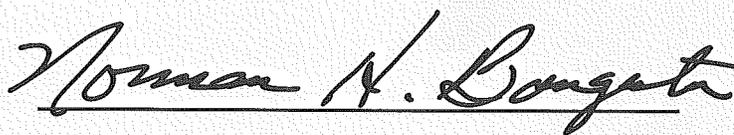


Executive Budget Recommendations

Fiscal Year 1991

State of Utah



Governor Norman H. Bangerter

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STATE OF UTAH
EXECUTIVE BUDGET RECOMMENDATIONS
FISCAL YEAR 1990-91

CONTAINING THE RECOMMENDATIONS OF
GOVERNOR NORMAN H. BANGERTER

DECEMBER 1989

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STATE OF UTAH

OFFICE OF THE GOVERNOR

SALT LAKE CITY

84114

NORMAN H. BANGERTER

GOVERNOR

December 11, 1989

My Fellow Utahns:

Included in the Executive Budget Recommendations are six main sections. First, my State of the State report, which gives an overall analysis of current conditions, major trends, and projections. Second, my Budget Recommendations message, which presents the major recommendations by area. Third are the departmental budgets. Fourth is the Capital Budget which contains my capital facilities recommendations. Fifth is a summary of the internal service and enterprise funds of the state. Finally, there is a summary of my recommended supplemental appropriations for the current fiscal year.

I am pleased to tell you that the Utah economy is performing very well. Though my "State of the State" message details this, I would like to highlight a few important points. Approximately 31,000 net new jobs will be created in Utah in 1989. This is the second best performance of any year in this decade. Our current unemployment rate of 3.9 percent is at a decade low and well below the national average of 5.4 percent. The economy's performance has given the state a budgetary surplus that will allow us to address needs we have been unable to meet in many years. This surplus has developed despite our reduction of nearly \$120 million in taxes in the last two years.

Utah's economic performance has recently received national recognition. In the 13 November issue of *U.S. News and World Report*, we were given high marks for our economy's adjustment to today's high technology economy. Special recognition was given to the state's Centers of Excellence program. Also, in the 23 October issue of *Fortune* magazine, Utah was praised for its highly educated and productive work force. This national publication encouraged businesses to look to Utah for expansion.

Utah has also been selected as the nation's bid site for the international Winter Olympics. This is another example of the national and international recognition we are receiving.

Utahns have much to be proud of, but we cannot stand still. To be competitive in the international economy we must continue to press forward with changes and improvements. My budget recommendations emphasize the areas essential for Utah's continuing progress.

The central focus of my budget continues to be education. No other area is so important to our future as a quality educational system. When I came into office, education (public and higher education) was receiving 59.8 percent of the state budget.

For FY 1990-91, I am proposing a budget in which education receives 65.5 percent of the budget. *This proposal contains the single biggest increase in educational funding in the state's history.*

Funding alone, however, is not enough. We must continue to reform our educational system to meet our increasingly competitive society. I am proposing important changes that will create greater accountability and more local control. With these two elements playing a greater role in education, I am convinced that Utah schools will not only keep up but can become models for others to follow. The details of my proposals are in my "Budget Recommendations" section later in this report. I urge you to read them.

There are other areas that are important to Utah's future. Improvements to the state's infrastructure are critical to further economic growth. I am recommending: a \$100 million federal highway budget; a \$20 million supplemental appropriation for the reconstruction of Quail Creek Dam and other water projects; and \$20 million for the West Valley Highway. A \$60 million bond for capital construction is also recommended.

As we watch with excitement the changes sweeping over Eastern Europe, we realize what a very fortunate people we are in the United States and especially here in Utah. It is the best place anywhere to live and raise a family. However, we cannot become complacent. If Utah is to grow and prosper in this increasingly competitive society, we must invest in ourselves now. If we pay the price now for success tomorrow, Utah's future will be an exciting one. As your governor, I pledge to continue to look to our future and implement today's plans for a bright tomorrow.

Sincerely,



Norman H. Bangerter
Governor of Utah

STATE OF THE STATE

INTRODUCTION

In 1989, Utah experienced its best economic performance in years. Employment growth not only exceeded projections but grew at a rate well above the state's historic growth rates. New businesses coming into Utah helped this growth, but--most importantly--existing Utah businesses grew significantly. This spurred Utah's economy to one of the best performances of any state in the nation.

Utah's healthy growth was recognized in the 13 November issue of U.S. News and World Report. The feature article in that issue entitled, "America's Boom Towns," describes the shift in cities across the nation where "entrepreneurs are building profitable new businesses on old industrial bases, reshuffling the country's economic deck and dealing most of the aces to the hinterland." In this widely read national magazine, Salt Lake City is highlighted as one of the "boom towns." In part, the magazine made the following comments about Utah and Salt Lake City. "Might used to make right, when missile factories were an economic mainstay decades ago. Today, Utah is investing in Centers of Excellence to develop technologies for such future industries as genetic engineering of grains, biomedical research, and robotics. The state's spectacular scenery, including ski resorts and national parks, is attracting new businesses. . . ."

As Utahns look to the 1990s, there is much room for optimism. First, Utah's economy is performing well and is one of the leading states in adjusting to the service-based economy of the present and future. Second, Utah's demographic makeup is shifting to a healthier mix between dependents and working age adults.

Employment

In September 1989, Utah's nonagricultural employment surpassed

700,000. The Utah economy will create an estimated 31,000 net new jobs in 1989, a 4.7 percent increase over 1988. This is the best growth rate Utah has experienced since 1985. Of the western states, only Washington and Nevada are expected to have higher rates of growth. The U.S. employment growth rate, by comparison, is expected to be 2.8 percent.

Because of this solid growth rate, Utah's unemployment rate has fallen to 3.9 percent as of October. The annual average unemployment rate is projected to be 4.4 percent, the lowest since 1984. The national unemployment rate is currently 5.4 percent.

Services industries continue to lead in job creation. Of the 28,400 new jobs created from September 1988 to September 1989, 24,700 or 87 percent were service producing jobs. Business services are up 13.8 percent, personal services and amusements up 8.3 percent, wholesale trade up 5.8 percent, hotels and lodging up 5.6 percent, and retail trade is up 5.1 percent.

Though service industries are dominating job growth, manufacturing employment in Utah did well in 1989 also. From the first quarter of 1988 to the first quarter of 1989, Utah manufacturing employment growth ranked fifth in the nation, growing at an annual rate of 5.6 percent. The national average for the same period of time was 1.9 percent. Though this growth rate has slowed recently, manufacturing's rate of growth for 1989 is still expected to be a healthy 4.2 percent.

Two industries, construction and mining, have been quite depressed the last few years. Mining employment peaked in 1981 with 20,266 employees. In 1986, it bottomed out at 7,810, a 61 percent drop in employment. In 1989, mining employment is projected to average 8,100, an increase of 300 new jobs since 1986.

others. Therefore, he proposes that each school district be given additional flexibility as follows:

1. Block grant program. Each district can voluntarily participate in the block grant program. Because of a belief that block grants and more flexibility lead to a better education for Utah's children, the governor promoted a pilot block grant program. He believes that all districts should now have the opportunity for greater autonomy in formulating education programs.

Local control, however, cannot replace accountability. School districts must still be accountable for the funds they receive. For example, Governor Bangerter has recommended a one-time \$10 million supplemental appropriation for textbooks and doubling the ongoing appropriation from \$2 million to \$4 million. The governor has also allocated \$9 million specifically for class size reduction. Each local district must spend its share of those funds for textbooks and class size reduction unless a letter signed by both the local superintendent and school board chair is submitted to the State Office of Education certifying that the money is not needed for textbooks and class size reduction in that school district. A copy of the letter will be submitted to the governor's office and to the legislature.

2. Administrative costs. All funding for the State Office of Education, where practical and where allowed by federal requirements, should be distributed to local school districts. The school districts can then assess the services provided by the State Office and contract with the State Office for needed services best provided by it. Necessary administrative expenses and programs will be maintained by the districts. Any unnecessary administrative expenses can be eliminated, giving districts the flexibility to move that funding directly into the

classroom. Where practical, this model should also be followed by local districts and schools.

This recommendation will create a stronger partnership between the State Office, local school districts, and individual schools. The resulting flexibility and local control should also increase efficiency and help maximize educational dollars. In order to facilitate this shift in accountability, the governor is asking the State School Board and Superintendent to work with local school boards and superintendents to produce a plan before the end of the session detailing how every dollar possible can be moved into the classroom while bypassing administrative costs.

3. Alternative teacher certification. As a further flexibility measure, Governor Bangerter recommends alternative teacher certification. Under this program, qualified people who are not yet certified can be hired temporarily. If they satisfactorily complete a one year internship program, they will be certified. The governor also encourages the use of paraprofessionals under teacher supervision.
4. Taxpayer approved funding increase. Governor Bangerter has tried to maintain the proper balance between what taxpayers can afford and the needs of education and other state departments. He has reduced taxes nearly \$120 million over the past two years and is still able to recommend the largest funding package for education in Utah's history. Governor Bangerter recognizes that this large increase falls short of the needs expressed by public education. The governor also recognizes that more money could profitably be spent by the educational community. If educators believe that the governor's recommendations do not maintain the proper balance and that taxpayers are willing to tax themselves more for their local schools, Governor Bangerter supports

providing a mechanism for the people to decide. The governor will consider a request from educators for a locally controlled leeway program within the currently allowed 10 mill ceiling.

The state currently guarantees \$20 per weighted pupil unit for the first 2 mills of the 10 mills of allowed voted leeway. The governor will consider a guarantee of an additional two mills. The assertion is repeatedly made that Utahns would like to pay higher taxes for education. And yet, only one of the 40 school districts has gone to the maximum 10 mills in locally assessed taxes, and only 20 of the 40 districts have received voter approval for any locally assessed taxes for education. Park City and Salt Lake school districts have the highest voted leeways. They also have the highest salary schedules.

HIGHER EDUCATION

Governor Bangerter recommends a \$29 million increase for Higher Education for FY 1990-91, including \$7 million in additional tuition revenue proposed by the Board of Regents. The increase will fund: 1) enrollment growth, 2) operation and maintenance of new facilities, 3) half of the remaining reimbursed overhead reallocation, and 4) a 6.0 percent compensation package.

In addition, the governor recommends \$18 million in one-time supplemental appropriations. Ten million dollars is recommended for library books and equipment, \$5 million for technology, \$2 million to provide equipment for the Eccles Broadcast Center (KUED) at the University of Utah, and \$1 million as a state match for a student-sponsored library initiative.

Governor Bangerter also expects reform from Higher Education. Accountability again is central. The governor expects restructuring in the following three areas:

1. Building utilization. The state has and continues to invest heavily in higher education capital facilities. Higher Education must demonstrate increased building utilization. Students must recognize the increased costs of their education created by new capital facilities and be willing to attend classes during the afternoon and other off-peak times.
2. Teaching loads. A shift in focus on teaching in the classroom must occur. Excellent classroom teaching should be emphasized and rewarded. Excellent teachers should not be evaluated solely on their ability to publish or do research. In other words, the proper balance between teaching, research, and publishing should be maintained. Higher teaching loads should be considered and implemented where justified.
3. Efficiency. Greater efficiency and innovation is required to maximize the investment in higher education by the state and students. Every effort must be made to be more efficient. Among the cost-saving measures which should be considered are: 1) modifying the tenure policy for faculty, and 2) combining the health insurance programs of the nine institutions of Higher Education.

CRIMINAL JUSTICE

The first phase of a new regional prison at Gunnison is expected to be completed by July, 1990. Governor Bangerter recommends \$4 million in one-time supplemental appropriations to provide start-up costs to open the new prison. He also recommends over \$11 million in funding to operate the facility for FY 1990-91. To facilitate the opening of the Gunnison prison, the governor recommends that the Department of Corrections be given authority to transfer funds between line items during FY 1990-91 with his approval.

and arts building at Snow College, and 6) construct the first phase of a new adult psychiatric care facility at the Utah State Hospital, a new juvenile court building in Salt Lake City, a language and communications building at the University of Utah, and renovation of the science building at Southern Utah State College.

The governor recommends \$227,500 for planning capital projects and master plan studies. (See the Capital Budget Section for the recommended capital development and planning list.)

Governor Bangerter supports a total federal highway construction budget of \$100 million.

He also recommends a \$20 million supplemental appropriation for water projects, including reconstruction of the Quail Creek Dam in southern Utah. Governor Bangerter also recommends an additional \$20 million to continue funding of the West Valley Highway.

Governor Bangerter's budget recommendations assure an adequate infrastructure and support economic growth. His detailed recommendations are found in the Capital Budget section of this document.

SUPPLEMENTALS

An improved economy has resulted in a projected FY 1988-89 and FY 1989-90 combined surplus of over \$140 million. Governor Bangerter recommends that these unallocated funds be used for critical one-time items. Recommendations include:

Department	Millions
Public Education	\$ 47
Higher Education	18

Economic Development	8
Corrections/Courts	5
Natural Resources	5
Water Projects	20
Building Maintenance	7
West Valley Highway	20

Governor Bangerter's recommendations leave approximately \$50 million in the state's Budget Reserve Account (Rainy Day Fund). The supplemental recommendations are detailed at the end of this document.

OTHER

Expansion and renovation of the Salt Palace Convention Center is under consideration. The state has been approached to participate with Salt Lake City and County in the project. Details of the project and the state's participation in it have not yet been finalized. However, because of the potential economic impact of the Salt Palace statewide, Governor Bangerter has set aside \$2 million to fund the state's initial contribution if the final project details are in the state's best interest.

During the last general legislative session, the legislature passed H.B. 270, State Government Spending Limitation. The legislation provides three basic limitations. First, it limits appropriation increases to changes in population and inflation, using 1984-85 as the base year. Second, it limits outstanding state general obligation debt to 20 percent of the maximum allowable appropriation limit. Third, the legislation freezes the basic property tax rate for local government's share of funding public education.

The above limits can be exceeded only if a fiscal emergency is declared and approved by more than two-thirds of both houses of the legislature, or if approved by a vote of the people. However,

H.B. 270 may be amended by a majority of both houses of the legislature.

Although Federal Government statistics on inflation and population required to complete the H.B. 270 limitation calculations for FY 1990-91 have not yet been received, preliminary calculations show that Governor Bangerter's recommendations for FY 1990-91 meet all three of the basic limitations.

Governor Bangerter's supplemental appropriation recommendations for FY 1989-90, however, exceed the appropriation limits. The governor recommends that a fiscal emergency be declared or the legislation be amended to permit the one-time expenditures. Governor Bangerter believes that there is a sufficient emergency to provide funding for education, highway, and water needs to justify exceeding the limitation for FY 1989-90. He also believes the

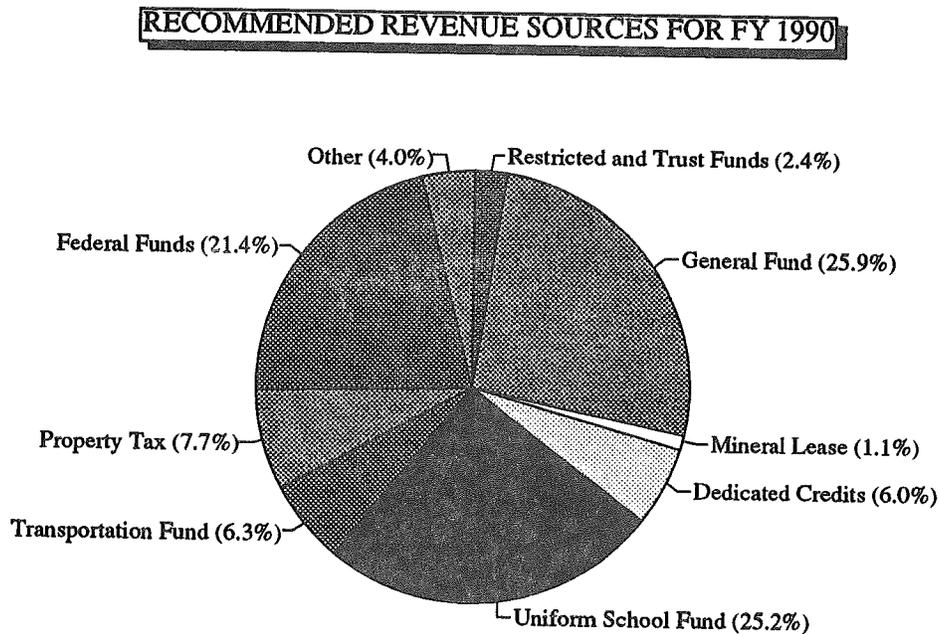
majority of Utahns support such expenditures.

SUMMARY

Governor Bangerter recommends the largest funding package for education in Utah's history. It reflects Governor Bangerter's commitment to fund education and other critical state needs while maintaining a proper balance with what Utah citizens can afford.

Tables I and II present Governor Bangerter's FY 1990-91 fiscal plan for the General, Uniform School, and Transportation Funds. Tables III through VII further summarize the governor's recommendations. Detailed recommendations for all sections of the budget are available from the Office of Planning and Budget.

Figure 5



The majority of General Fund consists of sales and use taxes. Income tax makes up most of the Uniform School Fund.

TABLE I
STATE FISCAL PLAN
General Fund/Uniform School Fund
(In Thousands of Dollars)

	Actual 1988-89	Revised 1989-90	Percent Change	Governor Recommends 1990-91	Percent Change
Appropriations					
Operating Budget	1,371,009	1,431,419	4.41	1,553,817	8.55
Capital Budget	52,905	11,548	(78.17)	15,550	34.66
Debt Service	59,147	59,943	1.35	60,667	1.21
Thrift Settlement	25,000	0	(100.00)	0	0.00
Hazardous Waste	3,000	0	(100.00)	0	0.00
Retirement Substitute	0	2,886	0.00	3,034	0.00
Subtotal Appropriations	1,511,061	1,505,796	(0.35)	1,633,068	8.45
Other					
FEMA Disallowance	764	0	(100.00)	0	0.00
UCI Deficit	3,814	0	(100.00)	0	0.00
Lapsing Balances	(5,076)	0	(100.00)	0	0.00
Fiscal Notes	0	2,000	0.00	0	(100.00)
Recommended Supplementals	0	140,820	0.00	0	(100.00)
TOTAL EXPENDITURES	1,510,563	1,648,616	9.14	1,633,068	(0.94)
Revenues					
Beginning Balance	9,723	70,568	625.78	368	(99.48)
General Fund	823,240	842,000	2.28	867,400	3.02
Uniform School Fund	749,166	736,500	(1.69)	765,300	3.91
Transfers	874	(84)	(109.61)	0	0.00
Budget Reserve Appropriation	20,049	0	(100.00)	0	0.00
TOTAL REVENUES	1,603,052	1,648,984	2.87	1,633,068	(0.97)
SURPLUS					
Budget Reserve Transfer	(21,921)	0	(100.00)	0	0.00
Ending Balance	70,568	368	(99.48)	0	(100.00)

TABLE II
STATE FISCAL PLAN
Transportation Fund

	Actual 1988-89	Revised 1989-90	Percent Change	Governor Recommends 1990-91	Percent Change
Expenditures					
UDOT Operating Budget	125,505,000	149,146,300	18.84	152,062,400	1.96
Capital Budget	270,497,300	222,612,400	(17.70)	177,911,800	(20.08)
Other Expenditures	7,386,200	2,009,600	(72.79)	2,254,600	12.19
Transfers	31,139,500	26,821,100	(13.87)	21,035,200	(21.57)
Total Appropriations	434,528,000	400,589,400	(7.81)	353,264,000	(11.81)
Revenue					
Beginning Balance	15,935,000	28,885,000	81.27	4,449,000	(84.60)
Motor Fuel	131,220,000	133,000,000	1.36	135,000,000	1.50
Special Fuel	29,305,000	31,000,000	5.78	32,100,000	3.55
Lic., Fees, and Permits	36,891,000	37,400,000	1.38	31,600,000	(15.51)
General Fund	12,868,000	971,600	(92.45)	1,090,700	12.26
Federal Funds	222,163,300	143,215,800	(35.54)	117,116,900	(18.22)
Department Collections	4,999,300	18,922,100	278.49	18,271,000	(3.44)
Aeronautics	7,325,400	6,040,300	(17.54)	5,981,800	(0.97)
Mineral Lease	5,158,900	4,584,900	(11.13)	7,562,600	64.95
Mineral Lease Transfer	(233,900)	(584,900)	150.06	(1,562,600)	167.16
Equity Transfer	(2,219,000)	0	(100.00)	0	0.00
Miscellaneous	0	1,603,600	0.00	1,654,600	3.18
Total Revenue	463,413,000	405,038,400	(12.60)	353,264,000	(12.78)
Balance	28,885,000	4,449,000	(84.60)	0	(100.00)
Balance Detail					
Restricted Balance					
Sidewalk Construction	975,000	0	(100.00)	0	0.00
Aeronautics	1,957,000	1,517,000	(22.48)	0	(100.00)
West Valley Highway	8,769,000	0	(100.00)	0	0.00
Park Access Roads	2,396,000	0	(100.00)	0	0.00
Jordan River Boulevard	1,100,000	0	(100.00)	0	0.00
Equipment Purchases	192,000	0	(100.00)	0	0.00
Total Restricted Balance	15,389,000	1,517,000	(90.14)	0	(100.00)
Unrestricted Balance	13,496,000	2,932,000	(78.28)	0	(100.00)
Total	28,885,000	4,449,000	(84.60)	0	(100.00)

TABLE III
STATE OF UTAH
MINERAL LEASE ACCOUNT
Current and Proposed Allocations

	Actual 1988-89	Authorized 1989-90	Governor's Estimate 1990-91
Beginning Balance	4,524,800	1,040,800	289,500
Receipts	48,763,700	31,200,000	29,000,000
Bonus	2,036,500	3,700,000	5,300,000
TOTAL AVAILABLE	55,325,000	35,940,800	34,589,500
MANDATED ALLOCATIONS			
Community Impact Fund			
Mineral Lease (32.5%)	15,848,200	10,140,000	9,425,000
Mineral Bonus (70.0%)	1,425,600	2,590,000	3,710,000
Board of Regents	5,010,000	5,230,400	5,465,900
Board of Education (2.25%)	1,097,200	702,000	652,500
Geological/Mineral Survey (2.25%)	1,097,200	702,000	652,500
USU Water Research Lab (2.25%)	1,097,200	702,000	652,500
UDOT Special Districts	2,000,000	4,000,000	6,000,000
Payment in lieu of taxes	233,900	584,900	1,562,600
Subtotal	27,809,300	24,651,300	28,121,000
DISCRETIONARY APPROPRIATIONS			
DFCM - Improvements	1,400,000	0	0
Burr Trail	2,000,000	0	0
Critical School Building Program	6,458,000	6,458,000	6,458,000
Supplementals	16,616,900	4,542,000	0
Subtotal	26,474,900	11,000,000	6,458,000
TOTAL ALLOCATIONS	54,284,200	35,651,300	34,579,000
Surplus/(Deficit)	1,040,800	289,500	10,500

TABLE IV
STATE OF UTAH
SUMMARY OF RECOMMENDATIONS
General Fund/Uniform School Fund

	Actual 1987-88	Actual 1988-89	Authorized 1989-90	Recommended 1990-91
Business, Labor, and Agriculture	15,200,600	15,729,800	16,696,500	17,785,500
Community and Economic Development	20,223,100	19,985,100	19,052,400	20,435,600
Corrections	67,191,900	69,427,800	74,929,400	89,674,800
Courts	28,487,700	34,425,100	40,140,400	43,518,400
Elected Officials	9,984,300	12,311,400	13,200,000	12,018,300
Government Operations	37,839,900	34,243,900	34,266,600	39,738,200
Health	66,063,000	67,927,400	79,091,400	85,848,000
Higher Education	257,218,300	265,054,400	274,031,800	295,667,300
Legislature	5,642,700	6,158,800	6,185,900	6,887,000
National Guard	1,630,000	1,739,500	1,748,200	1,854,100
Natural Resources	21,481,600	20,054,100	19,419,700	21,187,500
Public Education	678,099,300	700,932,500	732,130,200	790,401,000
Public Safety	7,294,000	6,993,800	13,120,000	13,561,600
Social Services	100,878,500	103,157,100	106,434,800	114,149,200
Transportation	942,000	12,868,000	971,600	1,090,700
Operations Budget	1,318,176,900	1,371,008,700	1,431,418,900	1,553,817,200
Capital Budget	13,998,200	52,905,300	11,548,000	15,550,000
Debt Service	51,129,200	59,147,000	59,943,100	60,666,500
Thrift Settlement	0	25,000,000	0	0
State Insurance Fund	1,027,300	0	0	0
Hazardous Waste	0	3,000,000	0	0
Retirement Substitute	0	0	2,886,000	3,034,000
TOTAL	1,384,331,600	1,511,061,000	1,505,796,000	1,633,067,700

TABLE V
STATE OF UTAH
SUMMARY OF RECOMMENDATIONS
Expenditures from All Sources

	Actual 1987-88	Actual 1988-89	Authorized 1989-90	Recommended 1990-91
Business, Labor, and				
Agriculture	60,259,800	59,275,900	63,138,700	64,464,300
Community and Economic				
Development	45,170,100	48,940,600	55,717,800	47,786,800
Corrections	69,311,100	72,945,900	77,373,800	91,929,800
Courts	28,676,600	37,958,400	40,591,600	43,875,100
Elected Officials	16,877,800	16,617,900	22,852,800	20,857,300
Government Operations	59,299,200	60,374,800	63,662,900	68,101,200
Health	281,106,300	297,805,400	336,631,400	364,784,800
Higher Education	338,524,000	356,030,700	371,242,100	399,632,900
Legislature	5,583,300	6,400,200	6,959,900	7,438,700
National Guard	3,272,000	3,412,600	3,362,500	3,546,700
Natural Resources	53,610,200	56,432,500	61,275,400	63,411,800
Public Education	1,010,959,300	1,046,497,600	1,086,613,600	1,148,837,200
Public Safety	39,427,100	42,982,000	41,303,200	46,206,400
Social Services	260,036,300	269,977,900	289,691,700	307,006,000
Transportation	117,384,500	125,505,000	149,146,300	152,062,400
Operations Budget	2,389,497,600	2,501,157,400	2,669,563,700	2,829,941,400
Capital Budget	296,548,300	370,585,400	341,749,400	295,275,800
Debt Service	53,413,000	65,066,800	66,321,900	61,571,500
Thrift Settlement	0	25,000,000	0	0
State Insurance Fund	1,027,300	0	0	0
Hazardous Waste	0	3,000,000	0	0
Retirement Substitute	0	0	3,861,000	4,100,000
TOTAL	2,740,486,200	2,964,809,600	3,081,496,000	3,190,888,700

TABLE VI
STATE OF UTAH
Summary of Recommendations

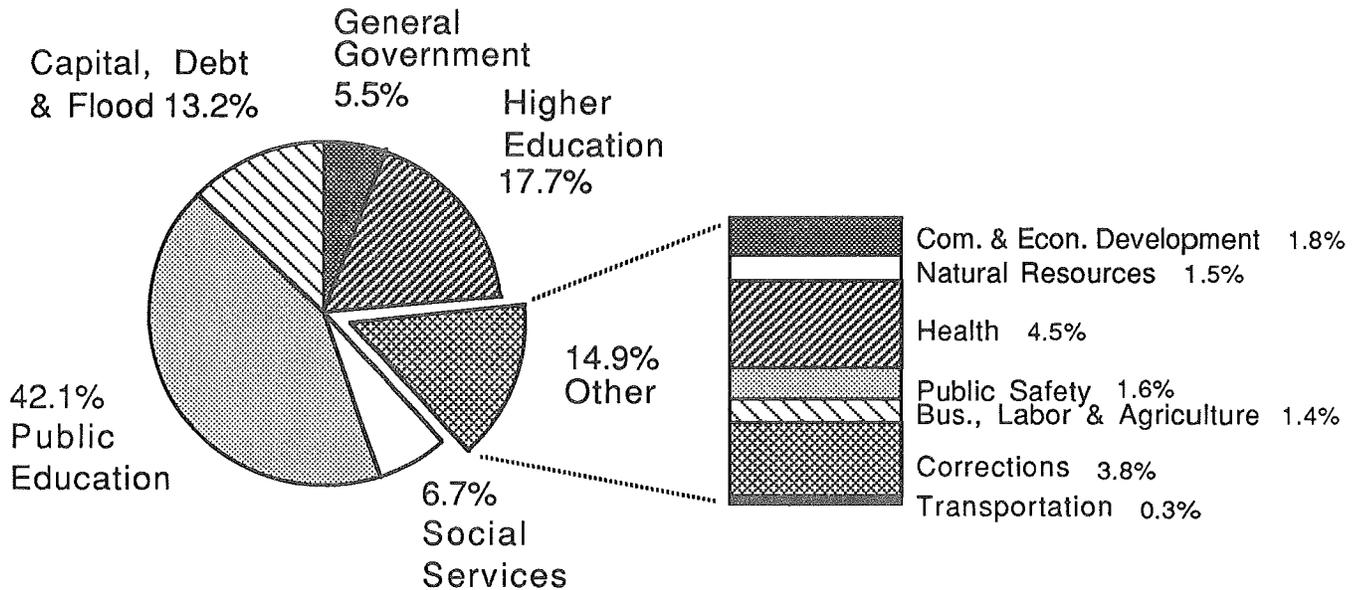
	General Fund	Uniform School Fund	Transportation Fund	Federal Funds	Dedicated Credits	Mineral Lease	Restricted and Trust Funds	Property Tax	Other	Total
Business, Labor, and Ag.										
Actual 88-89	15,729,800	0	0	29,242,400	3,335,900	0	11,589,400	0	(621,600)	59,275,900
Authorized 89-90	16,696,500	0	0	30,270,700	2,983,100	0	11,564,000	0	1,624,400	63,138,700
Recommended 90-91	17,785,500	0	0	30,554,400	3,282,400	0	11,805,600	0	1,036,400	64,464,300
Community and Economic Dev.										
Actual 88-89	19,985,100	0	118,000	22,537,300	3,147,600	1,704,800	349,700	0	1,098,100	48,940,600
Authorized 89-90	19,052,400	0	118,000	23,762,400	3,172,700	0	629,000	0	8,983,300	55,717,800
Recommended 90-91	20,435,600	0	118,000	23,078,400	3,249,000	0	763,800	0	142,000	47,786,800
Corrections										
Actual 88-89	69,427,800	0	0	109,600	2,924,100	0	88,000	0	396,400	72,945,900
Authorized 89-90	74,929,400	0	0	33,000	1,660,000	0	105,000	0	646,400	77,373,800
Recommended 90-91	89,674,800	0	0	11,000	1,708,400	0	105,000	0	430,600	91,929,800
Courts										
Actual 88-89	34,425,100	0	0	62,600	3,715,700	0	0	0	(245,000)	37,958,400
Authorized 89-90	40,140,400	0	0	0	15,300	0	341,200	0	94,700	40,591,600
Recommended 90-91	43,518,400	0	0	0	15,500	0	341,200	0	0	43,875,100
Elected Officials										
Actual 88-89	12,311,400	0	0	2,682,600	3,462,900	0	822,400	0	(2,661,400)	16,617,900
Authorized 89-90	13,200,000	0	0	2,816,500	3,660,300	0	921,800	0	2,254,200	22,852,800
Recommended 90-91	12,018,300	0	0	3,800,100	3,569,400	0	1,458,800	0	10,700	20,857,300
General Government										
Actual 88-89	23,046,200	11,197,700	6,389,100	241,800	10,568,100	0	8,280,800	0	651,100	60,374,800
Authorized 89-90	23,455,100	10,811,500	6,380,200	186,000	11,721,800	0	10,210,300	0	898,000	63,662,900
Recommended 90-91	27,280,400	12,457,800	5,400,200	220,000	12,155,700	0	10,455,100	0	132,000	68,101,200
Health										
Actual 88-89	67,927,400	0	0	202,483,900	23,087,400	259,000	990,500	0	3,057,200	297,805,400
Authorized 89-90	79,091,400	0	0	228,972,500	21,417,200	0	1,201,100	0	5,949,200	336,631,400
Recommended 90-91	85,848,000	0	0	251,652,700	22,016,000	0	1,380,400	0	3,907,700	364,784,800
Higher Education										
Actual 88-89	262,918,500	2,135,900	0	5,747,100	77,529,100	8,498,100	292,600	0	(1,090,600)	356,030,700
Authorized 89-90	271,846,200	2,185,600	0	5,848,000	82,188,900	5,932,400	602,700	0	2,638,300	371,242,100
Recommended 90-91	293,289,500	2,377,800	0	5,762,700	88,843,500	6,118,400	602,700	0	2,638,300	399,632,900
Legislature										
Actual 88-89	6,158,800	0	0	0	245,400	0	0	0	(4,000)	6,400,200
Authorized 89-90	6,185,900	0	0	0	180,000	0	0	0	594,000	6,959,900
Recommended 90-91	6,887,000	0	0	0	190,000	0	0	0	361,700	7,438,700

National Guard										
Actual 88-89	1,739,500	0	0	1,675,100	21,300	0	0	0	(23,300)	3,412,600
Authorized 89-90	1,748,200	0	0	1,596,100	18,200	0	0	0	0	3,362,500
Recommended 90-91	1,854,100	0	0	1,672,600	20,000	0	0	0	0	3,546,700
Natural Resources										
Actual 88-89	20,054,100	0	0	9,723,400	4,417,400	18,884,600	0	0	1,755,800	56,432,500
Authorized 89-90	19,419,700	0	0	8,453,600	4,489,800	19,904,300	0	0	8,306,000	61,275,400
Recommended 90-91	21,187,500	0	0	9,293,200	3,914,600	21,933,700	0	0	6,430,300	63,411,800
Public Education										
Actual 88-89	0	700,952,500	0	91,188,500	3,055,400	10,742,000	238,730,000	252,100	1,046,497,600	
Authorized 89-90	0	732,130,200	0	96,343,700	3,416,100	10,965,000	235,170,100	7,886,500	1,086,613,600	
Recommended 90-91	0	790,401,000	0	96,559,200	3,622,700	10,937,500	244,950,000	1,714,300	1,148,837,200	
Public Safety										
Actual 88-89	6,993,800	0	25,213,100	6,163,500	2,450,400	997,300	0	1,163,900	42,982,000	
Authorized 89-90	13,120,000	0	20,752,900	3,689,800	1,893,800	1,048,600	0	798,100	41,303,200	
Recommended 90-91	13,561,600	0	15,967,000	3,802,200	2,552,400	9,664,100	0	659,100	46,206,400	
Social Services										
Actual 88-89	103,157,100	0	0	119,733,700	14,222,100	826,500	0	32,038,500	269,977,900	
Authorized 89-90	106,434,800	0	0	127,883,300	13,548,900	775,000	0	41,049,700	289,691,700	
Recommended 90-91	114,149,200	0	0	135,973,800	12,734,700	775,000	0	43,373,300	307,006,000	
Transportation										
Actual 88-89	12,868,000	0	84,944,300	33,758,200	1,402,700	6,638,300	0	(14,231,500)	125,505,000	
Authorized 89-90	971,600	0	86,692,500	29,658,700	16,822,100	6,040,300	0	8,961,100	149,146,300	
Recommended 90-91	1,090,700	0	100,622,000	28,196,900	16,171,000	5,981,800	0	0	152,062,400	
TOTAL OPERATIONS BUDGET										
Actual 88-89	656,742,600	714,266,100	116,664,500	525,349,700	153,585,500	13,781,200	238,730,000	21,535,700	2,501,157,400	
Authorized 89-90	686,291,600	745,127,300	113,943,600	559,514,300	167,188,200	7,336,400	235,170,100	90,683,900	2,669,563,700	
Recommended 90-91	748,580,600	805,236,600	122,107,200	590,557,200	174,045,300	7,423,400	244,950,000	60,836,400	2,829,941,400	
Capital Budget										
Actual 88-89	52,905,300	0	81,015,400	190,533,900	12,055,600	1,797,400	0	(8,225,100)	370,585,400	
Authorized 89-90	11,548,000	0	100,064,100	117,335,700	16,151,100	841,400	0	72,036,200	341,749,400	
Recommended 90-91	15,550,000	0	82,696,400	92,047,600	16,511,500	742,400	0	60,572,300	295,275,800	
Debt Service										
Actual 88-89	59,147,000	0	4,000,000	0	2,714,600	0	0	(794,800)	65,066,800	
Authorized 89-90	59,943,100	0	0	0	2,667,000	0	0	3,711,800	66,321,900	
Recommended 90-91	60,666,500	0	0	0	905,000	0	0	0	61,571,500	
Other										
Actual 88-89	28,000,000	0	0	0	0	0	0	0	28,000,000	
Authorized 89-90	2,886,000	0	0	429,000	312,000	195,000	0	39,000	3,861,000	
Recommended 90-91	3,034,000	0	0	451,000	328,000	205,000	0	82,000	4,100,000	
GRAND TOTALS										
Actual 88-89	796,794,900	714,266,100	201,679,900	715,883,600	168,355,700	54,284,100	238,730,000	12,515,800	2,964,809,600	
Authorized 89-90	760,668,700	745,127,300	214,007,700	677,279,000	186,318,300	31,109,300	235,170,100	166,470,900	3,081,496,000	
Recommended 90-91	827,831,100	805,236,600	204,803,600	683,055,800	191,789,800	34,579,000	244,950,000	121,490,700	3,190,888,700	

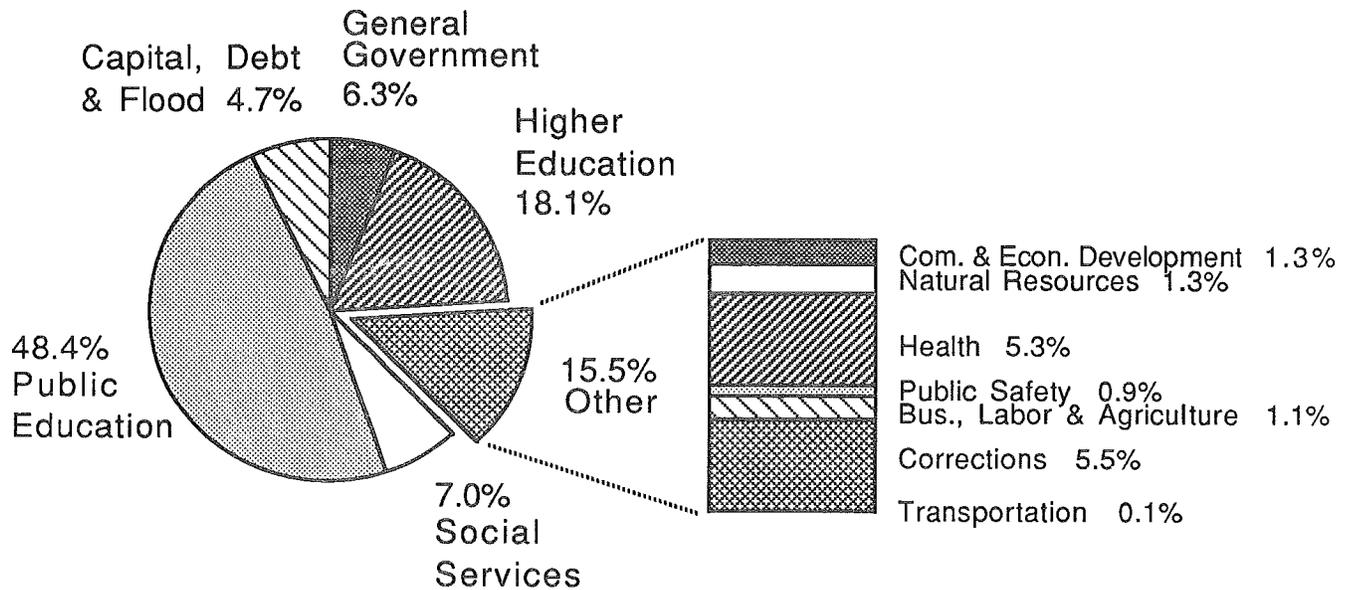
TABLE VII
REVENUE ESTIMATES
(In Thousands)

	Actual 1988-89	November Estimate 1989-90	Dollar Change 89/90	Percent Change 89/90	Estimate 1990-91	Dollar Change 90/91	Percent Change 90/91
General Fund							
Sales and Use Tax	666,943	695,000	28,057	4.21	720,000	25,000	3.60
Liquor Profits	15,984	15,700	(284)	(1.78)	15,400	(300)	(1.91)
Insurance Premiums	26,406	29,000	2,594	9.82	30,800	1,800	6.21
Beer, Cig., and Tobacco	30,730	31,000	270	0.88	30,000	(1,000)	(3.23)
Oil Occupation Tax	23,198	21,000	(2,198)	(9.47)	19,000	(2,000)	(9.52)
Metal Occupation Tax	4,936	4,000	(936)	(18.96)	4,000	0	0.00
Inheritance Tax	9,766	3,000	(6,766)	(69.28)	4,000	1,000	33.33
Investment Income	19,236	17,000	(2,236)	(11.62)	17,500	500	2.94
Other	27,437	30,000	2,563	9.34	30,400	400	1.33
Property and Energy Credit	(1,396)	(3,700)	(2,304)	165.04	(3,700)	0	0.00
Subtotal	823,240	842,000	18,760	2.28	867,400	25,400	3.02
Uniform School Fund							
Individual Income Tax	636,514	624,200	(12,314)	(1.93)	656,000	31,800	5.09
Corporate Franchise Tax	92,979	90,000	(2,979)	(3.20)	90,000	0	0.00
Permanent School Fund Int.	3,110	3,500	390	12.54	3,900	400	12.50
Gross Receipts Tax	2,814	4,000	1,186	42.15	4,500	500	12.50
Other	13,749	14,800	1,051	7.64	10,900	(3,900)	(26.35)
Subtotal	749,166	736,500	(12,666)	(1.69)	765,300	28,800	3.91
TOTAL BOTH FUNDS	1,572,406	1,578,500	6,094	0.39	1,632,700	54,200	3.43
Transportation Fund							
Motor Fuel Tax	131,220	133,000	1,780	1.36	135,000	2,000	1.50
Special Fuel Tax	29,305	31,000	1,695	5.78	32,100	1,100	3.55
Other	36,891	37,400	509	1.38	31,600	(5,800)	(15.51)
Subtotal	197,416	201,400	3,984	2.02	205,000	3,600	1.79
TOTAL ALL FUNDS	1,769,822	1,779,900	10,078	0.57	1,837,700	57,800	3.25
Mineral Lease Payments	50,800	34,900	(15,900)	(31.30)	34,300	(600)	(1.72)
GRAND TOTAL	1,820,622	1,814,800	(5,822)	(0.32)	1,872,000	57,200	3.15
Source: Joint projections of the Utah Office of Planning and Budget (Economic and Demographic Analysis Section) and the Utah State Tax Commission.							

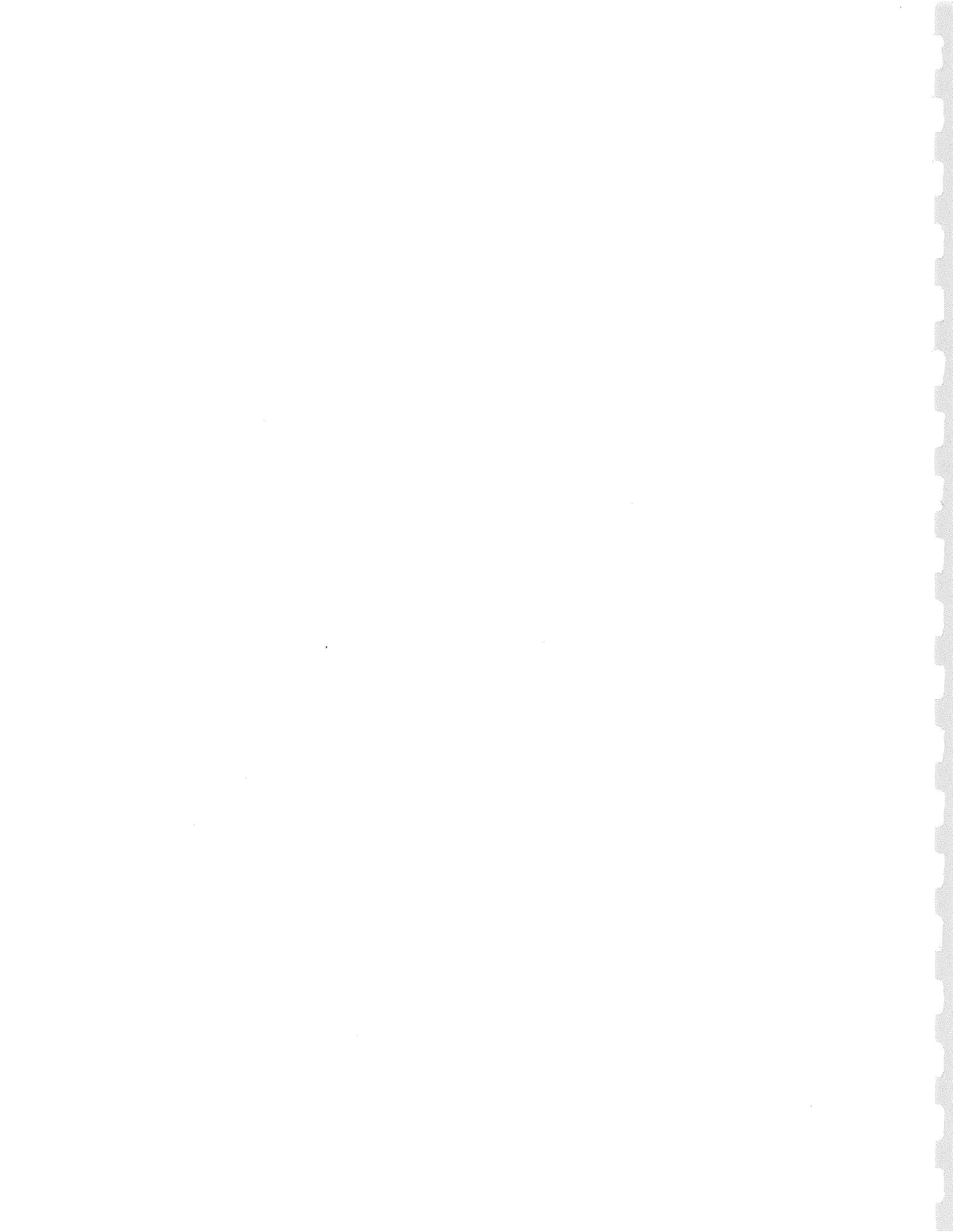
ACTUAL EXPENDITURES FY 1984-85 General Fund and Uniform School Fund



RECOMMENDED EXPENDITURES FY 1990-91 General Fund and Uniform School Fund



Expenditures for education have increased from 59.8 percent of the state budget in FY 1984-85 to 66.5 percent in FY 1990-91. Public Education alone has gone from 42.1 percent to 48.4 percent.



BUSINESS, LABOR, AND AGRICULTURE

Overview

Business, Labor, and Agriculture consists of eight regulatory departments and an advisory council. They are:

- Agriculture - develops Utah's agricultural economy and resources, and promotes consumer health and safety by monitoring the marketing of agricultural products.
- Alcoholic Beverage Control - regulates the distribution and sale of alcoholic beverages in the state.
- Citizens' Council on Alcoholic Beverage Control - makes recommendations to the governor, the legislature, and the Alcoholic Beverage Control Commission on matters related to the sale and consumption of alcoholic beverages.
- Commerce - promotes commercial trade and protects the public interest by administering state laws which regulate professional occupations and business practices.
- Employment Security - provides employment-related services for workers, employers, and communities.
- Financial Institutions - examines and regulates all state-chartered financial institutions.
- Industrial Commission - promotes a safe and fair workplace as well as the general welfare of employees.
- Insurance - promotes a competitive business environment by assuring that companies and individuals in the insurance industry practice honestly and equitably.
- Public Service Commission - sets utility service rates and regulates public utility companies.

The Department of Agriculture continued its marketing efforts by promoting the Utah Works program and by organizing a beef promotion network in Japan to increase international sales. A pilot mapping project was initiated to coordinate efforts to eradicate the Gypsy Moth, and a new computerized seed herbarium was implemented to allow accurate identification of noxious weed seeds found in crop seeds. The department also began testing for: 1) aflatoxin in feeds, 2) sulfamethazine in milk, 3) lead in gasoline, and 4) pesticides in groundwater samples.

The Department of Alcoholic Beverage Control operates as an enterprise fund and is one of the major revenue-producing agencies in the state. During FY 1988-89, the department generated \$28.2 million in revenue including \$4 million in sales tax and \$8.1 million in support for the school lunch program. The remaining net profit of

\$16.1 million was transferred to the General Fund. The department reported a decrease in case sales but a small increase in net profit. The decrease in sales is consistent with the national trend toward less liquor consumption.

The Department of Commerce underwent several changes this past fiscal year, including a name change from the Department of Business Regulation to the Department of Commerce. The change reflects the department's mission to enhance Utah's commercial trade "as partners with industry." Other changes include a new Commerce and Tax Service Center, which facilitates both tax and business registration at one location, and the implementation of the *Construction Trades Licensing Act* and *Uniform Building Standards Act*. The department is now better able to safeguard against unscrupulous contractors. The department also filed more securities fraud cases this past year than in any previous year.

The Department of Employment Security (Job Service) is a federally-funded state agency which comes under the administrative jurisdiction of the Industrial Commission. Congressional appropriations determine total funding available for annual nationwide distribution. Allocations to individual states are based primarily on size of civilian labor force and number of unemployed persons. During FY 1988-89, the department helped over 57,000 workers find jobs and paid out \$69.8 million in unemployment compensation.

The Department of Financial Institutions has resumed normal operations since the end of the thrift crisis. It has hired new financial examiners and is devising a cooperative system for regulating institutions involved in interstate operations. The department recently moved from the Heber Wells Building to the Broadway Financial Center.

The Industrial Commission has increased employer and employee education efforts in response to new regulations and in pursuit of a drug and alcohol-free workplace. During the past fiscal year, the commission processed 600 charges of discrimination and 1,600 wage claims involving \$1.7 million. It investigated 200 safety complaints and conducted 1,000 on-site inspections. The commission also received 80,000 on-the-job injury reports and investigated over 5,000 employers. These investigations resulted in workers' compensation coverage for an additional 10,000 workers. Mining certifications and boiler and elevator inspections generated \$262,000 in fee revenue.

The Department of Insurance currently regulates 55 life and health insurers and 82 property and casualty insurers. During the past year, the department processed 35,000 consumer telephone contacts and opened and closed over 1,500 complaints resulting in the recovery of almost \$700,000 for consumers. The department also conducted 12 full scale examinations and undertook 57 formal administrative actions.

The Public Service Commission approved a \$21 million decrease in telephone rates, a \$60 million decrease in electrical power rates, and a \$10 million increase in natural gas rates. The commission is involved in general rate cases with Utah Power and Light and Mountain Fuel. It is also implementing legislation involving universal telecommunications service and hearing impaired telecommunications.

Recommendations

Governor Bangerter recommends a total budget of \$64,464,300 for Business, Labor, and Agriculture, a 2.1 percent increase from FY 1989-90, and a 6.5 percent increase in General Fund. The increase in General Fund consists primarily of the governor's recommended employee compensation package.

The reduction in the Department of Commerce's budget includes: 1) a transfer of three motor carrier regulation employees to the Department of Transportation, and 2) a phasing out of the Manufactured Housing/Recreational Vehicles (MH/RV) program. Any unexpended balance in the MH/RV restricted fund at the end of FY 1989-90 is to be used by the Department of Commerce for data processing needs.

BUSINESS, LABOR, AND AGRICULTURE Budget Summary

	Actual 1988-89	Authorized 1989-90	Governor Recommends 1990-91	Percent Change
Schedule of Programs:				
Agriculture	7,962,200	8,098,600	8,794,100	8.6
Alcoholic Beverage Control	8,132,300	8,592,100	8,877,700	3.3
Citizens' Council on ABC	4,400	6,300	6,300	0.0
Commerce	7,843,300	9,286,000	9,068,500	(2.3)
Employment Security	27,326,100	28,258,700	28,258,700	0.0
Financial Institutions	1,418,700	1,665,700	1,737,400	4.3
Industrial Commission	3,552,600	3,805,400	3,968,000	4.3
Insurance	1,803,000	2,096,900	2,149,700	2.5
Public Service Commission	1,233,300	1,329,000	1,603,900	20.7
Total Expenditures	\$59,275,900	\$63,138,700	\$64,464,300	2.1
Plan of Financing:				
General Fund	15,729,800	16,696,500	17,785,500	6.5
Federal Funds	29,242,400	30,270,700	30,554,400	0.9
Dedicated Credits	3,335,900	2,983,100	3,282,400	10.0
Restricted and Trust Funds	11,589,400	11,564,000	11,805,600	2.1
Transfers	456,800	547,600	586,500	7.1
Other Funds	270,000	0	0	0.0
Beginning Non-lapsing Funds	1,373,400	1,542,400	465,600	(69.8)
Closing Non-lapsing Funds	(1,542,400)	(465,600)	(15,700)	(96.6)
Lapsing Funds	(1,179,400)	0	0	0.0
Total Revenue	\$59,275,900	\$63,138,700	\$64,464,300	2.1
Full-time Equivalent Positions		1,364.70	1,359.90	

COMMUNITY AND ECONOMIC DEVELOPMENT

Overview

The mission of the Department of Community and Economic Development is to assist in creating wealth for the citizens of the State of Utah by developing Utah's economic infrastructure in a manner that will increase personal income, facilitate job creation, improve productivity, expand the state's tax base, and provide Utah residents and visitors with an enhanced quality of life.

The mission of the Utah Technology Finance Corporation is to provide start-up funding and other resource assistance to emerging high technology businesses in Utah.

During FY 1988-89, community and economic development programs assisted in:

- recruiting 24 new companies providing 4,400 jobs with a \$68 million payroll,
- retraining 3,600 persons for jobs which paid over \$38 million in wages,
- winning 1,200 federal procurement contracts valued at \$115 million,
- generating export sales of over \$38 million,
- supporting 29 applied research centers which attracted \$180 million in outside outside research funds,
- generating 1,500 film production days with spending valued at \$34 million,
- generating \$2.2 billion in tourist spending in Utah,
- developing an aerospace action plan aimed at developing 20,000 high technology jobs in the next five years, and
- granting over \$18 million for community and cultural development.

Task forces involving department, legislative, and industry representation were established to facilitate economic growth in three areas of technology: 1) information, 2) biomedical, and 3) aerospace. A task force focusing on natural resource and agricultural industries will soon be initiated. In addition to these business creation activities, entrepreneurial assistance and other support was given to new and expanding businesses.

The State Library Division continued to foster improved service through new public library standards and grants programs. Libraries support economic development by providing information to businesses, supporting Utah's educational institutions, and helping individuals to be better informed.

The Division of Expositions completed restoration of the historic commercial exhibit building at the state fairgrounds. The fair park has become a multi-purpose, year-round facility while maintaining the traditions of the annual state fair.

The Division of State History continued restructuring to increase its effectiveness. Efforts to manage artifacts collections statewide were consolidated and public involvement programs were strengthened.

The Division of Fine Arts continued to foster the vitality of the arts in Utah in partnership with other public and private arts advocates. The division initiated

programming for the historic Union Pacific Railroad Depot in Salt Lake City as a state museum facility.

The Technology Finance Corporation gave start-up grants to 24 companies. Commercial banks have expressed increased interest in the participating loan program, through which a corporation becomes a minority partner in local bank financing packages.

Recommendations

Governor Bangerter recommends a total budget of \$47,786,800 for Community and Economic Development programs, a 14.2 percent decrease from FY 1989-90, and a 7.3 percent increase in General Fund. Additions to the FY 1991 budget include Utah Sports Authority support to manage construction and operation of winter olympic facilities; operations and maintenance of the Union Pacific Depot and the remodeled Fairpark grand exhibition buildings; and establishment of a Canadian, Californian, or European Office to extend the impact of business development and travel promotion programs. The governor also recommends establishment of a child care office to facilitate improvements in the availability and quality of child care.

Supplemental budget recommendations for FY 1990 include substantial one-time funding for the Utah Technology Finance Corporation, performing arts endowments, and the single heads of households job training program. Funding is also recommended to match collections from the state income tax check-off program for the homeless. The supplemental recommendation also provides support for the Bicentennial Arts Complex and Hogle and Willow Park Zoos.

COMMUNITY AND ECONOMIC DEVELOPMENT
Budget Summary

	Actual 1988-89	Authorized 1989-90	Governor Recommends 1990-91	Percent Change
Schedule of Programs:				
Administration	183,900	335,600	1,201,700	258.1
Job Training	14,477,900	16,017,900	16,127,100	0.7
Business Development	8,648,500	11,810,300	7,457,200	(36.9)
Travel Development	3,558,800	3,720,700	3,704,900	(0.4)
Utah Technology Finance Corporation	2,729,000	1,735,000	642,000	(63.0)
Community Development	8,191,400	7,367,500	7,447,700	1.1
Disaster Relief	710,100	2,984,200	0	(100.0)
Fine Arts	2,324,200	3,382,600	2,589,700	(23.4)
State Library	4,323,200	4,452,800	4,491,300	0.9
State History	1,745,900	1,715,700	1,754,000	2.2
Expositions	1,809,200	1,895,000	2,074,000	9.4
Minority Affairs	238,500	300,500	297,200	(1.1)
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Total Expenditures	\$48,940,600	\$55,717,800	\$47,786,800	(14.2)
Plan of Financing:				
General Fund	19,985,100	19,052,400	20,435,600	7.3
Transportation Fund	118,000	118,000	118,000	0.0
Federal Funds	22,537,300	23,762,400	23,078,400	(2.9)
Dedicated Credits	3,147,600	3,172,700	3,249,000	2.4
Mineral Lease Account	1,704,800	0	0	0.0
Community Impact Fund	294,000	328,600	397,800	21.1
Navajo Trust Fund	55,700	63,900	66,000	3.3
Homeless Trust Fund	0	236,500	300,000	26.8
Transfers	47,900	0	0	0.0
UTFC Interest and Royalties	212,000	115,000	142,000	23.5
Beginning Non-lapsing Funds	9,709,500	8,868,300	0	(100.0)
Closing Non-lapsing Funds	(8,868,300)	0	0	0.0
Lapsing Funds	(3,000)	0	0	0.0
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Total Revenue	\$48,940,600	\$55,717,800	\$47,786,800	(14.2)
 Full-time Equivalent Positions		 265.55	 276.05	

CORRECTIONS

Overview

Two agencies in Utah protect the community from violent offenders: the Department of Corrections and the Division of Youth Corrections (Department of Social Services). During the last several years, both agencies have succeeded in minimizing escapes and walk-aways from work sites and have increased efforts to require adult and juvenile offenders to make restitution to victims of crime.

Adult Corrections

The state's adult incarceration rate is currently 117 per 100,000 population, approximately half the western states' average of 234 per 100,000 population. This reflects the comparatively low rate of serious crime in Utah. In spite of this lower rate, the number of offenders under the jurisdiction of the Department of Corrections has increased rapidly. The current population at the State Prison in Draper is estimated at 2,350, which represents a 13.3 percent increase during the first six months of 1989, the fourth highest increase in the United States. Much of this growth is due to tougher sentences for one area of crime--sex offenders. Since 1983, sex offenders at the State Prison have increased from 13 to 23 percent of the total inmate population. Another reason for the increase in the prison population is longer sentences in general. During this period, the average length of stay at the prison has increased from 20 to 26 months.

In order to deal with increasing inmate populations, the state is building a new prison in Gunnison. The first phase of the new prison will provide an additional 624 beds. This facility is scheduled to open in July 1990.

The Department of Corrections is improving its system for coordinating the delivery of education, training, employment, and treatment services for adult offenders. As part of its rehabilitative efforts, Adult Corrections administers prison industry programs that provide jobs for 300 inmates, a 150 percent increase since 1985. In addition, a new master plan for offender programming is being developed, which seeks to provide each inmate with a program plan while in prison and at the time of parole.

The goals established through the offender program effort will be coordinated with the Board of Pardons, which determines when adult offenders should be paroled. Pursuant to legislation enacted in 1988, the Board of Pardons has allowed input from victims during the regularly scheduled parole hearings for inmates.

A mental health task force is completing work on a master plan dealing with mentally ill offenders.

Youth Corrections

The Division of Youth Corrections has been increasing efforts to provide meaningful work projects, schooling, and training programs for offenders. Restitution paid to victims by the Division of Youth Corrections youth over the last

three years has exceeded \$250,000. Only the most violent and repeat offenders are committed to secure facilities.

Currently the division has 70 secure beds and 250 community slots. Additional demand will occur, however, because the youth-at-highest risk population (ages 15-17) is projected to increase 27 percent over the next six years.

The Youth Parole Authority determines when juvenile offenders should be paroled.

Recommendations

Governor Bangerter recommends a total budget of \$91,929,800 for Corrections, a 18.8 percent increase over FY 1989-90 and a 19.7 percent increase in General Fund. The General Fund amount includes \$71,813,200 for adult corrections, a 22.8 percent increase over FY 1989-90.

The recommendation provides the Department of Corrections with \$11,000,000 to fund the first year operating costs of the Gunnison Prison which is scheduled to open July 1, 1990. The governor recommends a non-lapsing supplemental of \$4,000,000 for start-up costs. To provide needed flexibility in opening the Gunnison Prison, Governor Bangerter also recommends that the department be allowed to transfer funds between line items in FY 1990-91 with his approval. It is projected that an additional \$1,000,000 will be needed to fund the full-year operating costs in FY 1991-92 since the prison should be at full operating capacity by that time.

The governor's recommendation allows for staff increases in field operations and increased medical care at the Draper Prison.

The governor recommends a budget of \$936,300 for the Board of Pardons. This includes funding for two additional staff as well as the on-going costs needed to automate its files and pay for increased rent expenses at its proposed new location.

Governor Bangerter recommends a General Fund budget for Youth Corrections of \$16,925,300, an 8.0 percent increase in General Fund over FY 1989-90. This recommendation provides additional funding to offset the growing number of youth offenders in community alternative and detention programs.

CORRECTIONS
Budget Summary

	Actual 1988-89	Authorized 1989-90	Governor Recommends 1990-91	Percent Change
Schedule of Programs:				
Admin. /Field Operations	21,312,100	22,249,000	23,906,000	7.4
Institutional Operations	33,799,300	36,865,200	49,055,100	33.1
Jail Reimbursement	500,000	0	0	0.0
Forensic Services	0	1,250,000	642,400	(48.6)
Board of Pardons	729,300	759,700	936,300	0.0
Youth Corrections	16,605,200	16,249,900	17,390,000	7.0
	<hr/>	<hr/>	<hr/>	
Total Expenditures	\$72,945,900	\$77,373,800	\$91,929,800	18.8
Plan of Financing:				
General Fund	69,427,800	74,929,400	89,674,800	19.7
Federal Funds	109,600	33,000	11,000	(66.7)
Dedicated Credits	2,924,100	1,660,000	1,708,400	2.9
Restricted and Trust Funds	88,000	105,000	105,000	0.0
Revenue Transfers	626,000	566,900	430,600	(24.0)
Beginning Non-lapsing Funds	435,900	79,500	0	(100.0)
Closing Non-lapsing Funds	(79,500)	0	0	0.0
Lapsing Funds	(586,000)	0	0	0.0
	<hr/>	<hr/>	<hr/>	
Total Revenue	\$72,945,900	\$77,373,800	\$91,929,800	18.8
 Full-time Equivalent Positions		 1,841.30	 1,874.80	

COURTS

Overview

Courts are established by the Utah Constitution to provide judicial review of laws and cases brought before them. The state is divided into eight judicial districts with the following courts of record:

- Supreme Court
- Court of Appeals
- District Courts
- Juvenile Courts
- Circuit Courts

These courts are served by 90 judges and are 100 percent state funded. In addition, justice courts (courts not of record) are located throughout the state with approximately 165 judges providing support.

The Judicial Council, the governing body of the courts, has been successful over the last three years in consolidating judicial districts, unifying the district courts, and implementing judicial evaluations. Currently, the Judicial Council is studying the structural organization of the circuit court system and the jurisdictional allocation of the trial and appellate courts. The purpose of this study is to "consider the most flexible, effective, and efficient means of allocating jurisdiction and organizing to meet the future needs of the state, based on the consideration of the source of case filings with projections, demographic profiles, public convenience, proximity to other courts, economic factors, and other appropriate elements." This study will be presented during the 1990 legislative session.

Another major study being completed is the master plan for a new judicial complex building in the central business district of downtown Salt Lake City. If recommended and approved, the new facility would consolidate the Third District Juvenile Court, circuit court, district court with the Supreme Court, court of appeals, and the administrative office of the courts. This master plan is being prepared in conjunction with the Division of Facilities Construction and Management.

Recommendations

The Governor is recommending a budget of \$43,875,100 for Courts. This represents an overall increase of 8.1 percent but an 8.4 percent increase in General Fund. The recommendation includes \$329,000 for the full-year funding of judicial salary increases approved by the legislature, as well as \$280,900 for a 4.0 percent increase for judges effective July 1, 1990. This will raise the salary level of a supreme court justice from \$75,000 to \$78,000. The remainder of the increases recommended for the courts will cover increases in leases as well as provide upgrades to court security in the circuit and district courts.

COURTS
Budget Summary

	Actual 1988-89	Authorized 1989-90	Court Request 1990-91	Governor Recommends 1990-91	Percent Change
Schedule of Programs:					
Supreme Court	1,224,800	1,317,700	1,342,100	1,394,700	5.8
Law Library	244,100	245,300	245,300	249,000	1.5
Court of Appeals	1,205,600	1,362,800	1,403,700	1,450,800	6.5
Data Processing	3,224,300	2,349,700	2,612,400	2,499,200	6.4
Judicial Education	371,900	387,300	413,100	394,200	1.8
Administration	1,549,900	1,503,500	1,732,400	1,725,400	14.8
Leases	2,322,200	4,530,800	5,242,400	5,202,400	14.8
District Court	6,124,400	9,141,000	9,666,900	9,740,800	6.6
Circuit Court	12,993,200	10,137,600	11,407,600	11,029,500	8.8
Juvenile Court	7,887,300	8,632,700	9,443,000	9,289,100	7.6
Juror and Witness Fees	810,700	983,200	1,200,000	900,000	(8.5)
Total Expenditures	\$37,958,400	\$40,591,600	\$44,708,900	\$43,875,100	8.1
Plan of Financing:					
General Fund	34,425,100	40,140,400	44,356,700	43,518,400	8.4
Federal Funds	62,600	0	0	0	0.0
Dedicated Credits	3,715,700	15,300	11,000	15,500	1.3
Restricted and Trust Funds	0	341,200	341,200	341,200	0.0
Revenue Transfers	(110,000)	0	0	0	0.0
Beg. Non-lapsing Funds	14,200	109,700	15,000	15,000	(86.3)
Closing Non-lapsing Funds	(109,700)	(15,000)	(15,000)	(15,000)	0.0
Lapsing Funds	(39,500)	0	0	0	0.0
Total Revenue	\$37,958,400	\$40,591,600	\$44,708,900	\$43,875,100	8.1
Full-time Equivalent Positions		785.70	816.60	781.10	

ELECTED OFFICIALS

Overview

Governor

Governor Bangerter continues to emphasize the same issues that have helped Utah move forward during his prior years in office: 1) education reform, 2) economic development, and 3) efficiency in government.

Within the area of education reform, the governor recommends continued funding of his block grant program in which several school districts are now participating. This program allows local districts greater flexibility in implementing a core curriculum. The governor is also recommending a technology partnership with private enterprise. Further important reform proposals deal with more accountability and enhanced local control.

The governor's emphasis on economic development continues to reap rewards. Utah's economy has improved significantly for the last two years. This growth is spawned mainly by expansion of our existing businesses, but a healthy mix of new businesses moving into the state has also added much to our economy.

The governor's office continues to push for greater efficiency in government. The governor stands committed to his statement that during his administration, expenditures will be below the growth rate of inflation and population.

Lieutenant Governor

The duties of the Lieutenant Governor are quite varied. The office is the repository for all acts passed by the legislature and is responsible for processing a number of official state documents.

As chief elections officer for the state, the Lieutenant Governor supervises the state elections process. This responsibility includes filing for office of numerous candidates; handling the filing of campaign finance reports for candidates, political parties, and political action committees; publishing the Voter Information Pamphlet; and responding to election questions and problems. The office also coordinates appointments made by the governor to over 200 boards, commissions, and task forces, including approximately 2,000 individual appointments.

The Lieutenant Governor also plays a major role in a number of areas with the governor including the Governor's Clean Air Commission, small business development activities, and natural resource concerns.

Attorney General

The Attorney General's Office was successful in settling some large antitrust cases which brought \$700,000 into the state's General Fund. With the election of a new attorney general, many organizational changes have been made to assist other state agencies including locating some offices within individual agencies. The caseload

continues to grow, demanding more experienced and knowledgeable attorneys. More and more staff, however, are leaving to take employment with other government agencies and the private sector due to salary disparities.

State Auditor

During the past year, the State Auditor's Office continued to use both public and private auditors to complete financial and compliance audits. This year the office conducted an audit of local governments' costs for collecting and assessing property taxes. It continues to work with local governments in preparing budgets and in assuring that audits are performed by independent auditors. The office is also reviewing its role in controlling the financial reporting of special districts. One step taken in this direction has been the issuance of a budgeting and reporting manual for special districts.

State Treasurer

During FY 1988-89, the State Treasurer invested an average of \$1.18 billion per day and earned \$104 million in interest for an average yield of 8.77 percent. The state retained its triple "A" rating by both Moody's Investors Service, Inc. and Standard and Poor's Corporation and issued \$25 million in revenue bonds during the year.

The Division of Unclaimed Property experienced dramatic growth during the past year including a 55 percent increase in funds remitted, 66 percent increase in funds going to the Uniform school Fund, and a 206 percent increase in requests for name searches. This type of growth is expected to continue over the next five years necessitating the division to find additional space off of Capitol Hill.

Commission on Criminal and Juvenile Justice

The Commission on Criminal and Juvenile Justice, a 17-member body, coordinates criminal justice issues for the state. Task forces are currently studying issues related to: 1) child sexual abuse, 2) drug abuse, and 3) juvenile sex offenders. Studies in the areas of grand juries, constables, and jail reimbursement have been completed and legislation will be introduced to the 1990 legislature. The Commission is playing a lead role in President Bush's National Drug Strategy which will increase federal drug-related funding for law enforcement in Utah by 193 percent. The budget for this program is included in the governor's office budget.

Office of Crime Victim Reparations

The workload of the Office of Victims Reparations continues to increase. During FY 1988-89, 1,022 claims were processed and \$1.49 million was awarded to victims of crime. An estimated \$2 million will be paid during the current fiscal year. The budget for this program is included in the governor's office budget.

During the 1989 legislative session, two major changes occurred to the office. First, the office was transferred from the Department of Administrative Services to the Commission on Criminal and Juvenile Justice. Second, the Victim Reparations Fund was divided between Victim Reparations and Public Safety. In addition, the maximum awards increased from \$25,000 to \$35,000 for injuries, and up to \$50,000 in cases of death or permanent disability. Coverage was also extended to law enforcement officers.

Recommendations

Governor

The governor is recommending a budget of \$7,830,800 which is a decrease of \$3,885,900 or 33.2 percent from FY 1989-90. The major portion of this decrease is a result of the governor not requesting additional funds for the fusion/energy council and the internal service fund portion of the Automated Geographic Reference Program, which is being transferred to the Division of Data Processing. The governor's recommendation includes the budgets of the Governor's Office, the Office of Planning and Budget, the Commission on Criminal and Juvenile Justice, Crime Victim Reparations, the Emergency Fund, Education Reform, and the Commission on the Status of Women.

Lieutenant Governor

The recommended level of funding for the lieutenant governor is \$460,600 which represents an increase of 10.1 percent. Utah Code Annotated 67-1a-2.(3) designates the lieutenant governor as the chief election officer of the state. Thus, included in this recommendation is \$175,000 to carry on those designated duties and responsibilities.

Attorney General

Governor Bangerter recommends a budget of \$9,327,900 for the Attorney General's Office. This represents an overall increase of 14.7 percent but a 20.4 percent increase in the General Fund. This additional funding will allow the attorney general to upgrade the salary levels of attorneys, hire additional staff in critical program areas, enhance the antitrust prosecution unit, maintain the drug prosecution unit, and implement a child abuse prosecution unit. The drug prosecution unit and the child abuse unit could possibly leverage a total of \$424,600 in federal funds from the Department of Justice.

In addition, Governor Bangerter is recommending a \$1,000,000 non-lapsing supplemental to further enhance salaries and programs within the Attorney General's Office. It is the governor's intention that if the legislature funds the supplemental, an additional \$1,000,000 will be built into the attorney general's base budget request for FY 1991-92.

State Auditor

The state auditor's recommended level of funding is \$1,957,900 which is a 14.4 percent increase over FY 1989-90. Included in this increase are the costs of three additional auditors to respond to requests from local governments on specific problems concerning compliance and financial reporting and to conduct the additional testing required to be in compliance with auditing standards.

State Treasurer

Governor Bangerter recommends a budget of \$1,280,100 for the State Treasurer's Office. This increase of 47 percent is primarily in the Unclaimed Property program where the workload has more than doubled over the past two years. The Unclaimed Property program is funded in total from the Unclaimed Property Trust Fund as provided in UCA 78-44-1 et seq.

**ELECTED OFFICIALS
Budget Summary**

	Actual 1988-89	Authorized 1989-90	Elected Officials' Request 1990-91	Governor Recommends 1990-91	Percent Change
Schedule of Programs:					
Governor	6,357,700	11,716,700	7,754,000	7,830,800	(33.2)
Lieutenant Governor	475,900	418,500	442,500	460,600	10.1
Attorney General	7,316,100	8,134,600	11,766,400	9,327,900	14.7
Auditor	1,655,700	1,712,000	1,963,100	1,957,900	14.4
Treasurer	812,500	871,000	1,247,200	1,280,100	47.0
Total Expenditures	\$16,617,900	\$22,852,800	\$23,173,200	\$20,857,300	(8.7)
Plan of Financing:					
General Fund	12,311,400	13,200,000	14,808,500	12,018,300	(9.0)
Federal Funds	2,682,600	2,816,500	3,372,400	3,800,100	34.9
Dedicated Credits	3,462,900	3,660,300	3,567,000	3,569,400	(2.5)
Restricted and Trust Funds	822,400	921,800	1,414,600	1,458,800	58.3
Transfers	(98,300)	4,600	0	0	(100.0)
Beginning Non-lapsing Funds	137,500	2,316,100	66,500	66,500	(97.1)
Closing Non-lapsing Funds	(2,316,100)	(66,500)	(55,800)	(55,800)	(16.1)
Lapsing Funds	(384,500)	0	0	0	0.0
Total Revenue	\$16,617,900	\$22,852,800	\$23,173,200	\$20,857,300	(8.7)
Full-time Equivalent Positions		295.61	352.96	317.36	

GENERAL GOVERNMENT

Overview

Administrative Services

The Department of Administrative Services was established by the passage of the *Utah Administration Act* of 1981. The department provides specialized agency support services and develops standards for the operation of state government. Services include:

- administrative rules
- data processing
- facilities and construction management
- financial accounting and control
- mailing
- motor pool
- printing
- purchasing
- records management
- risk management
- surplus property management
- telecommunications

During the past fiscal year, the Department of Administrative Services has improved service and efficiency in many areas. The Division of Finance received its fourth consecutive annual award for excellence in reporting and its fourth "unqualified" audit opinion from the State Auditor. The Data Processing Division completed implementation of the Public Assistance Case Management Information System (PACMIS) and received federal certification. The Telecommunications Division installed a digital PBX network connecting major state facilities across the Wasatch Front saving the state approximately \$1 million annually. Risk Management has significantly reduced property coverage costs by procuring commercial insurance bids on combined property values with high self-insured retentions (deductibles). Agency claims and litigation management kept the costs of claims settlements and defense well below potential costs. The Purchasing Division established a cooperative energy program which coordinates the direct purchase of natural gas for large users. The program should save the state approximately \$750,000 this year.

Tax Commission

The Tax Commission provides efficient and cost-effective administration of state tax laws. The commission has made significant advancements in many areas, including the Department of Commerce/Tax Commission one-stop approach to starting a business, answering telephone calls more quickly and efficiently, processing returns more rapidly, depositing money into the bank expeditiously, developing new powerful computer programs, servicing taxpayers more efficiently in the motor vehicle area, and other efficiencies. During FY 1988-89, the Tax Commission processed over \$1.77 billion in revenue and responded to approximately 1.2 million telephone calls. The Operations Division processed over 4.8 million pieces of mail; and the Motor Vehicle Division titled and registered over 1.5 million vehicles and vessels.

Human Resource Management

During the past fiscal year, Human Resource Management has made substantial progress in implementing its chartered responsibilities. Significant effort has been expended in centralizing the employee classification function for more consistency and uniformity in classifying positions. Compensation surveys have been completed locally and in the Western states to assure pay equity. Training focused on the prevention of sexual harrasment in the work place has essentially been completed throughout the state. The department is well along in its implementation of a flexible benefits program to provide savings for employees as well as the state. Also, a program for achieving a drug free workplace is moving along in its implementation.

Career Service Review Board

During the past fiscal year, the Career Service Review Board (CSRB) assisted in drafting House Bill 41 which was enacted into law. This bill separated the State Employees' Grievance and Appeals Procedures from the State Personnel Management Act, thus more clearly distinguishing between the functions of the Department of Human Resource Management and the Career Service Review Board. The department adjudicated three jurisdictional hearings by the CSRB's administrator, 11 evidentiary cases by ad hoc hearing officers (non-state employees), and one appellate level case by the appointed board.

Retirement Office

The Utah Retirement Systems and Deferred Compensation Plans administered by the Utah State Retirement Board include the Public Employees Contributory and Non-Contributory Retirement Systems for both public and educational employees; the Public Safety Retirement System; the Firefighters' Retirement System; and the Judges' Retirement System; as well as the 401(k) and 457 Deferred Compensation Plans. The Utah Retirement Systems are actuarially sound. Funding for each of the systems is progressing in accordance with actuarial assumptions and required contribution rates. Benefit payouts in calendar year 1988 increased from \$123 million in the prior year to \$153 million for an increase of about 24 percent. Total assets of the systems will have grown from about \$3.2 billion at the end of 1988 to a projected \$3.5 billion at the end of 1989. The actual market value of the assets of the systems at the end of 1989 may be as high as \$4 billion depending on market conditions.

Recommendations

Administrative Services

Governor Bangerter recommends a total budget of \$13,652,100 for the Department of Administrative Services, a 1.4 percent increase from FY 1989-90 and a 6.8 percent increase in state funds. The additional funding is required to: 1) offset increasing group insurance medical costs, 2) upgrade salary levels of state employees, 3) improve coordination and control of state-managed facilities contracts, 4) complete records microfilming for better space utilization, 5) continue a cost effective energy procurement activity previously funded through federal funds, 6) strengthen and enhance the technical systems interface in Finance for better financial control of state funds and control systems, and 7) offset postal rate increases planned for January 1991.

Tax Commission

Governor Bangerter recommends a total budget of \$39,277,000 for the Tax Commission, a 10.8 percent increase from FY 1989-90 and a 12.7 percent increase in state funds. The increase is necessary to fund continuing operations at established levels and to offset inflationary and other increased costs, i.e. postal rate increases and the increased cost of automated remittance processing. The increase is also necessary to offset increasing group insurance medical costs and to upgrade salaries.

Human Resource Management

Governor Bangerter recommends a total budget of \$1,762,600 for the Department of Human Resource Management, an increase of 12.9 percent and a 14.9 percent increase in state funds. The recommendation reflects the transfer of two FTEs from Social Services to Human Resource Management to conduct compensation and classification studies. It also provides for a training specialist at the department as well as funds for the state-wide employee recognition program (the Earl Conder Award.) Increased funds are also necessary to offset increasing group insurance medical costs and to upgrade salaries.

Career Service Review Board

Governor Bangerter recommends a total budget of \$101,400 for the Career Service Review Board, a 6.7 percent increase from FY 1989-90 and a 7.2 percent increase in state funds. The increase is primarily required to offset increasing group insurance medical costs and to upgrade salaries.

Retirement Office

Governor Bangerter recommends a total budget of \$13,308,100 for the Retirement Office, an increase of 1.6 percent. The increase is necessary to provide for data processing maintenance costs and three FTEs in Group Insurance to handle the increasing workload.

**GENERAL GOVERNMENT
Budget Summary**

	Actual	Authorized	Governor	Percent
Schedule of Programs:	1988-89	1989-90	Recommends	Change
			1990-91	
Administrative Services				
Executive Director	332,000	374,900	417,600	11.4
Administrative Rules	208,500	202,200	209,400	3.6
Archives	1,165,800	1,263,300	1,345,300	6.5
DFCM				
Administration	1,592,800	1,643,100	1,933,600	17.7
Facilities Management	2,680,500	4,067,300	4,067,300	0.0
Reorganization	107,300	41,800	0	(100.0)
Finance				
Administration	4,248,400	4,685,200	4,451,200	(5.0)
Mandated Expenditures	329,400	383,700	385,000	0.3
Purchasing	802,000	797,100	842,700	5.7
Subtotal	11,466,700	13,458,600	13,652,100	1.4
Tax Commission				
Admin. and Revenue Collection	30,914,300	29,813,700	33,755,500	13.2
License Plates	1,296,200	1,300,500	1,300,500	0.0
Litigation	246,900	250,200	132,000	(47.2)
Liquor Profits Distribution	4,089,000	4,089,000	4,089,000	0.0
Subtotal	36,546,400	35,453,400	39,277,000	10.8
Human Resource Management	1,327,000	1,560,800	1,762,600	12.9
Career Service Review Board	91,000	95,000	101,400	6.7
Retirement Systems	10,943,700	13,095,100	13,308,100	1.6
Total Expenditures	\$60,374,800	\$63,662,900	\$68,101,200	7.0
Plan of Financing:				
General Fund	23,046,200	23,455,100	27,280,400	16.3
Uniform School Fund	11,197,700	10,811,500	12,457,800	15.2
Transportation Fund	6,389,100	6,380,200	5,400,200	(15.4)
Federal Funds	241,800	186,000	220,000	18.3
Dedicated Credits	10,568,100	11,721,800	12,155,700	3.7
Restricted and Trust Funds	8,280,800	10,210,300	10,455,100	2.4
Other Funds	0	177,100	0	(100.0)
Beginning Non-lapsing Funds	2,501,800	1,691,300	970,400	(42.6)
Closing Non-lapsing Funds	(1,691,300)	(970,400)	(838,400)	(13.6)
Lapsing Funds	(159,400)	0	0	0.0
Total Revenue	\$60,374,800	\$63,662,900	\$68,101,200	7.0
Full-time Equivalent Positions		1,099.25	1,156.45	

HEALTH

Overview

The Department of Health is organized into the following major areas:

- Office of Administration and Planning
- Division of Environmental Health Services
- Division of Community Health Services
- Division of Family Health Services
- Division of Health Care Financing

During FY 1989-90, the department will complete an extensive remodeling of the Cannon Health Building to accommodate about 180 new employees. Most of the new positions are federally mandated or were created to operate federal programs under state authority.

The Office of Administration and Planning (OAP) provides support functions for the entire department. Under the direction of this office, the Department of Health will coordinate with the Department of Social Services and the Office of Education to fund school-based pilot projects for at-risk children in grades kindergarten through three to achieve academic and social success. Within OAP, the State Health Laboratory performs approximately 400,000 tests annually to protect the public from communicable diseases and toxic pollutants. New rules require the Laboratory to register or certify all laboratories performing medical or environmental testing.

The Division of Environmental Health was instrumental in the creation of the Governor's Commission on Clean Air. During the past year, siting criteria for hazardous waste incinerators were developed and the division established new programs for: 1) backflow operators certification, 2) underground storage tanks, and 3) expanded x-ray inspection. The division is also aggressively seeking an acceptable cleanup at the Sharon Steel/Midvale tailings site. An underground storage tank cleanup fund and a "Utah Superfund" were also established.

In the Division of Community Health Services, additional state funding for diphtheria-tetanus-pertussis (DTP) vaccine made it possible to rescind the added charge previously imposed on local health departments. These agencies are again providing a DTP vaccine dose for \$3 or less. Legislation was passed requiring the reporting and follow-up partner notification of persons infected by the Acquired Immune Deficiency Syndrome (AIDS) virus. One anonymous testing site is permitted under the new law.

The Division of Family Health Services' "Baby Your Baby" program's public awareness campaign is a nationally recognized model which uses a small amount of public funding together with private funding. The division also obtained a special federal grant which provides more than \$5 million for home health care services.

The Division of Health Care Financing served a variety of medical needs for more than 100,000 Utahns in the last year. Medicaid coverage expanded to restore basic dental care for Medicaid-eligible adults and added prenatal and delivery services for all

Utah women with family incomes below 100 percent of the federal poverty level. Under federal requirements, the division implemented mandatory training and proficiency testing of nurse aides in nursing homes. The division is also in the process of implementing extensive new federal mandates to regulate nursing homes required by the Omnibus Budget Reconciliation Act (OBRA) of 1987.

Recommendations

Governor Bangerter recommends a total budget of \$364,784,800 for the Department of Health, an 8.4 percent increase over FY 1989-90, and an 8.5 percent increase in General Fund. A significant share of this increase is due to federally mandated expenditures in the Medicaid program.

The governor's recommendation includes \$656,000 in General Fund to be passed through to local health departments for basic environmental health services. The governor also recommends \$150,000 in state funds for Early Intervention for handicapped infants. The governor's budget includes \$145,000 for a preventive Injury Control program as well as \$206,000 in new funds to expand the drug program to help AIDS patients maintain their employment, improve their well-being, and extend their lives.

Sufficient funds have also been included to remove a lowered qualifying income limit for Medicaid nursing home services instituted as a cost containment measure in FY 1988-89. The governor also recommends increased funding to reduce the current backlog of environmental permit applications and to process these applications in a timely manner.

HEALTH
Budget Summary

	Actual 1988-89	Authorized 1989-90	Governor Recommends 1990-91	Percent Change
Schedule of Programs:				
Administration and Planning	7,128,800	7,542,700	7,864,400	4.3
Environmental Health	18,899,900	22,422,700	24,813,900	10.7
Community Health Services	8,719,400	9,626,300	10,294,300	6.9
Family Health Services	30,433,700	34,521,200	33,569,600	(2.8)
Health Care Financing	20,386,200	22,237,200	21,571,000	(3.0)
Medical Assistance	212,237,400	240,281,300	266,671,600	11.0
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Total Expenditures	\$297,805,400	\$336,631,400	\$364,784,800	8.4
 Plan of Financing:				
General Fund	67,927,400	79,091,400	85,848,000	8.5
Federal Funds	202,483,900	228,972,500	251,632,700	9.9
Dedicated Credits	23,087,400	21,417,200	22,016,000	2.8
Mineral Lease Account	259,000	0	0	0.0
Restricted and Trust Funds	990,500	1,201,100	1,380,400	14.9
Revenue Transfers	3,570,800	3,876,500	3,654,000	(5.7)
Other Funds	48,000	70,000	146,400	109.1
Beginning Non-lapsing Funds	1,695,900	2,159,500	156,800	(92.7)
Closing Non-lapsing Funds	(2,159,500)	(156,800)	(49,500)	(68.4)
Lapsing Funds	(98,000)	0	0	0.0
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Total Revenue	\$297,805,400	\$336,631,400	\$364,784,800	8.4
 Full-time Equivalent Positions		 876.76	 897.82	

HIGHER EDUCATION

Overview

The mission of higher education in Utah is to provide instruction, conduct research, and render public service. The Higher Education system consists of:

- University of Utah
- Utah State University
- Weber State College
- Southern Utah State College
- Snow College
- Dixie College
- College of Eastern Utah
- Utah Valley Community College
- Salt Lake Community College

Several rural education outreach centers are also managed by the above institutions. These nine public campuses are governed by a Board of Regents comprised of 15 state citizens serving six-year appointed terms and one student who is appointed annually to the board. Accreditation is granted by the Northwest Association of Schools and Colleges. The Commissioner of Higher Education, three regents, three members of the State Board of Education, and the Superintendent of Public Instruction form the Liaison Committee coordinating overlapping education policies.

Through the Liaison Committee the Board of Education and Board of Regents have adopted the State Vocational Education Master Plan. The plan outlines role assignments and educational missions for institutions of higher education and public education. The plan also fosters cooperation by focusing resources toward this essential part of the state economic development effort.

The Utah Partnership for Educational and Economic Development has made a preliminary report outlining its objectives. Utah's colleges and universities, in cooperation with business, industry, and government, are working to provide the environment for economic progress.

The Board of Regents is completing a strategic plan to update the State Vocational Education Master Plan in accordance with changing economic and demographic conditions. Reports will focus on how to promote increased system efficiency, provide access and diversity with quality, procure adequate state and other financial resources, and enhance the state's position in an increasingly competitive world economy.

Recommendations

Governor Bangerter recommends a total budget of \$399,632,900. This is a 7.6 percent increase over FY 1989-90, and a 7.9 percent increase in General Fund/Uniform School Fund.

The governor's recommendation includes new funding for: 1) operation and maintenance of newly completed buildings, 2) a 6.0 percent compensation adjustment, 3) enrollment growth of 2,900 full-time equivalent students, 4) investment in research, and 5) inflation adjustments.

The Board of Regents has approved a tuition increase of 7.0 percent at four year institutions and 3.0 percent at two year schools. The governor supports the increase and has included it in his recommendation.

HIGHER EDUCATION Budget Summary

	Actual 1988-89	Authorized 1989-90	Governor Recommends 1990-91	Percent Change
Schedule of Programs:				
University of Utah	152,630,500	158,064,600	166,226,700	5.2
Utah State University	84,281,800	85,465,500	91,260,200	6.8
Weber State College	40,554,400	43,642,100	47,795,700	9.5
Southern Utah State College	12,248,800	13,546,300	14,953,500	10.4
Snow College	6,588,700	7,227,500	8,013,900	10.9
Dixie College	7,688,300	8,184,100	8,746,300	6.9
College of Eastern Utah	6,192,600	6,870,500	7,649,800	11.3
Utah Valley Community College	17,888,600	19,332,300	21,419,700	10.8
Salt Lake Community College	24,551,600	25,454,100	29,771,600	17.0
Board of Regents	3,405,400	3,455,100	3,795,500	9.9
Total Expenditures	\$356,030,700	\$371,242,100	\$399,632,900	7.6
Plan of Financing:				
General Fund	262,918,500	271,846,200	293,289,500	7.9
Uniform School Fund	2,135,900	2,185,600	2,377,800	8.8
Tuition and Fees	71,601,700	78,480,100	85,704,900	9.2
Reimbursed Overhead	5,927,400	3,708,800	3,138,600	(15.4)
Federal Funds	5,747,100	5,848,000	5,762,700	(1.5)
Mineral Lease Account	8,498,100	5,932,400	6,118,400	3.1
Other Funds	(798,000)	3,241,000	3,241,000	0.0
Total Revenue	\$356,030,700	\$371,242,100	\$399,632,900	7.6

LEGISLATURE

Overview

Budget estimates for the Senate and the House of Representatives are based on annual 45-day sessions and include funding for interim study committee meetings and special session days. Dues to the National Conference of State Legislatures and the Council of State Governments are based on national formulas. The budget for the Legislative Fiscal Analyst includes funding for the Federal Funds Information System which is sponsored by the National Governor's Association and the National Conference of State Legislatures. The FY 1991 budget includes \$300,000 for reapportionment which is required by the 1990 census.

Legislative staff has utilized non-lapsing balances as an integral part of the plan for financing the FY 1990-91 budget instead of requesting new appropriations from the General Fund.

LEGISLATURE Budget Summary

	Actual 1987-88	Actual 1988-89	Authorized 1989-90	Legislative Request 1990-91	Percent Change
Schedule of Programs:					
Senate	567,000	623,500	650,100	666,700	2.6
House of Representatives	980,700	1,119,700	1,139,800	1,186,000	4.1
Legislative Printing	508,700	612,000	605,200	561,700	(7.2)
Legislative Research and General Counsel	1,548,500	1,897,300	2,227,700	2,339,300	5.0
Tax Recodification	77,100	56,400	50,000	0	(100.0)
Reapportionment	0	0	0	300,000	0.0
Legislative Fiscal Analyst	830,000	958,100	957,900	1,062,200	10.9
Legislative Auditor General	916,100	962,500	1,052,400	1,127,600	7.1
Dues - NCSL	51,100	54,100	57,300	60,700	5.9
Dues - Council of State Govts.	43,400	46,500	49,500	52,500	6.1
Constitutional Revision Comm.	41,700	49,700	50,000	50,000	0.0
Judicial Conduct Commission	19,000	20,400	20,000	32,000	60.0
CSG Conference	0	0	100,000	0	(100.0)
Total Expenditures	\$5,583,300	\$6,400,200	\$6,959,900	\$7,438,700	6.9
Plan of Financing:					
General Fund	5,642,700	6,158,800	6,185,900	6,887,000	11.3
Dedicated Credits	211,800	245,400	180,000	190,000	5.6
Other	0	114,000	0	0	0.0
Beginning Non-lapsing Funds	658,400	929,600	1,047,600	453,600	(56.7)
Closing Non-lapsing Funds	(929,600)	(1,047,600)	(453,600)	(91,900)	(79.7)
Total Revenue	\$5,583,300	\$6,400,200	\$6,959,900	\$7,438,700	6.9

NATIONAL GUARD

Overview

Commanded from its new headquarters in Draper, the Utah National Guard provides personnel and equipment in the event of a state emergency and augments the regular Army and Air Force of the United States. The Air Guard has a full-time mission to provide tanker refueling support to the U.S. Air Force Strategic Air Command and the Tactical Air Command.

The Army Guard and the Air Guard are expected to provide additional support to active units of the United States when requested. In return, the federal government provides significant financial support to the guard bureau. In FY 1989-90, the federally funded portion of Utah Guard activities totaled approximately \$96 million. In addition, the Air National Guard is preparing facilities to house 15 new Apache attack helicopters and the required support equipment.

Recommendations

Governor Bangerter recommends a total operating budget of \$3,546,700 for the National Guard, a 5.5 percent increase from FY 1989-90. The increase includes \$35,000 in General Fund money for armory maintenance.

NATIONAL GUARD Budget Summary

	Actual 1988-89	Authorized 1989-90	Governor Recommends 1990-91	Percent Change
Schedule of Programs:				
Administration	196,100	248,700	267,800	7.7
Armory Maintenance	3,216,500	3,113,300	3,278,400	5.3
Veterans' Cemetery	0	500	500	0.0
	\$3,412,600	\$3,362,500	\$3,546,700	5.5
Plan of Financing:				
General Fund	1,739,500	1,748,200	1,854,100	6.1
Federal Funds	1,675,100	1,596,100	1,672,600	4.8
Dedicated Credits	21,300	18,200	20,000	9.9
Lapsing Funds	(23,300)	0	0	0.0
	\$3,412,600	\$3,362,500	\$3,546,700	5.5
 Full-time Equivalent Positions		 78.12	 78.12	

NATURAL RESOURCES

Overview

The Department of Natural Resources is charged with managing Utah's natural resources in a manner which will optimize economic development and recreation while maintaining the balance between development and conservation.

The department consists of an administrative section and the following eight divisions:

- State Lands and Forestry
- Oil, Gas, and Mining
- Wildlife Resources
- Parks and Recreation
- Utah Geological and Mineral Survey
- Water Resources
- Water Rights
- Utah Energy Office

On June 30, 1989, the Great Salt Lake Pumping Project, managed by the Division of Water Resources, was shut down. During more than two years of successful operation, the project pumped approximately 2.2 million acre feet of water or about 26 inches from the lake and received praise and awards from industry, recreation, and transportation interests as well as wildlife agencies and professional engineering societies. Although inoperative, the pumps and engines will remain in place to meet future contingencies.

The Division of Oil, Gas, and Mining's abandoned mine program performed numerous reclamation activities such as: the Standardville Project, the largest abandoned coal mine reclamation project in the program's seven year history; and the Wasatch Project, through which the most troublesome mines in Big and Little Cottonwood Canyons were identified and closed. In addition, the volunteer phase of the program closed approximately a dozen mines.

Under the cooperative administration of the Division of State Lands and Forestry and the Department of Corrections, the state's conservation camp program employed 40 inmates from the state prison to work in forestry, wildlife, recreation, and fire-fighting work. State Lands and the Department of Corrections anticipate doubling the number of participants, including developing a program for 20 female inmates.

The Utah Energy Office continued programs to identify and facilitate cost-effective provision of energy resources to the state. Particularly successful was the office's facilitation of direct purchases of natural gas by state facilities, which resulted in combined savings of \$230,000 for eight participating agencies during the first seven months of 1989.

The Division of Wildlife Resources implemented several programs aimed at maintaining and enhancing Utah's wildlife habitat and at indexing and typing Utah's

numerous wildlife species. The division conducted over 3,000 resource analysis projects, a 15 percent increase over last year's activity, and initiated restoration of waterfowl management areas along the shores of the Great Salt Lake, which is estimated to restore millions of use days by both wildlife and the public.

In response to growing public interest in the state's geologic resources, the Utah Geological and Mineral Survey (UGMS) expanded programs to improve the understanding of those resources. Through the Mineral Lease Special Projects Program, the UGMS Board awarded contracts for 27 projects designed to acquire new geologic information and access existing geologic data that would otherwise be lost.

While maintaining park fees at 1988 levels, the Division of Parks and Recreation improved and expanded the state's recreation resources to accommodate visitation by 4,893,860 people to Utah state parks during FY 1988-89. The division made modest acquisitions, including small land purchases at Edge of the Cedars Museum and Hyrum State Park, while focusing on renovation projects totalling nearly \$700,000. The division continues to conduct research regarding state park visitation to enhance state park planning activities.

The Division of Water Rights responded to approximately 1,200 applications to appropriate water or to change or exchange existing water rights during another below-normal water year. In order to ensure the validity of water policy, the division held public meetings throughout the state and enhanced its computer programs and data bases to support development of those policies. In addition, the division continued inspections of dam safety and participated in post-failure investigations of the Quail Creek dike near St. George, which failed on January 1, 1989.

Recommendations

The governor recommends a total budget of \$63,411,800 for the Department of Natural Resources, a 3.5 percent increase over FY 1989-90. The General Fund increase of 9.1 percent is due primarily to the governor's recommended compensation package and 4.5 additional positions.

Governor Bangerter recommends state funding for the Heritage Program with 2.0 full-time equivalents (FTEs). This program serves industry as well as government in providing valuable information relative to endangered plant species. Also included in the governor's budget is an increase of 2.5 FTEs for the Forestry Conservation Camp. The new employees are required to supervise inmates participating in the program, which have increased in number by 75 percent.

The governor has budgeted for additional General Fund support for the Division of Wildlife Resources' Non-Consumptive Wildlife Program. He has also provided nearly \$2 million for state park infrastructure and development needs. Funding for the \$16 million in water development and planning projects is included in the capital budget.

NATURAL RESOURCES
Budget Summary

	Actual 1988-89	Authorized 1989-90	Governor Recommends 1990-91	Percent Change
Schedule of Programs:				
Administration	1,135,500	1,208,400	1,508,000	24.8
Building Operations	1,344,900	1,349,200	1,349,200	0.0
State Lands and Forestry	3,872,600	3,822,800	3,893,600	1.9
Oil, Gas, and Mining	4,479,000	4,680,000	4,660,200	(0.4)
Wildlife Resources	17,127,100	19,201,700	20,564,400	7.1
*Predator Control	0	0	0	0.0
Contributed Research	65,500	96,000	96,000	0.0
*Discount Reimbursement	0	0	0	0.0
Cooperative Studies	415,700	129,400	116,300	(10.1)
Parks and Recreation	11,227,100	12,174,700	11,956,400	(1.8)
Utah Geological and Mineral Survey	2,099,200	2,252,000	2,394,200	6.3
Water Resources	3,543,900	4,095,800	3,774,800	(7.8)
West Desert Pump Operation	1,616,800	70,000	36,000	(48.6)
Water Rights	3,998,000	3,977,100	4,225,600	6.2
Utah Energy Office	5,507,200	8,218,300	8,837,100	7.5
Total Expenditures	\$56,432,500	\$61,275,400	\$63,411,800	3.5
Plan of Financing:				
General Fund	20,054,100	19,419,700	21,187,500	9.1
Federal Funds	9,723,400	8,453,600	9,293,200	9.9
Dedicated Credits	4,417,400	4,489,800	3,914,600	(12.8)
Mineral Lease Account	1,597,200	702,000	652,500	(7.1)
Restricted and Trust Funds	18,884,600	19,904,300	21,933,700	10.2
Transfers	0	0	0	0.0
Oil Overcharge Funds **	3,562,700	6,183,600	6,612,700	6.9
Other Funds	(484,400)	(166,400)	(248,700)	49.5
Beginning Non-lapsing Funds	3,126,900	2,859,400	570,600	(80.0)
Closing Non-lapsing Funds	(2,859,400)	(570,600)	(504,300)	(11.6)
Lapsing Funds	(1,590,000)	0	0	0.0
Total Revenue	\$56,432,500	\$61,275,400	\$63,411,800	3.5
Full-time Equivalent Positions		1,034.00	1,039.00	

* The General Fund appropriation for these items is transferred to other areas of the budget for expenditure.

** Oil overcharge funds are shown for comparison only.

PUBLIC EDUCATION

Overview

The State Board of Education is charged by the state constitution with general control and supervision of public education. However, governance of the state public school system continues to be an issue. As a result of a study which was recently completed with respect to the functioning of the board and the superintendent, the board has indicated that major changes will take place in the board's role. Selection of the board by election vs. appointment also remains in question.

Three separate agencies function under the direction of the state board and the State Superintendent of Public Instruction, who serves as the chief executive officer of the board. These agencies are: 1) The Utah State Office of Education, 2) The Utah Schools for the Deaf and the Blind, and 3) The Utah State Office of Rehabilitation. As the State Board for Vocational Education, the board also supervises the five area vocational centers.

Beginning with FY 1989-90, a number of school districts implemented the governor's new block grant funding program on a trial basis. This permits an increased level of local autonomy in allocating funds and formulating programs to meet local educational needs. The block grants continue to receive the strong support and encouragement of Governor Bangerter.

The board recently adopted a philosophy of education which is defined in the publication entitled "A Shift in Focus." This document outlines the focus of public education in student-centered terms and provides a mission statement with associated goals and outcomes. The board intends to review every educational program and funding request in accordance with this new philosophy.

Within their respective areas and responsibility, the Utah State Office of Rehabilitation and the Schools for the Deaf and the Blind continue to provide specialized services to the handicapped. In addition to educational programs, services are provided in the areas of independent living, supported employment, services to the deaf/blind, workshop for the blind, business enterprise program, and other support services.

Utah's student-age population and public school enrollment continue to grow. Despite strong public support for education and a substantial per capita tax effort, public education in Utah continues to suffer from low per pupil expenditures and high pupil/teacher ratios. In its attempt to reduce the cost of school construction, Utah leads the nation in development and implementation of alternative programs such as year-round schools. Enrollment growth has slowed the last two years and is expected to level off by FY 1993-94. For example, enrollment increase for the 1990-91 school year is estimated to be 6,000 students, about 300 fewer than the year before.

Recommendations

Governor Bangerter recommends a total budget of \$1,148,837,200 for Public Education, a 5.7 percent increase over FY 1989-90, and an 8.0 percent increase in the Uniform School Fund. This budget recommendation includes funding for growth in the number of students, a substantial increase in the allocation for textbooks, and a total compensation package of 6.0 percent.

The governor recommends an increase of \$81 or 6.5 percent in the weighted pupil unit (WPU) for increases in salary and benefits. Because local revenue from property taxes increased by only 3.4 percent, most of these recommended increases must be supported by state resources from the Uniform School Fund.

The governor also recommends that the WPU be increased by \$222 to incorporate social security and retirement into the value of the WPU at no net increase to the Minimum School Plan. This will require all districts to plan for the total cost of salary and benefits in their compensation packages, and will result in greater equity.

PUBLIC EDUCATION Budget Summary

	Actual 1988-89	Authorized 1989-90	Governor Recommends 1990-91	Percent Change
Schedule of Programs:				
State Office of Education	55,789,800	61,203,700	58,186,600	(4.9)
Child Nutrition	40,105,000	41,997,400	41,851,600	(0.3)
Vocational Rehabilitation	20,703,100	22,064,200	23,344,200	5.8
Custom Fit Training	739,200	2,700,500	750,000	(72.2)
Educational Contracts	4,243,500	5,435,200	1,934,900	(64.4)
Fine Arts	756,200	756,200	756,200	0.0
Area Vocational Centers	11,741,000	12,359,000	13,297,500	7.6
Schools for the Deaf and Blind	7,296,100	8,130,200	8,490,400	4.4
Minimum School Program	905,123,700	931,967,200	1,000,225,800	7.3
Total Expenditures	\$1,046,497,600	\$1,086,613,600	\$1,148,837,200	5.7
Plan of Financing:				
Uniform School Fund	700,932,500	732,130,200	790,401,000	8.0
Federal Funds	91,188,500	96,343,700	96,559,200	0.2
Dedicated Credits	3,055,400	3,416,100	3,622,700	6.0
Mineral Lease	1,597,100	702,000	652,500	(7.1)
Restricted and Trust Funds	10,742,000	10,965,000	10,937,500	(0.3)
Transfers	929,400	1,698,300	1,660,000	(2.3)
Local Property Tax	238,730,000	235,170,100	244,950,000	4.2
Beginning Non-lapsing Funds	11,237,200	11,909,200	5,721,000	(52.0)
Closing Non-lapsing Funds	(11,909,200)	(5,721,000)	(5,666,700)	(0.9)
Lapsing Funds	(5,300)	0	0	0.0
Total Revenue	\$1,046,497,600	\$1,086,613,600	\$1,148,837,200	5.7
Full-time Equivalent Positions		929.95	934.20	

MINIMUM SCHOOL PROGRAM, FISCAL YEAR 1990-91

PROGRAMS	FISCAL YEAR 1989-90		FISCAL YEAR 1990-91		CHANGE	
	APPROPRIATION SB 261		GOVERNOR RECOMMENDS		\$ Amount	Percent
	1989-90 WPU\$	\$ Amount @ 1,240	1990-91 WPU\$	\$ Amount @ 1,543		
I. BASIC SCHOOL PROGRAMS						
A. REGULAR BASIC SCHOOL PROGRAMS						
1. Kindergarten	18,965	23,516,600	17,853	27,547,179	4,030,579	17.1%
2. Grades 1-12	387,152	480,068,480	393,052	606,479,236	126,410,756	26.3%
3. Professional Staff	35,145	43,579,800	35,560	54,869,080	11,289,280	25.9%
4. Administrative Costs	1,840	2,281,600	1,840	2,839,120	557,520	24.4%
5. Necessarily Existent Small Rural Schools	5,834	7,234,160	5,903	9,108,329	1,874,169	25.9%
Total Regular Basic School Programs (1 to 5)	448,936	556,680,640	454,208	700,842,944	144,162,304	25.9%
B. SPECIAL PURPOSE OPTIONAL PROGRAMS						
1. Instructional Media Centers	284	352,160	287	442,841	90,681	25.7%
2. Extended Year, Day and Summer	339	420,360	343	529,249	108,889	25.9%
3. Compensatory Education	344	426,560	348	536,964	110,404	25.9%
4. Elementary School Guidance	527	653,480	533	822,419	168,939	25.9%
5. Community Education	173	214,520	175	270,025	55,505	25.9%
6. Career Education	116	143,840	117	180,531	36,691	25.5%
7. Education Field Trips	209	259,160	211	325,573	66,413	25.6%
8. Elementary Music	199	246,760	201	310,143	63,383	25.7%
9. Textbooks and Lab Fees	1,547	1,918,280	0	0	(1,918,280)	(100.0%)
10. Responsible Parenthood	104	128,960	105	162,015	33,055	25.6%
11. Bilingual Education	175	217,000	177	273,111	56,111	25.9%
12. Class Size Reduction	6,856	8,501,440	0	0	(8,501,440)	(100.0%)
13. Special Needs	843	1,045,320	853	1,316,179	270,859	25.9%
14. Advanced Placement	0	0	0	0	0	0.0%
15. Concurrent Enrollment	0	0	0	0	0	0.0%
Total Special Purpose Opt. Programs (1 to 15)	11,716	14,527,840	3,350	5,169,050	(9,358,790)	(64.4%)
C. RESTRICTED BASIC SCHOOL PROGRAMS						
1. Handicapped-Regular Program	51,042	63,292,080	51,644	79,686,692	16,394,612	25.9%
(a) Handicapped-Pre-School	0	2,596,500	1,960	3,024,280	427,780	25.9%
2. Self-Cont Handicapped Adjustment	1,621	2,010,040	1,640	2,530,520	520,480	25.9%
3. Extended Year Program for Severe Handicapped	226	280,240	229	553,347	273,107	26.1%
4. Handicapped-State Programs	1,287	1,595,880	1,302	2,008,986	413,106	25.9%
Total Handicapped (1 to 4)	54,176	69,774,740	56,775	87,603,825	17,829,085	25.6%
5. Vocational and Tech Ed - District	14,472	17,945,280	14,643	22,594,149	4,648,869	25.9%
6. Vocational Incentive Programs	100	124,000	101	155,843	31,843	25.7%
7. Vocational District Set Aside	926	1,148,240	937	1,445,791	297,551	25.9%
8. Secondary Vocational Education--AVCs	1024	1,269,760	1,036	1,598,548	328,788	25.9%
Total Vocational Education (5 to 8)	16,522	20,487,280	16,717	25,794,331	5,307,051	25.9%
9. Youth-In-Custody	3,064	3,799,360	3,100	4,783,300	983,940	25.9%
10. Adult High School Completion	2,810	3,484,400	2,843	4,386,749	902,349	25.9%

11. Accelerated Learning Programs	1,711	2,121,640	1,731	2,670,933	549,293	25.9%
12. At-Risk Students	943	1,169,320	954	1,472,022	302,702	25.9%
13. Private School Driver Education	17	21,080	17	26,231	5,151	24.4%
14. Textbooks	0	0	2,543	3,923,849	3,923,849	
15. Class Size Reduction	0	0	6,937	10,703,791	10,703,791	
Total Other Restricted Programs (9 to 15)	8,545	10,595,800	18,125	27,966,875	17,371,075	163.9%
TOTAL BASIC SCHOOL PROGRAM WPUs (A TO C)	539,895	672,066,300	549,175	847,377,025	175,310,725	26.1%
D. RELATED TO BASIC PROGRAM						
1. Local Two-mill Program		15,823,700		15,823,700	(15,823,700)	(100.0%)
2. Basic Block Grant		77,261,526		0	15,823,700	100.0%
3. Retirement		(5,712,300)		0	(77,261,526)	(100.0%)
a. Adjustment for Early Retirement				4,000,000	5,712,300	(100.0%)
b. Adjustment for 2% Retirement Package		48,602,834		0	4,000,000	(100.0%)
4. Social Security		11,173,400		11,173,400	(48,602,834)	(100.0%)
5. Health Insurance Adjustment		147,149,160		30,997,100	0	0.0%
Total Related to Basic Program (1 to 5)					(116,152,060)	(78.9%)
II. SPECIAL PURPOSE PROGRAMS						
A. Experimental Programs		321,000		321,000	0	0.0%
B. Productivity Study		1,137,700		1,137,700	0	0.0%
1. Incentives for Excellence		300,000		300,000	0	0.0%
C. Contingency Fund		606,600		615,000	8,400	1.4%
D. Pupil Transportation To and From School		25,185,500		26,582,689	1,397,189	5.5%
E. Utilities and Insurance		11,167,708		11,167,708	0	0.0%
F. Career Ladders		34,332,300		34,332,300	0	0.0%
G. Year-Round Schools		1,200,000		1,200,000	0	0.0%
H. Outcome-Based Education		1,156,400		1,156,400	0	0.0%
I. Technology/New Delivery Systems		200,000		200,000	0	0.0%
J. Assessment		0		400,000	400,000	
K. Regional Service Centers		466,000		600,000	134,000	28.8%
L. Social Security and Retirement Hold Harmless		0		1,378,000	1,378,000	
Total Special Purpose Programs (A to M)		76,073,208		79,390,797	3,317,589	4.4%
III. VOTED LEEWAY PROGRAM						
A. Voted Leeway		38,323,612		42,460,880	4,137,268	10.8%
TOTAL MINIMUM SCHOOL PROGRAM (I to III)		933,612,280		1,000,225,302	66,613,522	7.1%
IV. LOCAL REVENUE						
A. Basic Levy 0.004656		200,792,453		207,591,038	6,798,585	3.4%
B. Voted Leeway		34,377,635		37,358,960	2,981,325	8.7%
Total Local Contribution (A TO B)		235,170,088		244,949,998	9,779,910	4.2%
V. STATE REVENUE (Uniform School Fund)						
		698,442,192		755,275,804	56,833,612	8.1%
TOTAL REVENUE (IV to V)		933,612,280		1,000,225,302	66,613,522	7.1%
VI. SCHOOL BUILDING AID PROGRAM						
		6,458,000		6,458,000	0	0.0%
VII. TWO MILL REIMBURSEMENT PROGRAM						
		1,601,386		1,601,386	(1,601,386)	N/A

**PUBLIC SAFETY
Budget Summary**

	Actual 1988-89	Authorized 1989-90	Governor Recommends 1990-91	Percent Change
Schedule of Programs:				
Comprehensive Emergency				
Management	4,909,700	2,299,400	2,135,400	(7.1)
Highway Patrol	18,179,300	18,689,600	20,989,000	12.3
Safety Promotion	106,900	108,500	115,100	6.1
Police Academy	1,042,300	1,111,300	1,302,700	17.2
Investigative Services	2,477,200	2,510,600	3,277,200	30.5
Law Enforcement	1,753,000	1,884,000	2,041,000	8.3
Driver License	7,116,300	8,028,500	8,687,100	8.2
Commissioner's Office	3,336,400	2,010,900	1,661,800	(17.4)
Highway Safety	917,100	1,308,000	1,330,700	1.7
Telecommunications	2,629,300	2,768,100	3,353,200	21.1
Fire Marshal	514,500	584,300	586,800	0.4
Management Information	0	0	726,400	
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Total Expenditures	\$42,982,000	\$41,303,200	\$46,206,400	11.9
 Plan of Financing:				
General Fund	6,993,800	13,120,000	13,561,600	3.4
Transportation Fund	25,213,100	20,752,900	15,967,000	(23.1)
Federal Funds	6,163,500	3,689,800	3,802,200	3.0
Dedicated Credits	2,450,400	1,893,800	2,552,400	34.8
Emergency Funds	23,400	0	0	0.0
Restricted and Trust Funds	997,300	1,048,600	9,664,100	821.6
Flood Adjustment	764,000	0	0	0.0
Transfers	733,800	329,300	364,100	10.6
Beginning Non-lapsing Funds	617,300	872,200	403,400	(53.7)
Closing Non-lapsing Funds	(872,200)	(403,400)	(108,400)	(73.1)
Lapsing Funds	(170,400)	0	0	0.0
Other	68,000	0	0	0.0
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Total Revenue	\$42,982,000	\$41,303,200	\$46,206,400	11.9
 Full-time Equivalent Positions		 932.70	 971.70	

SOCIAL SERVICES

Overview

The Department of Social Services assists individuals, families, and communities with the prevention and resolution of social and emotional problems, in the most appropriate and least restrictive setting. Services are intended to preserve families and promote individual self-worth and self-sufficiency.

The department is organized into the following divisions and offices:

- Executive Director's Office
- Social Services Administration
- Division of Mental Health
- Division of Substance Abuse
- Family Support Administration
- Division of Services to the Handicapped
- Office of Recovery Services
- Division of Family Services
- Division of Aging and Adult Services

Effective July 1, 1989, the department was reorganized in order to provide more efficient services to clients, enhance coordination, and streamline administrative functions. The Office of Community Operations (OCO) was eliminated and the 11 OCO districts were consolidated into four regions. Two new offices, Social Services Administration and Family Support Administration, were created to replace the old OCO organization.

The Executive Director's Office (EDO) provides administrative and data processing support and oversees several other programs such as the Utah Governor's Council for People with Disabilities. The Department of Social Services, the Department of Health, and the Office of Education have created a partnership to support and fund school-based pilot projects to help at-risk children in grades kindergarten through three achieve academic and social success.

Social Services Administration oversees the divisions of Family Services, Handicapped Services, and Youth Corrections and supervises delivery staff for these programs in four statewide regions.

The Division of Mental Health administers federal and state funds, conducts training, evaluates and monitors local mental health centers, and operates the Utah State Hospital for the severely mentally ill. Increased demand for services to the mentally ill has placed additional pressure on inpatient, outpatient, day treatment, and residential services.

The Office of Family Support Administration oversees a number of federal and state public assistance programs, including temporary financial assistance, food stamps, medical assistance, self-sufficiency, job training programs, and supervision of service delivery staff in four statewide regions. The office is currently responsible for implementing the new federal Family Support Act in Utah.

The Division of Substance Abuse, in conjunction with local substance abuse authorities and under policy direction of the State Board on Substance Abuse, administers federal and state funds, conducts training, and monitors substance abuse treatment and prevention services.

The Division of Services to the Handicapped provides in-home and facility-based programs for all handicapped individuals and day treatment programs for handicapped adults to help them gain skills to achieve self-sufficiency. The division also provides respite services for families caring for handicapped individuals, personal care assistance for severely physically handicapped persons, and on-going job coaching for handicapped adults. The division operates the Utah State Training School for mentally retarded children and adults.

The Office of Recovery Services collects child support for families on public assistance and others upon request. This office also recovers public funds owed to the departments of Health and Social Services from individuals and third parties. For FY 1988-89, the Office of Recovery Services collected \$46,444,900 on behalf of the departments of Health and Social Services, an increase of \$5,000,000 from the previous year.

The Division of Family Services (DFS) provides child abuse protection, foster care, emergency shelter care, and treatment for victims of spouse abuse. DFS also provides troubled youth counseling and residential services, adoptions, and in-home counseling and education for families. The division emphasizes home-based services in order to maintain children in their own homes.

The Division of Aging and Adult Services acts as an advocate for disabled adults and elderly citizens and provides planning, coordinating, training, funding, and evaluating of local area agencies on aging.

Recommendations

Governor Bangerter recommends a total budget of \$307,006,000 for the Department of Social Services, a 6.0 percent increase over FY 1989-90, and a 7.2 percent increase in the General Fund.

Funding has been included for a 4.0 percent increase in the grant level to public assistance recipients. The governor also recommends additional funding and staff for the Office of Family Support to establish and provide a Job Opportunities and Basic Skills Training (JOBS) program in compliance with passage of the federal Family Support Act. The JOBS program signifies a major commitment to move welfare recipients off of public assistance and into gainful employment. The budget also includes funding for: 1) an increase in Child Welfare staffing, 2) critically needed positions at the State Hospital, 3) 104 new residential placements for the mentally retarded/developmentally disabled, and 4) an increase in provider rates by 2.0 percent in the areas of mental health, substance abuse, handicapped services, foster care, and aging/adult services. Included is a 4.0 percent recommended increase in child care. The governor's recommendation includes \$532,800 in funds targeted to serve elderly individuals in a home rather than an institutional setting.

SOCIAL SERVICES
Budget Summary

	Actual 1988-89	Authorized 1989-90	Governor Recommends 1990-91	Percent Change
Schedule of Programs:				
Executive Director	12,883,200	12,471,900	13,711,200	9.9
Social Services Administration	45,199,600	24,948,500	26,778,600	7.3
Mental Health	33,288,200	35,344,900	36,985,600	4.6
Substance Abuse	9,949,400	11,060,600	11,183,500	1.1
Family Support Administration	91,442,500	122,602,400	130,740,600	6.6
Supplemental Security Income Supplement	0	893,000	893,000	0.0
Homeless Coordinating Comm.	27,600	0	0	0.0
Services to the Handicapped	40,947,600	44,332,400	48,194,800	8.7
Recovery Services	13,655,900	16,757,300	17,333,800	3.4
Family Services	14,738,200	13,166,500	12,624,500	(4.1)
Aging and Adult Services	7,845,700	8,114,200	8,560,400	5.5
	<hr/>	<hr/>	<hr/>	
Total Expenditures	\$269,977,900	\$289,691,700	\$307,006,000	6.0
 Plan of Financing:				
General Fund	103,157,100	106,434,800	114,149,200	7.2
Federal Funds	119,733,700	127,883,300	135,973,800	6.3
Dedicated Credits	14,222,100	13,548,900	12,734,700	(6.0)
Restricted and Trust Funds	826,500	775,000	775,000	0.0
Revenue Transfers	34,212,100	40,156,900	42,906,700	0.0
Other Funds	(2,173,600)	892,800	466,600	(47.7)
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Total Revenue	\$269,977,900	\$289,691,700	\$307,006,000	6.0
 Full-time Equivalent Positions		 3,532.21	 3,500.25	

AGRICULTURE

Overview

Agriculture Resource Development Loan Fund - provides low-interest loans to farmers and ranchers for: 1) rangeland improvement and management projects, 2) watershed protection and flood prevention projects, 3) cropland soil and water conservation projects, and 4) energy efficient farming.

Agriculture Capital Budget Summary

	Actual 1988-89	Authorized 1989-90	Governor's Recommendation 1990-91
Schedule of Programs:			
Agriculture Resource Development Loan Fund	<u>\$ 270,000</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Expenditures	\$270,000	\$ 0	\$ 0
Plan of Financing:			
Mineral Lease Fund	<u>\$ 270,000</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Revenue	\$270,000	\$ 0	\$ 0

COMMUNITY AND ECONOMIC DEVELOPMENT

Overview

Community Assistance Program - provides loans and grants to local government and state agencies to mitigate energy development impacts. Funding is provided by loan repayments, 32.5 percent of all mineral lease payments, and 70 percent of mineral bonus payments.

Critical Needs Housing - helps local governments and housing agencies meet critical housing needs of Utah citizens. Funding is from federal grants and state appropriations.

Recommendations

Governor Bangerter recommends an appropriation of \$20,450,700. This includes \$500,000 from the General Fund for critical needs housing.

**Community and Economic Development
Capital Budget Summary**

	Actual 1988-89	Authorized 1989-90	Governor's Recommendation 1990-91
Schedule of Programs:			
Community Assistance Program	\$ 11,444,000	\$ 18,619,500	\$ 19,490,200
Critical Needs Housing	648,400	969,300	960,500
Burr Trail Improvements	<u>2,000,000</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$14,092,400	\$19,588,800	\$20,450,700
Plan of Financing:			
General Fund	\$ 300,000	\$ 500,000	\$ 500,000
Federal Funds	228,500	466,500	460,500
Dedicated Credits	0	5,889,500	6,355,200
Mineral Lease Fund	19,373,800	12,730,000	13,135,000
Beginning Balance	22,700	2,800	0
Closing Non-lapsing Balance	(2,800)	0	0
Lapsing Balance	<u>(5,829,800)</u>	<u>0</u>	<u>0</u>
Total Revenue	\$14,092,400	\$19,588,800	\$20,450,700

NATURAL RESOURCES

Overview

Division of Parks and Recreation

Park Maintenance - provides facilities necessary to maintain and store equipment and supplies.

Development and Acquisition - provides funding for property acquisition.

Recreation Services - provides grants to local governments for park development.

Riverway Enhancement - provides matching and development funds for the Provo/Jordan River Parkway and other riverways.

Veterans Cemetery - provides state funding to supplement private contributions for the construction of this project.

Recommendations

Governor Bangerter recommends \$50,000 from the General Fund for FY 1990-91. The governor is also recommending supplemental appropriations of \$150,000 to fund the Veterans' Cemetery, \$1,288,300 for park infrastructure rehabilitation, and \$675,000 for park acquisition and development.

Division of Parks and Recreation Capital Budget Summary

	Actual 1988-89	Authorized 1989-90	Governor's Recommendation 1990-91
Schedule of Programs:			
Park Maintenance	\$ 407,300	\$ 621,800	\$ 200,000
Development and Acquisition	5,500	116,200	50,000
Land and Water Conservation	216,000	225,000	200,000
Riverway Enhancement	132,200	212,800	0
Veterans Cemetery	<u>0</u>	<u>704,600</u>	<u>0</u>
Total Expenditures	\$761,000	\$1,880,400	\$450,000
Plan of Financing:			
General Fund	\$ 79,600	\$ 48,000	\$ 50,000
Dedicated Credits	204,800	200,000	200,000
Federal Funds	225,700	900,000	200,000
Other Funds	(43,200)	0	0
Beginning Balance	1,026,500	732,400	0
Closing Non-lapsing Balance	<u>(732,400)</u>	<u>0</u>	<u>0</u>
Total Revenue	\$761,000	\$1,880,400	\$450,000

Division of Water Resources

Overview

Cities Water Loan Fund - offers funding to communities for the development or improvement of culinary water systems. Most projects funded address growth and immediate health needs.

Revolving Construction Fund - helps local irrigation companies develop new water sources or improve existing irrigation systems.

Conservation and Development Fund - disburses \$70 million in water bonds issued since 1978. Projects in this category are too large for the cities water loan or the revolving construction funds. State participation is in the form of low-interest loans to local culinary or irrigation water companies.

Recommendations

Governor Bangerter recommends \$9,966,200 for Water Development for FY 1990-91. To accelerate water development, the governor is recommending a supplemental appropriation of \$15 million for FY 1989-90. This appropriation will also fund repairs to Quail Creek Reservoir.

Water Resources Capital Budget Summary

	Actual 1988-89	Authorized 1989-90	Governor's Recommendation 1990-91
Schedule of Programs:			
Cities Water Loan Fund	\$ 1,237,000	\$ 4,900,000	\$ 2,440,300
Revolving Construction Fund	2,295,900	3,735,000	4,321,800
Conservation and Development	<u>7,562,400</u>	<u>14,946,200</u>	<u>3,204,100</u>
Total Expenditures	\$11,095,300	\$23,581,200	\$9,966,200
Plan of Financing:			
Dedicated Credits	\$ 8,058,100	\$ 7,886,600	\$ 7,781,300
Mineral Lease Fund	2,800,000	0	0
Reservoir Fund	58,600	50,000	50,000
Other Funds	1,100,000	1,371,500	0
Beginning Balance	15,486,600	16,408,000	2,134,900
Closing Non-lapsing Balance	<u>(16,408,000)</u>	<u>(2,134,900)</u>	<u>0</u>
Total Revenue	\$11,095,300	\$23,581,200	\$9,966,200

Division of Wildlife Resources

Overview

Law Enforcement - provides facilities for law enforcement personnel and equipment.

Information and Education - continues the construction and development of the Lee Kay Center for Hunter Education and other facilities. State funds are matched by federal grants.

Fisheries - acquires stream access for: 1) public fishing, 2) expansion of fish hatchery capacity, and 3) fish habitat acquisition. Funding comes from federal grants and the Wildlife Restricted Fund.

Game Management - obtains land ownership or easements for preservation of critical game habitat. Funding comes from federal grants and the Wildlife Restricted Fund.

Recommendations

Governor Bangerter recommends \$3,234,500 to fund wildlife capital projects.

**Wildlife Resources
Capital Budget Summary**

	Actual 1988-89	Authorized 1989-90	Governor's Recommendation 1990-91
Schedule of Programs:			
Law Enforcement	\$ 0	\$ 89,000	\$ 0
Information and Education	300,600	170,000	225,000
Fisheries	595,300	1,843,100	1,761,500
Game Management	1,449,300	1,500,300	1,248,000
Middle Fork Canyon	<u>2,019,300</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$4,364,500	\$3,602,400	\$3,234,500
 Plan of Financing:			
General Fund	\$ 1,082,300	\$ 0	\$ 0
Federal Funds	1,674,600	2,412,100	2,467,100
Dedicated Credits	196,100	75,000	75,000
Mineral Lease Fund	937,000	0	0
Wildlife Restricted Fund	318,800	781,400	692,400
Beginning Non-lapsing Balance	497,500	333,900	0
Closing Non-lapsing Funds	(333,900)	0	0
Lapsing Funds	<u>(7,900)</u>	<u>0</u>	<u>0</u>
Total Revenue	\$4,364,500	\$3,602,400	\$3,234,500

PUBLIC EDUCATION

Overview

Critical School Building Program - provides grants to assist school districts with existing debt requirements.

Recommendations

Governor Bangerter recommends \$6,458,000 for this program. The governor also recommends a supplemental appropriation of \$2,542,000 for FY 1989-90.

Public Education Capital Budget Summary

	Actual 1988-89	Authorized 1989-90	Governor's Recommendation 1990-91
Schedule of Programs:			
Critical Building Program	<u>\$ 6,458,000</u>	<u>\$ 6,458,000</u>	<u>\$ 6,458,000</u>
Total Expenditures	\$6,458,000	\$6,458,000	\$6,458,000
Plan of Financing			
Mineral Lease Fund	<u>\$ 6,458,000</u>	<u>\$ 6,458,000</u>	<u>\$ 6,458,000</u>
Total Revenue	\$6,458,000	\$6,458,000	\$6,458,000

STATE BUILDING PROGRAM

Overview

Capital Maintenance - provides for major alterations, repairs, or improvements of state-owned buildings. Maintenance of existing capital facilities is a major concern. Funding comes from agency operating budgets and the building board capital budget. Declining revenue has resulted in smaller operating budgets. This has caused the postponement of necessary maintenance. Continued failure to keep existing facilities serviceable will prove more costly over time.

Last year, the legislature funded an asbestos abatement program for state buildings. Work is currently underway on the State Office Building. With continued funding, work will extend to all other state buildings in need of asbestos abatement.

Capital Developments - fund new building construction and major changes to existing facilities.

Planning Funds - provide funding for project planning and design. Projects identified for planning will be considered for construction funds next year. This process results in improved cost estimates and better planning.

Recommendations

Governor Bangerter recommends \$14,772,500 to fund capital maintenance projects as recommended by the Building Board. To further strengthen the capital maintenance program, the governor is recommending a supplemental appropriation for FY 1989-90 of \$7,000,000. The governor is also recommending supplemental appropriations of \$200,000 for completion of the uranium mill tailings cleanup in Green River and \$1,396,300 to construct the Utah National Guard Armory in West Jordan.

Governor Bangerter recommends a \$60,000,000 bond to fund the construction program. He supports the Building Board's construction list, but reserves the right to change items or amounts on the list after further study. The following projects are recommended:

Salt Lake Community College Library	\$ 8,324,300
Adult Center for Deaf	3,359,100
State Hospital Psychiatric Unit	12,358,500
Salt Lake Juvenile Court	7,800,000
Utah Valley Community College Library	4,573,000
National Guard Armory Utah Valley South	500,000
University of Utah Language and Communications Bldg.	6,650,400
Schools for Deaf and Blind Consolidation	8,184,300
Southern Utah State College Science Center Renovation	5,735,900
Snow College Humanities and Arts Building	2,514,500

The bond will also include authorization funding the West Valley Highway by \$20 million if surplus funds are insufficient to fund that project.

The governor also recommends \$1,804,600 from the Transportation Fund to construct highway maintenance facilities.

Governor Bangerter recommends \$227,500 for planning future construction projects. The preliminary planning list includes:

Community Corrections Center North	\$ 27,500
College of Eastern Utah San Juan Center	10,000
Mechanical Systems Study	90,000
Underground Tanks Study	100,000

**State Building Program
Capital Budget Summary**

	Actual 1988-89	Authorized 1989-90	Governor's Recommendation 1990-91
Schedule of Programs:			
Capital Maintenance	\$ 25,400,000	\$ 10,305,800	\$ 14,772,500
Capital Development	37,391,900	53,026,200	61,804,600
Planning Funds	<u>255,000</u>	<u>694,200</u>	<u>227,500</u>
Total Expenditures	\$63,046,900	\$64,026,200	\$76,804,600
Plan of Financing:			
General Fund	\$ 51,443,400	\$ 11,000,000	\$ 15,000,000
Transportation Fund	3,053,300	1,579,600	1,804,600
Mineral Lease Fund	5,630,200	0	0
Restricted Funds	1,420,000	10,000	0
Other Funds	1,500,000	0	0
Bonding	<u>0</u>	<u>51,436,600</u>	<u>60,000,000</u>
Total Revenue	\$63,046,900	\$64,026,200	\$76,804,600

TRANSPORTATION

Overview

Federal Highway Construction - funds construction on the interstate system and other federally sponsored highways. Federal appropriations are matched by state and local funds.

State Construction - supports: 1) state highway traffic control, 2) construction, 3) device installation, and 4) preliminary engineering.

Highway Rehabilitation - funds state highway repair through a special tax on motor fuels.

Sidewalk Construction - funds correction of pedestrian hazards and other safety projects on state highways.

B and C Road Account - provides maintenance and construction funds to cities and counties for highways not under federal or state jurisdiction.

Special Districts - provide counties with funding for special highway projects.

Payment-in-Lieu-of Taxes - reimburses counties for taxes lost as a result of state land ownership. Funds are appropriated from the Mineral Lease Account and are shown here as revenue transfers.

Recommendation

Governor Bangerter recommends \$177,911,800 for the Department of Transportation capital budget. The governor also recommends a supplemental appropriation of \$20 million to fund the West Valley Highway.

Transportation Capital Budget Summary

	Actual 1988-89	Authorized 1989-90	Governor's Recommendation 1990-91
Schedule of Programs:			
Federal Construction	\$ 197,864,400	\$ 126,624,600	\$ 100,300,000
State Construction	7,176,700	24,496,100	4,586,000
Highway Rehabilitation	21,900,000	21,830,000	21,701,500
Sidewalk Construction	362,900	1,474,700	500,000
B and C Road Account	41,374,900	44,187,000	44,824,300
Special Districts	2,000,000	4,000,000	6,000,000
Clearing Account	<u>(181,600)</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$270,497,300	\$222,612,400	\$177,911,800
Plan of Financing:			
Transportation Fund	\$ 77,962,100	\$ 98,484,500	\$ 80,891,800
Dedicated Credits	3,596,600	2,100,000	2,100,000
Federal Funds	188,405,100	113,557,100	88,920,000
Mineral Lease Fund	5,033,900	4,584,900	7,562,600
Bonding	0	4,470,800	0
Beginning Non-lapsing Funds	837,600	0	0
Closing Non-lapsing Funds	(4,470,800)	0	0
Mineral Lease Transfer	(233,900)	(584,900)	(1,562,600)
Lapsing Funds	<u>(633,300)</u>	<u>0</u>	<u>0</u>
Total Revenue	\$270,497,300	\$222,612,400	\$177,911,800

DEBT SERVICE

Recommendations

Governor Bangerter recommends \$61,571,500 for debt service.

Debt Service Capital Budget Summary

	Actual 1988-89	Authorized 1989-90	Governor's Recommendation 1990-91
Schedule of Programs:			
Debt Service Payments	\$ 65,066,800	\$ 66,321,900	\$ 61,571,500
Total Expenditures	\$65,066,800	\$66,321,900	\$61,571,500
Plan of Financing:			
General Fund	\$ 59,147,000	\$ 59,943,100	\$ 60,666,500
Transportation Fund	4,000,000	0	0
Dedicated Credits	2,714,600	2,667,000	905,000
Other Funds	0	639,800	0
Beginning Non-lapsing Funds	2,277,200	3,072,000	0
Closing Non-lapsing Funds	<u>(3,072,000)</u>	<u>0</u>	<u>0</u>
Total Revenue	\$65,066,800	\$66,321,900	\$61,571,500



INTERNAL SERVICE FUNDS AND ENTERPRISE FUNDS

Overview

Internal service and enterprise funds are managed more like private sector operations than like typical government organizations. The same accounting structure is used for these funds as would be used for a private business.

Internal service funds allow state government to account for the financing of goods and services provided by one agency for other agencies on a cost-reimbursement basis. They do not generate a profit and are subject to the same administrative statutes (Budgetary Procedures Act, Procurement Act, and Personnel Management Act) as are the standard state government agencies.

Enterprise funds are maintained to account for operations of state agencies that provide goods and services to the general public and to private organizations. These agencies finance their operations through user charges and are allowed to generate a profit. Enterprise funds may be exempted from the above-mentioned statutes.

The Division of Finance must approve any internal service or enterprise program before it can be established as a separate fund. This authority was granted to the Division of Finance in the 1965 Funds Consolidation Act.

Direct funding for internal service fund services appears in individual agency budgets. Any change in rates has a direct impact on user agencies. The volume of services provided by a particular internal service fund is dependent on service levels requested by various state agencies.

House Bill 81, passed in the 1988 General Session of the legislature, required internal service fund agencies to have prior legislative approval for capital acquisitions and additional full-time equivalent (FTE) positions. The following tables show the approved funding levels for FY 1990 and the governor's recommendations for FY 1991.

FTEs represents the level of funding for full-time equivalent positions in each internal service fund.

Capital acquisitions represents the maximum dollar amount of equipment that may be acquired by internal service fund agencies.

Total Revenues is the amount that the internal service fund is expected to collect from agencies or divisions using its services.

Recommendations

The governor's internal service fund recommendation includes a total of \$158,755,100 estimated revenue for FY 1991, a 2.9 percent increase over FY 1990 estimated revenue. Employee Group Insurance accounts for 50.4 percent of FY 1991 internal service fund revenue. As part of the higher projected revenue, the governor recommends that two rates be increased. The Division of Telecommunications has requested an 8.0 percent rate

increase. The governor recommends a 6.0 percent increase. The state motor pool has requested an 11.0 percent rate increase. The governor recommends raising these rates by only 8.0 percent.

As part of the governor's recommendation, the following tables show Automated Geographic Reference combined with the Division of Data Processing for FY 1991. Consideration is underway for merging some of the Board of Education's data processing functions with the Division of Data Processing. Consequently, the total stated revenue, FTE count, and capital acquisitions for both the Board of Education's and Division of Data Processing's internal service funds may be overstated. The governor recommends these higher levels with the understanding that when a final decision is made, total revenues, capital acquisitions, and number of FTEs will be less for one of the agencies.

INTERNAL SERVICE FUNDS
Total Revenues

	Actual FY 86-87	Actual FY 87-88	Actual FY 88-89	Authorized FY 89-90	Recommended FY 90-91
Administrative Services					
Central Administration	321,800	383,000	439,000	284,200	302,500
Central Mailing	1,664,000	1,803,300	2,275,400	2,349,300	2,556,300
Central Printing	2,907,700	3,786,800	3,415,000	3,458,000	3,560,900
Central Stores	1,865,000	1,897,400	2,133,800	2,393,700	2,501,500
Telecommunications	6,095,300	5,954,500	7,447,200	8,000,300	9,057,000
Motor Pool	2,968,100	2,474,900	3,070,600	3,509,500	3,969,000
Facilities Management	6,391,600	6,572,500	7,060,800	8,448,800	8,660,800
Risk Management	3,882,400	12,563,400	12,653,800	13,824,900	13,538,100
Surplus Property	560,400	709,000	609,400	707,100	709,200
Data Processing Division	14,126,800	13,018,700	14,883,000	17,364,200	18,306,900
Board of Education					
Data Processing	3,722,100	3,430,900	3,630,200	4,203,800	4,311,400
Miscellaneous	765,400	772,500	850,800	711,500	910,100
Employee Group Insurance	39,492,900	50,597,300	72,475,000	79,202,200	80,000,000
Natural Resources					
Complex DP	239,900	244,800	235,300	218,300	302,400
HP DP	66,800	82,700	82,600	84,000	82,600
Motor Pool	1,896,200	1,871,800	1,825,000	1,706,200	1,816,000
Triad DP	237,400	197,500	188,900	197,500	198,900
Warehouse	735,200	741,700	722,700	741,700	804,500
Gov.-Geographic Reference	81,000	176,400	242,200	382,200	0
Agriculture DP	227,600	181,800	180,600	164,900	175,400
Tax - Heber M. Wells	942,900	1,077,800	922,900	179,400	179,400
Health DP	2,209,100	2,140,100	2,137,200	2,438,800	2,445,300
Corrections					
Data Processing	132,900	146,400	156,900	135,600	106,800
Corr. Ind.-Revolving Loan Fund	150,000	150,000	150,000	150,000	150,000
Social Services					
Administration Building	1,752,900	1,959,200	1,892,800	1,625,300	1,636,100
150 West	299,800	313,500	314,100	348,500	521,000
Data Processing	987,300	885,500	864,100	940,200	1,380,400
Field Facilities	1,314,400	1,253,700	507,800	202,100	233,200
Training School DP	108,300	129,100	293,800	294,200	350,000
TOTAL	96,145,200	115,516,200	141,660,900	154,266,400	158,765,700

INTERNAL SERVICE FUNDS
Capital Acquisitions

	Actual FY 86-87	Actual FY 87-88	Actual FY 88-89	Authorized FY 89-90	Recommended FY 90-91
Administrative Services					
Central Administration	2,400	15,600	0	12,000	101,700
Central Mailing	0	13,400	14,900	126,500	684,000
Central Printing	233,500	674,800	15,800	387,500	514,000
Central Stores	7,500	0	0	5,000	23,500
Telecommunications	1,376,700	4,505,700	3,446,900	5,053,500	6,777,000
Motor Pool	2,148,300	3,371,000	1,622,500	3,031,100	3,021,300
Facilities Management	51,000	50,800	58,300	159,500	101,300
Risk Management	0	14,300	1,300	0	0
Surplus Property	4,100	70,600	4,700	151,000	130,500
Data Processing Division	2,843,500	8,481,700	1,667,200	6,548,300	5,689,000
Board of Education					
Data Processing	212,700	557,900	0	416,200	663,500
Miscellaneous	9,000	40,100	21,100	13,000	11,600
Employee Group Insurance					
	0	479,900	123,600	182,500	202,000
Natural Resources					
Complex Data Processing	0	31,000	116,300	135,000	65,900
HP Data Processing	0	30,900	0	95,000	30,000
Motor Pool	1,235,100	821,200	953,900	1,125,000	1,288,000
Triad Data Processing	0	26,900	5,800	39,000	61,700
Warehouse	77,600	18,300	0	10,500	2,300
Gov.-Geographic Reference					
	159,200	202,600	6,100	99,400	0
Agriculture DP					
	22,000	15,900	26,800	13,500	86,000
TAX - Heber M. Wells					
	658,300	15,800	287,100	0	0
Health DP					
	11,600	45,000	7,500	246,800	184,800
Corrections					
Data Processing	0	64,800	0	20,100	80,000
Corr. Ind.-Revolving Loan Fund	0	0	0	0	0
Social Services					
Administration Building	92,000	196,100	4,300	55,000	56,000
150 West	27,600	9,200	10,400	203,400	550,000
Data Processing	6,000	5,100	0	30,000	60,000
Field Facilities	1,500	0	0	0	0
Training School DP	86,400	59,600	50,500	92,000	29,600
TOTALS	9,266,000	19,818,200	8,445,000	18,250,800	20,413,700

INTERNAL SERVICE FUNDS
FTEs

	Actual FY 86-87	Actual FY 87-88	Actual FY 88-89	Authorized FY 89-90	Recommended FY 90-91
Administrative Services					
Central Administration	10.00	10.00	12.00	6.00	6.00
Central Mailing	3.00	5.00	5.00	7.50	7.50
Central Printing	35.00	39.00	37.00	43.00	43.00
Central Stores	8.00	8.00	8.00	10.00	10.00
Telecommunications	27.00	27.00	30.00	31.00	37.50
Motor Pool	12.00	12.00	12.00	14.00	14.00
Facilities Management	50.50	46.00	49.00	61.00	61.00
Risk Management	6.00	7.00	7.00	7.00	8.00
Surplus Property	14.00	14.00	14.00	14.00	14.00
Data Processing Division	118.50	116.50	118.00	139.50	154.50
Board of Education					
Data Processing	51.00	51.00	51.00	51.00	51.00
Miscellaneous	8.50	8.50	8.50	8.50	9.25
Employee Group Insurance					
	34.00	55.00	66.50	69.50	69.50
Natural Resources					
Complex Data Processing	2.00	2.00	2.00	2.00	3.00
HP Data Processing	0.40	0.40	0.40	0.40	0.40
Motor Pool	3.00	2.00	2.00	2.00	2.00
Triad Data Processing	2.00	2.00	2.00	2.00	2.00
Warehouse	2.00	3.00	3.00	3.00	2.00
Gov.-Geographic Reference					
	7.62	10.00	10.00	8.00	0.00
Agriculture DP					
	2.00	2.00	2.00	2.00	2.00
Tax - Heber M. Wells					
	11.00	11.00	11.00	11.00	11.00
Health DP					
	40.75	36.32	39.30	40.00	40.00
Corrections					
Data Processing	1.00	1.00	1.00	1.00	1.00
Corr. Ind.-Revolving Loan Fund	0.00	0.00	0.00	0.00	0.00
Social Services					
Administration Building	6.00	6.00	4.00	5.00	5.00
150 West	4.00	4.00	4.00	5.00	5.00
Data Processing	24.00	24.00	24.00	23.00	32.00
Field Facilities	5.00	5.00	0.00	0.00	0.00
Training School DP	4.00	4.00	4.00	4.00	5.00
TOTAL	492.27	511.72	526.70	570.40	595.65

ENTERPRISE FUND OPERATIONS

REVENUES

EXPENDITURES

	Sale of Services	Interest Income	Gain/Loss Asset Sales	Other Sources	Total Revenues	Admin Costs	Depreciation	Other	Total Expenditures	Revenue Less Expenditures
Alcoholic Beverage Control										
Actual FY 88-89	65,100,000	0	(15,000)	0	65,085,000	7,975,000	501,000	40,625,000	49,101,000	15,984,000
Authorized FY 89-90	65,407,000	0	0	0	65,407,000	8,052,000	505,000	40,750,000	49,307,000	16,100,000
Recommended FY 90-91	65,723,000	0	0	0	65,723,000	8,266,000	507,000	40,750,000	49,523,000	16,200,000
Blind Industries										
Actual FY 88-89	644,300	0	0	80,000 *	724,300	496,200	14,900	406,400	917,500	(193,200)
Authorized FY 89-90	662,300	0	0	80,000 *	742,300	414,000	12,200	310,000	736,200	6,100
Recommended FY 90-91	811,200	0	0	80,000 *	891,200	483,600	15,000	392,600	891,200	0
Correctional Industries										
Actual FY 88-89	5,943,500	0	(7,600)	0	5,935,900	2,987,400	128,600	2,793,400	5,909,400	26,500
Authorized FY 89-90	6,600,000	0	0	0	6,600,000	3,201,700	111,000	3,100,000	6,412,700	187,300
Recommended FY 90-91	6,895,500	0	0	0	6,895,500	2,921,300	125,000	3,657,200	6,703,500	192,000
Housing Finance Agency										
Actual FY 88-89	0	96,624,400	0	98,000	96,722,400	4,145,700	25,300	86,834,500	91,005,500	5,716,900
Estimated FY 89-90	0	100,416,000	0	108,000	100,524,000	4,208,000	28,000	88,136,000	92,372,000	8,152,000
Estimated FY 90-91	0	104,500,000	0	119,000	104,619,000	4,271,000	30,000	89,459,000	93,760,000	10,859,000
Regents - Loan Purchase										
Actual FY 88-89	0	18,668,100	(693,500)	4,051,000	22,025,600	330,300	0	15,942,900	16,273,200	5,752,400
Estimated FY 89-90	0	21,845,000	0	2,855,000	24,700,000	455,000	0	18,020,000	18,475,000	6,225,000
Estimated FY 90-91	0	21,750,000	0	3,450,000	25,200,000	500,000	0	18,195,000	18,695,000	6,505,000
Regents - Assistance Authority										
Actual FY 88-89	0	646,000	0	2,707,700	3,353,700	792,900	0	1,597,200	2,390,100	963,600
Estimated FY 89-90	0	450,000	0	2,734,000	3,184,000	971,200	0	1,495,100	2,466,300	717,700
Estimated FY 90-91	0	450,000	0	2,734,000	3,184,000	971,200	0	1,495,100	2,466,300	717,700
Technology Finance Corp.										
Actual FY 88-89	14,500	195,500	0	1,500,000 *	1,710,000	165,300	5,200	1,195,200	1,365,700	344,300
Authorized FY 89-90	0	115,000	0	500,000 *	615,000	273,000	7,000	335,000	615,000	0
Recommended FY 90-91	0	142,000	0	500,000 *	642,000	305,000	7,000	330,000	642,000	0
Workers Compensation										
Estimated FY 88-89	62,572,000	14,733,000	0	0	77,305,000	6,064,000	0	64,409,000	70,473,000	6,832,000
Estimated FY 89-90	75,700,000	17,200,000	0	0	92,900,000	7,002,000	0	71,445,000	78,447,000	14,453,000
Estimated FY 90-91	90,000,000	20,400,000	0	0	110,400,000	8,320,000	0	82,800,000	91,120,000	19,280,000
TOTALS										
Actual FY 88-89	134,599,300	130,671,000	(701,100)	8,463,000	273,032,200	23,129,900	676,300	213,730,100	237,536,300	35,495,900
Auth./Estimated FY 89-90	148,834,200	140,026,000	0	6,277,000	295,137,200	24,860,500	668,000	223,673,700	249,202,200	45,935,000
Rec./Estimated FY 90-91	163,429,700	147,242,000	0	6,883,000	317,554,700	26,038,100	684,000	237,078,900	263,801,000	53,753,700

* State appropriation

**RECOMMENDED
SUPPLEMENTAL
APPROPRIATIONS**



STATE OF UTAH
Recommended Supplemental Appropriations

Item	General/ Uniform School Fund	Mineral Lease	Federal Funds	Other Funds	Total
Business, Labor, and Agriculture					
Agriculture					
1	0	0	0	35,700	35,700
2	15,100	0	85,700	0	100,800
3	4,500	0	4,500	0	9,000
4	250,000	0	0	0	250,000
Alcoholic Beverage Control					
5	0	0	0	50,000	50,000
6	0	0	0	70,000	70,000
7	0	0	0	30,000	30,000
Commerce					
8	25,000	0	0	0	25,000
9	50,000	0	0	0	50,000
10	35,200	0	0	0	35,200
11	(35,200)	0	0	0	(35,200)
12	19,800	0	0	0	19,800
13	350,000	0	0	0	350,000
14	270,000	0	0	0	270,000
15	28,600	0	0	0	28,600
16	25,000	0	0	0	25,000
	Subtotal BLA	0	90,200	185,700	1,313,900
Community and Economic Development					
DCED Reorganization					
17	592,000	0	0	0	592,000
18	(500,800)	0	0	0	(500,800)
19	(30,000)	0	0	0	(30,000)
20	(33,600)	0	0	0	(33,600)
21	(6,900)	0	0	0	(6,900)
22	(6,900)	0	0	0	(6,900)
23	(6,900)	0	0	0	(6,900)
24	(6,900)	0	0	0	(6,900)
International Tourism Promotion					
25	270,000	0	0	0	270,000
26	(270,000)	0	0	0	(270,000)
Sport Development Office					
27	(310,800)	0	0	0	(310,800)
28	310,800	0	0	0	310,800
Administration					
29	111,000	0	0	0	111,000
30	0	0	0	100,000	100,000
Community Development					
31	335,000	0	0	0	335,000
32	320,000	0	0	0	320,000
33	250,000	0	0	0	250,000
Fine Arts					
34	177,000	0	0	0	177,000
35	2,500,000	0	0	0	2,500,000
36	35,000	0	0	0	35,000
37	4,500	0	0	0	4,500
38	165,500	0	0	0	165,500
39	27,000	0	0	0	27,000
40	75,000	0	0	0	75,000
41	1,000,000	0	0	0	1,000,000
42	3,000,000	0	0	0	3,000,000
	Subtotal DCED	0	0	100,000	8,100,000

Item	General/ Uniform School Fund	Mineral Lease	Federal Funds	Other Funds	Total	
Corrections						
Department of Corrections						
43	Gunnison facility	4,000,000	0	0	0	4,000,000
44	Forensic services	(582,800)	0	0	0	(582,800)
Board of Pardons						
45	Secretary	22,200	0	0	0	22,200
46	Automated filing system	74,300	0	0	0	74,300
47	Relocation expenses	55,600	0	0	0	55,600
Youth Corrections						
48	Community alternatives	350,000	0	0	0	350,000
49	Security and communications equipment	50,000	0	0	0	50,000
	Subtotal Corrections	3,969,300	0	0	0	3,969,300
Courts						
Court Administration						
50	State telecommunications	60,000	0	0	0	60,000
51	Farmington District Court	150,000	0	0	0	150,000
52	Capital outlay	194,000	0	0	0	194,000
53	Statewide warrant system	48,000	0	0	0	48,000
54	Salt Lake Circuit Court--security	28,000	0	0	0	28,000
	Subtotal Courts	480,000	0	0	0	480,000
Elected Officials						
Attorney General						
55	Administration--capital outlay	30,000	0	0	0	30,000
56	Drug enforcement	45,000	0	0	0	45,000
57	Antitrust	0	0	0	81,700	81,700
58	Outside legal fees	75,000	0	0	0	75,000
59	Other priorities	1,000,000	0	0	0	1,000,000
Treasurer						
60	Treasury and investments	15,100	0	0	0	15,100
61	Unclaimed property	0	0	0	101,800	101,800
	Subtotal Elected Officials	1,165,100	0	0	183,500	1,348,600
General Government						
62	Tax Commission--operating budget	1,801,000	0	0	0	1,801,000
Administrative Services						
63	Finance--Extraditions	305,000	0	0	0	305,000
64	Vouchers Payable/Purchasing System	400,000	0	0	0	400,000
65	Finance--insurance reserve	3,000,000	0	0	0	3,000,000
66	Finance--intent language					
Human Resource Management						
67	Training room	16,100	0	0	0	16,100
68	Data processing equipment	48,900	0	0	0	48,900
69	Office furnishings	13,800	0	0	0	13,800
	Subtotal General Government	5,584,800	0	0	0	5,584,800
Health						
State Laboratory						
70	High pressure liquid chromatograph	80,000	0	0	0	80,000
71	Replacement of GCMS	200,000	0	0	0	200,000
72	Capital equipment	158,000	0	0	0	158,000
73	Atomic absorption equipment	100,000	0	0	0	100,000
74	Medical Examiner--capital equipment	75,500	0	0	0	75,500
Environmental Health Services						
75	Environmental permitting needs	577,000	0	0	0	577,000
76	Hazardous waste litigation	0	500,000	0	0	500,000
77	Replace funding in Haz. Sub. Mitigation Fund	0	500,000	0	0	500,000

Item	General/ Uniform School Fund	Mineral Lease	Federal Funds	Other Funds	Total
78	AMC/Ambient Air Monitoring equipment	400,000	0	0	400,000
	Medical Assistance				
79	Remove nursing home cap limitation	30,000	0	87,600	117,600
80	Savings due to overestimate of OBRA	(231,700)	0	(676,600)	(908,300)
81	Administration--Health Status Survey	222,600	0	0	222,600
82	Medicaid intent language				
	Subtotal Health	1,611,400	1,000,000	(589,000)	2,022,400
Higher Education					
83	University of Utah	5,636,700	0	0	5,636,700
84	Utah State University	3,611,800	0	0	3,611,800
85	Weber State College	1,275,200	0	0	1,275,200
86	Southern Utah State College	596,300	0	0	596,300
87	Snow College	397,600	0	0	397,600
88	Dixie College	435,500	0	0	435,500
89	College of Eastern Utah	558,900	0	0	558,900
90	Utah Valley Community College	612,600	0	0	612,600
91	Salt Lake Community College	697,200	0	0	697,200
92	Board of Regents	3,928,000	0	0	3,928,000
	Subtotal Higher Education	17,749,800	0	0	17,749,800
Natural Resources					
Parks and Recreation					
93	Great Salt Lake boating improvements	0	0	0	300,000
94	Park infrastructure rehabilitation	288,300	1,000,000	0	1,288,300
State Lands and Forestry					
95	Wildland fire suppression costs	1,200,000	0	0	1,200,000
96	Fire equipment/control	76,700	0	0	76,700
97	Bear River planning/feasibility studies	1,250,000	0	0	1,250,000
98	UGMS--plotter	35,000	0	0	35,000
99	Nonconsumptive wildlife program	500,000	0	0	500,000
100	Strawberry Reservoir treatment	0	0	0	220,000
101	Underground storage tanks	250,000	0	0	250,000
	Subtotal Natural Resources	3,600,000	1,000,000	0	5,120,000
Public Education					
102	Support full value of WPU	7,000,000	0	0	7,000,000
103	Asbestos abatement and other health testing	5,000,000	0	0	5,000,000
104	Textbooks	10,000,000	0	0	10,000,000
105	Technology implementation	15,000,000	0	0	15,000,000
106	Federal match funds	425,000	0	0	425,000
107	Science and mathematics enhancement	1,500,000	0	0	1,500,000
108	Evaluation and assessment	575,000	0	0	575,000
109	Media centers equipment	3,500,000	0	0	3,500,000
110	Custom Fit training	1,500,000	0	0	1,500,000
111	Critical school building aid	0	2,542,000	0	2,542,000
	Subtotal Public Education	44,500,000	2,542,000	0	47,042,000
Public Safety					
112	Highway Patrol FSLA overtime	75,000	0	0	75,000
113	Highway Patrol gasoline	190,000	0	0	190,000
114	Early retirement health insurance	187,500	0	0	187,500
115	Drivers License data automation completion	515,000	0	0	515,000
116	Drug war matching funds	100,000	0	0	100,000
	Subtotal Public Safety	1,067,500	0	0	1,067,500

Item	General/ Uniform School Fund	Mineral Lease	Federal Funds	Other Funds	Total	
Social Services						
Family Support Administration						
117	Savings from JOBS childcare match	(703,800)	0	0	(703,800)	
118	Recovery Services--computer system	1,339,300	0	0	1,339,300	
Mental Health						
119	Savings due to overestimate of OBRA	(186,600)	0	0	(186,600)	
120	State Hospital/Corrections switch	582,800	0	0	582,800	
121	Services to the Handicapped--savings due to overestimate of OBRA	(89,000)	0	0	(89,000)	
	Subtotal Social Services	942,700	0	0	942,700	
Transportation						
122	Early retirement health insurance increase	121,400	0	0	121,400	
123	Utility cost increase	148,600	0	0	148,600	
124	Motor carrier improvement	54,300	0	0	54,300	
125	Safety operations emergency overtime	50,000	0	0	50,000	
126	Traffic planning increase	200,000	0	0	200,000	
127	Traffic safety signal projects	35,000	0	0	35,000	
128	Material and research construction support	150,000	0	0	150,000	
129	Road maintenance requirements	530,100	0	0	530,100	
130	Microwave tower, miscellaneous buildings	60,000	0	0	60,000	
131	District mgt. preconstruction, District 1	50,000	0	0	50,000	
132	Construction mgt. support, District 1	100,000	0	161,000	261,000	
133	District construction engineers	60,400	0	0	60,400	
134	Maintenance planning civil engineer	55,500	0	0	55,500	
	Subtotal Transportation	1,615,300	0	161,000	1,776,300	
Capital Budget						
Div. of Facilities Construction and Management						
135	Utah National Guard Armory, West Jordan	1,396,300	0	0	1,396,300	
136	Uranium mill tailings	200,000	0	0	200,000	
137	Capital maintenance	7,000,000	0	0	7,000,000	
Health						
138	Water pollution control	2,500,000	0	0	2,500,000	
139	Safe water drinking projects	2,500,000	0	0	2,500,000	
Natural Resources						
140	Veterans' Cemetery Memorial Chapel	150,000	0	0	150,000	
141	Conservation and Development Fund	15,000,000	0	0	15,000,000	
142	Park development	675,000	0	0	675,000	
143	Wildlife residence renovation	75,000	0	0	75,000	
144	Transportation--West Valley Highway	20,000,000	0	0	20,000,000	
	Subtotal Capital Budget	49,496,300	0	0	49,421,300	
	TOTAL	140,820,200	4,542,000	(337,800)	989,200	145,938,600

SUPPLEMENTAL APPROPRIATIONS

Business, Labor, and Agriculture

Item

- 1 Agriculture - Brand Inspection--Renewal Needs - to renew approximately 30,000 livestock brands. Funding will come from the Brand Inspection Restricted Fund.
- 2 Agriculture - Pesticide--Enforcement Costs - to Agricultural Inspection for state certification and enforcement program to coincide with the Federal Insecticide, Fungicide, and Rodenticide Act. Funding will come primarily from federal funds.
- 3 Agriculture - Meat Inspection--Veterinarian - to hire a new veterinarian to service new and expanding meat packing plants.
- 4 Agriculture - Insect Infestation--Gypsy Moth Extermination - to prevent the spread of Gypsy Moths in Salt Lake, Davis, and Utah counties. It is recommended that this appropriation be non-lapsing.
- 5 Alcoholic Beverage Control - Accounting Package - to acquire an automated accounting system. This was funded last year but the fiscal year ended and the appropriation lapsed before the system could be acquired.
- 6 Alcoholic Beverage Control - Truck - to purchase a new ten-wheel delivery truck to replace the 1979 model which incurs excessive maintenance costs and is restricted in use to the immediate vicinity.
- 7 Alcoholic Beverage Control - Forklift - to purchase a new forklift. Current equipment is twenty years old and is unreliable.
- 8 Commerce - Securities--Data Processing Hardware - to upgrade data processing equipment in the Securities Division.
- 9 Commerce - Consumer Education - to develop and conduct consumer education services.
- 10 - 11 Commerce - Consumer Services--Legal Assistant Transfer - to transfer funding for a legal assistant from the Professional and Technical account to the Consumer Services operations account.
- 12 Commerce - Consumer Services--Computer Equipment - to fund data processing hardware and software equipment.
- 13 Commerce - Consumer Services P and T--Rate Cases - to fund professional and technical services needed for the Utah Power and Light, Mountain Fuel, and Arizona Public Service rate cases. The appropriation will comprise funding for both FY 1989-90 and FY 1990-91. It is recommended that this appropriation be non-lapsing.

- 14 Industrial Commission--Computer - to fund a new computer system and implementation costs. It is recommended that this appropriation be non-lapsing.
- 15 Insurance--Office Machines - to fund a copier, a printer, and other office equipment.
- 16 Public Service Commission--Local area network (LAN) - to fund a local area network for the department.

Community and Economic Development

- 17 - 24 DCED Reorganization - to the Office of Administration from seven other divisions for centralizing and improving support functions.
- 25 - 26 International Tourism Promotion - to the Division of Travel Development from the Division of Business and Economic Development for consolidation of travel promotion programs.
- 27-28 Sports Development Office--Transfer - to the Office of Administration from the Division of Business and Economic Development for consolidation of sports promotion programs. It is recommended that this appropriation be non-lapsing.
- 29 Administration--Administration Support - to fund support staff, moving costs, computer equipment, and communications equipment.
- 30 Administration - Utah Sports Authority - to fund operating costs. It is recommended that Olympic facilities approved by the Utah Sports Authority and authorized by the legislature be funded from available sales tax revenue collected in the Utah Sports Authority Restricted Fund. If resources in the restricted fund are temporarily depleted during the construction period, the Director of Finance is authorized to transfer funds from other state funds as needed. As funds in the Utah Sports Authority Restricted Fund become available, the amount transferred must be returned. At no time will the amount transferred exceed estimated future revenues of the Utah Sports Authority Restricted Fund. Unexpended funds will earn interest for the benefit of the restricted fund.
- 31 Community Development--Bicentennial Arts Complex - to fund the inter-governmental agreement with Salt Lake City and Salt Lake County.
- 32 Community Development--Hogle and Willow Park Zoos - to fund operating deficits at these facilities.
- 33 Community Development--Homeless Trust Fund - to provide funds to match collections from the state income tax check-off program for the homeless.
- 34 Fine Arts--Union Pacific Depot - to operate and maintain this newly acquired state facility.

- 35 Fine Arts--Arts Endowment - to provide matching funds to stabilize operating revenues for qualifying performing arts organizations. It is recommended that this appropriation be non-lapsing.
- 36 State Library--Library Vehicles - to fund two automobile leases and upgrade one bookmobile.
- 37 Black Affairs--Equipment - to fund computer equipment needed to improve community outreach efforts.
- 38 Business and Economic Development--Equipment - to fund equipment, computers, and promotional material.
- 39 State History--Equipment - to fund computer upgrades.
- 40 Travel Development--Postage and Equipment - to provide for increased mailing and operations support.
- 41 Job Training--Single Head of Household - to provide training and support services to increase self-sufficiency of low income parents. It is recommended that this appropriation be non-lapsing.
- 42 Technology Finance Corporation--Technology Finance - to fund start-up financing of promising technology-based companies.

Corrections

- 43 Corrections--Institutional Operations - to provide funding for start-up costs of the regional prison in Gunnison. It is recommended that funds appropriated to the Department of Corrections for FY 1990 be non-lapsing. It is also recommended that in order to facilitate the opening of the Gunnison Prison, the department may request work program adjustments for FY 1990 to move funds between line items. Such adjustments must be submitted with supporting information to the Legislative Fiscal Analyst for review and to the Office of Planning and Budget, the Governor's Office, and the Division of Finance for approval.
- 44 Department of Corrections -Forensic Services - to adjust for the fiscal impacts of Senate Bill 57 (State Hospital Amendments, 1989 General Session) based upon more recent estimates.
- 45 Board of Pardons--Secretary - to hire a secretary to assist in reducing the backlog of cases at the Board of Pardons.
- 46 Board of Pardons--Automated Filing System - to automate the filing system of the Board of Pardons.
- 47 Board of Pardons--Relocation Expenses - to fund relocation expenses.
- 48 Social Services - Youth Corrections--Community Alternatives - to fund increased caseloads associated with community alternative programs.

- 49 Social Services - Youth Corrections--Security and Communications Equipment - to upgrade security and communications equipment.
- Courts**
- 50 Court Administration - Judicial Council--State Telecommunications - to fund increased costs associated with state telecommunications.
- 51 Court Administration - Judicial Council--Farmington District Court - to fund the state's share of furnishing the new District Court building in Davis County.
- 52 Court Administration - Judicial Council--Capital Outlay - to fund one-time capital outlay needs in the various courts.
- 53 Court Administration - Judicial Council--State Warrant System - to fund computer equipment necessary for the Justice of the Peace Courts to participate in the statewide warrant system, which is to be implemented in January 1990. It is recommended that these moneys be expended only upon agreement between officials representing the Court Administrator, the Bureau of Criminal Identification, and the Commission on Criminal and Juvenile Justice.
- 54 Court Administration - Judicial Council--Security - to pay for increased security at the Salt Lake Circuit Court.

Elected Officials

- 55 Attorney General - Administration--Capital Outlay - to fund one-time capital outlay needs associated with the relocation of one legal division from the State Capitol to the State Office Building.
- 56 Attorney General--Drug Enforcement - to offset the loss of a federal drug prosecution grant which expires March 31, 1990.
- 57 Attorney General--Antitrust - to increase the amount available for litigation of antitrust cases.
- 58 Attorney General--Outside Legal Fees - to pay for litigation costs associated with capital appeals.
- 59 Attorney General - to provide additional funds for priorities established by the Attorney General. It is recommended that this appropriation be non-lapsing.
- 60 Treasurer--Treasury and Investments - to fund furniture and computer equipment to replace similar items which will be returned to the Unclaimed Property Division when it is relocated from Capitol Hill.
- 61 Treasurer - Unclaimed Property - to fund additional personnel and new space needed for the Unclaimed Property Division's unprecedented growth. Funding will come from the Unclaimed Property Trust Fund.

General Government

- 62 Tax Commission--Operating Budget - to provide funds for continuation of operations at established levels.
- 63 Administrative Services - Finance--Extraditions - to pay for increased costs of extraditing prisoners and parole violators into the state.
- 64 Administrative Services - Finance--Vouchers Payable/Purchasing System - to complete implementation of the Vouchers Payable/Purchasing System for better fiscal control over state expenditures and to give state managers useful purchasing information.
- 65 Administrative Services - Finance--Insurance Reserve - to fund a deficit in insurance reserves.
- 66 Finance Intent Language - It is recommended that the Division of Finance be allowed to spend up to \$3,000,000 to cover increased retirement benefits as authorized by the legislature to offset taxing retired state employees.
- 67 Human Resource Management--Training Room - to provide a training classroom in the State Office Building.
- 68 Human Resource Management--Data Processing Equipment - to expedite the upgrade and standardization of Human Resource Management work stations.
- 69 Human Resource Management--Office Furnishings - to acquire the necessary office furnishings to accommodate the move to the sixth floor of the State Office Building in January, 1990 and eventually to the second floor in connection with the asbestos abatement activity.

Health

- 70 State Laboratory--High Pressure Liquid Chromatograph - to fund equipment capable of assessing all of the regulated contaminants in drinking water mandated by the Safe Drinking Water Act.
- 71 State Laboratory--Replacement of GCMS - to replace the old machine with a new one which will be used to identify and determine levels of organic compounds.
- 72 State Laboratory--Capital Equipment - to replace and update instrumentation in several areas to assure continued service or better productivity to users, primarily state and local environmental health programs.
- 73 State Laboratory--Atomic Absorption Equipment - to replace the piece of equipment used to analyze environmental samples for trace levels of toxic metals.
- 74 Medical Examiner--Capital Equipment - to fund equipment for the new Medical Examiner building. This equipment was not included in the projected cost of the new facilities. It is recommended that this funding be non-lapsing.

- 75 Environmental Health Services--Environmental Permitting Needs - to remove the current backlog of environmental permit applications and to process these applications in a timely manner.
- 76 Environmental Health Services--Hazardous Waste Litigation - to provide the necessary legal support to appropriately influence and resolve superfund cases. It is recommended that this appropriation, along with the \$500,000 appropriated in the September Special Session, be non-lapsing.
- 77 Environmental Health Services--Replace Funding in Hazardous Substances Mitigation Fund - to replace \$500,000 taken from this fund for hazardous waste litigation during the legislature's September 1989 Special Session.
- 78 Environmental Health Services--AMC/Ambient Air Monitoring Equipment - to upgrade and expand the state's aging air monitoring equipment. It is recommended that this appropriation be non-lapsing.
- 79 Medical Assistance--Remove Nursing Home Cap Limitation - to allow the Medicaid qualifying income limit for services in nursing homes to increase to the fiscal year 1988 level. The state chose to lower the limit for FY 1989 in order to meet budget constraints.
- 80 Medical Assistance--Savings Due to Overestimate of OBRA - to reduce this budget by the amount of funding overestimated to cover the federal mandates required by the Omnibus Budget Reconciliation Act (OBRA) of 1987.
- 81 Administration--Health Status Survey - to fund a comprehensive, statewide assessment of the health condition of Utah's residents. A similar study was done in 1986 and it was intended at that time to repeat the survey every five years.
- 82 Medicaid Intent Language - It is recommended that the FY 1989 deficit created in the Medicaid line item when the state auditor modified the method used to calculate total liability be offset, first against available funds in the line item at June 30, 1990 and second against any surplus in the General Fund at June 30, 1990. If necessary, the line item at June 30, 1990 may also be handled in the same manner.

Higher Education

- 83-92 Items 83 through 92 - to provide the institutions of higher education with funding for: 1) library acquisitions, storage, and equipment, \$4,319,800; 2) library automation, \$2,672,900; 3) state funds to be matched by student contributions for library acquisitions, \$1,000,000; 4) instructional and computing equipment for the Technology Partnership, \$4,970,700; building maintenance and repairs, \$2,086,400; 5) self insurance reserve fund, \$950,000; and 6) Eccles Broadcast Center (KUED) equipment, \$1,750,000.

Natural Resources

- 93 Parks and Recreation--Great Salt Lake Boating Improvements - to fund improvements to the Great Salt Lake Marina from the Restricted Boating Account.
- 94 Parks and Recreation--Park Infrastructure Rehabilitation - to fund repairs and improvements to existing state parks. It is recommended that these funds be non-lapsing.
- 95 State Lands and Forestry--Wildland Fire Suppression Costs - to fund wildland fire suppression costs on state-owned land and to reimburse counties for costs incurred in suppressing fires in 1989.
- 96 State Lands and Forestry--Fire Equipment/Control - to fund fire control and suppression equipment. It is recommended that these funds be non-lapsing.
- 97 Bear River Planning/Feasibility Studies - to continue water development studies for the Lower Bear River Basin. It is recommended that these funds be non-lapsing.
- 98 Utah Geological and Mineral Survey--Plotter - to purchase a PG-2 plotter to enhance accuracy of UGMS maps. It is recommended that these funds be non-lapsing.
- 99 Non-consumptive Wildlife Program - to promote the non-consumptive use of Utah's wildlife. It is recommended that these funds be non-lapsing.
- 100 Strawberry Reservoir Treatment - to fund the purchase of chemicals necessary to treat Strawberry Reservoir with funds from the Wildlife Resources Restricted Account. It is recommended that these funds be non-lapsing.
- 101 Underground Storage Tanks - to replace and monitor underground gasoline storage tanks. It is recommended that these funds be non-lapsing.

Public Education

- 102 Support Full Value of Weighted Pupil Unit (WPU) - to support full value of the WPU in the Minimum School Plan. This will restore shortfalls in social security, retirement, and the professional staff formulas.
- 103 Asbestos Abatement and Other Health Testing - to assist school districts in controlling their asbestos problems and to alleviate other environmental hazards.
- 104 Textbooks - to provide adequate textbooks for all school children.
- 105 Technology Implementation - to make up-to-date technology available in all public schools. This will be accomplished in partnership with business and industry.

- 106 Federal Match Funds - to provide funds which will enable the Utah State Office of Rehabilitation to match available federal funds.
- 107 Science and Mathematics Enhancement - to promote excellence in science and mathematics within the public school system. It is recommended that these funds be appropriated to the State Science Advisor and be non-lapsing.
- 108 Evaluation and Assessment - to provide for increased accountability in public education.
- 109 Media Centers Equipment - to upgrade school media centers and libraries.
- 110 Custom Fit Training - to provide additional resources for the Critical Industry Revolving Fund.
- 111 Critical School Building Aid - to supplement the school building aid program.

Public Safety

- 112 Highway Patrol--FSLA Overtime - to compensate the Utah Highway Patrol for overtime.
- 113 Highway Patrol--Gasoline - to fund the current level of fuel usage at 80 cents per gallon.
- 114 Early Retirement Health Insurance - to fund health insurance increases for retired personnel.
- 115 Driver License--Data Automation Completion - to complete the automated system by installing a VAX 6000-440 computer. It is recommended that this appropriation be non-lapsing.
- 116 Drug War Matching Funds - to fund money needed to match federal funds for additional task force interdiction efforts. It is recommended that this appropriation be non-lapsing.

Social Services

- 117 Family Support Administration--Savings from JOBS Childcare Match - to reduce this budget by the amount of funding overestimated to meet the state's match for the childcare component of the federally mandated JOBS program.
- 118 Recovery Services--Computer System - to complete replacement of the aging and outmoded computer system in the Office of Recovery Services. It is recommended that this appropriation be non-lapsing.
- 119 Mental Health--Savings Due to Overestimate of OBRA - to reduce this budget by the amount of funding overestimated to cover the federal mandates required by the Omnibus Budget Reconciliation Act (OBRA) of 1987.

- 120 Mental Health--State Hospital/Corrections Switch - to adjust for the fiscal impacts of Senate Bill 57 (State Hospital Amendments, 1989 General Session) based upon more recent estimates.
- 121 Services to the Handicapped--Savings Due to Overestimate of OBRA - to reduce this budget by the amount of General Fund overestimated to cover the federal mandates required by the Omnibus Budget Reconciliation Act (OBRA) of 1987.

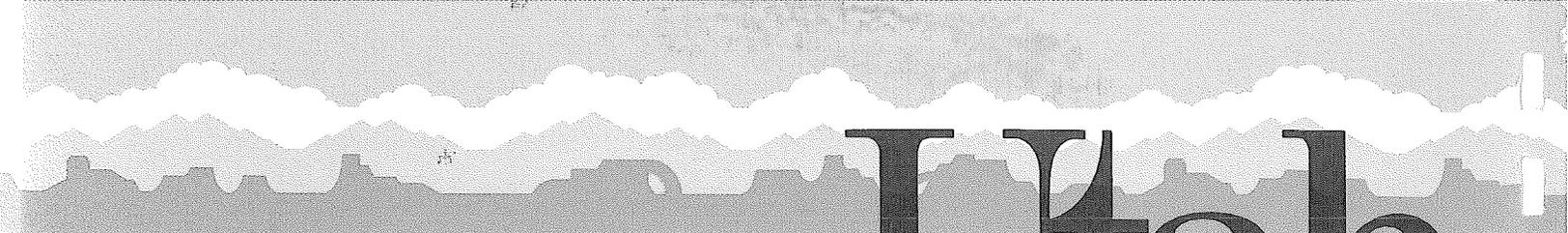
Transportation

- 122 Early Retirement Health Insurance Increase - to pay increased health insurance premiums for retired personnel.
- 123 Utility Cost Increase - to fund increased usage and cost of postage, communications, water, and electricity.
- 124 Motor Carrier Improvement - to fund 3 FTEs to conduct safety inspection for buses and trucks.
- 125 Safety Operations Emergency Overtime - to fund emergency response and repair to hazardous road signal and signage situations.
- 126 Traffic Planning Increase - to plan and produce traffic studies, environmental impact studies, and design study reports.
- 127 Traffic Safety Signal Projects - to plan and design signal and sign projects for roadways and intersections.
- 128 Material and Research Construction Support - to provide for increased drilling, geological investigation, and testing in landslide and unstable areas.
- 129 Road Maintenance Requirements - to fund snow removal and maintenance requirements for recently constructed highways.
- 130 Microwave Tower, Miscellaneous Buildings - to construct a microwave tower at District 1 and a small building at a stockpile site.
- 131 District Management - Preconstruction, District 1 - to fund increased inspections, equipment rental, data processing costs, and overtime for district management.
- 132 Construction Management Support, District 1 - to support construction efforts with increased testing, grading, and inspections.
- 133 District Construction Engineers - to provide additional engineering support for construction crews in Districts 4 and 5 and for oversight of district government coordination.
- 134 Maintenance Planning Civil Engineer - to fund required staff to regulate gasoline storage tanks and to fund replacement of leaky storage tanks.

Capital Budget

- 135 Division of Facilities Construction and Management--Utah National Guard Armory, West Jordan - to fund the state's share of armory construction.
- 136 Division of Facilities Construction and Management--Uranium Mill Tailings - to complete funding for stabilization of uranium mill tailings near Green River.
- 137 Division of Facilities Construction and Management--Capital Maintenance - to fund building improvement projects.
- 138 Health - Water Pollution Control Projects - to fund water pollution control projects.
- 139 Health - Safe Drinking Water Committee - to fund water quality improvement projects.
- 140 Division of Facilities Construction and Management--Veterans' Cemetery - to fund construction of the veterans' cemetery chapel.
- 141 Division of Water Resources--Conservation and Development Fund - to fund water projects including repairs to the Quail Creek dike.
- 142 Division of State Parks--Park Development - to fund park development projects.
- 143 Division of Wildlife Resources--Residence Renovation - to fund the renovation of the Logan Experimental Station. It is recommended that this appropriation be non-lapsing.
- 144 Department of Transportation--West Valley Highway - to fund construction of West Valley Highway. Should surplus funds be unavailable for this project, the 1990 bond will include language authorizing funding from bond proceeds.





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