700 | $ 21,612,200 | (0.1) |
| Transportation Fund | 7,403,000 | 5,866,100 | 6,850,800 | 16.8 |
| Dedicated Credits | 139,000 | 63,800 | 70,500 | 10.5 |
| Federal Funds | 3,936,600 | 2,944,200 | 2,498,500 | (15.1) |
| Other | 71,500 | 251,300 | -0- | (100.0) |
| Total Revenue | $ 29,208,500 | $ 30,751,100 | $ 31,032,000 | 0.9 |
| Full-Time Equivalent Positions | 818.7 | 808.4 | 772.1 | |

**PRIORITIES RECOMMENDED**
(If Revenues Are Available)

| | |
|---|---|
| • **Driver License** — To fund current expense and capital expenditure increases. | $223,100 |
| • **Bureau of Criminal Identification** — To fund current expense and capital expenditure increases. | 51,800 |
| • **Fire Marshal** — To fund current expense and capital expenditure increases. | 28,000 |
| • **Data Procesing** — To upgrade the motor vehicle registration file, the driver license file, the criminal history file, the national crime information file and provide other data processing equipment for the department. | 408,700 |
| • **Comprehensive Emergency Management** — To fund a half-time hazardous materials officer for planning and coordination throughout the state. | 26,900 |
| Total | $738,500 |

# DEPARTMENT OF SOCIAL SERVICES
## Summary

The Department of Social Services was created to prevent and resolve social problems. Most of Utah's citizens have achieved a high degree of self-support and are able to resolve their personal, family, and community problems with little or no assistance. The department provides services to those who do require assistance. The department's services range from intensive 24-hour supervision for extended periods of time to one-time assistance to individuals or families.

The governor is recommending a budget of $241,091,800, an 0.8 percent increase over the 1982-83 fiscal year. The general fund increase is 2.7 percent, most of it due to staffing of new correctional facilities which will come on line in fiscal year 1983-1984. If the increases in corrections are excluded, the recommended funding represents a reduction of 0.7 percent in the department budget.

The Departments of Health and Social Services contracted with the firm of Touche Ross for an analysis of actions necessary to reduce the error rate in the food stamp, aid to families with dependent children, and medicaid programs. Action is necessary because of impending federal fiscal sanctions which may result from exceeding federal error rate standards. The final report recommended expansion of the eligibility investigator program implemented in seven field offices during fiscal year 1982-83. Funds have been shifted from the aging and alcohol and drugs standard budgets to the field service budget for this purpose. The governor also recommends

$175,000 in mineral lease funds for field service for staffing and delivery of mental health services in the Uintah Basin area.

Seeding has been included in the medicaid budget to allow the Divisions of Alcohol and Drugs and Aging to offset the funds shifted to field services. Seeding has also been included to offset the loss of $970,300 of federal funds in the community mental health centers. The Department of Social Services' seeding of the medicaid budget has increased by $1,814,800 to maintain current program levels. Of this amount, $149,800 will be paid to the Health Care Financing Agency for increased administrative costs resulting from the additional seeding.

The public assistance and public entitlements line items have been combined to provide the department more flexibility in addressing needs. An increase in federal financial participation in the aid to families with dependent children program will result in an increase of $839,600 in federal funds. Thus, with the same amount of general funds appropriated in the fiscal year 1982-83 base, the agency will be able to fund some increases in caseload.

In corrections, $3,523,400 has been added to the base budget to fund the operational costs of five new correctional programs. This includes full-year funding of the community corrections prototype facility and the modular forestry camp; nine months' operation of the new women's facility and a prison pre-release program; and six months' operation of the new 288-bed regional prison. Also, $729,500 in general fund monies ($696,500 for reimbursement and $33,000 for administrative costs) have been included to implement House Bill 32 which requires the state to reimburse county jails for certain costs as of July 1, 1983. It is proposed that inmate medical costs be budgeted as a separate line item.

Funds for increased rental costs for all state administrative offices have been included in each line item, except Office of Recovery Services, for a total base increase for the department of $169,500.

| Schedule of Programs: | Actual 1981-82 | Authorized 1982-83 | Governor's Recommendation 1983-84 | % Increase |
|---|---|---|---|---|
| Executive Director's Operations | $ 5,506,200 | $ 5,853,600 | $ 5,798,000 | (0.9) |
| Corrections | 23,774,300 | 28,437,800 | 30,946,700 | 8.8 |
| Corrections Medical Fund | | | 194,400 | New |
| Jail Reimbursement Fund | | | 729,500 | New |
| Prison Revolving Fund | 2,835,900 | 3,003,600 | 2,965,200 | (1.3) |
| Public Assistance | 66,831,000 | 70,732,200 | 71,239,100 | 0.7 |
| Field Services | 28,640,500 | 33,546,600 | 33,566,000 | 0.1 |
| Aging | 6,334,600 | 6,411,500 | 6,371,300 | (0.6) |
| Alcohol and Drugs | 5,399,200 | 6,550,100 | 6,435,500 | (1.7) |
| Mental Health | 22,298,200 | 25,375,300 | 24,114,200 | (5.0) |
| Children, Youth and Families | 11,541,600 | 13,757,200 | 13,836,600 | 0.6 |
| Developmentally Disabled/ Mental Retardation | 24,354,100 | 27,517,000 | 26,788,900 | (2.6) |
| Youth Corrections | 9,624,000 | 10,438,300 | 10,229,900 | (2.0) |
| Office of Recovery Services | 6,991,400 | 7,520,000 | 7,876,500 | 4.7 |
| Total Expenditures | $ 214,131,000 | $ 239,143,200 | $ 241,091,800 | 0.8 |

**Plan of Financing:**

| | | | | |
|---|---|---|---|---|
| General Fund | $ 94,184,200 | $ 106,485,200 | $ 109,308,000 | 2.7 |
| Federal Funds | 87,439,700 | 91,699,200 | 91,027,100 | (0.7) |
| Dedicated Credits | 31,284,600 | 37,665,200 | 37,326,500 | (0.9) |
| Mineral Lease | -0- | -0- | 175,000 | 100.0 |
| Restricted Account | 2,927,600 | 3,293,600 | 3,255,200 | (1.2) |
| Other | (1,705,100) | -0- | -0- | -0- |
| Total Revenue | $ 214,131,000 | $ 239,143,200 | $ 241,091,800 | 0.8 |
| Full-Time Equivalent Positions | 3,872.5 | 3,886.3 | 4,004.5 | |

## PRIORITIES RECOMMENDED
(If Revenues Are Available)

| | |
|---|---|
| • **Field Services** — General funds necessary for hiring eight additional eligibility investigators to reduce the error rate in assistance programs and thus avoid or reduce federal fiscal sanctions. | $ 86,100 |
| • **Public Assistance** — General funds needed for anticipated postage increases and additional federal reporting requirements and to add four quality control analysts to reduce the error rate in assistance programs and thus avoid federal fiscal sanctions. | 106,100 |
| • **Children, Youth and Families** — Funds to develop specialized programs to address sexual abuse of children. | 93,200 |
| • **Field Services** — Funds to hire 3.5 full-time equivalent positions protective service workers to address increased workload. | 106,400 |
| • **Corrections** — Funds to phase in 48 full-time equivalent positions in adult probation and parole to handle the increasing caseload. | 933,000 |
| • **Corrections** — Funds to hire additional staff for the Board of Pardons to handle its increasing workload. | 20,000 |
| • **Executive Director's Operations** — Funds to hire a facilities planner to coordinate new construction projects and ongoing maintenance functions at the institutions and a fiscal compliance auditor in order to ensure that contracted services are actually delivered. | 46,000 |
| • **Children, Youth and Families** — Funds to develop alternative placements for runaway and ungovernable youth who are not appropriate for placement in foster care. | 68,800 |
| • **Developmentally Disabled/Mental Retardation** — Operating funds for three group homes which will come on line during the current fiscal year. | 105,000 |
| Total | $1,564,600 |

# DEPARTMENT OF HEALTH
## Summary

The Utah Department of Health helps residents of Utah achieve and maintain optimal health by ensuring that basic public health services are available to every community and every resident of the state and by reducing the incidence of disease, disability and premature death, where possible. Health services are provided to needy people through the medical assistance and county medical indigent programs. The medical assistance program pays for essential and basic medical services to public assistance recipients and medically needy individuals who qualify by reason of poverty and specific medical-related eligibility. The county medical indigent program purchases medical services for eligible sick, transient, migrant and low-income persons not able to qualify under any other state or federal program for medical assistance.

The governor is recommending a budget of $187,091,700 in fiscal year 1983-84, a 6.8 percent increase over fiscal year 1982-83. This increase is a result of a change in the federal financial participation in the medicaid program and will be used for anticipated increases in utilization.

Additional seeding of $1,814,800 has been included in the medical assistance budget for the Department of Social Services. Seeding has been included to maintain current programs in the Divisions of Alcohol and Drugs and Aging and to offset the loss of federal funds in the community mental health centers. Additional dedicated credits of $149,800 appear in the administrative portion of the medical assistance budget for increased administrative costs resulting from the added seeding.

The governor recommends $500,000 be shifted from medical assistance to the public health budget to emphasize more cost-effective preventive health care and to offset anticipated losses of federal funds. He also recommends $517,700 be transferred from the medical assistance budget to the county medical indigent program to maintain current services. Because of the change in federal financial participation rates, sufficient funds will be generated to adequately address the needs of the medical assistance program as well as accommodate these two transfers.

| Schedule of Programs: | Actual 1981-82 | Authorized 1982-83 | Governor's Recommendation 1983-84 | % Increase |
|---|---|---|---|---|
| Public Health | $ 31,861,000 | $ 32,982,300 | $ 33,009,300 | 0.1 |
| Medical Assistance | 105,245,200 | 138,763,900 | 150,103,000 | 8.2 |
| County Medical Indigent | 2,569,900 | 3,462,700 | 3,979,400 | 14.9 |
| Total Expenditures | $ 139,676,100 | $ 175,208,900 | $ 187,091,700 | 6.8 |
| **Plan of Financing:** | | | | |
| General Fund | $ 50,052,600 | $ 60,158,800 | $ 59,674,900 | (0.8) |
| Federal Funds | 88,405,400 | 109,582,900 | 121,451,600 | 10.8 |
| Dedicated Credits | 4,534,100 | 5,432,300 | 5,965,200 | 9.8 |
| Other | (3,316,000) | 34,900 | -0- | (100.0) |
| Total Revenues | $ 139,676,100 | $ 175,208,900 | $ 187,091,700 | 6.8 |
| Full-Time Equivalent Positions | 620.7 | 708.0 | 697.6 | |

### PRIORITIES RECOMMENDED
(If Revenues Are Available)

- **Public Health** — For a coordinator and direct intervention with families in high-risk groups for preventable, chronic diseases linked to genetic predisposition. $ 112,900

| | |
|---|---|
| • **Public Health** — General funds necessary to assume primacy from the federal government for regulation of radiation to protect residents of Utah from excessive exposure. | 137,100 |
| • **Public Health** — For a data system on key health professionals. Availability of such data enhances planning and identification of types and specialties of health professionals to address the health needs of the state. | 54,000 |
| • **County Medical Indigent** — For state assumption of the county medical indigent program. | 2,008,700 |
| Total | $2,312,700 |

## PUBLIC EDUCATION
### Summary

The Utah public school system is mandated to provide free education to all children of the state. The system is governed by th State Office of Education, which also manages the Schools for the Deaf and the Blind and promotes the fine arts in public schools. In addition, the board acts as the State Board for Vocational Education. The governor's budget recommendation for public education is $746,374,700, a two percent increase over fiscal year 1982-83.

The governor is recommending an increase of 20,487 weighted pupil units in the minimum school program. The additional units, plus the costs of transportation and utilities, will increase the basic program by approximately $30 million at the current weighted pupil unit value of $1,103. This amount will be offset by increased revenue from property tax and the reduction in the state contribution to the retirement fund. The reduction in the retirement contribution will not affect current salaries, existing programs, or future retirement benefits.

The governor also recommends that increased flexibility be provided to local school districts by allowing them to use the special purpose optional program funding at their discretion, rather than used in a given set of programs. The State Office of Education would require work programs from ach district to ensure that local programs conform to state and federal laws.

In addition to the base budget, the governor is recommending $488,600 to the area vocational centers to fund increased cost of utilities and maintenance for new buildings. The governor is also recommending that funds for the vocational centers be appropriated directly to the State Board for Vocational Education for centralized funding of the centers. This will enhance the state board's ability to meet the training needs of industry, and help ensure flexibility to meet statewide vocational training needs.

| Schedule of Programs: | Actual 1981-82 | Authorized 1982-83 | Governor's Recommendation 1983-84 | % Increase |
|---|---|---|---|---|
| State Office of Education | $ 71,224,300 | $ 88,864,200 | $ 92,873,000 | 4.5 |
| State Board for Vocational Education | 241,800 | 300,000 | 300,000 | -0- |
| Area Vocational Centers | 5,512,000 | 5,909,700 | 6,427,000 | 8.8 |
| Schools for the Deaf and the Blind | 4,895,600 | 5,718,600 | 5,676,800 | (0.7) |
| Fine Arts | 596,100 | 643,800 | 643,800 | -0- |
| Skill Center South | 1,939,700 | 1,995,400 | 2,036,800 | 2.1 |
| State-Supported Minimum School Program | 553,748,200 | 628,003,700 | 638,417,300 | 1.7 |
| Total Expenditures | $ 638,157,700 | $ 731,435,400 | $ 746,374,700 | 2.0 |
| **Plan of Financing:** | | | | |
| Uniform School Fund | $ 415,775,100 | $ 482,127,600 | $ 481,129,000 | (0.3) |
| Federal Funds | 53,662,400 | 65,741,100 | 69,182,900 | 5.2 |
| Dedicated Credits | 4,674,000 | 2,797,000 | 2,971,400 | 6.2 |
| Mineral Lease | 644,200 | 873,600 | 946,300 | 8.3 |
| Driver Education | 2,136,800 | 2,243,900 | 2,378,300 | 6.0 |
| Liquor Tax | 5,277,800 | 9,269,100 | 9,915,500 | 7.0 |
| Other | (3,579,500) | 2,410,500 | 13,400 | (99.4) |
| Local School Property Tax | 159,566,900 | 165,972,600 | 179,837,900 | 8.4 |
| Total Revenue | $ 638,157,700 | $ 731,435,400 | $ 746,374,700 | 2.0 |
| Full-Time Equivalent Positions | 789.0 | 792.0 | 792.0 | |

**PRIORITIES RECOMMENDED**
(If Revenues Are Available)

- **State Office of Education — Division of Rehabilitation Services** — To replace supplemental security income lost to the disabled who are now receiving minimal social security benefits. $464,400

# HIGHER EDUCATION
## Summary

Utah's System of Higher Education consists of two major universities, two four-year colleges, three community colleges and two community technical colleges. The State Board of Regents is composed of 15 appointed members, a student and the lieutenant governor. They appoint a liaison committee to meet monthly with the State Board of Education to resolve intersystem concerns. Several outreach education centers operate in rural areas, as coordinated by institutions. The institutions enrolled 52,054 full-time equivalent students during the 1982 fall quarter, a 4 percent increase over the same period of 1981.

For the state's post-secondary education program, the governor proposes a fiscal year 1983-84 budget of $265,382,800, a 1.8 percent overall increase with a 0.8 percent general fund increase from fiscal year 1982-83. The governor has recommended $3,301,300 in additional general funds to meet the enrollment growth of each institution. The governor also recommends $223,000 in mineral lease funds for the outreach center in the Uintah Basin, targeted to the needs of Ashley Valley residents.

The governor suggests that additional revenues received by institutions from tuition, fees and other sources be used to support faculty salaries, fuel and power costs, library collections, equipment replacement and other needs. The governor supports the recommendation of students and the Board of Regents for a 6.5 percent increase in resident tuition, with out-of-state students paying 3.2 times that amount.

The governor endorses the 1982 legislative intent for institutions to carry forward money saved through energy conservation and mild winters to fund additional fuel and power conservation measures at each institution.

| Schedule of Programs: | Actual 1981-82 | Authorized 1982-83 | Governor's Recommendation 1983-84 | % Increase |
|---|---|---|---|---|
| University of Utah | $ 90,244,400 | $ 101,918,100 | $ 101,513,000 | (0.4) |
| Medical and Hospital | 12,134,500 | 13,700,800 | 13,977,900 | 2.0 |
| Utah State University | 52,470,600 | 61,939,200 | 63,288,300 | 2.2 |
| Weber State College | 27,517,300 | 30,353,300 | 30,858,600 | 1.7 |
| Southern Utah State College | 7,655,500 | 8,624,700 | 8,642,400 | 0.2 |
| Snow College | 4,216,100 | 4,704,500 | 4,723,900 | 0.4 |
| Dixie College | 4,346,200 | 4,804,300 | 4,948,100 | 3.0 |
| College of Eastern Utah | 3,254,100 | 3,881,600 | 3,936,700 | 1.4 |
| Utah Technical College at Provo/Orem | 10,041,900 | 10,875,100 | 12,271,900 | 12.8 |
| Utah Technical College at Salt Lake | 11,221,200 | 11,965,800 | 13,160,700 | 10.0 |
| Regents Administration | 912,800 | 1,044,300 | 1,062,700 | 1.8 |
| Statewide Programs | 2,817,000 | 2,651,400 | 2,661,000 | 0.4 |
| Other Related Programs | 1,981,400 | 1,756,200 | 1,738,400 | (1.0) |
| Mineral Lease Research | 2,657,800 | 2,554,300 | 2,599,200 | 1.8 |
| Total Expenditures | $ 231,470,800 | $ 260,773,600 | $ 265,382,800 | 1.8 |
| **Plan of Financing:** | | | | |
| General Fund | $ 174,077,000 | $ 196,395,200 | $ 197,865,200 | 0.8 |
| Uniform School Fund | 261,300 | 300,000 | 300,000 | -0- |
| Tuition and Fees | 41,684,200 | 44,143,200 | 47,720,400 | 8.1 |
| Federal Funds | 442,200[1] | 3,795,500 | 4,168,200 | 9.8 |
| Reimbursed Overhead | 7,601,000 | 9,877,100 | 8,327,900 | (15.7) |
| Mineral Lease | 4,695,900 | 5,461,400 | 5,954,800 | 9.0 |
| Land Grant Income | 1,176,500 | -0- | -0- | -0- |
| Other | 1,532,700 | 801,200 | 1,046,300 | 30.6 |
| Total Revenues | $ 231,470,800 | $ 260,773,600 | $ 265,382,800 | 1.8 |

(1) Does not include federal funds for USU Cooperative Extension and Agricultural Experiment Station.

## PRIORITIES RECOMMENDED
(If Revenues Are Available)

- Additional fuel and power costs which are expected to increase during 1983-84 by 15-18 percent. $1,020,500

| | |
|---|---|
| • Additional library collections at all institutions. | 586,600 |
| • Replacement of 20- to 60-year-old equipment which is unrepairable due to obsolescence. | 550,000 |
| • Eight resident/interns to staff additional patient care beds at the University Hospital. | 226,900 |
| • Expansion of off-campus outreach centers in Delta, Richfield and Tooele, to offer degree programs for students who cannot attend full-time. | 171,500 |
| Total | $2,555,500 |

## NATURAL RESOURCES AND ENERGY
### Summary

The agencies and programs of natural resources and energy manage Utah's natural resources in the public interest, mitigate the effects of mineral and energy development on the resource base, respond to changes in use of the resource base, and develop and implement administrative measures to enhance productivity and cost effectiveness. Much of the department's recommended budget appears in the capital budget and includes capital items for parks and recreation, the cities water loan fund, the construction fund, the conservation and development fund and outdoor recreation. The governor is recommending $38,372,500 for the department in fiscal year 1983-84, a 0.8 percent decrease from fiscal year 1982-83.

The governor also recommends an additional $329,000 in discretionary mineral lease funds to enlarge the automated geographic reference program in the executie director's office by five full-time equivalent positions and support the department's efforts to have the program operational in all divisions. The governor recommends an additional $67,000 for the Division of State Lands and Forestry in land grant maintenance funds for a technician to enter data into the automated geographic reference system, thereby ensuring the viability of this program by including sovereign and trust lands data, an essential component of the data base.

In the Division of Oil, Gas and Mining, the governor recommends an additional $200,000 in the general fund to respond to the auditor general's report, which will result in an additional five full-time equivalent positions being hired for the oil and gas section.

The governor recommends for the Geological and Mineral Survey an additional $320,000 in discretionary mineral lease funds to initiate a basic geologic mapping program, requiring an additional five full-time equivalent positions.

| Schedule of Programs: | Actual 1981-82 | Authorized 1982-83 | Governor's Recommendation 1983-84 | % Increase |
|---|---|---|---|---|
| Executive Director's Office | $ 913,700 | $ 1,357,600 | $ 1,705,300 | 25.6 |
| Wildlife Resources | 13,614,700 | 12,454,600 | 12,221,300 | (1.9) |
| Hardware Ranch | 36,300 | 31,000 | 31,000 | -0- |
| Cooperative Studies | 324,300 | 171,300 | 129,600 | (24.3) |
| Contributed Research | 274,400 | 281,700 | 276,300 | (1.9) |
| State Lands and Forestry | 2,520,000 | 3,152,900 | 3,094,900 | (1.8) |
| Parks and Recreation | 7,844,300 | 8,652,100 | 8,545,400 | (1.2) |
| Outdoor Recreation Agency[1] | 199,200 | 309,300 | -0- | (100.0) |
| Water Resources | 1,947,100 | 2,312,800 | 2,263,800 | (2.1) |
| Water Rights | 3,250,600 | 3,334,500 | 3,267,400 | (2.0) |
| Oil, Gas and Mining | 1,276,500 | 1,656,000 | 1,934,000 | 16.8 |
| Geological and Mineral Survey | 1,526,200 | 1,888,900 | 2,112,500 | 11.8 |
| Energy Office | 3,736,100 | 3,096,300 | 2,791,000 | (9.9) |
| Total Expenditures | $ 37,463,400 | $ 38,699,000 | $ 38,372,500 | (0.8) |
| **Plan of Financing:** | | | | |
| General Fund | $ 13,980,700 | $ 14,729,400 | $ 14,256,800 | (3.2) |
| Federal Funds | 9,307,000 | 6,423,200 | 6,364,000 | (0.9) |
| Dedicated Credits | 2,983,800 | 2,678,300 | 2,599,000 | (3.0) |
| Mineral Lease | 689,000 | 978,700 | 1,735,200 | 77.3 |
| Restricted/Trust Funds | 11,500,200 | 12,711,500 | 13,183,900 | 3.7 |
| Other | (997,300) | 1,177,900 | 233,600 | (80.2) |
| Total Revenue | $ 37,463,400 | $ 38,699,000 | $ 38,372,500 | (0.8) |
| Full-Time Equivalent Positions | 870.8 | 900.3 | 916.3 | |

(1) The Outdoor Recreation Agency is merged with the parks and recreation line item in fiscal year 1983-84.

## PRIORITIES RECOMMENDED
(If Revenues Are Available)

- **Water Resources — Interstate Streams** — For Utah's assessment by the Bear River Commission to comply with the 1980 Amended Bear River Compact for a research project to develop an accurate method of determining the unit consumptive use of water for agricultural crops in the Bear River Basin. $ 20,000
- **State Lands and Forestry — Surface and Forestry** — For the purchase of communications equipment to better manage firefighting activities. 62,000
- **Water Resources — Planning** — To update hydrologic inventories completed in the mid-1960s by using remote sensing technology. 30,000
- **State Lands and Forestry — Fire Management Projects** — To increase the fire suppression fund. 25,000
- **Parks and Recreation — Operations and Program Management** — To hire additional seasonal full-time equivalent positions, purchase capital equipment and offset current expenses at parks. 200,000
- **Hogle Zoo** — Total funds required for state assumption of net operating and maintenance costs for the zoo. 1,400,000

Total $1,737,000

# BUSINESS, LABOR AND AGRICULTURE
## Summary

Business, labor and agriculture consists of seven departments and the Citizens' Council on Liquor Control. These agencies regulate the state's trades, professions, businesses, industries and agricultural interests.

The governor recommends a budget of $24,660,800, a decrease of 3 percent in the general fund and 1.5 percent in restricted funds. The amount of $1,942,900 will cover the cost of the Heber M. Wells Building and $747,800 for the Agriculture Building. An additional amount is recommended for the Departments of Agriculture, Business Regulation, and Financial Institutions.

The governor is recommending $200,000 in additional funding for the Department of Agriculture. This includes $27,000 to match increased industry contributions in the predator animal program. An additional $20,000 will allow for a products catalog and exhibits at national and international agricultural trade fairs. The request includes funds for increased research as well as a marketing specialist to coordinate Utah's efforts to expand domestic and foreign markets for Utah's agricultural industry. Finally, the governor recommends an increase of $38,000 in restricted funds with a corresponding decrease of $38,000 in general funds in the brand inspection program.

The Department of Business Regulation regulates, monitors and licenses businesses throughout the state. In performing these duties, large amounts of records are kept and updated. Adequate data processing capability saves public tax dollars as well as months of man-hours recording, storing, and computing information. The amount of $77,500 is recommended to cover the hardware leasing and maintenance for 44 terminals and nine printers.

| Schedule of Programs: | Actual 1981-82 | Authorized 1982-83 | Governor's Recommendation 1983-84 | % Increase |
|---|---|---|---|---|
| Business Regulation | | | | |
| General Regulation | $ 2,520,700 | $ 3,268,000 | $ 3,851,600 | 17.9 |
| Public Utility Regulation | 1,454,100 | 1,657,400 | 1,622,300 | (2.1) |
| Public Service Commission | 471,000 | 663,700 | 646,900 | (2.5) |
| Financial Institutions | 1,012,300 | 1,322,400 | 1,393,200 | 5.4 |
| Insurance Department | 1,410,400 | 1,798,500 | 1,741,400 | (3.2) |
| Industrial Commission | 3,019,900 | 3,553,800 | 3,764,100 | 5.9 |
| Apprenticeship Council | 132,400 | 155,700 | 151,800 | (2.5) |
| Liquor Control Commission | 6,029,400 | 8,032,700 | 7,931,400 | (1.3) |
| Citizens Council on Liquor Control | 3,100 | 7,000 | 7,000 | -0- |
| Agriculture | 5,156,700 | 6,887,300 | 6,577,300 | (4.5) |
| Total Expenditures | $ 21,210,000 | $ 27,346,500 | $ 27,687,000 | 1.2 |

**Plan of Financing:**

| | | | | |
|---|---|---|---|---|
| General Fund | $ 10,356,100 | $ 13,546,100 | $ 14,571,400 | 7.6 |
| Federal Funds | 1,963,400 | 2,076,200 | 1,959,100 | (5.6) |
| Dedicated Credits | 1,262,500 | 836,100 | 862,100 | 3.1 |
| Mineral Lease[1] | 250,000 | 450,000 | -0- | (100.0) |
| Restricted/Trust Funds | 8,650,300 | 10,436,600 | 10,342,400 | (0.9) |
| Other | (1,272,300) | 1,500 | (48,000) | (3,300.0) |
| Total Revenue | $ 21,210,000 | $ 27,346,500 | $ 27,687,000 | 1.2 |
| Full-Time Equivalent Positions | 724.5 | 763.1 | 765.9 | |

(1) The mineral lease funds for fiscal year 1983-84 are consolidated in the capital budget.

**PRIORITIES RECOMMENDED**
(If Funds Are Available)

| | |
|---|---|
| • **Business Regulation** — Additional staff for Securities Division to aid investigations and provide clerical support. | $132,800 |
| • **Business Regulation** — Additional clerical help and investigators for Registration Division. | 121,400 |
| • **Insurance** — Additional funds for training and increased data processing capability. | 95,000 |
| • **Industrial Commission** — Data processing enhancements and hardware, and a legal secretary for Workmen's Compensation Division. | 50,700 |
| Total | $399,900 |

# COMMUNITY AND ECONOMIC DEVELOPMENT
## Summary

The Department of Community and Economic Development encourages a healthy Utah economy through increased trade; assistance to communities and minorities through affordable housing, technical advice, and representation; and cultural and social opportunities, such as library service, the state fair, historical sites, and performing arts groups.

A budget of $15,140,600 is recommended for fiscal year 1983-84, a 7.6 percent decrease from fiscal year 1982-83. Because industrial and tourism promotion can increase economic activity in the state, the governor is recommending additional funds for the Industrial Development and Travel Development Divisions.

This amount includes $300,000 to allow the Economic and Industrial Development Division to more effectively promote the state through increased contact with potential site selectors and executives. This will also allow the division to upgrade its advertising efforts in business magazines and periodicals.

The governor recommends $250,000 to allow the Travel Division to expand its advertising and printing of promotional material. Rising costs have significantly reduced the advertising capability of the division.

| Schedule of Programs: | Actual 1981-82 | Authorized 1982-83 | Governor's Recommendation 1983-84 | % Increase |
|---|---|---|---|---|
| Department Administration | $ 484,200 | $ 457,700 | $ 446,800 | (2.4) |
| Indian Affairs | 88,200 | 99,400 | 94,300 | (5.1) |
| Economic and Industrial Development | 927,200 | 918,500 | 1,140,000 | 24.1 |
| Travel Development | 1,941,200 | 2,027,300 | 2,284,800 | 12.7 |
| Expositions | 1,153,200 | 1,214,800 | 1,260,500 | 3.8 |
| State History | 1,684,100 | 1,393,100 | 1,321,400 | (5.1) |
| Fine Arts | 1,819,900 | 1,843,700 | 1,653,800 | (10.3) |
| State Library | 3,586,900 | 3,097,400 | 3,058,100 | (1.3) |
| Community Development | 1,690,800 | 5,261,500 | 4,357,900 | (17.2) |
| Hispanic Affairs | 12,700 | 36,100 | 35,900 | (0.6) |
| Black Affairs | 20,300 | 37,300 | 37,100 | (0.5) |
| Total Expenditures | $ 13,408,700 | $ 16,386,800 | $ 15,690,600 | (4.2) |
| **Plan of Financing:** | | | | |
| General Fund | $ 15,439,100 | $ 7,671,300 | $ 8,126,900 | 5.9 |
| Federal Funds | 2,997,200 | 6,595,700 | 5,513,800 | (16.4) |
| Transportation Fund | 118,000 | 118,000 | 118,000 | -0- |
| Dedicated Credits | 2,575,800 | 1,908,300 | 1,895,000 | (0.7) |
| Navajo Trust Fund | 63,200 | 36,900 | 36,900 | -0- |
| Other | (7,784,600) | 56,600 | -0- | (100.0) |
| Total Revenues* | $ 13,408,700 | $ 16,386,800 | $ 15,690,600 | (4.2) |
| Full-Time Equivalent Positions | 229.9 | 229.8 | 230.3 | |

*Mineral lease funds in the authorized year and $290,500 for the recommended year are included in the capital budget for administration of the community impact account.

## PRIORITIES RECOMMENDED
(If Revenues Are Available)

- **Industrial Development** — Additional promotional activities, clerical help, and industrial development representatives. $133,000
- **Travel Development** — Additional funds for increased advertising and updated publications. 150,000
- **Community Development** — A housing specialist to assist in housing rehabilitation and assess housing needs for the poor. 39,900
- **Library Commission** — Computer system opening up major book collections to libraries throughout the state. 109,900
- **Library Commission** — Information center serving as a repository for important state reports and information. 192,000
- **Expositions:** — A youth fair to showcase the talents of the state's youth. 75,000

Total $699,800

The Utah Department of Transportation (UDOT) constructs, maintains, regulates, and administers all transportation systems within the state. The department's major concern is generating adequate revenues to support the highway system and to keep pace with inflated highway construction.

New federal law requires that all unfinished segments of the Interstate System be under construction by Sept. 30, 1986, or be eliminated from the system. This challenges department and state officials to develop an accelerated schedule within manpower and funding limitations. The department is hoping to obtain federal discretionary funds, limited bonding, and mineral lease revenues to fund the accelerated interstate program and maintain the existing highway systems. The passage of an increased federal gas tax would also help the department provide an expanded construction program to meet the federal mandate.

The recommended appropriation for UDOT non-construction programs totals $61,562,700 for fiscal year 1983-84, an 11.3 percent increase in operations budget appropriations over fiscal year 1982-83. Although transportation fund revenues for fiscal year 1983-84 are projected to increase only 4.6 percent for fiscal year 1983-84, the fee increases passed during the 1982 budget session appear to be generating more revenue than originally anticipated. This additional revenue should enable UDOT to expand the state construction and rehabilitation programs in fiscal year 1982-83 and should also allow the department to carry a larger ending balance forward to the 1983-84 fiscal year.

The total available funds for fiscal year 1983-84 for the department have allowed the governor to support several important base budget enhancements. The Equipment Mananagement Division has been underfunded for the past several years, causing the equipment fleet to deteriorate. The recommended budget for equipment management includes an additional $1,600,000 to improve the fleet.

The budget of the Aeronautics Division includes funds to purchase two new aircraft. The current planes need extensive repairs and the purchase of new planes would prove more economical in the long run. After selling the old planes and using existing aeronautics funds, an additional $600,000 would be needed to purchase the new planes. The governor proposes that this money come from the transportation fund as an interest-free loan to be paid back from the aeronautics fund at the rate of $60,000 a year for aproximately 10 years.

Confusion over clearing account charges and prior-year budget cuts have eroded budget bases in several programs within the District Management Division. The governor recommends that $460,000 be added to the division budget to cover the deficiencies.

The budget for the Maintenance Division includes an addition of $2 million above the fiscal year 1982-83 appropriated level to maintain a minimum program for highway rehabilitation and snow removal. The comptroller budget includes $250,000 for continued development work on a new UDOT accounting system and the administrative services budget includes a workload increase of two full-time equivalent positions for buildings and grounds.

| Schedule of Programs: | Actual 1981-82 | Authorized 1982-83 | Governor's Recommendation 1983-84 | % Increase |
|---|---|---|---|---|
| District Management | $ 3,457,900 | $ 3,806,700 | $ 4,178,700 | 9.8 |
| Administrative Services | 2,739,600 | 2,851,100 | 3,149,400 | 10.5 |
| Safety | 486,700 | 964,900 | 1,022,200 | 5.9 |
| Comptroller | 834,600 | 1,321,800 | 1,454,200 | 10.0 |
| Internal Auditor | 168,700 | 193,700 | 188,900 | (2.5) |
| Planning and Programming | 468,200 | 497,800 | 485,900 | (2.4) |
| Community Relations | 237,500 | 457,000 | 243,600 | (46.7) |
| Construction | 404,500 | 429,600 | 426,500 | (0.7) |
| Right Of Way | 535,100 | 520,600 | 546,200 | 4.9 |
| Equipment Management | 4,850,800 | 5,591,400 | 7,178,900 | 28.4 |
| Preconstruction | 1,471,500 | 1,404,600 | 1,330,100 | (5.3) |
| Maintenance | 30,519,900 | 31,064,900 | 34,097,600 | 9.8 |
| Aeronautics | 3,804,400 | 6,222,000 | 7,060,500 | 13.5 |
| New Complex Furnishings | 256,000 | -0- | -0- | -0- |
| Lands and Buildings | 208,300 | -0- | 200,000 | 100.0 |
| Total Expenditures | $ 50,443,700 | $ 55,326,100 | $ 61,562,700 | 11.3 |
| **Plan of Financing:** | | | | |
| General Fund | $ 251,100 | $ 654,000 | $ 645,000 | (1.4) |
| Transportation Fund | 47,311,800 | 49,558,900 | 54,101,200 | 9.2 |
| Federal Funds | 1,385,300 | 3,516,500 | 2,546,000 | (27.6) |
| Aeronautics Fund | 2,650,000 | 2,750,000 | 3,960,500 | 44.0 |
| Dedicated Credits | 121,700 | 68,000 | 60,000 | (11.8) |
| Other | (1,276,200) | (1,221,300) | 250,000 | (120.5) |
| Total Revenue | $ 50,443,700 | $ 55,326,100 | $ 61,562,700 | 11.3 |
| Full-Time Equivalent Positions | 858.7 | 852.8 | 855.7 | |

## ENTERPRISE SUMMARY

The budgets comprising the enterprise portion of the governor's budget are funded exclusively from their own restricted funds or from collections from other state agencies. They provide a special service or product to either the public or other state agencies. The governor recommends a 7 percent increase for the combined enterprise budgets over fiscal year 1982-83.

The enterprise budget contains a major initiative in the Department of Administrative Services with the creation of state printing in January 1983 and the dissolution of central printing at that time. After the first of the year, seven agency-owned print shops will be consolidated into one central facility. Initial capital is expected to be absorbed through transfer of agency capital and other material assets, with the balance to be recovered through fees charged to agencies for printing services. This consolidation is being undertaken as a result of a legislative study resolution.

The governor recommends that the state insurance fund receive a workload of $84,100 for three full-time equivalent positions in the fund's new legal services program. Included for the first time in the state insurance fund's budget are six items previously paid directly from the investment fund. The new items, which total $290,000, are contract attorney services, audit

expenses from the state auditor and the Insurance Department, actuarial study, ratemaking services and dividend processing. These items appear in the budget as a result of agreements among the insurance fund management and the state auditor, the state treasurer, the State Budget Office, the Division of Finance and the Department of Administrative Services. This group also agreed that claim payments, dividends to policyholders and premium tax payments should not be part of the administrative budget. The cost of administering the insurance fund comes entirely from premiums paid to the fund by private firms.

| Schedule of Programs: | Actual 1981-82 | Authorized 1982-83 | Governor's Recommendation 1983-84 | % Increase |
|---|---|---|---|---|
| Retirement Administration | $ 4,024,600 | $ 4,535,800 | $ 4,472,500 | (1.4) |
| Administrative Services | | | | |
| Central Services | | | | |
| Administration | 133,400 | 150,700 | 147,300 | (2.3) |
| Central Mailing | 76,600 | 98,000 | 96,100 | (1.9) |
| Central Stores | 182,000 | 254,700 | 249,400 | (2.1) |
| Motor Pool | 908,700 | 1,049,100 | 1,043,000 | (0.6) |
| Central Printing | 242,900 | 147,400 | -0- | (100.0) |
| State Printing[1] | -0- | 669,700 | 1,301,400 | 94.3 |
| Telephone Services | 155,900 | 434,000 | 427,200 | (1.6) |
| Less Administrative Indirect Cost | (133,400) | (150,700) | (147,300) | (2.3) |
| State Insurance Fund | 2,399,200 | 2,740,500 | 2,930,400 | 6.9 |
| Surplus Property | 308,000 | 353,400 | 346,100 | (2.1) |
| Employment Security | 20,009,600 | 18,875,000 | 20,385,100 | 8.0 |
| Utah Housing Finance Agency | 436,200 | 545,000 | 519,400 | (4.7) |
| Total Expenditures | $ 28,743,700 | $ 29,702,600 | $ 31,770,600 | 7.0 |
| **Plan of Financing:** | | | | |
| Federal Funds | $ 20,009,600 | $ 18,875,000 | $ 20,385,100 | 8.0 |
| Retirement Fund | 4,024,600 | 4,535,800 | 4,472,500 | (1.4) |
| Insurance Fund | 2,399,200 | 2,740,500 | 2,930,400 | 6.9 |
| Dedicated Credits | 1,874,100 | 3,006,300 | 3,463,200 | 15.2 |
| Other | 436,200 | 545,000 | 519,400 | (4.7) |
| Total Revenue | $ 28,743,700 | $ 29,702,600 | $ 31,770,600 | 7.0 |
| Full-Time Equivalent Positions[2] | 865.5 | 890.5 | 891.5 | |

(1) Fiscal year 1982-83 represents six months of operation.
(2) Includes full-time equivalent positions from the Division of Data Processing. Data processing's budget is shown in the government operations summary.

# Appendices

# APPENDIX A

## STATE OF UTAH

# Revenues Per Capita In Constant Dollars by Source

### FY 1973-74 Through FY 1983-84

| | 1973-74 | 1974-75 | 1975-76 | 1976-77 | 1977-78 | 1978-79 | 1979-80 | 1980-81 | 1981-82 | 1982-83* | 1983-84 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Population | 1,150,000 | 1,179,000 | 1,203,000 | 1,232,000 | 1,270,000 | 1,317,000 | 1,367,000 | 1,474,000 | 1,513,000 | 1,558,000 | 1,615,000 |
| Public Education | | | | | | | | | | | |
| 1972 Dollars CPI | 180,603,400 | 182,297,600 | 203,987,000 | 209,555,300 | 224,742,300 | 231,059,500 | 235,174,900 | 225,249,900 | 293,136,288 | 321,510,066 | 309,442,247 |
| Per Capita | 157 | 155 | 170 | 170 | 177 | 175 | 172 | 153 | 194 | 206 | 192 |
| 1972 Dollars IPD | 181,801,717 | 183,857,032 | 207,537,407 | 216,556,388 | 233,777,167 | 241,907,364 | 251,383,878 | 247,875,448 | 328,101,645 | 356,102,921 | 347,798,089 |
| Per Capita | 158 | 156 | 173 | 176 | 184 | 184 | 184 | 168 | 217 | 229 | 215 |
| Higher Education | | | | | | | | | | | |
| 1972 Dollars CPI | 104,576,000 | 107,144,200 | 114,195,300 | 103,687,400 | 109,508,900 | 114,051,800 | 106,519,900 | 106,060,200 | 106,325,586 | 114,625,758 | 110,026,036 |
| Per Capita | 91 | 91 | 95 | 84 | 86 | 87 | 78 | 72 | 70 | 74 | 68 |
| 1972 Dollars IPD | 105,269,869 | 108,060,746 | 116,182,877 | 107,151,519 | 113,911,268 | 119,406,345 | 113,861,579 | 116,713,568 | 119,008,123 | 126,958,909 | 123,663,933 |
| Per Capita | 92 | 92 | 97 | 87 | 90 | 91 | 83 | 79 | 79 | 81 | 77 |
| Social Services & Health | | | | | | | | | | | |
| 1972 Dollars CPI | 105,512,200 | 108,405,500 | 120,734,800 | 137,665,300 | 156,406,200 | 169,665,600 | 159,377,000 | 171,963,900 | 162,520,487 | 182,132,791 | 177,522,181 |
| Per Capita | 92 | 92 | 100 | 112 | 123 | 129 | 117 | 117 | 107 | 117 | 110 |
| 1972 Dollars IPD | 106,212,281 | 109,332,836 | 122,836,197 | 142,264,596 | 162,693,887 | 177,631,121 | 170,361,753 | 189,237,060 | 181,905,964 | 201,729,357 | 199,526,328 |
| Per Capita | 92 | 93 | 102 | 115 | 128 | 135 | 125 | 128 | 120 | 129 | 124 |
| Transportation | | | | | | | | | | | |
| 1972 Dollars CPI | 104,773,200 | 91,972,100 | 104,150,200 | 99,581,900 | 87,329,100 | 106,827,200 | 133,442,800 | 18,529,500 | 23,171,199 | 24,319,165 | 25,523,507 |
| Per Capita | 91 | 78 | 87 | 81 | 69 | 81 | 98 | 13 | 15 | 16 | 16 |
| 1972 Dollars IPD | 105,468,377 | 92,758,859 | 105,962,941 | 102,908,858 | 90,839,818 | 111,842,561 | 142,640,089 | 20,390,722 | 25,935,064 | 26,935,784 | 28,687,185 |
| Per Capita | 92 | 79 | 88 | 84 | 72 | 85 | 104 | 14 | 17 | 17 | 18 |
| All Other | | | | | | | | | | | |
| 1972 Dollars CPI | 93,333,000 | 87,331,100 | 107,704,700 | 105,692,000 | 125,956,200 | 117,077,500 | 123,459,700 | 202,765,900 | 177,057,327 | 181,968,791 | 180,948,093 |
| Per Capita | 81 | 74 | 90 | 86 | 99 | 89 | 90 | 138 | 117 | 117 | 112 |
| 1972 Dollars IPD | 93,952,271 | 88,078,158 | 109,579,307 | 109,223,092 | 131,019,766 | 122,574,097 | 131,968,922 | 223,133,011 | 198,176,761 | 201,547,712 | 203,376,887 |
| Per Capita | 82 | 75 | 91 | 89 | 103 | 93 | 97 | 151 | 131 | 129 | 126 |
| Total | | | | | | | | | | | |
| 1972 Dollars CPI | 588,797,800 | 577,150,500 | 650,772,000 | 656,181,900 | 703,942,700 | 738,681,600 | 757,974,300 | 724,569,400 | 762,210,887 | 824,556,571 | 803,462,065 |
| Per Capita | 512 | 490 | 541 | 533 | 554 | 561 | 554 | 492 | 504 | 529 | 497 |
| 1972 Dollars IPD | 592,704,516 | 582,087,630 | 662,098,728 | 678,104,454 | 732,241,904 | 773,361,488 | 810,216,221 | 797,349,809 | 853,127,558 | 913,274,684 | 903,052,423 |
| Per Capita | 515 | 494 | 550 | 550 | 577 | 587 | 593 | 541 | 564 | 586 | 559 |
| CPI | 1.062 | 1.179 | 1.286 | 1.361 | 1.449 | 1.561 | 1.737 | 1.972 | 2.177 | 2.275 | 2.412 |
| IPD | 1.055 | 1.169 | 1.264 | 1.317 | 1.393 | 1.491 | 1.625 | 1.792 | 1.945 | 2.054 | 2.146 |

* Numbers for fiscal year 1982-83 do not reflect the two percent budget reduction mandated by the governor. The total reduction of general fund and uniform school fund equals $8,127,500 in 1972 dollars using the CPI factor, or $9,001,900 using the IPD factor.

# APPENDIX B

## STATE OF UTAH

# Expenditures Per Capita In Constant Dollars By Program Area FY 1973-74 to FY 1983-84

| | 1973-74 | 1974-75 | 1975-76 | 1976-77 | 1977-78 | 1978-79 | 1979-80 | 1980-81 | 1981-82 | 1982-83* | 1983-84 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Population | 1,150,000 | 1,179,000 | 1,203,000 | 1,232,000 | 1,270,000 | 1,317,000 | 1,367,000 | 1,474,000 | 1,513,000 | 1,558,000 | 1,615,000 |
| Federal Grants | | | | | | | | | | | |
| 1972 Dollars CPI | 149,456,100 | 150,488,400 | 187,159,000 | 184,367,300 | 198,735,000 | 172,681,800 | 217,108,866 | 211,997,300 | 165,379,881 | 170,492,000 | 169,241,501 |
| Per Capita | 130 | 128 | 156 | 150 | 156 | 131 | 159 | 144 | 109 | 109 | 105 |
| 1972 Dollars IPD | 150,447,752 | 151,775,726 | 190,416,514 | 190,526,875 | 206,724,347 | 180,788,927 | 232,072,677 | 233,291,672 | 185,106,427 | 188,836,076 | 190,219,245 |
| Per Capita | 131 | 129 | 158 | 155 | 163 | 137 | 170 | 158 | 122 | 121 | 118 |
| Other | | | | | | | | | | | |
| 1972 Dollars CPI | 55,597,400 | 57,991,300 | 61,568,100 | 42,899,400 | 43,739,100 | 71,255,600 | 84,947,400 | 73,074,400 | 139,082,591 | 168,315,429 | 167,241,169 |
| Per Capita | 48 | 49 | 51 | 35 | 34 | 54 | 62 | 50 | 92 | 108 | 104 |
| 1972 Dollars IPD | 55,966,293 | 58,487,376 | 62,639,697 | 44,332,637 | 45,497,456 | 74,600,934 | 90,802,236 | 80,414,463 | 155,672,391 | 186,425,316 | 187,970,969 |
| Per Capita | 49 | 50 | 52 | 36 | 36 | 57 | 66 | 55 | 103 | 120 | 116 |
| Transportation Fund | | | | | | | | | | | |
| 1972 Dollars CPI | 56,586,500 | 51,042,500 | 49,830,300 | 52,022,400 | 51,825,300 | 58,749,200 | 51,035,579 | 43,400,600 | 46,416,996 | 42,583,033 | 48,584,867 |
| Per Capita | 49 | 43 | 41 | 42 | 41 | 45 | 37 | 29 | 31 | 27 | 30 |
| 1972 Dollars IPD | 56,961,955 | 51,479,134 | 50,697,600 | 53,760,430 | 53,908,729 | 61,507,378 | 54,553,108 | 47,760,035 | 51,953,625 | 47,164,752 | 54,607,036 |
| Per Capita | 50 | 44 | 42 | 42 | 44 | 47 | 40 | 32 | 34 | 30 | 34 |
| Uniform School Fund | | | | | | | | | | | |
| 1972 Dollars CPI | 119,269,300 | 121,765,500 | 145,954,800 | 148,359,000 | 165,631,100 | 181,976,200 | 202,489,926 | 197,618,900 | 199,125,264 | 221,272,527 | 202,253,566 |
| Per Capita | 104 | 103 | 121 | 120 | 130 | 138 | 148 | 134 | 132 | 142 | 125 |
| 1972 Dollars IPD | 120,060,660 | 122,807,121 | 148,495,153 | 153,315,565 | 172,289,637 | 190,519,682 | 216,446,154 | 217,469,013 | 222,876,967 | 245,080,331 | 227,323,206 |
| Per Capita | 104 | 104 | 123 | 124 | 136 | 145 | 158 | 148 | 147 | 157 | 141 |
| General Fund | | | | | | | | | | | |
| 1972 Dollars CPI | 192,138,900 | 192,855,000 | 195,633,500 | 210,339,500 | 219,477,600 | 226,065,500 | 202,392,228 | 198,578,100 | 212,206,155 | 221,893,582 | 216,140,962 |
| Per Capita | 167 | 164 | 163 | 171 | 173 | 172 | 148 | 135 | 140 | 142 | 134 |
| 1972 Dollars IPD | 193,413,775 | 194,504,743 | 199,038,513 | 217,366,788 | 228,300,820 | 236,678,904 | 216,341,723 | 218,524,561 | 237,518,149 | 245,768,208 | 242,931,966 |
| Per Capita | 168 | 165 | 165 | 176 | 180 | 180 | 158 | 148 | 157 | 158 | 150 |
| Total | | | | | | | | | | | |
| 1972 Dollars CPI | 573,048,200 | 574,142,700 | 640,145,700 | 637,967,600 | 679,408,100 | 710,728,300 | 757,973,999 | 724,669,300 | 762,210,887 | 824,556,571 | 803,462,065 |
| Per Capita | 498 | 487 | 532 | 518 | 535 | 540 | 554 | 492 | 504 | 529 | 497 |
| 1972 Dollars IPD | 576,850,415 | 579,054,100 | 651,287,476 | 659,302,296 | 706,720,989 | 744,095,826 | 810,215,215 | 797,459,743 | 853,127,558 | 913,274,684 | 903,052,423 |
| Per Capita | 502 | 491 | 541 | 535 | 556 | 565 | 593 | 541 | 564 | 586 | 559 |
| CPI | 1.062 | 1.179 | 1.286 | 1.361 | 1.449 | 1.561 | 1.737 | 1.972 | 2.177 | 2.275 | 2.412 |
| IPD | 1.055 | 1.169 | 1.264 | 1.317 | 1.393 | 1.491 | 1.625 | 1.792 | 1.945 | 2.054 | 2.146 |

* Numbers for fiscal year 1982-83 do not reflect the two percent budget reduction mandated by the governor. The total reduction of general fund and uniform school fund equals $8,127,500 in1972 dollars using the CPI factor, or $9,001,900 using the IPD factor.

# APPENDIX C

## STATE OF UTAH

# Summary of Budgeted Full-Time Equivalent Positions

From the Period Fiscal Year 1976-77 to Fiscal Year 1983-84

| | 1976-77 | 1977-78 | 1978-79 | 1979-80 | 1980-81 | 1981-82 | 1982-83 | 1983-84 |
|---|---|---|---|---|---|---|---|---|
| Legislature | N/A | N/A | 106.8 | 92.1 | 108.1 | 102.4 | 115.0 | 97.9 |
| Executive and Judicial | 407.3 | 419.7 | 511.8 | 497.2 | 503.2 | 503.5 | 539.4 | 537.5 |
| Government Operations | 1,025.1 | 1,100.3 | 1,003.1 | 968.4 | 931.0 | 843.5 | 851.4 | 846.4 |
| Public Safety | 749.0 | 768.5 | 792.1 | 833.2 | 790.8 | 818.7 | 808.4 | 772.1 |
| Social Services | 3,921.4 | 4,199.1 | 3,831.1 | 3,681.7 | 3,750.5 | 3,888.5 | 3,886.3 | 4,004.5 |
| Health[a] | N/A | N/A | 529.9 | 562.2 | 670.0 | 620.7 | 708.0 | 697.6 |
| Public Education | 747.2 | 739.7 | 749.9 | 786.4 | 837.2 | 789.0 | 792.0 | 792.0 |
| Natural Resources | 734.6 | 798.6 | 833.0 | 852.8 | 861.0 | 907.8 | 900.3 | 917.3 |
| Business, Labor and Agriculture | 618.8 | 646.4 | 672.1 | 696.3 | 696.3 | 724.5 | 763.1 | 765.9 |
| Community and Economic Development | 93.9 | 101.6 | 256.3 | 275.3 | 246.8 | 229.9 | 229.8 | 230.3 |
| Enterprise[b] | N/A | N/A | 868.3 | 849.7 | 906.0 | 865.5 | 890.5 | 891.5 |
| Transportation | 2,122.8 | 1,940.8 | 1,918.5 | 1,936.6 | 1,943.4 | 1,795.0 | 1,793.6 | 1,785.5 |
| Total[c] | 10,420.1 | 10,714.7 | 11,072.9 | 12,031.9 | 12,244.3 | 12,089.0 | 12,277.8 | 12,338.5 |
| Percent Change | 7.1 | 2.8 | 12.7 | (0.3) | 1.8 | (1.3) | 1.6 | .5 |

Footnotes:

(a) Full-time equivalent positions are included in the totals for the Department of Social Services through 1977-78.

(b) This represents the first year that enterprise data was provided.

(c) The totals shown do not include full-time equivalent (FTE) faculty positions for higher education, local school districts, and area vocational centers. 1982-83 FTE totals reflect the number of positions budgeted prior to the 2 percent budget reduction. 1983-84 FTE totals reflect a continuation of 1982-83 levels, adjusted for mandatory increases.

## APPENDIX D

### STATE OF UTAH

# Full-Time Equivalent State Employees versus Total State Non-Agricultural Employment

**Annual Averages 1970-1983**

| Calendar Year | Total Utah Non-Agricultural Employment | Percent Increase Over Previous Year | Total State Non-Education Employment | Percent Increase Over Previous Year | Percent of Total Non-Agricultural Employment |
|---|---|---|---|---|---|
| 1970 | 358,654 | | 9,856 | | 2.7 |
| 1971 | 371,124 | 3.4 | 10,263 | 4.1 | 2.8 |
| 1972 | 393,019 | 5.9 | 10,806 | 5.3 | 2.7 |
| 1973 | 414,839 | 5.6 | 11,095 | 2.7 | 2.7 |
| 1974 | 434,089 | 4.6 | 11,474 | 3.4 | 2.6 |
| 1975 | 440,332 | 1.4 | 13,255 | 15.5 | 3.0 |
| 1976 | 462,826 | 5.1 | 13,374 | .9 | 2.9 |
| 1977 | 488,719 | 5.6 | 13,675 | 2.3 | 2.8 |
| 1978 | 524,305 | 7.3 | 14,006 | 2.4 | 2.7 |
| 1979 | 548,419 | 4.6 | 14,077 | 0.5 | 2.6 |
| 1980 | 550,800 | .4 | 14,703 | 4.4 | 2.7 |
| 1981 | 558,000 | 1.3 | 14,372 | 2.0 | 2.6 |
| 1982 (Revised Forecast) | 561,000 | .5 | 14,650 | 2.6 | 2.6 |
| 1983 (Projection) | 570,200 | 1.6 | 14,750 | 0.7 | 2.6 |

Source: Job Service
State non-education employment is a headcount of yearly, part-time and seasonal employees.

# SUPPLEMENTAL APPROPRIATION ACT
# 1983
# GENERAL SESSION

—B. No._____ By_____

_____

**AN ACT MAKING APPROPRIATIONS FOR THE FISCAL YEAR ENDING JUNE 30, 1983 FOR THE USE AND SUPPORT OF CERTAIN STATE DEPARTMENTS AND AGENCIES OF STATE GOVERNMENT AND FOR OTHER PURPOSES AS IN THIS ACT PROVIDED.**

*BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF UTAH:*

**Section 1.**

The following sums of money, or so much thereof as may be necessary, are appropriated from the funds indicated in addition to appropriations, if any, made by Chapter 82, Laws of Utah, 1982, for the use and support of certain State departments and agencies and for other purposes as in this Act provided.

## EXECUTIVE AND JUDICIAL

**Item 1**

To Trial Courts — Juror and Witness Fees
From General Fund ..... $ 104,000
To pay for fiscal year 1981-82 overrun and anticipated fiscal year 1982-83 overrun.

**Item 2**

To Attorney General — Miscellaneous Claims
From General Fund ..... 132,111
From Risk Management Fund ..... 115,000
To pay for miscellaneous claims against the state approved by the Board of Examiners.

## GOVERNMENT OPERATIONS

**Item 3**

To Administrative Services — Utah State Building Ownership Authority
From General Fund ..... 123,,000
To pay for Insurance Fund Share of Heber Wells Building.

**Item 4**

To Administrative Services — Finance
From General Fund ..... 101,000
To pay for enhancements to the state accounting system (FIRMS).

**Item 5**

To Utah State Insurance Fund — Administration
From Insurance Fund ..... 100,000
To pay for final phase of data processing development.

NATURAL RESOURCES

**Item 6**

To Natural Resources and Energy
From Land Grant Maintenance Fund ..... 25,000
To pay for current expenses incurred by Project Bold.

**Plan of Financing**

| | |
|---|---|
| General Fund | $460,111 |
| Insurance Fund | 100,000 |
| Land Grant Maintenance | 25,000 |
| Risk Management Fund | 115,000 |
| Total | $700,111 |

**Section 2.**

The following sums of money, or so much thereof as may be necessary, is authorized to be transferred from one line-item of appropriation to another from appropriations made by Chapter 82, Laws of Utah, 1982.

TRANSPORTATION

**Item 1**

To Tranportation
District Management (Item 228) ..... $ 125,000
Administrative Services (Item 229) ..... 183,100
Maintenance (Item 239) ..... 2,567,600
From Transportation
State Construction (Item 241) ..... 2,875,700

**Section 3.**

It is the intent of the legislature that $5,500,000 in mineral lease funds lapse to the general fund at the end of the 1982-83 fiscal year.

**Section 4.**

It is the intent of the legislature that all appropriations from the general fund and uniform school fund for the 1982-83 fiscal year, except for the portion the governor has requested in departmental savings, be non-lapsing.