

State of Utah

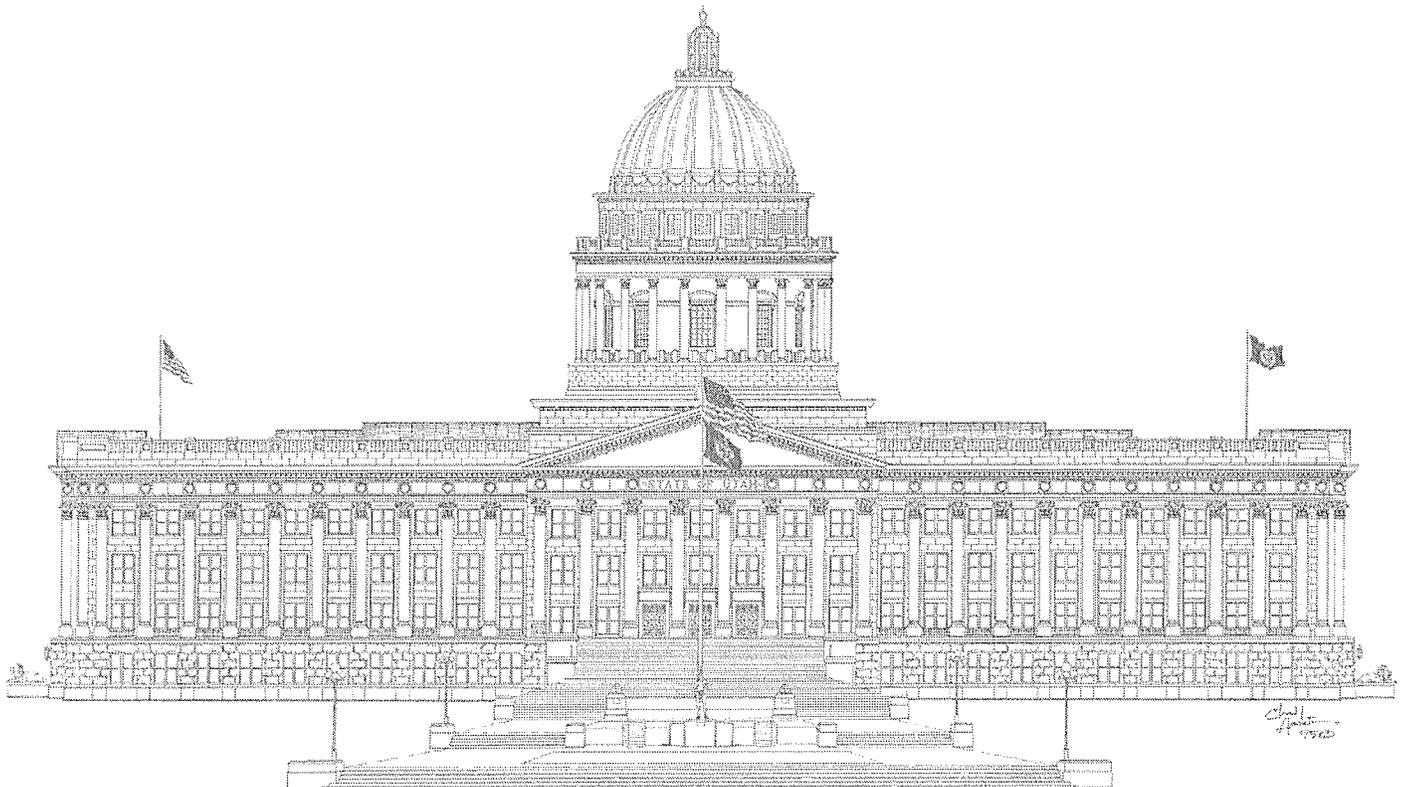
Governor Michael D. Leavitt

December 1996

Budget Recommendations

Fiscal Year 1998

Fiscal Year 1997 Supplementals



The Utah State Capitol

100 Years of Statehood 1896-1996

Artwork by Chad Hawkins' Art L.L.C.

www.gvno.state.ut.us/budget/98budget

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VISION STATEMENT FOR UTAH

We, the people of Utah, stand at the edge of a new frontier. In a world of rapid economic, social, environmental, and technological change, we confront bold challenges and rich opportunities.

Building upon our diverse cultures, our pioneering spirit, and our belief in the inherent worth of every person, we seek to:

NURTURE *a tolerant, just, and compassionate society that honors integrity, values, strong families, welcomes diversity, and promotes positive moral values.*

EDUCATE *our citizens by providing an environment that supports life-long learning and occupational skills and that enables Utahns of all ages to reach their potential as productive and responsible individuals.*

BUILD *a statewide economy and infrastructure that supports a broad spectrum of opportunity for all citizens while advancing the standard of living and maintaining a high quality of life.*

ENHANCE *our local and global environment through prudent development, conservation, and preservation of our natural resources while protecting public health, and preserve our sustainable food and fiber resources.*

PROMOTE *personal well-being by encouraging healthy lifestyles and disease prevention, and by supporting access to quality health care at an affordable cost for all Utahns.*

UNDERSTAND *our diverse human heritage, nurture and protect Utah's cultural resources, and create opportunities for cultural education and expression.*

ENCOURAGE *self-sufficiency while helping those with special needs to lead productive, fulfilling lives.*

PROTECT *our society by supporting a justice system that allows Utahns to enjoy a quality lifestyle consistent with the rights and liberties guaranteed under the United States and Utah Constitutions.*

ASSURE *open, just, and accountable government.*

STRENGTHEN *our free enterprise system while providing a reasonable regulatory environment that protects our citizens.*

PREPARE *ourselves, our state, and our children for the challenges of tomorrow, today.*

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the State of Utah for its annual budget for the fiscal year beginning July 1, 1996. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

TABLE OF CONTENTS

◆ Vision Statement for Utah	iii
◆ Governor's Letter	vii
◆ Governor's Budget Overview	1
Utah Economic and Revenue Forecasts	9
Summary Tables	
Table 1 State Fiscal Plan - General and Uniform School Funds	15
Table 2 State Fiscal Plan - General Fund	16
Table 3 State Fiscal Plan - Uniform School Fund	17
Table 4 Revenue Collections and Estimates	18
Table 5 Mineral Lease Funds	19
Table 6 Summary of Recommendations by Department - General and Uniform School Funds	20
Table 7 Summary of Recommendations by Department - All Sources of Funding	22
Table 8 Summary Plan of Financing by Department and Sources of Funding	24
Table 9 Summary of FY 1998 Adjustments by Department	26
Table 10 Summary of FY 1997 Supplementals by Department	27
Basis of Budgeting	29
The Budget Process	30
◆ Capital Budget — Summary and Bonding	
User Guide	34
Overview	35
Recommendations	36
General Obligation Bond Recommendation	37
Capital Budget - All Sources of Funding	38
Debt Service	39
◆ Departments	
User Guides	43
State of Utah Organization Chart	45
Administrative Services	46
Commerce and Revenue	56
Corrections (Adult and Youth)	64
Courts	72
Economic Development and Human Resources	78
Elected Officials	88

Environmental Quality	94
Health	102
Higher Education	110
Human Services	118
Legislature	126
National Guard	130
Natural Resources	134
Public Education	146
Minimum School Program	150
Public Safety	156
Transportation	164
Other	174
◆ Internal Service and Enterprise Funds	
User Guide	180
Internal Service and Enterprise Funds	181
Internal Service Funds - Total Revenue	182
Internal Service Funds - Capital Acquisitions	183
Internal Service Funds - Positions	184
Enterprise Fund Operations	185
◆ One-Time Projects from Nonlapsing Funds	188
◆ Glossary of Terms and Acronyms	193



MICHAEL O. LEAVITT
GOVERNOR

STATE OF UTAH
OFFICE OF THE GOVERNOR
SALT LAKE CITY
84114-0601

OLENE S. WALKER
LIEUTENANT GOVERNOR

December 12, 1996

My Fellow Utahns:

Utah could not be better poised to move forward into the 21st century. Our economy is stable and strong, our education system produces students with test scores above national averages, our business climate has been ranked as the best in the country, and our people are willing to work together to manage our continued growth while protecting our quality of life.

For Utah's future success, we must build upon our solid foundation. Our current steady growth in tax revenues will support building the components of a successful future.

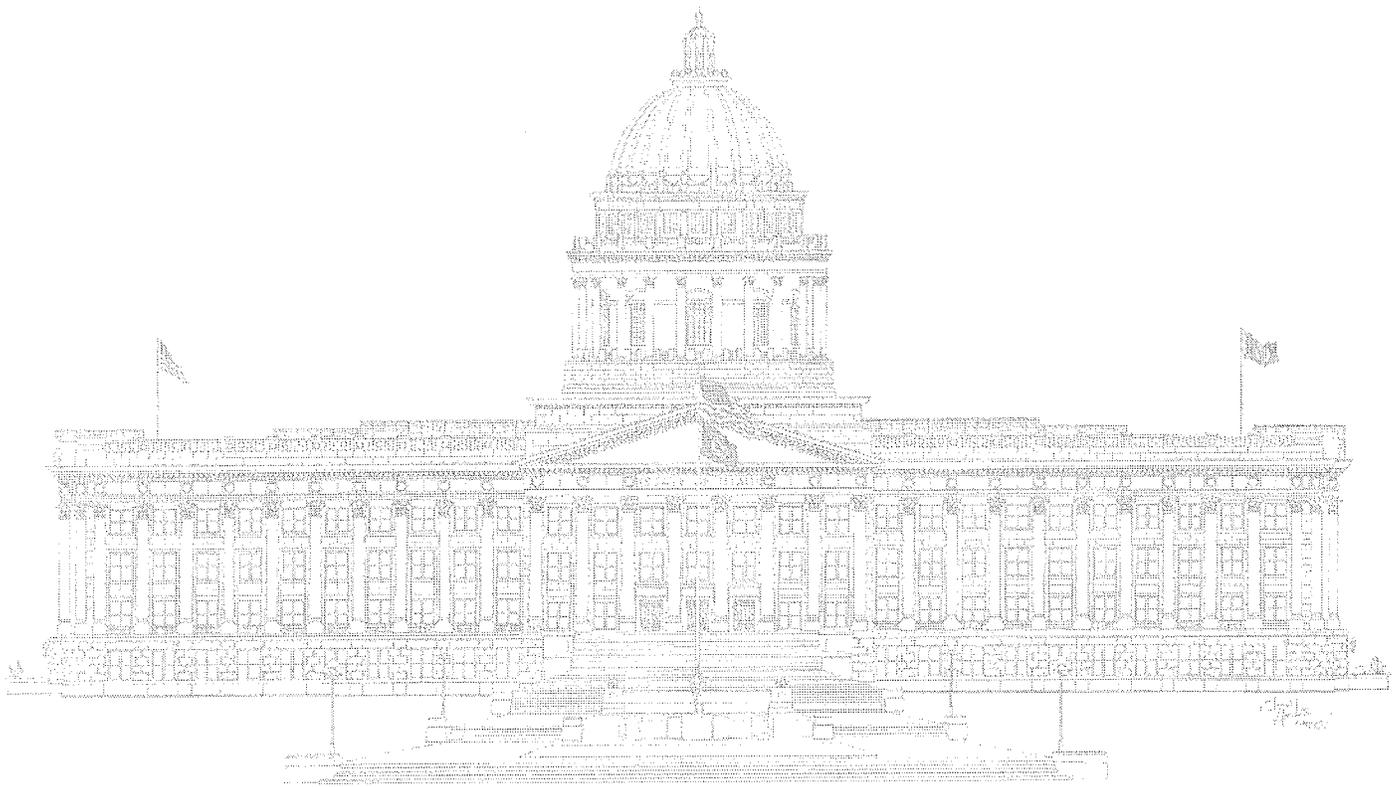
The recommendations in this budget:

- strengthen education,
- control government growth,
- support modernizing our roads,
- redirect welfare into a job placement focused system,
- continue efforts to protect children from abuse and neglect, and
- fight crime with 1,208 new corrections beds and other capacity.

I invite you to join with me in finding solutions to the challenges we face as we enter the 21st century.

Sincerely,

Michael O. Leavitt
Governor



■ GOVERNOR'S BUDGET OVERVIEW

FY 1998 OUTLOOK

Despite continued strong economic growth, Utah faces a challenging budget year. Last year, the Utah Legislature had over a half billion dollars of new money to budget. In this budget cycle, less than half that amount will be available.

There are three reasons the state has less revenue available than it has had in the past: 1) diverting or "earmarking" of revenue for specific projects, 2) tax cuts, and 3) changes in budget practice.

Earmarking Revenue

In anticipation of continued economic expansion, and in an effort to limit the growth of government, the legislature passed a measure in 1996 that will divert, beginning in FY 1998, about \$36 million in sales tax revenue to water development and local road projects. Figure 1 shows how House Bill 393, *Sales Tax for Infrastructure*, dedicates and distributes 1/8 percent of sales tax collections to water and road projects.

Tax Cuts

Past tax cuts have significantly reduced the amount of funding available for the FY 1998 budget. For three years in a row, taxes were cut. In 1996, the third year, the legislature reduced both income and property taxes. The cuts reduce FY 1998 available funding by more than \$85 million.

The 1995 legislature exempted manufacturing equipment from sales tax. The exemption was phased in over three years. Beginning in FY 1997, 30 percent of the exemption was allowed. For this budget year, the exemption is 60 percent. And in FY 1999, 100 percent of the exemption will be in effect. For FY 1997, the exemption reduces sales tax revenue by nearly \$9 million, and for FY 1998 by \$17.4 million.

Changes in Budget Practice

In past years, the state adopted a number of strategies to protect against unexpected shortfalls in revenue and to restrain growth in government. One such strategy was to use money from ongoing funding sources for one-time expenditures. Another was to adopt a budget which reflected the low end of the range of revenue estimates. Using the low end assured a higher year-end surplus.

Last year, these budget practices were modified. First, one-time funding was used to meet ongoing education and human service needs. The use of one-time funds for ongoing programs was done with the expectation that the FY 1998 economy would remain strong and provide the necessary ongoing funds to continue the programs. Second, the adopted budget reflected the high end of the revenue estimates. Using the high end prevented a large year-end surplus.

For FY 1998, Governor Leavitt recommends replacing \$55 million in one-time funding with ongoing revenue. His recommendation protects important

education and human service programs. As a result, there is less money available for new programs and enhancements.

The second change in budget practices reduces the size of this year's surplus. Last year, more than \$225 million in one-time surplus money were added to the budget. This year, because revenue estimates are closer to actual receipts, the one-time surplus is only \$24.4 million.

Summary

Past action reduced the amount of available funding for this budget cycle. The earmarking of sales tax for water projects and local roads reduces funding available for other programs by

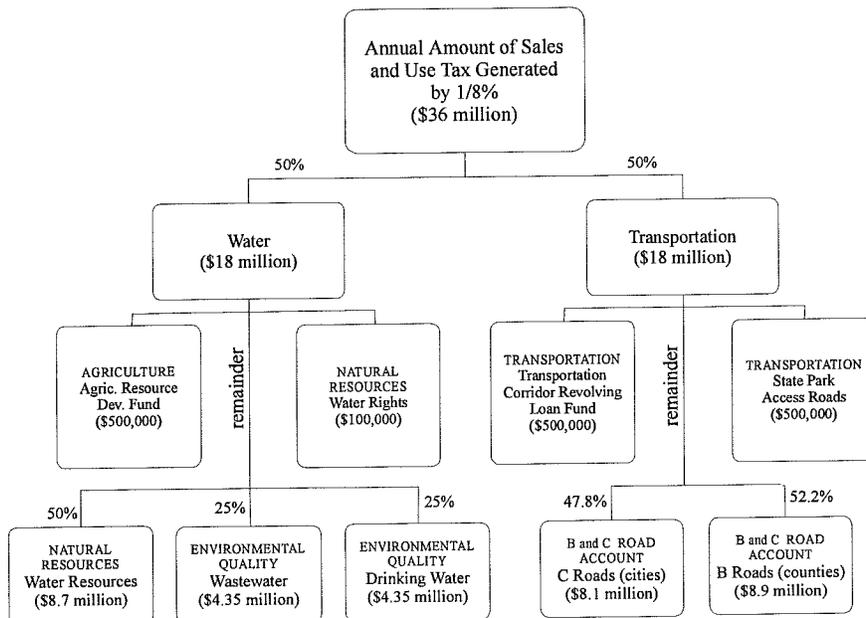
about \$36 million. Fully implemented tax cuts and the second phase of an incremental tax cut eliminate another \$111.4 million. The need to replace one-time money with ongoing funds requires \$55 million.

For this budget cycle, \$202.4 million are either unavailable or restricted in use. In addition, there are \$200 million less in surplus funds than last year.

Notwithstanding having far less revenue available than last year, the governor's budget keeps vital state programs whole while making significant investments in education, adult and youth corrections, transportation, and human services.

Figure 1

House Bill 393, *Sales Tax for Infrastructure*
 59-12-103(5), UCA
 Effective FY 1998



BUDGET HIGHLIGHTS

Public Education

Governor Leavitt recommends funding for public education which preserves key programs and provides for moderate, targeted expansion. The FY 1998 budget replaces one-time funding for essential programs with a consistent stream of ongoing revenue. His recommendations assure continuation of prior year enhancements in applied technology, rehabilitation, programs for the at-risk and disabled, student transportation, and other exemplary programs.

The governor's budget provides increased funding to accommodate student enrollment growth, a 3.0 percent increase in the value of the weighted pupil unit to support salary increases and other local school district costs, and expansion of comprehensive guidance and applied technology training.

Governor Leavitt's recommendations include \$54.4 million for class size reduction, \$47 million for textbooks and related instructional supplies, \$81.6 million for applied technology education, and \$199.3 million for education programs for those who are disabled or at risk.

Information technology continues to be a priority. The governor recommends a one-time appropriation of \$9 million for Technology 2000, and an ongoing enhancement of \$950,000 for EdNet/Utah Link. These increases, combined with existing ongoing appropriations, bring the total recommended appropriation for Public Education information technology to \$22.3 million.

The governor also recommends increased utilization of performance

measures, particularly in applied technology education, to assure equitable distribution of funds among various entities.

Transportation

Governor Leavitt pledges to work closely with the legislature in developing a transportation funding plan that will provide for Utah's highway needs into the next century. He recommends an \$80 million appropriation to the Centennial Highway Trust Fund for FY 1998. Funds in this account will be used for the construction of highway projects throughout the state, including renovation of I-15 along the Wasatch Front.

Renovation of I-15 is anticipated to begin as early as April 1997. The state has never entered into a project as massive and expensive as the I-15 renovation. The governor supports use of the fast-track design/build approach for renovation of I-15. He recommends advanced computer technology to expedite this and other design processes. This innovative approach will save both time and construction costs, and will enable the project to be completed by late 2001.

The governor realizes that there are statewide needs in transportation. He will work with the legislature in developing a plan to assure that statewide needs are addressed.

Criminal Justice

Governor Leavitt is recommending an historic increase in funding for the state's juvenile justice system. His budget increases funding for both youth corrections and juvenile courts by nearly 36 percent. The increase includes implementation of a new juvenile

sentencing system. The new system emphasizes swift and early intervention for young offenders. It is also much tougher on repeat or violent juvenile offenders than current sentencing practices.

Implementation of the new sentencing guidelines will cost approximately \$22 million: \$11 million for operations costs and \$11 million for capital projects. Included in the operational costs are 60 new probation officers, eight case managers, and funding for a newly created state supervision process. This process will allow the state to intervene with additional options for juvenile offenders. Funds related to the new guidelines are also provided to the Division of Child and Family Services as well as the Youth in Custody program.

The budget will increase new and planned space for both adult and juvenile offenders by 1,208 beds or placements. Adult offender capacity will be increased by 540 beds: 400 beds at a privatized women's multi-custody facility, and an additional 140 beds through jail contracts with local governments. The cost for construction of the women's privatized facility is estimated at \$29.1 million.

Juvenile offender capacity will be increased by 668 beds and other placements throughout the state. Some of the immediately available detention beds include four at the Carbon/Emery Youth Crisis Center and a total of 12 in Blanding, Vernal, and Richfield. Another 144 secure beds will be made available at the remodeled Salt Lake Detention Center and a new secure facility in Ogden. The cost of construction for these new juvenile facilities is estimated at \$16.1 million.

Higher Education

Governor Leavitt's budget restores 100 percent of last year's one-time appropriations to ongoing programs. Replacing the entire \$8.5 million with ongoing funds will assure continuation of important higher education programs.

In addition, the governor recommends a special initiative of \$2.2 million to meet critical needs for library periodicals, collections, and staffing.

The governor also supports higher education's plan to convert from a quarter to semester calendar at all institutions. He recommends an appropriation of \$2.5 million for this major restructuring effort. The semester system will provide greater uniformity of scheduling, increased efficiency, and greater economy. One of the major benefits will be standardization of general education courses, resulting in improved transferability of credits among the state's colleges and universities.

The Technology 2000 initiative remains a high priority in the governor's budget. In addition to an ongoing budget of \$2.5 million, he recommends \$1.8 million to expand availability of information technology throughout the higher education system.

Child Welfare

FY 1998 marks the fourth year in Governor Leavitt's commitment to reforming the child welfare system. The governor recommends \$5.1 million in FY 1997 and an additional \$18.8 million in FY 1998 to ensure that children are protected from abuse and neglect. Included in this recommendation are: 1) 84 additional staff to conduct investigations, case management for children in the state's custody, family

preservation, protective supervision, foster care facilitation and licensing, and adoption facilitation; 2) \$7.4 million to increase funding for placement and treatment options for children in the state's custody; 3) \$700,000 to increase the rates paid for foster care; 4) \$4.5 million to complete a child welfare information system; and 5) \$500,000 for statewide implementation of the pilot program for foster care citizen review boards.

In 1994, the Utah legislature passed the *Child Welfare Reform Act*. Since that time, \$190.9 million in additional state and federal funds related to Utah's child welfare system have been either appropriated by the legislature or are currently recommended for appropriation by the governor.

Health and Human Services

The governor recommends an ongoing appropriation of \$5 million to fund the Comprehensive Health Insurance Pool. This funding is intended to address the needs of approximately 1,000 uninsurable Utahns in FY 1998.

The governor recommends increased funds allocated to local authorities for mental health, substance abuse, and aging programs. The governor's effort reaffirms the state's partnership with local governments. The increase includes funding for: 1) mental health and substance abuse services for children, youth, and adults; 2) services for intoxicated drivers; 3) a 3.0 percent cost-of-living increase for mental health, substance abuse, and aging budgets; and 4) funding for a national aging information system mandated by the federal government. The governor is also recommending a \$4.1 million increase in funding for the Division of Services for People with Disabilities.

By providing funding for adult heart, liver, and bone marrow transplants, the governor's budget also restored eligibility for similar transplants to children who had been excluded from these life-saving transplants as a result of a federal court decision. The governor recommends taking the measures necessary to once again provide this service. At the same time, the governor's budget includes funding to maintain current program service levels. He also intends to continue to pursue comprehensive Medicaid reform by obtaining an 1115 waiver.

In addition, the governor is addressing the needs of the state's disabled infants and toddlers by recommending \$1.5 million in total funding for the Early Intervention-Baby Watch program. This program treats disabled infants and toddlers with the goal of maximizing their individual potential.

Workforce Services

Governor Leavitt's effort in reinventing the state's welfare system makes a significant advance with this year's budget recommendations. Incorporated in the first Department of Workforce Services budget is more than \$225 million in total funding. The FY 1998 budget funds the governor's vision of replacing traditional welfare programs with a comprehensive network of needs assessment, skills development, job placement, child care, and temporary financial assistance. The revised system will benefit taxpayers, employers, and those who need help getting back on their feet.

Plans are in place to consolidate remote offices and reduce the number from 107 offices to 48, modernize information technology systems, provide for the needs of 13,000 clients, and reserve more than \$7 million for future requirements. This

budget will provide the resources to fully implement welfare reform in FY 1998.

Information Technology

Governor Leavitt continues his commitment to advance the use of technology in government. His budget recommendations include over \$32 million in new funding for technology related items and programs. He specifically recommends over \$4 million for higher education and \$22.3 million for public education.

The State of Utah operates a wide variety of information technology systems and in-house applications that will be affected by the century date change. The governor has budgeted \$5 million toward making the state's information systems compatible with the year 2000.

Governor Leavitt supports integrating and coordinating the electronic delivery of local, state, and federal government services to the public. His budget provides funding for a director to coordinate this effort. The governor also recommends funding for a director of the Utah Telecommunications Coordinating Committee. This person will oversee the development of an efficient state-wide telecommunications network for schools and for state and local government.

Employee Compensation

The governor recommends a compensation increase of 3.0 percent for public employees, higher education employees, and judges. He recommends the same increase for statewide elected officials and appointed executives.

Governor Leavitt feels strongly that salary increases be tied closely to employee performance. He recommends that the many exceptional employees working in state government and education be recognized and rewarded for their efforts. The compensation package should include funding for performance increases, market adjustments, modifications in the longevity pay plan, and changes in employee benefit rates. Governor Leavitt will work closely with the legislature in determining the specific makeup of the compensation package.

The governor supports legislation integrating the longevity pay plan with the general classified pay plan. This includes obtaining conformity between the two plans on the increment between steps and giving longevity increases every three years rather than every five years.

Base Budget Efficiency Initiatives

Governor Leavitt's budget recommendations do not include a general inflationary increase. The governor recommends that agencies absorb inflationary costs by becoming more efficient.

In preparing his budget, the governor has taken into account turnover savings and nonlapsing balances from the prior year. Personal service budgets have been reduced by over \$13 million for turnover. The governor also recommends use of nonlapsing balances whenever possible.

The governor required agencies to evaluate ongoing programs within the base budget. As a result of this evaluation, he recommends program redirection and shifts of funding priorities totaling more than \$12 million. He also recommends eliminating 104 positions. Specific

reductions are listed with each department's detailed recommendations.

The governor recommends that the legislature consolidate appropriations for the Departments of Transportation, Commerce, Corrections, and Workforce Services into their respective single line items. He discourages attempts to further divide funding into additional line items. David Osborne and Ted Gaebler in their landmark work, *Reinventing Government*, state that such actions, "... make good management impossible." They maintain that, "... line item budgets trap resources into old patterns." They suggest that managers should be given the autonomy they need to respond to changing circumstances.¹ Flexibility in spending can allow agencies to become more effective and efficient.

Appropriation Limitation

Section 63-38c-201 through 205, UCA, limits how much the state can spend from the General, Uniform School, and Transportation Funds. The limit allows state spending to increase only as population, personal income, and inflation increase. The budget recommendations for both FY 1997 and FY 1998 are within the limit.

Legislation

The budget includes funding for legislative initiatives the governor recommends or supports in the upcoming legislative session. Among other recommendations, the legislative package includes new sentencing guidelines for juvenile offenders and implements the child support provisions of the federal

Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

The governor also recommends funding for legislation that sets up an independent state agency to manage the 800 MHz communications program and legislation establishing a health education council and directing a health provider workforce planning survey.

The budget also includes \$2 million for the cost of implementing other legislation. These dollars could be used for increased funding of programs recommended by the governor or other programs deemed important by the legislature. The governor recommends consideration of using a portion of these funds for dealing with county planning, a database on missing children, an indigent defense fund, and additional school nurses.

FY 1997 and FY 1998 Revenue

The state ended FY 1996 (June 30, 1996) with a surplus in both the General and Uniform School Funds totaling \$9.1 million. In addition, FY 1997 revenue is expected to exceed original estimates by \$13.8 million. Other changes to available dollars amount to \$1.9 million. Altogether, there are \$24.8 million available. This allows the governor to recommend supplemental funding in FY 1997 for needs that arose after the legislature met last winter. The governor is recommending \$6.7 million in General and Uniform School Fund supplementals. The supplemental recommendations are detailed later in this book.

For FY 1998, General Fund and Uniform School Fund net revenues are estimated to increase \$193.6 million. This revenue growth, \$18.1 million unused from FY 1997, and \$28.3 million in other

¹David Osborne and Ted Gaebler, *Reinventing Government*, pp. 121-123.

changes, make \$240 million available in FY 1998.

Distribution of FY 1998 New Revenue

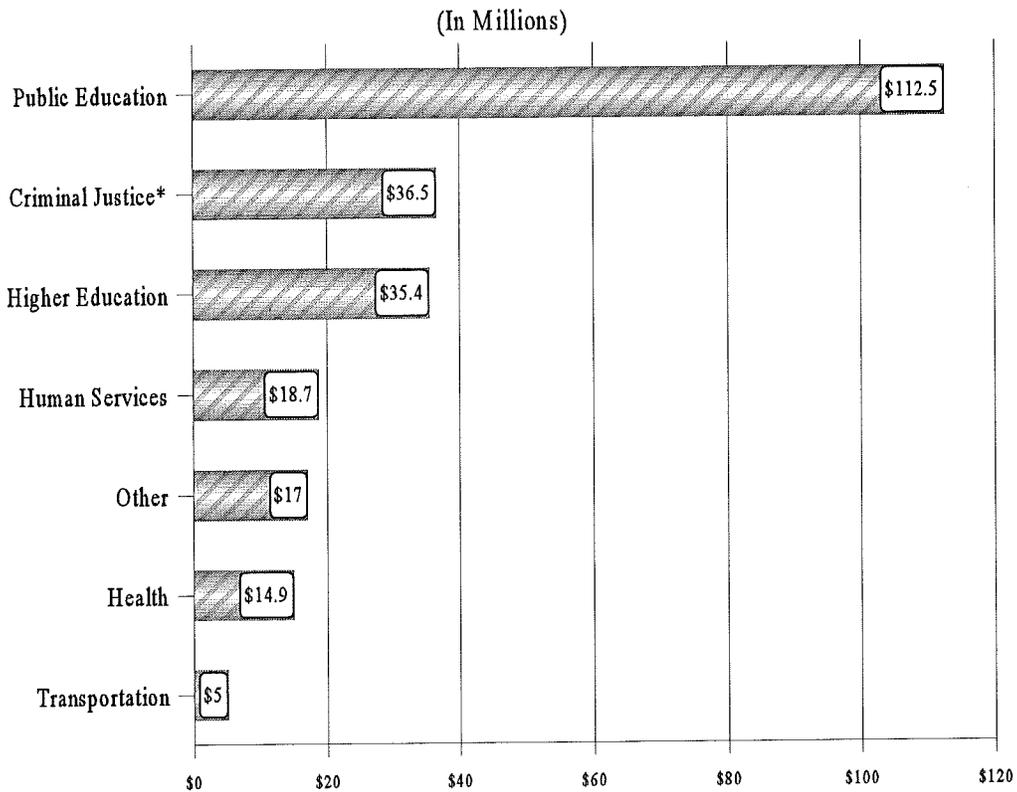
Governor Leavitt has challenged department heads and program directors to streamline their activities, modify their missions, and invent better ways of serving the public. Many of these efforts have been successful.

However, the demand and need for additional services outstrip the economies and efficiencies that government agencies are constantly creating. Increased needs necessitate additional funding.

Fortunately, tax revenues are growing sufficiently to cover much of the demand for additional government services.

Figure 2 shows how the governor recommends dividing the \$240 million available in the General Fund and Uniform School Fund in FY 1998.

Figure 2
FY 1998 Allocation of Available General and Uniform School Funds



*Includes Adult and Youth Corrections, Courts, and Public Safety.

■ UTAH ECONOMIC AND REVENUE FORECASTS

ECONOMIC FORECASTS

The State Economic Coordinating Committee provides input and reviews the basic assumptions that lead to the governor's revenue forecasts. Members represent the Governor's Office of Planning and Budget, Legislative Fiscal Analyst, First Security Bank, Key Bank, Utah Foundation, University of Utah, Utah State University, Weber State University, Brigham Young University, and various

state and local government agencies. Detailed information concerning Utah's economy and its outlook may be found in the *1997 Economic Report to the Governor* (available January 1997).

Utah's economy continues to grow at a faster pace than most other states. Key factors contributing to the state's economic growth include significant increases in the upcoming year in employment, personal income, population, and retail sales.

Figure 3

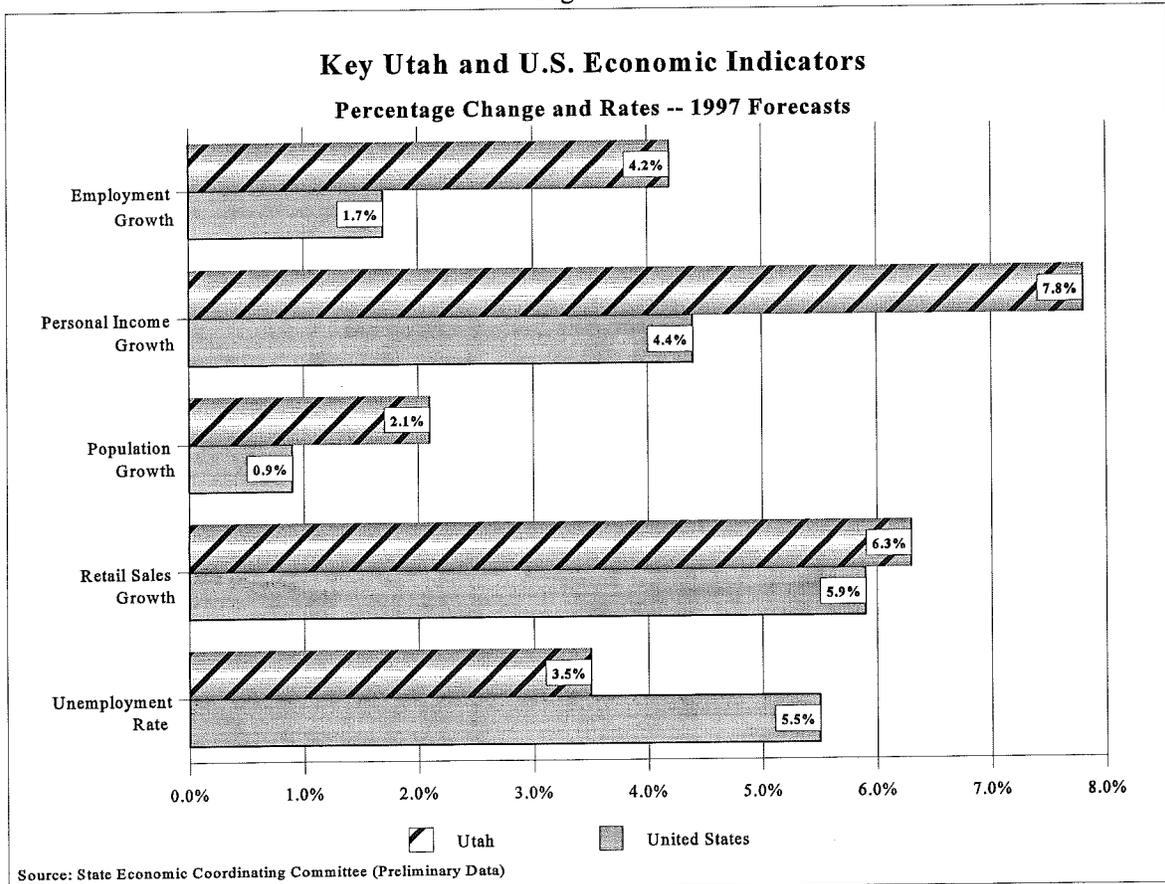


Figure 3 shows projected growth in these areas for Utah and the United States. It also shows estimated unemployment rates.

Employment — Utah employment is projected to grow 5.3 percent in 1996, 4.2 percent in 1997, and 3.8 percent in 1998. The corresponding national employment growth rate should be less than half that of Utah. In 1996, Utah will have the second highest employment growth rate in the nation. The state's 1997 unemployment rate is projected at 3.5 percent, compared to 5.5 percent nationally.

Personal Income — Utahns will continue to enjoy personal income growth that exceeds the national average. State personal income grew 8.0 percent in 1995 and is projected to increase 8.0 percent in 1996 and 7.8 percent in 1997. Nationally, personal income will grow 5.4 percent in 1996 and 4.4 percent in 1997. Per capita income in Utah has grown faster than the U.S. average for each of the last seven years.

Population — In 1996, the centennial of Utah's statehood, the state's population reached the two million mark. State population is forecasted to grow by 2.1 percent in FY 1997, while the U.S. population will grow by less than 1.0 percent. Utah is expected to experience net in-migration of about 13,000 people in FY 1997 and 12,000 in FY 1998.

Retail Sales — While the retail sales growth rate is expected to slow slightly, actual retail sales are expected to increase 11.8 percent in 1996 and 6.3 percent in 1997. Nationally, retail sales will grow 5.2 percent in 1996 and 5.9 percent in 1997.

Utah's economy will continue to do well in 1997 for many of the same reasons it has done well in the past. Utah has an attractive business climate with a pro-business regulatory environment, low business taxes, numerous recreational opportunities, a youthful and educated labor force, quality universities, healthy lifestyles, and a strong work ethic. These factors should continue to favorably influence business location and expansion decisions.

In November 1996, *Financial World Magazine* ranked Utah as the best place in the country to locate a business. According to *Financial World*, "[Utah] is the only state that ranked among the top 20 in each of our four main categories—cost of doing business, economic potential, current affairs, and educated labor supply—and Utah scored higher than average in almost all of the 15 criteria that we looked at."

Construction activity should also remain strong in 1997 because of low office, industrial, and apartment vacancy rates; high hotel occupancy rates; new business and government projects including the renovation of I-15 and other transportation projects; and continued net in-migration.

Utah's 1995 exports increased by 45.4 percent over the previous year. This record increase brought over a billion dollars into the state's economy. The largest contributors to the record growth are primary metal products, scrap and waste products, and metallic ores. Exports should continue to increase in 1996 and 1997.

Economic growth may, however, slow slightly in 1997. This slowdown will be due to continued cut backs by the federal government; building moratoriums and restrictions; lower net in-migration; a

tighter labor market; a less affordable housing market; higher office, apartment, and commercial rents; and an improved economy and business climate in California.¹

REVENUE FORECASTS

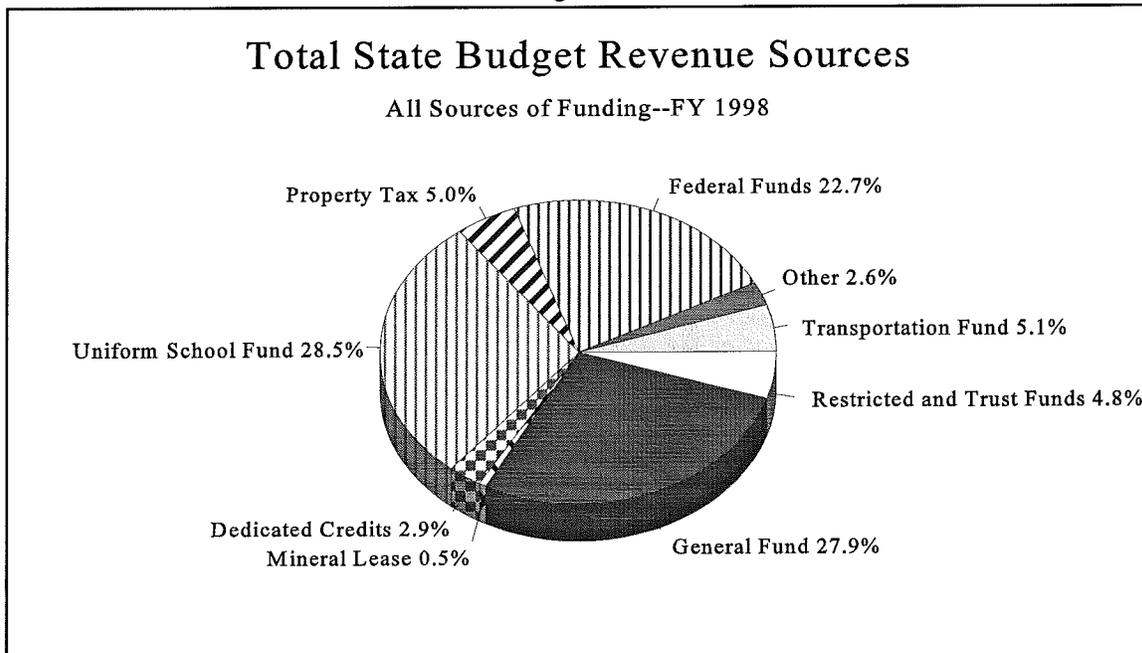
Revenue estimates are developed by forecasting important economic indicators. Forecasts of changes in interest rates, personal income growth, the unemployment rate, residential and non-residential construction permits, etc. provide underlying assumptions used in estimating available revenue. Participants in this process include the Governor’s Office of Planning and Budget (GOPB), Legislative Fiscal Analyst, State Tax Commission, Employment Security, and members of the banking community and academia.

The economic indicators and data on actual tax collections are used in econometric models by the State Tax Commission and GOPB to estimate future tax collections and investment income. Also considered are federal tax changes, state tax changes, and any large unique collections. Table 4 shows actual revenue collections for FY 1996 and forecasted collections for FY 1997 and FY 1998. State tax collections are deposited into three major funds: General Fund, Uniform School Fund, and the Transportation Fund.

The state also receives and budgets money from the federal government, state assessed property tax, fees, fines, sales, and other miscellaneous sources.

These revenue sources are estimated based upon federal grant commitments,

Figure 4



¹1997 Economic Report to the Governor, State of Utah, Governor’s Office of Planning and Budget

past history, state law, and forecasted trends. Figure 4 demonstrates the funding sources for the total state budget. (Table 7 shows the appropriations of these resources.)

General Fund/Uniform School Fund

Figure 5 shows the contribution of the various taxes to the General and Uniform School Funds. (Table 6 shows the appropriation of these collections.)

The General Fund is the primary funding source for most state government operations and includes all revenue not accounted for in other funds. All revenue not specifically restricted by statute or the constitution is deposited into the General Fund. Its major revenue sources are sales, insurance premium, beer, cigarette, and tobacco taxes.

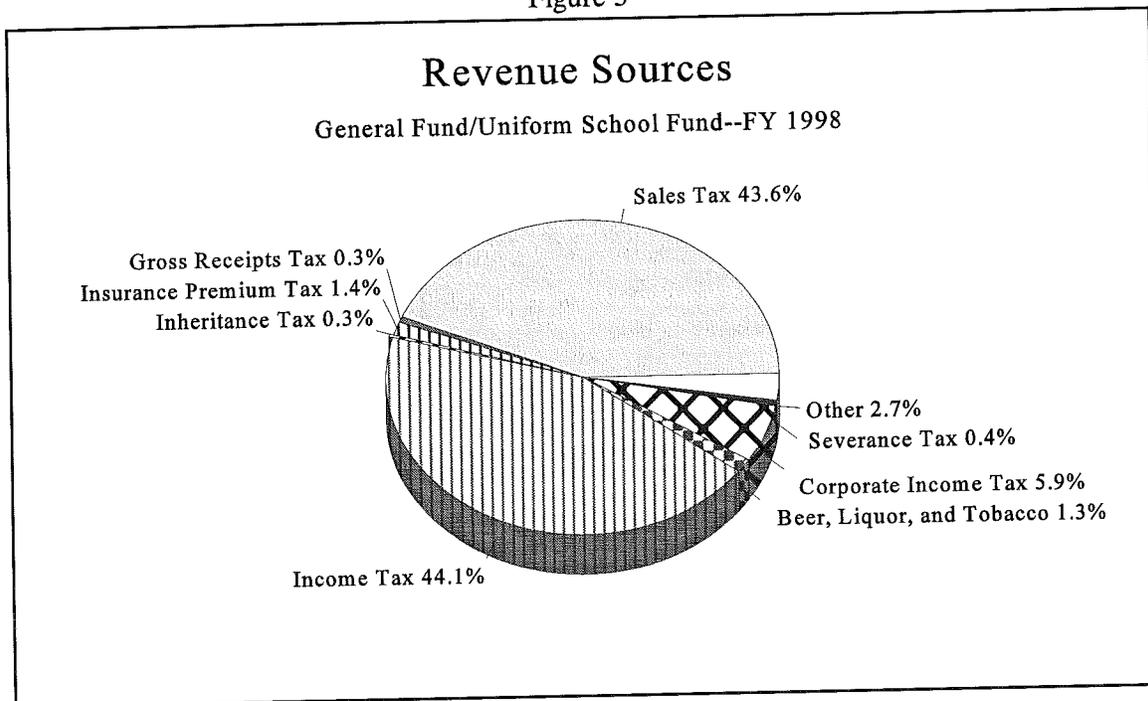
The Uniform School Fund was established in the state constitution and is restricted to the support of public

education. In November 1996, voters passed a constitutional amendment that broadened the use of Uniform School Fund to include higher education. The major revenue sources of the Uniform School Fund are individual income and corporate franchise taxes.

Unlike past years, where actual receipts exceeded forecasts, receipts in FY 1996 from sales, liquor, inheritance, and income taxes were almost equal to the forecasts. The slight difference between actual collections and budget forecasts resulted in a small surplus in the General Fund and \$8.6 million in the Uniform School Fund.

Because of tax cuts and sales tax diversions, the General Fund is forecasted to increase only 4.2 percent from FY 1997 to FY 1998, with sales tax receipts increasing just 4.5 percent. If the sales tax diverted for local road and water projects is considered, the sales tax increase is 7.3 percent and the General Fund increase is

Figure 5



6.7 percent. The Uniform School Fund should grow 8.6 percent, with income tax receipts increasing 9.7 percent.

Most states do not have a separate dedicated fund for major expenditures like education. To compare to other states and show how the majority of Utah taxpayer money is spent, the General and Uniform School Funds are frequently combined in this document.

Transportation Fund

The Transportation Fund was established in the state constitution to fund construction, improvement, repair, and maintenance of state roads. Its principal revenue source is the motor fuel tax. FY 1998 collections are estimated to increase 3.3 percent over original FY 1997 estimates. Table 4 shows actual and forecasted Transportation Fund collections.

Federal Funds

Federal funds account for 23 percent of the total budget. Federal dollars help finance programs that benefit the state and meet a perceived national need. To qualify for most federal aid, states must comply with federal regulations and match the federal contribution with state funds. The match rate varies by program. Federal funds appropriated by the legislature are estimates. State agencies may spend what they actually receive in federal revenue but may not exceed the state amount appropriated to match the federal funds. The Medicaid program within the Department of Health receives over 40 percent of the state's federal revenue.

Property Tax

Property tax shown in the state budget represents the contribution

of local school districts to the state's Minimum School Program and school building aid. The basic school levy is set annually by the legislature and represents the maximum amount of property tax revenue that can be raised. Using the rate set by the legislature, Governor Leavitt's budget recommendations allow for additional property tax revenue from the basic levy of \$6.7 million for FY 1998. Also, the Board and Voted Leeway is increasing \$12 million due to growth in assessed property valuation as estimated by the Common Data Committee. This committee includes representatives from the Governor's Office of Planning and Budget, State Tax Commission, State Office of Education, and Legislative Fiscal Analyst.

Dedicated Credits

Dedicated credits include proceeds from user fees, fines, and sales of publications and licenses. State park entrance fees and higher education tuition are examples of dedicated credits. By law, an agency may spend what it collects in dedicated credits up to 125 percent of its dedicated credit appropriation. Recommended dedicated credits reflect the best estimate of revenue from each source.

Restricted and Trust Funds

Restricted and trust funds are established in statute and are earmarked for specific purposes. Agencies may not spend more than the amount appropriated from restricted funds. Unless otherwise stated, unused restricted fund money lapses back to each respective fund at the end of the fiscal year. Lapsing funds may not be spent unless reappropriated by the legislature. Hunting and fishing license fees and hazardous waste fees are examples of proceeds that go into restricted funds.

Mineral Lease Funds

The federal government returns to the state part of the money it collects from leases of mineral rights on federally-owned property within Utah's boundaries. Federal law requires that mineral lease revenue be spent on activities that relieve the impact of mineral development on the community. Mineral lease revenue is allocated among various state agencies using a statutory formula. Table 5 shows past and forecasted mineral lease revenue and its uses.

Rainy Day Fund

The budgeted funds are appropriated to the expected level of revenues and beginning fund balances. By not using the highest level of the revenue estimates range, a year end surplus is assured. For additional budget stabilization, the state maintains a Rainy Day Fund. It can only be used to cover operating deficits or retroactive tax refunds. In addition to interest earnings, 25 percent of any General Fund surplus at fiscal year end is transferred to the Fund. The balance at the FY 1996 fiscal year end was \$71.5 million. The ceiling of the fund is 8.0 percent of the particular year's general fund appropriation total and was \$108.8 million at FY 1996 year end.

DEMOGRAPHICS

Utah's demographic characteristics are unique among the states and significantly impact state budgetary decisions. With just over 2 million people in 1996, Utah's population continues to be among the fastest growing, youngest, and most urban in the nation. The state's population is also becoming more racially and ethnically diverse.

The state's 1996 population growth rate of 2.2 percent is more than twice the national average. Utah's high fertility rate and low death rate are the primary reasons for Utah's rapid population growth. In recent years the healthy economy has also bolstered population growth by attracting more people to move into the state than to move away. Utah's rate of population increase is expected to continue to exceed the nation's in the future.

Utah's population is the youngest in the nation with a median age of 26.8 in 1995, compared to 34.3 nationally. Compared to other states, Utah also has the highest percentage of the population under age 18 (34.6 percent in Utah compared to 26.2 percent in the nation). Because of the state's young population, every 100 persons of working age (ages 18-64) must support 13 more persons of non-working age (from birth to age 17 and ages 65 and over) than the national average. In the future, Utah and the nation's age composition will continue to become older as baby boomers age.

In comparison to other states, Utah ranks as the sixth most urban state. The U.S. Bureau of the Census classifies 87 percent of Utah's population as urban compared to 75 percent of the nation's. Much of Utah's future population growth is expected to be concentrated in the urban settings.

The state's population continues to become more racially and ethnically diverse. In 1994 an estimated 89.4 percent of the state was White compared to 92.7 percent in 1980. The fastest growing race/ethnicity groups are Asian/Pacific Islander and Hispanic Origin. In 1994 an estimated 6.1 percent of the state was of Hispanic Origin, 2.4 percent Asian/Pacific Islander, 1.4 percent American Indian, and 0.7 percent Black. ■

Table 1

STATE FISCAL PLAN
General and Uniform School Funds
(In Thousands of Dollars)

	Actual FY 1996	Appropriated FY 1997	Recommended FY 1997 (a)	Governor Leavitt's Recommendations		Percent Change 96/R97 (d)	Percent Change R97/98 (e)
				Dollar Difference R97 - A97 (b)	Recommended FY 1998		
Sources of Funding							
Beginning Balance	\$61,250	\$351	\$9,071	\$8,720	\$18,058	\$17,707	(85.2%) 99.1%
General Fund	1,340,601	1,426,874	1,430,800	3,926	1,491,000	64,126	6.7 4.2 (f)
Uniform School Fund	1,327,482	1,387,590	1,397,500	9,910	1,517,100	129,510	5.3 8.6
Subtotal GF/USF	2,668,083	2,814,464	2,828,300	13,836	3,008,100	193,636	6.0 6.4
Transfers	5,000	0	0	0	0	0	(100.0) 0.0
Other	31	500	0	(500)	0	(500)	(100.0) 0.0
Mineral Lease Transfer	0	2,095	1,361	(734)	1,524	(571)	-- 12.0
Cigarette Tax Increase	0	0	1,380	1,380	8,190	8,190	-- 493.5
Reserve for Industrial Asst. Fund	2,700	0	1,500	1,500	0	0	(44.4) (100.0)
Reserve from Prior Fiscal Year	55,356	187,958	187,958	0	0	(187,958)	239.5 (100.0)
Reserve for Following Fiscal Year	(187,958)	0	0	0	0	0	(100.0) 0.0
TOTAL FUNDING	\$2,604,462	\$3,005,368	\$3,029,570	\$24,202	\$3,035,872	\$30,504	16.3% 0.2%
Appropriations (Table 6) (g)							
Operating Budget	\$2,458,871	\$2,714,259	\$2,714,259	\$0	\$2,813,653	\$99,394	10.4% 3.7%
Capital Budget	72,383	209,103	209,103	0	128,234	(80,869)	188.9 (38.7)
Debt Service	76,993	81,497	81,497	0	84,335	2,838	5.8 3.5
Other	1,250	0	0	0	9,650	9,650	(100.0) --
Subtotal Appropriations	2,609,497	3,004,859	3,004,859	0	3,035,872	31,013	15.2 1.0
Other							
Lapsing	(14,106)	0	0	0	0	0	(100.0) 0.0
Supplementals (g)	0	0	6,653	6,653	0	0	-- (100.0)
TOTAL APPROPRIATIONS	\$2,595,391	\$3,004,859	\$3,011,512	\$6,653	\$3,035,872	\$31,013	16.0% 0.8%
Ending Balance	\$9,071	\$509	\$18,058	\$17,549	\$0	(\$509)	99.1% (100.0%)

(a) Recommended FY 1997 is based upon updated revenue projections and includes recommended supplemental appropriations.

(b) Difference is from Approp. FY 1997 adopted by the 1996 legislature to Recommended FY 1997. These dollars represent new one-time revenues and uses.

(c) Difference is from Approp. FY 1997 adopted by the 1996 legislature to Recommended FY 1998. These dollars represent new ongoing revenues and uses.

(d) Change is from Actual FY 1996 to Recommended FY 1997.

(e) Change is from Recommended FY 1997 to Recommended FY 1998.

(f) Beginning in FY 1998, 1/8th cent of sales tax equalling \$36 million is earmarked into a restricted fund for local roads and water. Without this diversion, the increase is 6.7 percent.

(g) Percentage increases may differ on this table as compared to Table 6 because all supplementals have been shown as a separate category here and built into their individual budget categories in Table 6.

Table 1 shows all the sources of funding used to balance the General Fund and Uniform School Fund portions of the budget. It is the total of Table 2, General Fund, and Table 3, Uniform School Fund.

Table 2

STATE FISCAL PLAN
General Fund
(In Thousands of Dollars)

	Actual FY 1996	Appropriated FY 1997	Governor Leavitt's Recommendations					
			Recommended FY 1997 (a)	Dollar Difference R97 - A97 (b)	Recommended FY 1998	Dollar Difference 98 - A97 (c)	Percent Change 96/R97 (d)	Percent Change R97/98 (e)
Sources of Funding								
Beginning Balance	\$15,246	\$351	\$483	\$132	\$0	(\$351)	(96.8%)	(100.0%)
General Fund	1,340,601	1,426,874	1,430,800	3,926	1,491,000	64,126	6.7	4.2 (f)
Uniform School Fund Transfer	0	0	0	0	0	0	0.0	0.0
Transfers	5,000	0	0	0	0	0	(100.0)	0.0
Other	31	500	0	(500)	0	(500)	(100.0)	0.0
Mineral Lease Transfer	0	2,095	1,361	(734)	1,524	(571)	--	12.0
Cigarette Tax Increase	0	0	1,380	1,380	8,190	8,190	--	493.5
Reserve for Industrial Asst. Fund	2,700	0	1,500	1,500	0	0	(44.4)	(100.0)
Reserve from Prior Fiscal Year	19,611	61,711	61,711	0	0	(61,711)	214.7	(100.0)
Reserve for Following Fiscal Year	(61,711)	0	0	0	0	0	(100.0)	0.0
TOTAL FUNDING	\$1,321,478	\$1,491,531	\$1,497,235	\$5,704	\$1,500,714	\$9,183	13.3%	0.2%
Appropriations								
Operating Budget	\$1,189,256	\$1,240,347	\$1,240,347	\$0	\$1,312,294	\$71,947	4.3%	5.8%
Capital Budget	56,936	179,900	179,900	0	100,876	(79,024)	216.0	(43.9)
Debt Service	73,553	71,284	71,284	0	79,316	8,032	(3.1)	11.3
Other	1,250	0	0	0	8,228	8,228	(100.0)	--
Subtotal Appropriations	1,320,995	1,491,531	1,491,531	0	1,500,714	9,183	12.9	0.6
Other Supplementals	0	0	5,704	5,704	0	0	--	(100.0)
TOTAL APPROPRIATIONS	\$1,320,995	\$1,491,531	\$1,497,235	\$5,704	\$1,500,714	\$9,183	13.3%	0.2%
Ending Balance	\$483	\$0	\$0	(\$0)	\$0	(\$0)	(100.0%)	0.0%

(a) Recommended FY 1997 is based upon updated revenue projections and includes recommended supplemental appropriations.

(b) Difference is from Approp. FY 1997 adopted by the 1996 legislature to Recommended FY 1997. These dollars represent new one-time revenues and uses.

(c) Difference is from Approp. FY 1997 adopted by the 1996 legislature to Recommended FY 1998. These dollars represent new ongoing revenues and uses.

(d) Change is from Actual FY 1996 to Recommended FY 1997.

(e) Change is from Recommended FY 1997 to Recommended FY 1998.

(f) Beginning in FY 1998, 1/8th cent of sales tax equalling \$36 million is earmarked into a restricted fund for local roads and water. Without this diversion, the increase is 6.7 percent.

Table 2 shows all the sources of funding used to balance the General Fund portion of the budget.

Table 3

STATE FISCAL PLAN
Uniform School Fund
(In Thousands of Dollars)

	Actual FY 1996	Appropriated FY 1997	Recommended FY 1997 (a)	Governor Leavitt's Recommendations				
				Dollar Difference R97 - A97 (b)	Recommended FY 1998	Dollar Difference 98 - A97 (c)	Percent Change 96/R97 (d)	Percent Change R97/98 (e)
Sources of Funding								
Beginning Balance	\$46,004	\$0	\$8,588	\$8,588	\$18,058	\$18,058	(81.3%)	110.3%
Uniform School Fund	1,327,482	1,387,590	1,397,500	9,910	1,517,100	129,510	5.3	8.6
Reserve from Prior Fiscal Year	35,745	126,247	126,247	0	0	(126,247)	253.2	(100.0)
Reserve for Following Fiscal Year	(126,247)	0	0	0	0	0	(100.0)	0.0
TOTAL FUNDING	\$1,282,984	\$1,513,837	\$1,532,335	\$18,498	\$1,535,158	\$21,321	19.4%	0.2%
Appropriations								
Operating Budget	\$1,269,615	\$1,473,912	\$1,473,912	\$0	\$1,501,359	\$27,447	16.1%	1.9%
Capital Budget	15,447	29,203	29,203	0	27,358	(1,845)	89.1	(6.3)
Debt Service	3,440	10,213	10,213	0	5,019	(5,194)	196.9	(50.9)
Other	0	0	0	0	1,422	1,422	0.0	--
Subtotal Appropriations	1,288,502	1,513,328	1,513,328	0	1,535,158	21,830	17.4	1.4
Other								
Lapsing	(14,106)	0	0	0	0	0	(100.0)	0.0
Supplementals	0	0	949	949	0	0	--	(100.0)
TOTAL APPROPRIATIONS	\$1,274,396	\$1,513,328	\$1,514,277	\$949	\$1,535,158	\$21,830	18.8%	1.4%
Ending Balance	\$8,588	\$509	\$18,058	\$17,549	\$0	(\$509)	110.3%	(100.0%)

(a) Recommended FY 1997 is based upon updated revenue projections and includes recommended supplemental appropriations.

(b) Difference is from Approp. FY 1997 adopted by the 1996 legislature to Recommended FY 1997. These dollars represent new one-time revenues and uses.

(c) Difference is from Approp. FY 1997 adopted by the 1996 legislature to Recommended FY 1998. These dollars represent new ongoing revenues and uses.

(d) Change is from Actual FY 1996 to Recommended FY 1997.

(e) Change is from Recommended FY 1997 to Recommended FY 1998.

Table 3 shows all the sources of funding used to balance the Uniform School Fund portion of the budget.

Table 4

REVENUE COLLECTIONS AND ESTIMATES
Three-Year Comparison
(In Thousands of Dollars)

	Actual FY 1996	Appropriated FY 1997	Recommended FY 1997 (a)	Governor Leavitt's Recommendations		Percent Change 96/R97 (d)	Percent Change R97/98 (e)	
				Dollar Difference R97 - A97 (b)	Recommended FY 1998			Dollar Difference 98 - A97 (c)
General Fund (GF)								
Sales and Use Tax	\$1,162,525	\$1,240,896	\$1,257,000	\$16,104	\$1,313,000	\$72,104	8.1%	4.5% (f)
Liquor Profits	22,155	22,500	23,900	1,400	24,500	2,000	7.9	2.5
Insurance Premiums	40,134	49,000	41,000	(8,000)	42,000	(7,000)	2.2	2.4
Beer, Cigarette, and Tobacco	37,784	41,000	39,000	(2,000)	40,000	(1,000)	3.2	2.6
Oil and Gas Severance Tax	12,069	12,000	12,000	0	12,000	0	(0.6)	0.0
Metal Severance Tax	8,289	8,800	5,900	(2,900)	6,500	(2,300)	(28.8)	10.2
Inheritance Tax	8,326	9,000	7,500	(1,500)	8,000	(1,000)	(9.9)	6.7
Investment Income	16,814	12,000	14,000	2,000	13,500	1,500	(16.7)	(3.6)
Other	37,154	37,178	35,000	(2,178)	36,000	(1,178)	(5.8)	2.9
Property and Energy Credit	(4,649)	(5,500)	(4,500)	1,000	(4,500)	1,000	(3.2)	0.0
Subtotal General Fund	1,340,601	1,426,874	1,430,800	3,926	1,491,000	64,126	6.7	4.2
Uniform School Fund (USF)								
Individual Income Tax	1,139,080	1,195,990	1,210,000	14,010	1,327,000	131,010	6.2	9.7
Corporate Franchise Tax	168,431	175,000	173,000	(2,000)	178,000	3,000	2.7	2.9
Permanent School Fund Interest	3,159	4,750	2,500	(2,250)	1,000	(3,750)	(20.9)	(60.0)
Gross Receipts Tax	8,351	8,250	8,400	150	7,500	(750)	0.6	(10.7)
Other	8,461	3,600	3,600	0	3,600	0	(57.5)	0.0
Subtotal Uniform School Fund	1,327,482	1,387,590	1,397,500	9,910	1,517,100	129,510	5.3	8.6
Subtotal GF/USF	2,668,083	2,814,464	2,828,300	13,836	3,008,100	193,636	6.0	6.4
Transportation Fund								
Motor Fuel Tax	163,169	169,000	168,000	(1,000)	174,000	5,000	3.0	3.6
Special Fuel Tax	43,735	46,500	48,000	1,500	50,000	3,500	9.8	4.2
Other	54,252	48,080	46,500	(1,580)	48,400	320	(14.3)	4.1
Subtotal Transportation Fund	261,156	263,580	262,500	(1,080)	272,400	8,820	0.5	3.8
Mineral Lease (Table 5)								
Royalties	28,179	31,000	28,000	(3,000)	28,500	(2,500)	(0.6)	1.8
Bonus	6,540	3,000	3,000	0	3,000	0	(54.1)	0.0
Subtotal Mineral Lease	34,719	34,000	31,000	(3,000)	31,500	(2,500)	(10.7)	1.6
TOTAL	\$2,963,958	\$3,112,044	\$3,121,800	\$9,756	\$3,312,000	\$199,956	5.3%	6.1%

(a) Recommended FY 1997 is based upon updated revenue projections and includes recommended supplemental appropriations.

(b) Difference is from Approp. FY 1997 adopted by the 1996 legislature to Recommended FY 1997. These dollars represent new one-time revenues and uses.

(c) Difference is from Approp. FY 1997 adopted by the 1996 legislature to Recommended FY 1998. These dollars represent new ongoing revenues and uses.

(d) Change is from Actual FY 1996 to Recommended FY 1997.

(e) Change is from Recommended FY 1997 to Recommended FY 1998.

(f) Not included in the FY 1998 sales tax number is 1/8th cent of sales tax equalling \$36 million. This is dedicated for local road and water projects beginning in FY 1998. If the 1/8th cent sales tax is included, the actual growth in sales tax would be \$108 million and 7.3 percent.

Table 4 shows actual revenue collections for FY 1996, and estimated revenue collections for FY 1997 and FY 1998. These include state revenues only; federal funds, licenses, fees, etc. are not included.

Table 5

MINERAL LEASE FUNDS

(In Thousands of Dollars)

	Actual FY 1996	Appropriated FY 1997	Governor Leavitt's Recommendations	
			Recommended FY 1997 (a)	Recommended FY 1998
MINERAL LEASE ACCOUNT				
Sources of Funding				
Beginning Balance	\$0	\$0	\$0	\$0
Mineral Lease Royalties	28,179	31,000	28,000	28,500
TOTAL FUNDING	\$28,179	\$31,000	\$28,000	\$28,500
Statutory Allocations				
Community Impact Fund	\$9,158	\$11,408	\$10,433	\$11,929
Higher Education Institutions	6,495	5,333	5,333	4,108
Board of Education	634	644	630	641
Utah Geological Survey	634	697	630	641
USU Water Research Lab	634	697	630	641
Transportation - county roads	7,045	7,750	7,000	7,125
Payment in Lieu of Taxes	2,094	2,075	2,134	2,173
Subtotal Statutory Allocation	26,694	28,605	26,790	27,258
Discretionary Allocations				
Critical School Building Program	1,162	0	0	0
Tourism Destination Development	100	100	100	100
Rural Telemedicine Initiatives	223	0	0	0
Local Road Projects	0	750	750	0
Primary Care Grants	0	350	350	350
Subtotal Discretionary Allocation	1,484	1,200	1,200	450
TOTAL ROYALTIES ALLOCATION	\$28,179	\$29,805	\$27,990	\$27,708
Transfer to General Fund	0	1,195	10	792
Ending Balance	\$0	\$0	\$0	\$0
MINERAL LEASE BONUS ACCOUNT				
Sources of Funding				
Beginning Balance	\$1,238	\$0	\$451	\$0
Mineral Lease Bonus	6,540	3,000	3,000	3,000
TOTAL FUNDING	\$7,778	\$3,000	\$3,451	\$3,000
Allocations				
Community Impact Fund	\$4,578	\$2,100	\$2,100	\$2,100
Critical School Building Program	2,749	0	0	0
Individual Wastewater Disposal	0	0	0	168
TOTAL BONUS ALLOCATION	\$7,327	\$2,100	\$2,100	\$2,268
Transfer to General Fund	0	900	1,351	732
Ending Balance	\$451	\$0	\$0	\$0

(a) Governor Leavitt's recommendations for FY 1997 are based upon updated revenue projections

Table 5 shows the actual, appropriated, and recommended allocation of Mineral Lease revenue. This revenue comes from mineral leases on federal lands in Utah.

Table 6

SUMMARY OF RECOMMENDATIONS BY DEPARTMENT
Appropriations from General and Uniform School Funds
(In Thousands of Dollars)

	Governor Leavitt's Recommendations						Total Change R97/98 (d)	Base Change 97/98 (e)
	Actual FY 1996	Appropriate FY 1997	Recommended FY 1997 (a)	Base FY 1998 (b)	Adjust- ments (c)	Total FY 1998		
Plan of Financing								
General Fund	\$1,320,995	\$1,491,531	\$1,497,235	\$1,391,234	\$109,480	\$1,500,714	0.2%	7.0%
Uniform School Fund	1,288,503	1,513,328	1,514,277	1,408,165	126,993	1,535,158	1.4	7.7
TOTAL FINANCING	\$2,609,498	\$3,004,859	\$3,011,512	\$2,799,399	\$236,473	\$3,035,872	0.8%	7.5%
Appropriations by Department								
Administrative Services	\$17,870	\$18,567	\$18,667	\$16,944	\$1,944	\$18,888	1.2%	4.4%
Commerce and Revenue	104,042	104,319	98,319	98,106	1,891	99,997	1.7	1.7
Corrections (Adult and Youth)	154,740	171,209	172,540	171,641	26,280	197,921	14.7	15.6
Courts	66,573	68,403	69,061	69,514	7,520	77,034	11.5	12.5
Econ. Development/Human Res.	31,948	33,583	33,583	30,479	224	30,703	(8.6) (f)	(1.1)
Elected Officials	23,219	24,313	24,513	23,850	426	24,276	(1.0)	2.6
Environmental Quality	8,533	9,200	9,200	8,805	242	9,047	(1.7)	3.7
Health	150,657	162,069	162,069	161,160	9,925	171,085	5.6	6.0
Higher Education	424,897	457,515	457,515	438,793	33,873	472,666	3.3	7.0
Human Services	142,224	155,264	158,778	159,795	18,544	178,339	12.3	10.9
Legislature	10,334	10,923	10,923	10,592	553	11,145	2.0	2.3
National Guard	3,042	3,241	3,251	3,212	251	3,463	6.5	4.6
Natural Resources	34,194	40,226	44,191	35,606	(1,888)	33,718	(23.7) (g)	(7.0)
Public Education	1,254,761	1,420,511	1,421,461	1,363,619	86,130	1,449,749	2.0	5.4
Public Safety	30,758	33,331	33,331	33,355	1,182	34,537	3.6	3.9
Transportation	1,079	1,585	1,585	1,085	0	1,085	(31.5) (h)	0.0
Total Operations Budget	2,458,871	2,714,259	2,718,987	2,626,556	187,097	2,813,653	3.5	6.4
Capital Budget	72,384	209,103	209,103	96,540	31,694	128,234	(38.7) (i)	30.0
Debt Service	76,993	81,497	83,222	76,303	8,032	84,335	1.3	10.5
Other	1,250	0	200	0	9,650	9,650	4,725.0 (j)	0.0
TOTAL APPROPRIATIONS	\$2,609,498	\$3,004,859	\$3,011,512	\$2,799,399	\$236,473	\$3,035,872	0.8%	7.5%

See footnotes on next page

Table 6 shows the budget for use of major state tax revenue (sales and income taxes) by state agency. It is a summary of the department tables found in a following section. The Base FY 1998 column has been adjusted to exclude one-time FY 1997 expenditures. The Adjustments column is described in more detail in the individual department sections.

Table 6

SUMMARY OF RECOMMENDATIONS BY DEPARTMENT

Footnotes

- (a) Recommended FY 1997 is based upon updated revenue projections and includes recommended supplemental appropriations.
- (b) Base FY 1998 is the ongoing portion of FY 1997 without one-time appropriations and adjusts for program transfers between departments and internal service fund rate changes.
- (c) Adjustments are shown in more detail in the individual department sections of this book.
- (d) Change is from Recommended FY 1997 to Recommended FY 1998. Both years include one-time appropriations.
- (e) This column is for information purposes. Change is from FY 1997 ongoing appropriations (not shown) to FY 1998 ongoing appropriations (not shown).
- (f) FY 1997 includes large one-time appropriations not recommended in FY 1998, including \$595,000 for Utah State Fair Corporation, \$660,000 for Hogle Zoo, and \$550,000 for legislative initiatives.
- (g) FY 1997 includes large one-time appropriations. Additionally, in FY 1998, General Fund has been replaced with restricted fund earmarked for water development projects (1996 House Bill 393, Sales Tax for infrastructure).
- (h) FY 1997 includes a \$500,000 one-time appropriation from the General Fund for Corridor Preservation Program. In FY 1998 the program will be funded with restricted funds.
- (i) FY 1997 includes \$29 million for facilities construction funded with General Fund. In FY 1998, it is recommended these capital projects be funded by general obligation bond. In addition, FY 1997 included \$35 million in one-time funding to the Centennial Highway Fund.
- (j) FY 1998 includes \$5 million for Health Insurance Pool, \$2,650,000 for Year 2000 computer date change, and \$2 million for the fiscal note reserve.

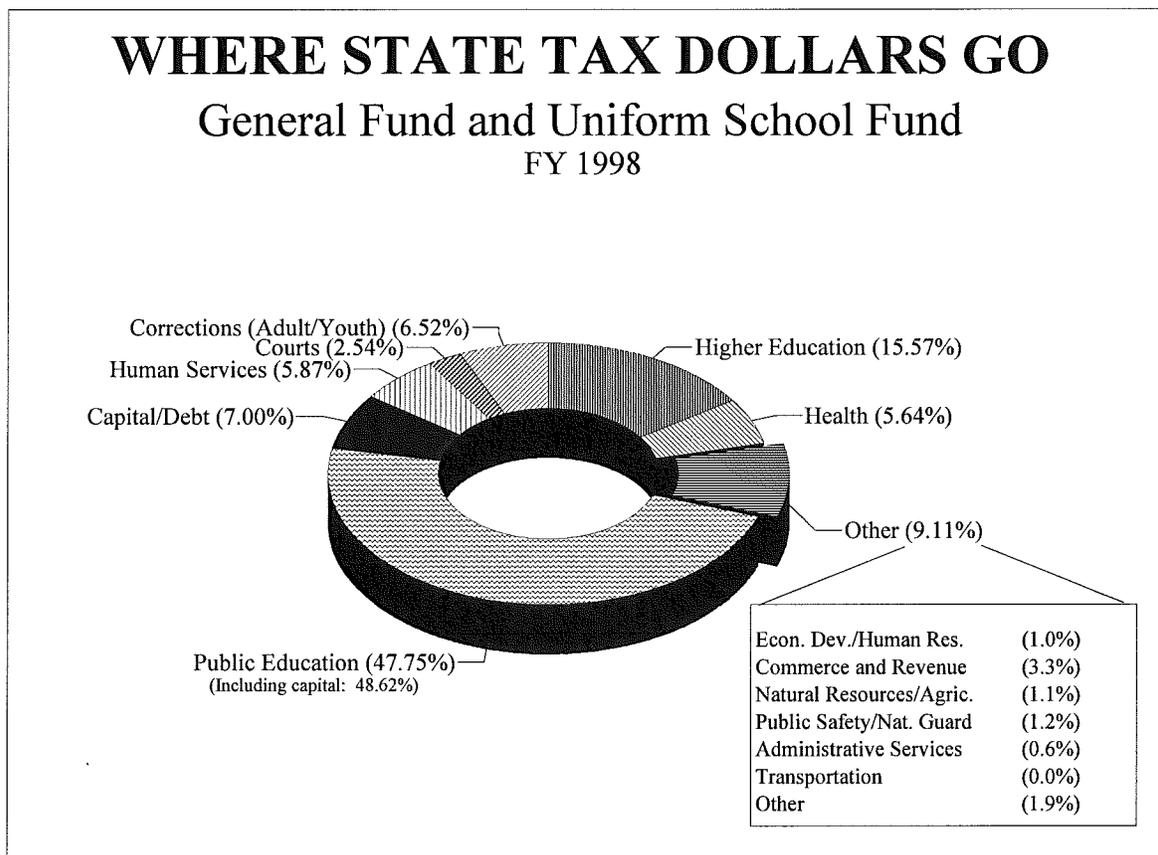


Table 7

SUMMARY OF RECOMMENDATIONS BY DEPARTMENT
Appropriations from All Sources of Funding
(In Thousands of Dollars)

	Actual FY 1996	Authorized FY 1997	Governor Leavitt's Recommendations				Percent Change R97/98 (d)
			Recommended FY 1997 (a)	Base FY 1998 (b)	Adjust- ments (c)	Total FY 1998	
Plan of Financing							
General Fund	\$1,320,995	\$1,491,531	\$1,497,235	\$1,391,234	\$109,480	\$1,500,714	0.2%
Uniform School Fund	1,288,503	1,513,328	1,514,277	1,408,165	126,993	1,535,158	1.4
Transportation Fund	257,858	264,880	264,880	260,366	12,034	272,400	2.8
Federal Funds	1,182,541	1,179,620	1,204,263	1,181,320	43,694	1,225,014	1.7
Dedicated Credits	306,820	308,220	310,370	304,854	6,229	311,083	0.2
Mineral Lease	35,506	30,090	30,090	29,343	633	29,976	(0.4)
Restricted and Trust Funds	194,268	200,929	207,264	200,301	49,103	249,404	20.3 (e)
Transfers	145,759	133,120	133,810	125,121	5,225	130,346	(2.6)
Other Funds	42,909	25,905	25,946	6,230	7,619	13,849	(46.6) (f)
Pass-through Funds	14,301	4,163	4,163	3,081	7	3,088	(25.8) (g)
Beginning Balances	124,122	151,428	151,428	49,556	0	49,556	(67.3) (h)
Closing Balances	(151,428)	(49,556)	(49,556)	(43,475)	0	(43,475)	12.3
Lapsing Funds	(38,024)	0	0	0	(7,643)	(7,643)	(100.0)
Local Property Tax	270,726	252,259	252,259	252,259	19,223	271,482	7.6
TOTAL FINANCING	\$4,994,856	\$5,505,917	\$5,546,429	\$5,168,355	\$372,597	\$5,540,952	(0.1%)
Appropriations by Department							
Administrative Services	\$21,781	\$25,132	\$25,761	\$19,871	\$2,944	\$22,815	(11.4%) (i)
Commerce and Revenue	311,465	315,212	317,045	317,402	5,944	323,346	2.0
Corrections (Adult and Youth)	163,012	186,426	187,957	182,435	26,511	208,946	11.2
Courts	68,919	71,070	71,824	72,334	7,628	79,962	11.3
Econ. Development/Human Res.	89,518	97,023	98,523	86,365	1,965	88,330	(10.3) (j)
Elected Officials	38,840	47,869	48,338	46,786	880	47,666	(1.4)
Environmental Quality	66,158	75,732	76,142	73,582	1,213	74,795	(1.8)
Health	738,907	785,489	790,589	780,268	31,577	811,845	2.7
Higher Education	598,069	622,575	622,575	602,639	35,768	638,407	2.5
Human Services	322,255	340,765	346,575	326,377	30,581	356,958	3.0
Legislature	10,318	11,213	11,213	11,018	552	11,570	3.2
National Guard	22,255	17,107	17,117	20,457	386	20,843	21.8
Natural Resources	93,559	111,996	116,419	104,422	7,876	112,298	(3.5)
Public Education	1,715,238	1,885,464	1,886,414	1,820,753	106,154	1,926,907	2.1 (k)
Public Safety	57,782	60,089	61,214	59,811	2,488	62,299	1.8
Transportation	188,761	172,455	173,590	170,897	4,473	175,370	1.0
Total Operations Budget	4,506,837	4,825,617	4,851,296	4,695,417	266,940	4,962,357	2.3
Capital Budget	388,342	579,187	590,067	378,120	84,263	462,383	(21.6) (l)
Debt Service	94,426	96,307	100,060	91,113	9,784	100,897	0.8
Other	5,251	4,806	5,006	3,705	11,610	15,315	205.9 (m)
TOTAL APPROPRIATIONS	\$4,994,856	\$5,505,917	\$5,546,429	\$5,168,355	\$372,597	\$5,540,952	(0.1%)

See footnotes on next page

Table 7 shows the budget for all sources of funding by state agency. It is a summary of the department tables found in a following section. Base FY 1998 has been adjusted to exclude one-time FY 1997 expenditures. The Adjustments column is described in more detail in the individual department sections.

Table 7**SUMMARY OF RECOMMENDATIONS BY DEPARTMENT****Footnotes**

- (a) Recommended FY 1997 is based upon updated revenue projections and includes recommended supplemental appropriations.
- (b) Base FY 1998 is the ongoing portion of FY 1997 without one-time appropriations and adjusts for program transfers between departments and internal service fund rate changes.
- (c) Adjustments are shown in more detail in the individual department sections of this book.
- (d) Change is from Recommended FY 1997 to Recommended FY 1998.
- (e) FY 1998 includes increased funding for water development and local road projects (1996, H.B. 393 Sales Tax for Infrastructure)
- (f) FY 1997 includes a re-appropriation of a FY 1995 balance from the Transportation Fund.
- (g) FY 1998 includes a decrease in the federal oil overcharge payments.
- (h) FY 1997 includes actual beginning balances for all departments, most departments did not estimate beginning balances for FY 1998.
- (i) FY 1997 included \$4 million for mandated removal or upgrade of underground fuel facilities; the project is nearing completion and costs will decrease to \$1 million in FY 1998.
- (j) FY 1997 includes a beginning balance \$8.5 million higher than the estimate for FY 1998; FY 1997 also includes large one-time appropriations.
- (k) FY 1998 includes increases for enhancement of the weighted pupil unit, growth, and leeways.
- (l) FY 1997 includes \$29 million for higher education capital projects, \$35 million in one-time funding for transportation, and \$65 million in prior year appropriations from the General Fund, Transportation Fund, and Transportation Investment Fund.
- (m) FY 1998 includes \$5 million for Health Insurance Pool, \$5,031,000 for Year 2000 computer date change, and \$2 million for fiscal note reserve.

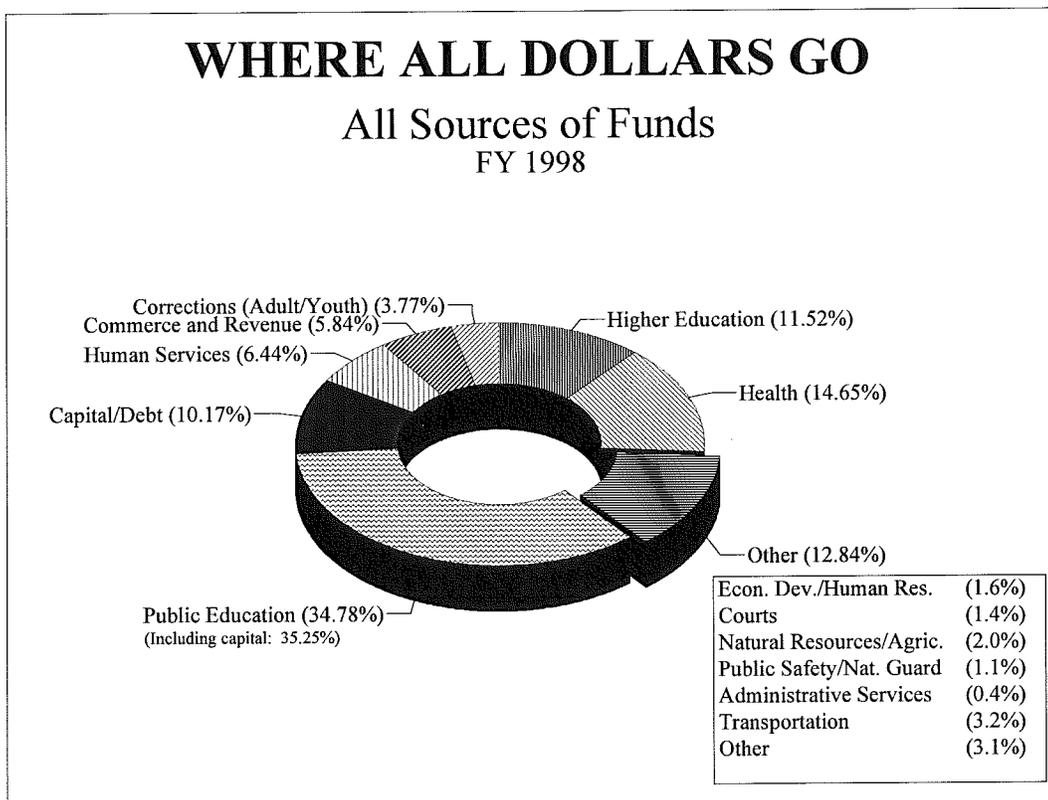


Table 8 on the following two pages shows the budget for state agencies with all sources of funding.

Table 8

SUMMARY PLAN OF FINANCING BY DEPARTMENT AND SOURCES OF FUNDING

	General Fund	Uniform School Fund	Transportation Fund	Federal Funds	Dedicated Credits	Mineral Lease	Restricted and Trust Funds	Other	Property Tax	Total
Administrative Services										
Actual FY 1996	\$17,870,000	\$0	\$450,000	\$0	\$2,083,700	\$0	\$0	\$1,377,400	\$0	\$21,781,100
Authorized FY 1997	18,561,000	6,000	453,400	3,300	939,300	0	908,200	4,260,200	0	25,131,400
Recommended FY 1998	18,882,100	6,000	453,400	3,300	1,486,100	0	1,143,200	841,000	0	22,815,100
Commerce and Revenue										
Actual FY 1996	89,722,100	14,319,600	4,851,000	118,892,900	10,024,400	0	70,164,100	3,490,500	0	311,464,600
Authorized FY 1997	89,413,100	14,905,800	4,851,000	114,424,200	10,631,000	0	69,881,100	11,105,800	0	315,212,000
Recommended FY 1998	84,851,800	15,145,100	4,851,000	135,685,300	8,964,500	0	72,916,600	932,100	0	323,346,400
Corrections (Adult and Youth)										
Actual FY 1996	154,740,400	0	0	1,079,700	2,231,800	0	185,000	4,775,000	0	163,011,900
Authorized FY 1997	171,209,300	0	0	742,900	3,710,100	0	250,000	10,513,800	0	186,426,100
Recommended FY 1998	197,921,500	0	0	764,400	4,205,100	0	300,000	5,755,300	0	208,946,300
Courts										
Actual FY 1996	66,572,600	0	0	71,500	733,600	0	1,444,200	97,100	0	68,919,000
Authorized FY 1997	68,402,700	0	0	71,400	802,100	0	1,560,000	233,300	0	71,069,500
Recommended FY 1998	77,033,700	0	0	73,200	1,140,500	0	1,632,100	82,600	0	79,962,100
Economic Development and Human Resources										
Actual FY 1996	31,948,200	0	118,000	16,382,700	12,534,100	322,800	25,274,200	2,937,900	0	89,517,900
Authorized FY 1997	33,582,900	0	118,000	14,560,200	13,078,600	100,000	25,492,300	10,091,000	0	97,023,000
Recommended FY 1998	30,703,100	0	118,000	14,487,900	13,283,200	100,000	27,055,200	2,581,800	0	88,329,200
Elected Officials										
Actual FY 1996	23,219,400	0	0	5,750,300	8,646,800	0	2,198,500	(974,700)	0	38,840,300
Authorized FY 1997	24,312,900	0	0	8,476,800	10,137,000	0	2,111,200	2,830,500	0	47,868,400
Recommended FY 1998	24,276,300	0	0	10,040,800	10,353,000	0	2,191,400	804,300	0	47,665,800
Environmental Quality										
Actual FY 1996	8,532,700	0	0	46,081,400	5,379,400	0	4,775,500	1,389,300	0	66,158,300
Authorized FY 1997	9,200,100	0	0	51,899,100	6,581,900	0	5,541,600	2,509,600	0	75,732,300
Recommended FY 1998	9,047,300	0	0	51,915,500	5,853,300	168,000	5,940,100	1,871,100	0	74,795,300
Health										
Actual FY 1996	150,656,800	0	0	502,803,100	31,884,000	0	13,173,600	40,389,600	0	738,907,100
Authorized FY 1997	162,068,800	0	0	539,440,000	34,542,000	350,000	9,785,600	39,303,000	0	785,489,400
Recommended FY 1998	171,084,700	0	0	557,980,600	35,544,900	350,000	10,236,900	36,648,300	0	811,845,400
Higher Education										
Actual FY 1996	424,362,900	534,300	0	4,572,800	151,139,600	7,129,300	211,800	10,117,900	0	598,068,600
Authorized FY 1997	418,946,300	38,568,500	0	4,742,300	153,602,500	5,962,900	752,700	0	0	622,575,200
Recommended FY 1998	436,207,000	36,458,500	0	4,742,300	155,497,300	4,749,000	752,700	0	0	638,406,800
Human Services										
Actual FY 1996	142,223,800	0	0	94,051,000	10,468,300	0	1,500,000	74,011,900	0	322,255,000
Authorized FY 1997	155,263,800	0	0	93,400,400	9,086,000	0	1,500,000	81,515,200	0	340,765,400
Recommended FY 1998	178,338,100	0	0	87,702,500	6,892,500	0	2,588,000	81,436,900	0	356,958,000

Table 9

SUMMARY OF FY 1998 ADJUSTMENTS BY DEPARTMENT
Ongoing and One-time
All Sources of Funding

	General Fund	Uniform School Fund	Subtotal GF/USF	Transportation Fund	Federal Funds	Dedicated Credits	Mineral Lease	Restricted and Trust Funds	Other	Property Tax	Total
Appropriations by Department											
Administrative Services	\$1,944,100	\$0	\$1,944,100	\$0	\$0	\$420,700	\$0	\$0	\$579,100	\$0	\$2,943,900
Commerce and Revenue	1,573,900	316,600	1,890,500	0	8,480,700	79,000	0	2,181,300	(6,687,500)	0	5,944,000
Corrections (Adult and Youth)	26,280,100	0	26,280,100	0	72,500	0	0	0	158,300	0	26,510,900
Courts	7,520,400	0	7,520,400	0	1,800	18,600	0	86,200	1,100	0	7,628,100
Econ. Dev./Human Res.	223,700	0	223,700	0	32,200	72,400	100,000	1,529,300	7,000	0	1,964,600
Elected Officials	426,400	0	426,400	0	121,600	264,300	0	62,200	5,200	0	879,700
Environmental Quality	242,100	0	242,100	0	65,700	95,300	168,000	637,000	5,400	0	1,213,500
Health	9,925,400	0	9,925,400	0	19,576,000	1,055,400	350,000	653,300	17,300	0	31,577,400
Higher Education	21,106,800	12,766,100	33,872,900	0	0	1,894,800	0	0	0	0	35,767,700
Human Services	18,543,600	0	18,543,600	0	6,597,900	61,100	0	1,088,000	4,290,100	0	30,580,700
Legislature	552,600	0	552,600	0	0	0	0	0	0	0	552,600
National Guard	250,600	0	250,600	0	135,100	0	0	0	0	0	385,700
Natural Resources	(1,888,400)	0	(1,888,400)	0	513,600	220,000	15,100	8,807,000	208,300	0	7,875,600
Public Education	0	86,130,400	86,130,400	0	703,000	84,300	0	0	13,000	19,223,400	106,154,100
Public Safety	1,182,300	0	1,182,300	64,800	25,800	61,400	0	1,143,500	9,900	0	2,487,700
Transportation	0	0	0	3,885,000	407,400	149,500	0	30,900	0	0	4,472,800
Total Dept. Adjustments	87,883,600	99,213,100	187,096,700	3,949,800	36,733,300	4,476,800	633,100	16,218,700	(1,392,800)	19,223,400	266,939,000
Capital Budget	5,336,100	26,358,000	31,694,100	8,084,600	5,000,000	0	0	32,884,500	6,600,000	0	84,263,200
Debt Service	8,031,900	0	8,031,900	0	0	1,751,800	0	0	0	0	9,783,700
Other	8,228,000	1,422,000	9,650,000	0	1,961,000	0	0	0	0	0	11,611,000
TOTAL ADJUSTMENTS	\$109,479,600	\$126,993,100	\$236,472,700	\$12,034,400	\$43,694,300	\$6,228,600	\$633,100	\$49,103,200	\$5,207,200	\$19,223,400	\$372,596,900

Table 9 shows the ongoing and one-time appropriations recommended by department for FY 1998.

Table 10

SUMMARY OF FY 1997 SUPPLEMENTALS BY DEPARTMENT

All Sources of Funding

	General Fund	Uniform School Fund	Subtotal GF/USF	Transportation Fund	Federal Funds	Dedicated Credits	Restricted and Trust Funds	Other	Total
Appropriations by Department									
Administrative Services	\$100,000	\$0	\$100,000	\$0	\$0	\$95,000	\$235,000	\$200,000	\$630,000
Commerce and Revenue	(6,000,000)	0	(6,000,000)	0	7,357,900	0	475,300	0	1,833,200
Corrections (Adult and Youth)	1,331,000	0	1,331,000	0	0	0	200,000	0	1,531,000
Courts	658,200	0	658,200	0	0	1,000	95,000	0	754,200
Econ. Dev./Human Res.	0	0	0	0	0	0	1,500,000	0	1,500,000
Elected Officials	200,000	0	200,000	0	220,000	50,000	0	0	470,000
Environmental Quality	0	0	0	0	0	0	410,000	0	410,000
Health	0	0	0	0	3,710,700	18,500	1,370,800	0	5,100,000
Higher Education	0	0	0	0	0	0	0	0	0
Human Services	3,514,500	0	3,514,500	0	1,354,700	0	450,000	490,200	5,809,400
Legislature	0	0	0	0	0	0	0	0	0
National Guard	10,000	0	10,000	0	0	0	0	0	10,000
Natural Resources	3,965,400	0	3,965,400	0	0	0	458,200	0	4,423,600
Public Education	0	949,400	949,400	0	0	0	0	0	949,400
Public Safety	0	0	0	0	0	0	1,125,000	0	1,125,000
Transportation	0	0	0	1,120,300	0	0	15,000	0	1,135,300
Total Dept. Supplementals	3,779,100	949,400	4,728,500	1,120,300	12,643,300	164,500	6,334,300	690,200	25,681,100
Capital Budget	0	0	0	(1,120,300)	12,000,000	0	0	0	10,879,700
Debt Service	1,725,200	0	1,725,200	0	0	1,986,800	0	40,600	3,752,600
Other	200,000	0	200,000	0	0	0	0	0	200,000
TOTAL SUPPLEMENTALS	\$5,704,300	\$949,400	\$6,653,700	\$0	\$24,643,300	\$2,151,300	\$6,334,300	\$730,800	\$40,513,400



■ BASIS OF BUDGETING

The governor's budget for general government type funds (see Table 1 for General and Uniform School Funds and Table 8, column 3, for Transportation Fund) is prepared on a modified accrual basis. Revenues are recognized when measurable and when available to finance operations during the year. Expenditures are recognized when liabilities are incurred. Modifications to the accrual basis of accounting include: 1) recognizing inventories of materials and supplies when purchased, 2) recognizing prepaid expenses as current expenditures, and 3) recognizing principal and interest on general long-term debt as liabilities when due. Buildings and other fixed assets are not depreciated.

Internal service fund budgets and enterprise fund budgets (see Internal Service and Enterprise Funds section) are prepared on a full accrual basis with revenues recognized when earned and expenditures recognized when the related liability is incurred. Buildings and equipment are depreciated on a straight-line basis over their estimated useful lives.

Relationship to the Comprehensive Annual Financial Report

The Division of Finance issues the Comprehensive Annual Financial Report (CAFR) which includes all funds and account groups. The CAFR is also prepared on a modified accrual basis, with the enterprise and internal service funds prepared on a full accrual basis. There are three major differences between the CAFR and the governor's budget. The CAFR: 1) does not accrue local property taxes,

2) eliminates intrafund revenues and expenditures, and 3) accrues the value of food stamps and commodities received for school lunch programs. Also, the CAFR includes assets purchased from proceeds of general obligation and revenue bonds as current year expenditures; the budget does not.

Budgetary Control

Budgetary control is maintained at the functional or organizational level as identified by line items in the appropriations acts. Budget accounts, other than General Fund, Uniform School Fund, Transportation Fund, and restricted funds, may be modified subject to the governor's approval if actual revenue differs from original estimates authorized by the legislature. If funding sources are not sufficient to cover the appropriation, the governor is required to reduce the budget by the amount of the deficiency. Any other changes to the budget must be approved by the legislature in a supplemental appropriation.

Year End Balances

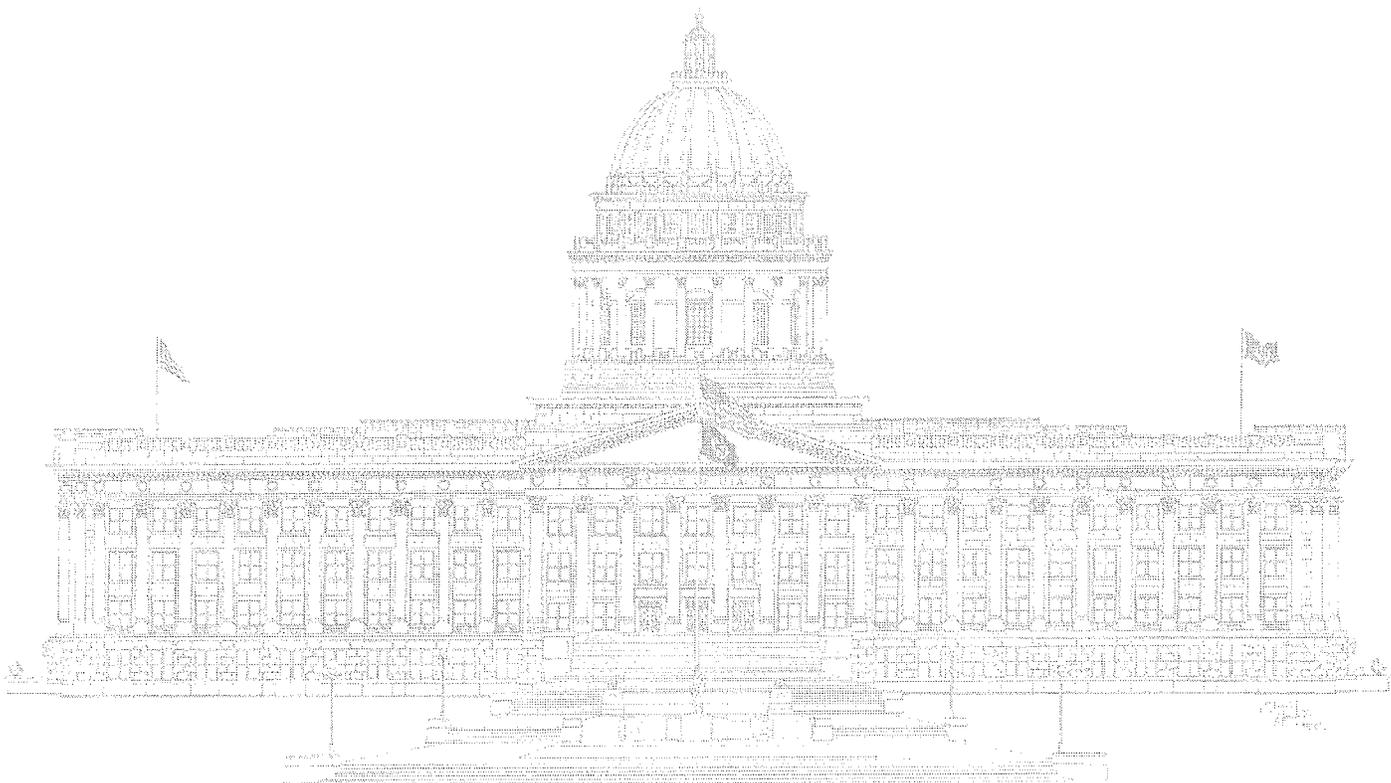
Unexpended balances at year end may: 1) lapse to unrestricted balances for future appropriation, 2) lapse to restricted balances for future appropriations restricted for specific purposes as defined in statute, or 3) remain in the fund as non-lapsing balances. Nonlapsing balances are considered automatically reappropriated as authorized by statute, by the appropriations act, or by limited commitments related to unperformed contracts for goods or services. ■

■ THE BUDGET PROCESS Fiscal Year 1998

The publication of Governor Leavitt's budget recommendations, prepared by the Governor's Office of Planning and Budget (GOPB), is the culmination of several months of preparation and deliberation. The director of GOPB, the statutory state budget officer, oversees preparation of the governor's budget recommendations.

Item:	<i>Forms and Guidelines</i>	<i>GOPB distributes forms and guidelines to agencies for use in preparing agency operating and capital budget requests. The budget preparation calendar and parameters for requesting budget enhancements are established.</i>
By:	<i>GOPB</i>	
Dates:	<i>June-July, 1996</i>	
Item:	<i>Agency Requests</i>	<i>State agencies prepare budget requests for the governor's review in accordance with agency goals and GOPB guidelines. A copy is forwarded to the Legislative Fiscal Analyst's Office (LFA).</i>
By:	<i>State Agencies</i>	
Dates:	<i>July-September, 1996</i>	
Item:	<i>GOPB Recommendations</i>	<i>GOPB collects and analyzes agency requests. GOPB prepares recommendations on base budgets and proposed enhancements for the governor.</i>
By:	<i>GOPB</i>	
Dates:	<i>September-October, 1996</i>	
Item:	<i>Budget Hearings</i>	<i>The governor holds budget hearings for state agencies and the judicial branch. Preliminary GOPB recommendations are reviewed. Policy matters with budgetary implications are discussed.</i>
By:	<i>Governor/GOPB</i>	
Dates:	<i>October-November, 1996</i>	
Item:	<i>Final Budget Preparation</i>	<i>GOPB, with input from the State Tax Commission and review with the Legislative Fiscal Analyst, prepares up-to-date revenue projections to be used in finalizing the governor's budget recommendations.</i>
By:	<i>Governor/GOPB</i>	
Dates:	<i>November- Early December, 1996</i>	

<p>Item: <i>Budget Presentation</i> By: <i>Governor</i> Dates: <i>Mid-December, 1996</i></p>	<p><i>The governor publicly releases his budget recommendations.</i></p>
<p>Item: <i>Fiscal Analysts' Analysis</i> By: <i>Legislative Fiscal Analyst</i> Dates: <i>December, 1996- Mid-January, 1997</i></p>	<p><i>The LFA analyzes the governor's budget recommendations, independently projects revenue (with review by GOPB), and prepares operating and capital budget recommendations for consideration by the legislature.</i></p>
<p>Item: <i>Legislative Deliberations</i> By: <i>Legislature</i> Dates: <i>Mid-January-March, 1997</i></p>	<p><i>The legislature's Executive Appropriations Committee has nine subcommittees which hold hearings on the governor's budget recommendations. The subcommittees gather relevant testimony on agency budgets before sending their recommendations to the Executive Appropriations Committee. The Executive Appropriations Committee prepares appropriations bills to be considered by the full legislature. The legislature passes the bills and forwards them to the governor for signature or veto.</i></p>
<p>Item: <i>Budget Implementation</i> By: <i>Governor/Agencies</i> Dates: <i>March-June, 1997</i></p>	<p><i>The governor signs or vetoes the enrolled appropriations bills. State statute allows the governor line item veto authority.</i></p>
<p>Item: <i>Budget Amendments</i> By: <i>Legislature/Governor</i> Dates: <i>As Needed</i></p>	<p><i>Generally, budget amendments affecting state appropriations must be made by the legislature. The legislature can amend a current year budget through a supplemental appropriations bill. Supplementals can be positive or negative adjustments. The governor has emergency authority to reduce state budgets. This authority has not been used recently. ■</i></p>



State of Utah

Capital Budget Summary and Bonding

- * Purpose of the capital budget
- * Bonding limit
- * General obligation bonds recommended for FY 1998
- * Capital budget table showing three-year comparison of appropriations by department and a column showing the FY 1998 bond recommendations
- * Debt service table showing three-year comparisons

CAPITAL BUDGET TABLE GUIDE

CAPITAL BUDGET All Sources of Funding

Governor Leavitt's Recommendations

	Actual FY 1996	Authorized FY 1997	Recommended FY 1997	Base FY 1998	Adjust- ments	Total FY 1998	Bond
Plan of Financing							
General Fund	\$2,936,300	\$179,599,800	\$179,599,800	\$102,005,100	(\$1,045,500)	\$100,959,300	\$0
Unrestricted	447,200	29,003,500	29,003,500	1,000,000	26,358,000	27,358,000	0
Trust	063			138,415,700			0
Fee	736			99,526,100	10,000		0
Debt	017			1,685,000			0
Miscellaneous	785			23,999,000			0
Restricted and Trust Funds	21,353			30,213,000	32,800		0
Transfers	(727)			(5,127,600)			0
General Obligation Bond	25,000			0			0
Revenue Bond/Lease Purchases				0			0
Other Funds				0	0	0	0
Pass-through Funds	1,216,500	2,373,500	2,373,500	1,295,600	0	1,295,600	0
Beginning Balances	31,306,600	67,010,500	67,010,500			2,400	0
Closing Balances	(67,010,500)	(6,152,400)	(6,152,400)			(8,900)	0
Lapsing Funds	(3,294,600)	0	0			0	0
Local Property Tax	7,511,900	0	0			0	0
		200	\$579,041,900	\$3		3,000	\$0
Departments							
Administrative Services	\$12,358,200	\$21,336,600	\$21,336,600	\$21,336,600	(\$6,126,300)	\$15,210,300	\$0
Commerce and Revenue	0	0	0	0	0	0	0
Corrections	0	0	0	0	0	0	0
Courts	0	0	0	0	0	0	0
Econ. Development/Human Res	24,355,200	43,401,600	43,401,600	30,517,800	2,500,000	33,017,800	0
Environmental Quality	1,000,000	4,900,000	4,900,000	0	21,295,000	21,295,000	0
Higher Education	4,160,000	29,138,200	29,138,200	0	0	0	0
Human Services	0				0	0	0
Natural Resources	21,251,500	33,59			1,170,000	25,037,800	0
Public Education	25,869,900	26,35			26,358,000	26,358,000	0
Transportation	299,146,800	421,43			23,000,000	341,584,100	0
Total Capital Budget	\$388,341,600	\$580,162,200	\$579,041,900	\$394,306,300	\$68,196,700	\$462,503,000	\$0

The "Actual FY 1996" column represents what the departments spent on capital projects in FY 1996.

The "Authorized FY 1997" column reflects authorized expenditures in the current fiscal year. The "Recommended FY 1997" column represents the authorized year plus recommended supplementals.

Adjustments are changes in funding for existing projects or funding for new projects recommended by the governor for FY 1998.

General Obligation Bond Revenue Bond/Lease Purchases

General obligation bonds are backed unconditionally by the state's credit and repaid with tax dollars. Revenue bonds are repaid with earnings from revenue generating activities or agency lease payments.

Base budget includes funding from non-bond sources for ongoing capital programs. It is the FY 1997 authorized expenditures less one-time FY 1997 expenditures.

The amounts in each column are detailed in the individual department capital tables.

The capital budget includes acquisition, development, construction, and improvement of fixed public assets such as land and buildings.

■ CAPITAL BUDGET

Overview

The capital budget includes acquisition, construction, and improvement of fixed public assets. Capital expenditures are budgeted separately from operating expenditures and include design and finance costs. Capital projects are classified as developments, improvements, or planning.

Capital developments include:

1) remodeling, site, or utility projects costing \$1 million or more; 2) new space costing more than \$100,000; and 3) land acquisitions where an appropriation is requested. New construction projects are often funded with general obligation or revenue bonds. General obligation bonds are backed unconditionally by the state's credit and are repaid with state tax dollars. Revenue bonds are repaid with revenue otherwise dedicated for lease payments.

Capital improvements are major alterations, repairs, or improvements of fixed capital assets costing less than \$1 million. State law requires that annual capital improvement funding equal at least 0.9 percent of the estimated replacement cost of all state facilities. The Utah State Building Board allocates capital improvement funding to priority projects.

Capital planning is the programming process conducted before a project is considered for further funding. It provides the basis for choosing among alternatives.

Bonding Limit

The Utah Constitution limits general obligation debt to 1.5 percent of the total fair market value of taxable property. Section 59-17a-112, Utah Code Annotated, further limits outstanding general obligation debt to no more than 20 percent of the maximum allowable limit on appropriations from the General Fund, Uniform School Fund, and Transportation Fund, less debt service.

The appropriation limit formula averages the change in personal income and combined changes in population and inflation. The estimated FY 1998 appropriation limit of \$3.25 billion equates to an outstanding general obligation debt limit of \$650 million. This amount, less approximately \$297 million in outstanding debt and \$27 million in authorized but unissued debt, leaves a general obligation borrowing capacity of \$326 million in FY 1998.

Review Process

Before recommending a capital budget, the governor considers agency requests and recommendations of the Utah State Building Board. Its seven voting members are appointed by the governor and serve as policy makers for the Division of Facilities Construction and Management. Other boards that play a role in the capital budget process include the Board of Regents, Board of Education, Transportation Commission, Board of Water Resources, Water Pollution Control Committee, Safe

Drinking Water Committee, Permanent Community Impact Fund Board, Board of Parks and Recreation, Wildlife Board, and Soil Conservation Commission.

Recommendations

Governor Leavitt recommends a total FY 1998 capital budget appropriation of \$462,383,200. The capital budget table shows a three year comparison of appropriations by department. It also shows the FY 1998 bond recommendation. The statewide capital improvement recommendation of \$29,743,600 is split between a \$14,871,800 appropriation and \$14,871,800 general obligation bond.

The recommendation for debt service is an FY 1998 appropriation of \$100,897,100, and an FY 1997 supplemental appropriation of \$3,752,600.

The bond table on the following page shows the FY 1998 general obligation bond recommendation of \$55,319,400. Governor Leavitt recommends \$18.4 million for higher education facilities and land. This level encourages better use of technology and existing facilities rather than more bricks and mortar.

The governor recommends privatizing construction and operation of the women's multi-custody facility and the production kitchen, both at the Draper site of the Utah State Prison. All efforts will be made to obtain financing at the same rate available for financing of other state-owned facilities. Increased operational costs for these projects

will approximate \$3.7 million for the women's facility and \$210,000 for the production kitchen.

Annual operational costs for other recommended capital developments are estimated at \$800,000 for the Carbon/Emery youth corrections facility, \$1.7 million for the three multi-use youth corrections facilities, \$4.4 million for the Region I secure youth corrections facility, \$200,000 for the University of Utah's Gardner Hall, \$100,000 for the building purchased at the College of Eastern Utah, and \$4.9 million for the Utah State Hospital forensic unit.

The governor recommends \$255,600 for planning and programming of the Vernal courthouse, the Clearfield office of Workforce Services, a youth corrections secure facility, and three youth corrections detention facilities. He also recommends \$250,000 for a master concept of remodeling the State Capitol Building, and \$350,000 for seismic analysis of state buildings identified as emergency facilities.

The University of Utah's request to construct a Health Sciences laboratory costing \$16.3 million and a gymnastics facility costing \$2.9 million is recommended. These projects will be funded from private donations, but operational costs will be borne by the state. The governor also recommends \$3.3 million for construction of two maintenance sheds for the Department of Transportation and a \$6 million revenue bond for the construction or purchase of additional state liquor outlets, as the purchase will save the state dollars in the long run. ■

GENERAL OBLIGATION BOND RECOMMENDATION

Projects	Amount
Administrative Services	
Statewide Capital Improvements	\$14,871,800 ^a
Corrections	
Carbon/Emery Youth Crisis Center	2,347,200
Three multi-use youth facilities	2,515,400
Secure Region I youth facility	10,134,700 ^b
Redirection of funding for women's facility from S.B. 286, 1996 Bonding	(8,000,000)
Courts	
Cedar City land purchase	117,000
Higher Education	
University of Utah Gardner Hall	16,103,600 ^c
College of Eastern Utah land	410,000
Weber State University land	771,000
Southern Utah University P.E. building design	1,100,000
Human Services	
Forensic Facility	14,800,700
Workforce Services	
Cedar City office land	148,000
Total	\$55,319,400

a In addition to this amount, \$14,871,800 is recommended as appropriations for statewide capital improvements. This provides a total of \$29,743,600 for repairs and improvements to existing state facilities as per Section 63A-5-103(8), UCA.

b The total project cost of \$11,170,900 includes federal funding of \$1,036,200.

c Private donations of \$6 million are pledged to complete the total funding package of \$22,103,600.

CAPITAL BUDGET

All Sources of Funding

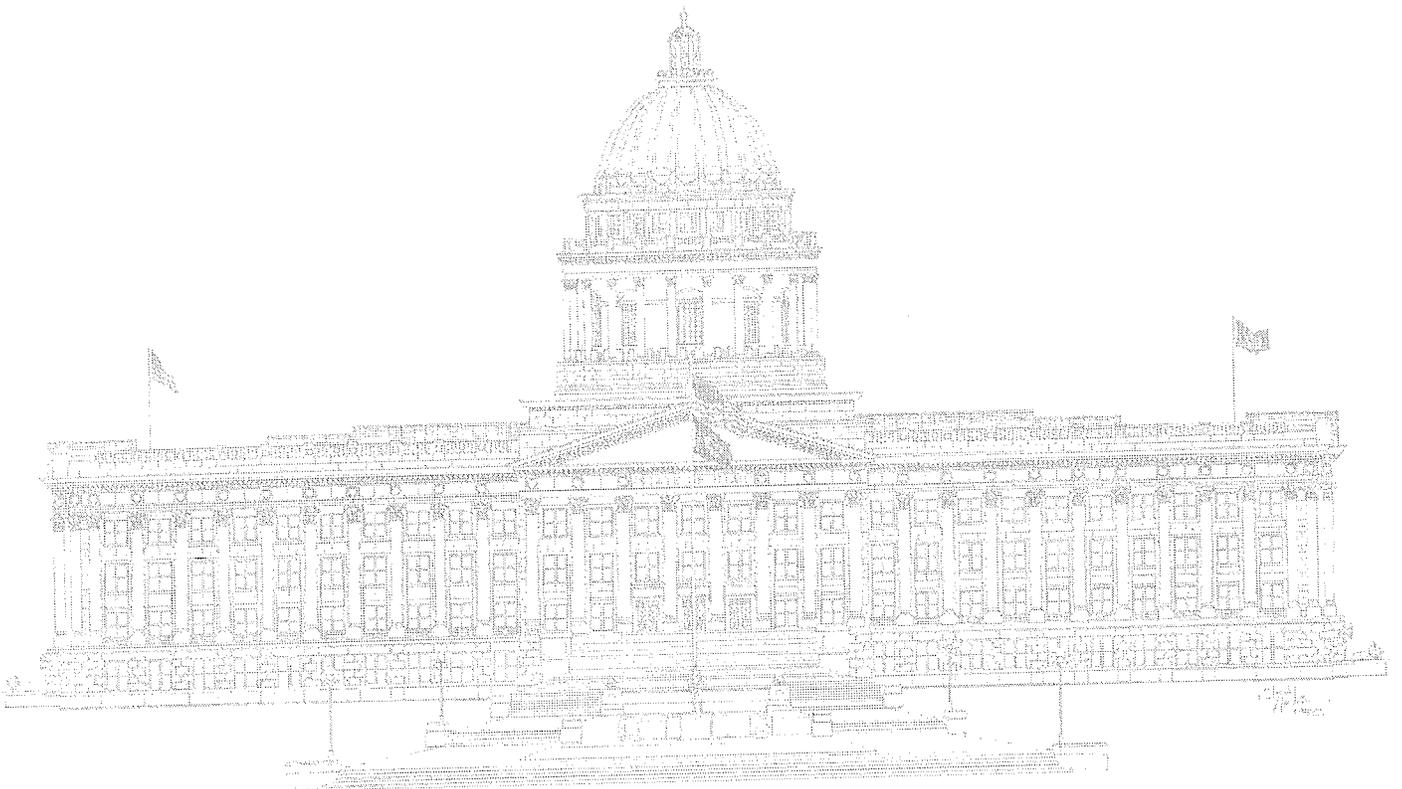
	Governor Leavitt's Recommendations						
	Actual FY 1996	Authorized FY 1997	Recommended FY 1997	Base FY 1998	Adjust- ments	Total FY 1998	FY 1998 Bond
Plan of Financing							
General Fund	\$56,936,300	\$179,899,800	\$179,899,800	\$95,540,300	\$5,336,100	\$100,876,400	\$0
Uniform School Fund	15,447,200	29,203,500	29,203,500	1,000,000	26,358,000	27,358,000	0
Transportation Fund	122,209,700	132,436,500	131,316,200	130,266,300	8,084,600	138,350,900	0
Federal Funds	129,736,300	99,409,300	111,409,300	99,526,100	5,000,000	104,526,100	0
Dedicated Credits	5,017,100	1,716,300	1,716,300	1,685,000	0	1,685,000	0
Mineral Lease	26,785,600	22,417,200	22,417,200	23,326,800	0	23,326,800	0
Restricted and Trust Funds	21,353,800	26,398,700	26,398,700	23,213,900	32,884,500	56,098,400	0
Transfers	(542,400)	(1,302,300)	(1,302,300)	(5,127,600)	0	(5,127,600)	0
FY 1998 G.O. Bond	0	0	0	0	0	0	55,319,400 ^a
FY 1998 Revenue Bond	0	0	0	0	0	0	6,000,000
Other Funds	41,668,100	25,774,800	25,774,800	6,100,100	6,600,000	12,700,100	0
Pass-through Funds	1,216,500	2,375,300	2,375,300	1,295,600	0	1,295,600	0
Beginning Balances	31,306,600	67,010,500	67,010,500	6,152,400	0	6,152,400	0
Closing Balances	(67,010,500)	(6,152,400)	(6,152,400)	(4,858,900)	0	(4,858,900)	0
Lapsing Funds	(3,294,600)	0	0	0	0	0	0
Local Property Tax	7,511,900	0	0	0	0	0	0
Total Financing	\$388,341,600	\$579,187,200	\$590,066,900	\$378,120,000	\$84,263,200	\$462,383,200	\$61,319,400
Departments							
Administrative Services	\$12,258,200	\$21,336,600	\$21,336,600	\$14,871,800	\$855,600	\$15,727,400	\$14,871,800
Commerce and Revenue	0	0	0	0	0	0	6,148,000
Corrections	0	0	0	0	0	0	6,997,300 ^b
Courts	0	0	0	0	0	0	117,000
Econ. Dev./Human Res.	24,355,200	42,426,600	42,426,600	29,845,800	2,500,000	32,345,800	0
Environmental Quality	1,000,000	4,900,000	16,900,000	0	16,295,000	16,295,000	0
Higher Education	4,160,000	29,138,200	29,138,200	0	6,000,000	6,000,000	18,384,600
Human Services	0	0	0	0	0	0	14,800,700
Natural Resources	21,251,500	33,597,100	33,597,100	16,867,800	1,170,000	18,037,800	0
Public Education	25,869,900	26,358,000	26,358,000	0	26,358,000	26,358,000	0
Transportation	299,446,800	421,430,700	420,310,400	316,534,600	31,084,600	347,619,200	0
Total Capital Budget	\$388,341,600	\$579,187,200	\$590,066,900	\$378,120,000	\$84,263,200	\$462,383,200	\$61,319,400

^a See preceding page for project detail.

^b Net of redirection of \$8 million from SB 286, 1996 bonding. Capital developments recommended for Corrections total \$14,997,300.

DEBT SERVICE

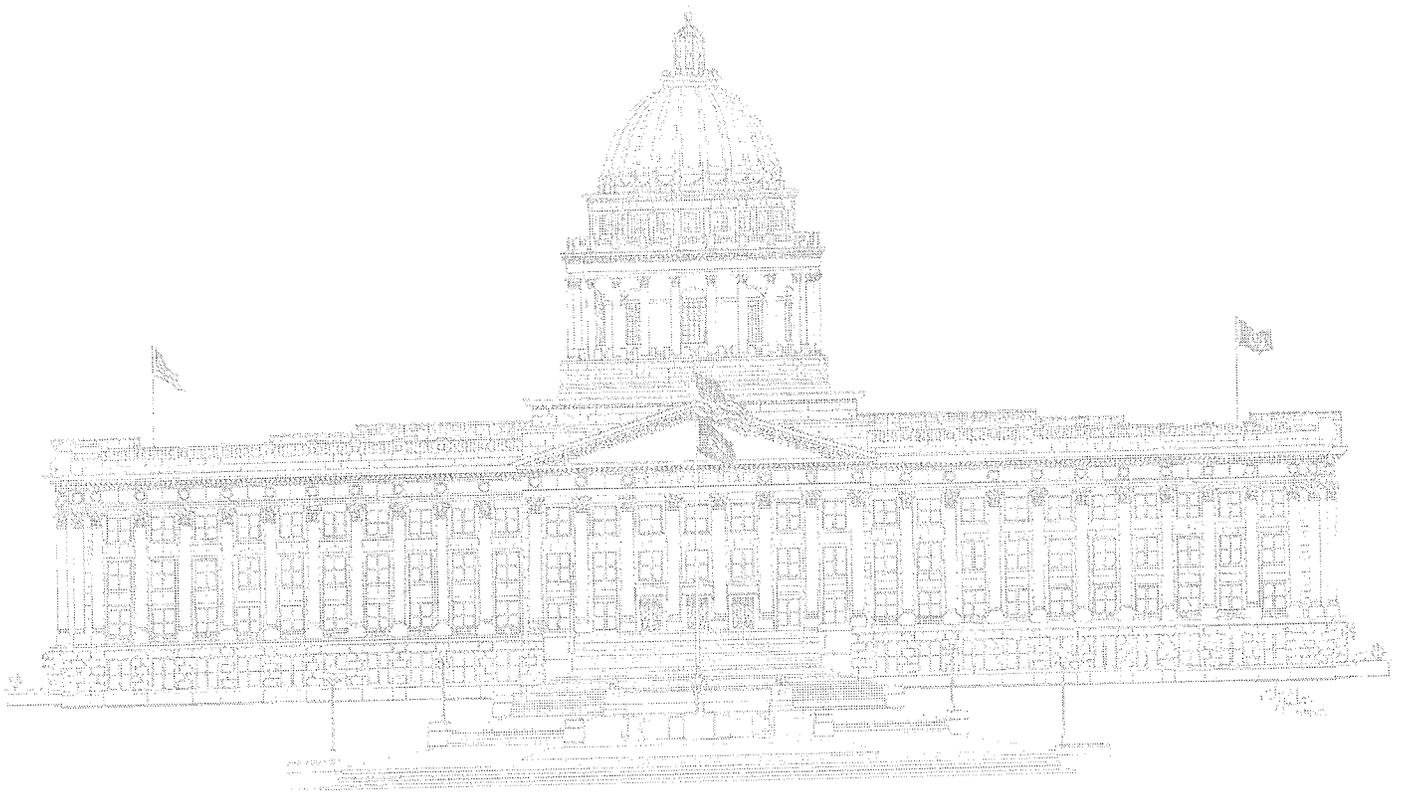
	Governor Leavitt's Recommendations						
	Actual FY 1996	Authorized FY 1997	Recommended FY 1997	Base FY 1998	Adjust- ments	Total FY 1998	% Change RFY97-FY98
Plan of Financing							
General Fund	\$73,552,500	\$71,284,200	\$73,009,400	\$71,284,200	\$8,031,900	\$79,316,100	8.6%
Uniform School Fund	3,440,000	10,212,500	10,212,500	5,019,000	0	5,019,000	(50.9)
Dedicated Credits	16,191,100	14,810,200	16,797,000	14,810,200	1,751,800	16,562,000	(1.4)
Other Funds	1,242,300	0	40,600	0	0	0	(100.0)
Total Financing	\$94,425,900	\$96,306,900	\$100,059,500	\$91,113,400	\$9,783,700	\$100,897,100	0.8%
Programs							
G.O. Bond Principal	\$62,370,000	\$66,025,000	\$66,025,000	\$60,831,500	\$9,018,500	\$69,850,000	5.8%
G.O. Bond Interest	21,310,700	17,682,000	18,682,000	17,682,000	(2,825,900)	14,856,100	(20.5)
G.O. Bond Fees	79,100	66,700	82,500	66,700	14,300	81,000	(1.8)
Revenue Bond Principal	2,875,000	3,445,000	4,165,000	3,445,000	1,460,000	4,905,000	17.8
Revenue Bond Interest	7,674,700	9,042,200	11,080,800	9,042,200	2,138,600	11,180,800	0.9
Revenue Bond Fees	116,400	46,000	24,200	46,000	(21,800)	24,200	0.0
Total Budget	\$94,425,900	\$96,306,900	\$100,059,500	\$91,113,400	\$9,783,700	\$100,897,100	0.8%



State of Utah

Operating and Capital Budgets by Department

- * Department sections in alphabetical order by category
- * Mission statement for each department reflecting its general purpose
- * Purpose of department divisions and programs
- * Selected goals reflecting what the department hopes to achieve through its programs
- * Base budget efficiency initiatives showing how departments have reduced costs and shifted priorities within base budgets
- * Governor Leavitt's major budget recommendations
- * Intent statements recommended by the governor for the FY 1997 supplemental appropriations act and the FY 1998 appropriations act
- * Three-year comparison of appropriated capital projects. Principal and interest for prior year bond projects are shown in the Debt Service budget
- * Detailed FY 1998 ongoing, one-time, and FY 1997 supplemental appropriations



A GUIDE TO TABLES

OPERATING BUDGET AND CAPITAL BUDGET TABLES

These tables show revenues and expenditures for the past fiscal year (FY 1996), authorized and recommended revenues and expenditures for the current fiscal year (FY 1997), and recommended revenue and expenditures for the budget fiscal year (FY 1998).

Plan of Financing	Actual FY 1996	Authorized FY 1997	Recommended FY 1997	Governor Leavitt's Recommendations		Total FY 1998	% Change RFY97-FY98
				Base FY 1998	Adjust- ments		
General Fund	\$159,717,000	150,656,500	0	\$0	0	\$0	0.0%
Federal Funds	0	0	0	0	0	0	0.0
Operating Expenses	0	0	0	0	0	0	0.0
Total Financing	162,675,000	150,656,500	0	0	0	0	0.0
Programs							
Executive Director	0	0	0	0	0	0	0.0
Health	0	0	0	0	0	0	0.0
Epi	0	0	0	0	0	0	0.0
Co	0	0	0	0	0	0	0.0
Hea	0	0	0	0	0	0	0.0
Me	0	0	0	0	0	0	0.0
Hea	0	0	0	0	0	0	0.0
Per	0	0	0	0	0	0	0.0
Co	0	0	0	0	0	0	0.0
Total Budget	\$0	\$0	0	\$0	50	50	0.0%
Positions	0.0					0.0	

The "Recommended FY 1997" column represents the authorized year plus recommended supplementals.

The "Actual FY 1996" column represents what the department actually spent on programs in FY 1996.

The "Base FY 1998" column represents the FY 1997 authorized expenditures less one-time FY 1997 expenditures, plus or minus transfers, plus adjustments for internal service fund charges.

The "Authorized FY 1997" column reflects state tax expenditures as appropriated by the legislature, modified by revisions to federal and other funds. Supplemental appropriations are not included in authorized year amounts.

The "Adjustments" column includes one-time and ongoing funding changes to existing or new programs. Details are included in the "Ongoing Appropriations" and "One-Time Appropriations" sections.

Footnotes refer to the detail listing in the "Ongoing Appropriations" and "One-Time Appropriations" sections.

a See Ongoing Appropriations G2 through G3
b See One-time G1

TABLE GUIDE CONTINUED ON NEXT PAGE

ONGOING, ONE-TIME, AND SUPPLEMENTAL TABLES

These tables show in detail the governor's recommendations for ongoing program appropriations, one-time program increases, and supplemental appropriations. Ongoing program appropriations authorize expenditures on a recurring basis. One-time program increases are expenditures on a non-recurring or limited basis. Supplemental appropriations are adjustments of authorized expenditures in the current fiscal year.

ENVIRONMENTAL QUALITY		General Fund	Total Funds
ONGOING APPROPRIATIONS			
Executive Director			
G1 Local health departments	Cost-of-living increase for local health departments		\$17,500
Drinking Water			
G2 Safe Drinking Water Act positions	Staff positions to implement provisions of Safe Drinking		351,000
Compensation and P			
G3 Personal service adjustment			0
G4 Compensation package			540,000
Subtotal Ongoing Appropriations		192,000	908,500
ONE-TIME APPROPRIATIONS			
Water Quality			
G5 Natural resource damage claim	Transfer from the Hazard	0	411,000
Subtotal One-time Appropriations		0	411,000
Total FY 1998 Adjustments (Ongoing and One-Time Appropriations)		192,000	1,351,000
SUPPLEMENTALS			
Environmental Resp Remediation			
G6 Underground storage tank database		0	110,000
Water Quality			
G7 Natural resource damage claim		0	300,000
TOTAL Supplementals		0	410,000
CAPITAL BUDGET ONGOING APPROPRIATIONS			
Drinking Water			
G8 Sales tax for H			
Water Quality			
G9 Sales tax for wa			
Subtotal Capital Budget Ongoing Appropriations		0	8,700,000
CAPITAL BUDGET ONE-TIME APPROPRIATIONS			
Drinking Water			
G10 Safe Drinking Water Act	Federal funding for the Safe	0	10,000,000
Subtotal Capital Budget One-Time Appropriations		0	10,000,000
Total FY 1998 Capital Budget Ongoing and One-Time Appropriations		0	14,350,000

Each item has a title and a more in-depth description.

Separate columns are provided for different funding sources. The total funds column represents combined funding from all sources.

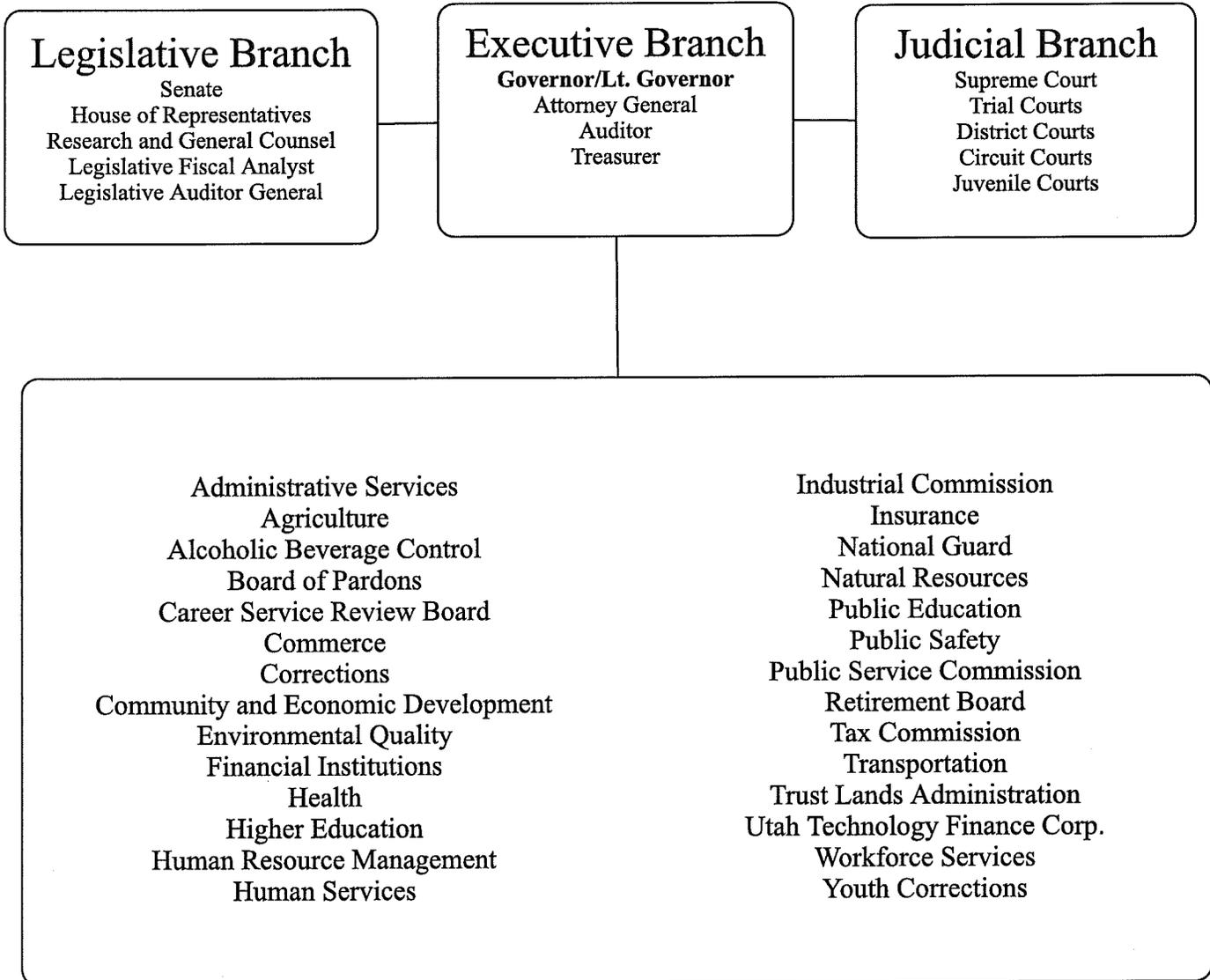
The total amounts in the "ongoing appropriations" and "one-time appropriations" sections match what is found in the adjustments column in the department operating table.

The total amounts in the "supplementals" section, when added to the "Authorized FY 1997" column in the operating and capital tables, match the "Recommended FY 1997" column in the operating and capital tables.

These numbers are cross referenced to the department operating or capital budget table.

The total amounts in the capital budget "ongoing appropriations" and "one-time appropriations" sections match what is found in the adjustments column in the department capital table.

State of Utah Organization Chart



ADMINISTRATIVE SERVICES

Mission: *Provide specialized agency support services including financial control, purchasing, facilities construction and management, rule making, records management, coordinated debt collection, geographic information, and telecommunication services*

Programs

- ◆ **Executive Director** provides financial management, strategic planning, and organizational development.
- ◆ **Administrative Rules** administers rule making procedures and publishes and distributes administrative rules.
- ◆ **Archives** administers records management programs and serves as depository for official state records.
- ◆ **Debt Collection** oversees collection of state receivables and provides training and technical assistance to state agencies on collection related matters.
- ◆ **Facilities Construction and Management** oversees construction and maintenance of facilities owned or occupied by the state.
- ◆ **Finance** provides statewide accounting, processes payroll, and produces the state's annual financial report.
- ◆ **Purchasing** procures goods and services and manages contracts for state agencies.
- ◆ **Information Technology Services** provides data processing and telecommunication services to state agencies as an internal service fund. Appropriated budget includes telecommunication service for local law enforcement agencies and geographic

information services for public and private customers.

Selected Department Goals

- ◆ Develop and refine technological services for state and local governments including wide area network, automated geographic information, and data processing at alternate sites.
- ◆ Improve customer relations by measuring customer satisfaction and encouraging input regarding department services and processes.
- ◆ Encourage telecommuting, compressed work weeks, car pooling, and bus ridership to improve the environment and reduce need for more bricks and mortar.

A comprehensive list of goals and performance measurements can be found in the Utah Tomorrow Strategic Plan, 1996 Annual Report, pages 65-72, and 104-106.

Base Budget Efficiency Initiatives

- ◆ Facilities Construction and Management consolidated its planning, design, and construction sections into one building section. Project coordinators now have fewer customers, and can therefore provide more attention to overall agency needs and better beginning-to-end project service.
- ◆ The Purchasing division initiated a cooperative purchasing program with Higher and Public Education to achieve greater savings.

- ◆ The Office of State Debt Collection is developing programs to identify delinquent accounts of the state and aggressively pursue collection.
- ◆ General Services is proposing legislation which would allow the state motor pool to register fleet vehicles for up to seven consecutive years, and to spread the emissions testing and inspections of fleet vehicles evenly throughout the fiscal year.

Proposed Legislative Intent

FY 1997

Debt Collection

Funds for the Office of Debt Collection are nonlapsing.

Facilities Construction and Management (DFCM)

Proceeds from the sale of surplus property at the Decker Lake youth corrections facility will be used to purchase the balance of property needed for future expansion at the Washington County youth corrections facility. The balance of the proceeds shall be used first to convert detention beds at the old Salt Lake Detention Center to secure beds; and second, to fund other improvement needs in youth correctional facilities.

Finance

Funds for Finance are nonlapsing and are to be used for maintenance, operation, and development of the statewide accounting system.

Funds for statewide Year 2000 century date maintenance are nonlapsing, and will be allocated as directed by the

state's chief information officer after validation studies are conducted.

At the end of FY 1997, collections in the Mineral Lease Account and the Mineral Bonus Account in excess of the amount appropriated by the legislature may be transferred to the General Fund.

FY 1998

Debt Collection

Funds for the Office of Debt Collection are nonlapsing.

All state agencies except institutions of higher education will work with the Office of State Debt Collection to aggressively collect, accurately account for, and report all state receivables. To effectively accomplish this, state agencies will be brought onto the state's Advanced Accounts Receivable System during fiscal year 1998. Exceptions to this will be at the consent of the Advisory Board to the Office of State Debt Collection to use in-house systems already in place. These systems must provide proper accounting and reporting of receivables and facilitate timely collection of monies due the state. To ensure consistency and help eliminate duplication of resources in the reporting and collecting of state receivables, the Office of State Debt Collection and the Advisory Board shall have the opportunity to review and comment on state agency budget requests for additional funding for collection, receivable systems, and functions.

The Office of Debt Collection may use up to \$100,000 of revenue collected from delinquent accounts to match funding from the Division of Finance for procurement of Advantage 2.0 to implement the Advanced Receivable subsystem of FI-NET.

Facilities Construction and Management (DFCM)

DFCM may charge inspection fees to capital projects to generate up to \$197,600 of dedicated credits in its administrative budget to fund the budget increase associated with additional inspectors. In cases where the project budget is insufficient to cover the inspection fee, the division may access the Project Reserve, in accordance with Section 63A-5-219, UCA.

Net proceeds from asbestos litigation settlements shall be applied first for asbestos abatement to the extent required by the settlement agreement for facilities containing the product of the company settled with; second, up to \$350,000 for study, survey and identification of the most critical buildings in the state inventory for life safety, seismic, and security upgrading; third, up to \$3,025,000 for a master concept for remodel of the State Capitol building; and fourth, any amounts in excess of the above will go towards future repairs of the State Capitol as identified in the State Capitol analysis dated August, 1995.

DFCM shall request proposals for the lease purchase and operation of a privately constructed women's 400-bed, multi-custody facility at the Draper prison site. If it is cost beneficial to the state to have private ownership and financing of the facility, the Division may enter into a lease purchase agreement for the facility with a private entity in which participation interests may be created. If it is not cost beneficial to the state to have private ownership and financing of the facility, it is the intent of the legislature that

the State Building Ownership Authority, under authority of Title 63, Chapter 9a, State Building Ownership Authority Act, issue or execute obligations or enter into or arrange for a lease purchase agreement in which participation interests may be created to provide up to \$29,414,000 for the construction of this facility, together with additional amounts necessary for issuance costs, capitalized interest and debt service reserve requirements. The Division shall lease land at the Draper prison to the private entity or the Authority for this project. The Department of Corrections shall enter into a contract with a private entity to manage the facility.

DFCM shall request proposals for the lease purchase and operation of a privately constructed production kitchen at the Draper prison site. If it is cost beneficial to the state to have private ownership and financing of the facility, the Division may enter into a lease purchase agreement for the facility with a private entity in which participation interests may be created. If it is not cost beneficial to the state to have private ownership and financing of the facility, it is the intent of the legislature that the State Building Ownership Authority, under authority of Title 63, Chapter 9a, State Building Ownership Authority Act, issue or execute obligations or enter into or arrange for a lease purchase agreement in which participation interests may be created to provide up to \$11,789,900 for the construction of this facility together with additional amounts necessary for issuance costs, capitalized interest and debt service reserve requirements. The Division shall lease land at the Draper prison to the private entity or the Authority for this project.

The Department of Corrections shall enter into a contract with a private entity to manage the facility.

implementation of the infrastructure to support the operation of government to provide services that are in the public interest.

Finance

Finance may continue to receive the internal service fund overhead allocation for operations and systems development.

Funds for Finance are nonlapsing and are to be used for maintenance, operation, and development of the statewide accounting system.

Funds for statewide Year 2000 century date maintenance are nonlapsing, and will be allocated as directed by the state's chief information officer after validation studies are conducted.

At the end of FY 1998, collections in the Mineral Lease Account and the Mineral Bonus Account in excess of the balance appropriated by the legislature may be transferred to the General Fund.

Fuel Tank Mitigation

Funds for fuel tank mitigation are nonlapsing.

Information Technology Services (ITS)

ITS shall promote the development of a single statewide area network (WAN) to support all voice, video, and data networking requirements for higher education, public education, and all state government agencies including the courts. ITS shall coordinate the consolidation and elimination of redundant circuits and equipment of other state funded WANs where feasible. ITS should encourage construction and

Internal Service Funds

Administrative Services internal service funds may add positions beyond the authorized level if the increase benefits the state and results in a corresponding decrease in positions at the user agency. Total state government positions may not increase with such a shift.

Purchasing

The Division of Purchasing and the State Olympic Coordinator will work with the Salt Lake Olympic Committee to identify a process whereby excess in kind goods and services from the 2002 Winter Olympic Games can be acquired by state and local governments and other political subdivisions.

Major Budget Recommendations

- ◆ Fund start-up of an independent state agency for construction of a statewide public safety communications network.
- ◆ Hire three additional building inspectors in Facilities Construction and Management to assure state construction projects are properly completed.
- ◆ Fund increased costs of data processing and storage for agencies statewide.
- ◆ Include \$29,743,600 for statewide capital improvements funded from appropriations and general obligation bonds.

ADMINISTRATIVE SERVICES

Operating Budget

	Governor Leavitt's Recommendations						
	Actual FY 1996	Authorized FY 1997	Recommended FY 1997	Base FY 1998	Adjust- ments	Total FY 1998	% Change RFY97-FY98
Plan of Financing							
General Fund	\$17,870,000	\$18,561,000	\$18,661,000	\$16,938,000	\$1,944,100	\$18,882,100	1.2%
Uniform School Fund	0	6,000	6,000	6,000	0	6,000	0.0
Transportation Fund	450,000	453,400	453,400	453,400	0	453,400	0.0
Federal Funds	0	3,300	3,300	3,300	0	3,300	0.0
Dedicated Credits	2,083,700	939,300	1,034,300	1,065,400	420,700	1,486,100	43.7
Restricted and Trust Funds	0	908,200	1,143,200	1,143,200	0	1,143,200	0.0
Transfers	1,182,000	1,133,200	1,333,200	254,900	579,100	834,000	(37.4)
Pass-through Funds	12,300	0	0	0	0	0	0.0
Beginning Balances	3,549,900	3,134,000	3,134,000	7,000	0	7,000	(99.8)
Closing Balances	(3,134,000)	(7,000)	(7,000)	0	0	0	(100.0)
Lapsing Funds	(232,800)	0	0	0	0	0	0.0
Total Financing	\$21,781,100	\$25,131,400	\$25,761,400	\$19,871,200	\$2,943,900	\$22,815,100	(11.4%)
Programs							
Executive Director	\$514,300	\$773,700	\$773,700	\$655,800	\$0	\$655,800	(15.2%)
Fuel Mitigation	1,361,800	4,215,200	4,215,200	0	991,000 <i>a</i>	991,000	(76.5)
Administrative Rules	219,200	322,900	322,900	246,800	0	246,800	(23.6)
Archives	1,661,200	1,683,500	1,683,500	1,687,400	50,000 <i>b</i>	1,737,400	3.2
DFCM							
Administration	2,941,300	3,142,600	3,142,600	3,130,600	274,000 <i>c</i>	3,404,600	8.3
Facilities Management	2,624,600	2,463,600	2,463,600	2,463,600	0	2,463,600	0.0
Finance							
Administration	9,891,300	10,173,700	10,803,700	9,499,100	700,000 <i>d</i>	10,199,100	(5.6)
Mandated	106,300	223,500	223,500	85,900	0	85,900	(61.6)
Purchasing	1,214,300	1,248,400	1,248,400	1,250,800	0	1,250,800	0.2
Information Technology Services							
Administration	595,300	145,300	145,300	253,300	325,000 <i>e</i>	578,300	298.0
Automated Geographic Reference	560,000	476,600	476,600	376,600	0	376,600	(21.0)
Debt Collection	91,500	262,400	262,400	221,300	317,900 <i>f</i>	539,200	105.5
Compensation Package	0	0	0	0	286,000 <i>g</i>	286,000	--
Total Budget	\$21,781,100	\$25,131,400	\$25,761,400	\$19,871,200	\$2,943,900	\$22,815,100	(11.4%)
Positions	214.5	214.5	214.5	214.5	6.0	220.5	

*a See A7**b See A1**c See A2**d See A3, A8 and A9**e See A4, A5 and A11**f See A10**g See A6*

ADMINISTRATIVE SERVICES

Capital Budget

	Governor Leavitt's Recommendations					
	Actual FY 1996	Authorized FY 1997	Recommended FY 1997	Base FY 1998	Adjust- ments	Total FY 1998
Plan of Financing						
General Fund	\$11,258,200	\$20,336,600	\$20,336,600	\$13,871,800	\$255,600	\$14,127,400
Uniform School Fund	1,000,000	1,000,000	1,000,000	1,000,000	0	1,000,000
Other Funds	0	0	0	0	600,000	600,000
Total Financing	\$12,258,200	\$21,336,600	\$21,336,600	\$14,871,800	\$855,600	\$15,727,400
Projects						
Statewide Capital Improvements	\$10,203,200	\$21,336,600	\$21,336,600	\$14,871,800	\$0	\$14,871,800
Veterans Nursing Home	1,800,000	0	0	0	0	0
Statewide planning projects	255,000	0	0	0	0	0
Planning- Vernal courthouse	0	0	0	0	60,000 <i>a</i>	60,000
Planning- Workforce Services office	0	0	0	0	47,600 <i>b</i>	47,600
Planning- SL youth detention	0	0	0	0	83,000 <i>c</i>	83,000
Planning- Cache youth detention	0	0	0	0	30,000 <i>d</i>	30,000
Planning- Southwest youth detention	0	0	0	0	17,500 <i>e</i>	17,500
Planning- SW youth secure facility	0	0	0	0	17,500 <i>f</i>	17,500
State Capitol remodel concept	0	0	0	0	250,000 <i>g</i>	250,000
Comprehensive seismic analysis	0	0	0	0	350,000 <i>h</i>	350,000
Total Budget	\$12,258,200	\$21,336,600	\$21,336,600	\$14,871,800	\$855,600	\$15,727,400

*a See A13**b See A14**c See A15**d See A16**e See A17**f See A18**g See A19**h See A20*

ADMINISTRATIVE SERVICES**ONGOING APPROPRIATIONS****Archives**

A1 Rent increase Increased rent cost for 36,000 square feet at Decker Lake facility

DFCM - Administration

A2 Project manager and inspectors Three additional inspectors and one additional manager for capital development projects

Finance - Administration

A3 Data processing volume increase Data processing costs for increased transaction volume by agencies statewide

Information Technology Services

A4 Director, Access Utah Coordinate delivery of electronic services to public

A5 Director, Telecommunications Committee Coordinate network groups in state and local government

Compensation and Personal Services

A6 Compensation package Compensation package of 3.0 percent including benefit adjustments

Subtotal Ongoing Appropriations**ONE-TIME APPROPRIATIONS****Fuel Mitigation**

A7 Fuel tank mitigation Replacement and environmental remediation of state-owned underground fuel tanks

Finance

A8 Financial information network upgrade Advantage 2.0 upgrade which provides Year 2000, Windows 95/NT, and TCP/IP capabilities

A9 Warrant reconciliation system Upgrade warrant reconciliation system to banking industry standards

Office of Debt Collection

A10 Pilot collection project Development of most appropriate methods to collect receivables statewide

ITS Appropriations

A11 800 Megahertz project Administrative costs of establishing Utah Communications Agency Network

Subtotal One-time Appropriations**Total FY 1998 Adjustments (Ongoing and One-Time Appropriations)****SUPPLEMENTALS****Finance - Administration**

A12 Data processing volume increase Data processing costs for increased transaction volume by agencies statewide

Total FY 1997 Supplementals

Ongoing, One-Time, and Supplemental Appropriations - Administrative Services

	General Fund	Uniform School Fund	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
A1	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000
A2	76,400	0	0	0	0	0	197,600	274,000
A3	200,000	0	0	0	0	0	200,000	400,000
A4	70,000	0	0	0	0	0	0	70,000
A5	70,000	0	0	0	0	0	0	70,000
A6	281,700	0	0	0	2,800	0	1,500	286,000
	\$748,100	\$0	\$0	\$0	\$2,800	\$0	\$399,100	\$1,150,000
A7	\$811,000	\$0	\$0	\$0	\$0	\$0	\$180,000	\$991,000
A8	100,000	0	0	0	100,000	0	0	200,000
A9	100,000	0	0	0	0	0	0	100,000
A10	0	0	0	0	317,900	0	0	317,900
A11	185,000	0	0	0	0	0	0	185,000
	\$1,196,000	\$0	\$0	\$0	\$417,900	\$0	\$180,000	\$1,793,900
	\$1,944,100	\$0	\$0	\$0	\$420,700	\$0	\$579,100	\$2,943,900
A12	\$100,000	\$0	\$0	\$0	\$95,000	\$235,000	\$200,000	\$630,000
	\$100,000	\$0	\$0	\$0	\$95,000	\$235,000	\$200,000	\$630,000

ADMINISTRATIVE SERVICES**CAPITAL BUDGET ONE-TIME APPROPRIATIONS****Programming and Planning Projects**

A13	Vernal courthouse	Replacement of overcrowded facility
A14	Workforce Services-Clearfield office	Construction of new office space
A15	Youth Corrections-S.L. detention complex	Reprogram existing space and vacated area in Third District Juvenile Court building
A16	Youth Corrections-Cache County detention	Add 16 beds to alleviate overcrowding in an existing facility
A17	Youth Corrections-detention center	Add 10 beds to an existing facility in southwest region
A18	Youth Corrections-secure facility	Add six beds to existing facility in southwest region
A19	State Capitol rehabilitation master concept	Documentation phase of master concept for remodel
A20	Seismic analysis of emergency buildings	Study, survey, and identification for life safety, seismic, and security upgrading

Total FY 1998 Capital Budget Adjustments (One-Time Appropriations)

Ongoing, One-Time, and Supplemental Appropriations - Administrative Services

	General Fund	Uniform School Fund	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
A13	\$60,000	\$0	\$0	\$0	\$0	\$0	\$0	\$60,000
A14	47,600	0	0	0	0	0	0	47,600
A15	83,000	0	0	0	0	0	0	83,000
A16	30,000	0	0	0	0	0	0	30,000
A17	17,500	0	0	0	0	0	0	17,500
A18	17,500	0	0	0	0	0	0	17,500
A19	0	0	0	0	0	0	250,000	250,000
A20	0	0	0	0	0	0	350,000	350,000
	\$255,600	\$0	\$0	\$0	\$0	\$0	\$600,000	\$855,600

■ COMMERCE AND REVENUE

Commerce and Revenue consists of departments that encourage employment, provide temporary assistance, and maintain an appropriate balance between business development and regulation

Departments

- ◆ **Alcoholic Beverage Control** regulates the sale and use of alcoholic beverages.
- ◆ **Commerce** administers state laws regulating professional occupations and business practices.
- ◆ **Financial Institutions** examines and regulates all state-chartered financial institutions.
- ◆ **Insurance** regulates insurance companies and individual agents to assure equitable and competitive business practices.
- ◆ **Public Service Commission** sets utility service rates and regulates public utility companies.
- ◆ **Tax Commission** collects revenue for state and local governments, and administers tax and related motor vehicle laws.
- ◆ **Workforce Services** provides coordinated employment-related and temporary public assistance and training services for workers, employers, and communities.

Selected Department Goals

- ◆ **Commerce** — Identify and eliminate commercial laws and rules that are unnecessary for public protection and

unduly burdensome to legitimate businesses and professionals.

- ◆ **Financial Institutions** — Ensure soundness of state-chartered financial institutions.
- ◆ **Insurance** — Ensure that Utah has a strong insurance market that provides reliable insurance at competitive prices.
- ◆ **Tax Commission** — Build effective working relationships with taxpayers by providing understandable, accurate, and complete tax information.
- ◆ **Workforce Services** — Develop innovative systems for delivering employment and temporary public assistance services as allowed under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

*A comprehensive list of goals and performance measurements can be found in the **Utah Tomorrow Strategic Plan, 1996 Annual Report**, pages 10-18, 60-64, 65-72, 81-93, and 104-106.*

Base Budget Efficiency Initiatives

Workforce Services

- ◆ Reduce the number of operating locations from 107 to 48. The Office of Family Support staff will be reduced by 40 positions in FY 1998 due to caseload reduction. Employment security will reduce its programs by 18 positions due to federal funds reductions.

- ◆ Develop performance measures that promote a shift from a culture of entitlement to a culture of self sufficiency. Performance measures will include the number of clients obtaining competitive employment and the amount of time individuals remain off financial assistance.

Financial Institutions

- ◆ Reduce fees charged to banks due to cost efficient utilization of examiners.

Commerce and Workforce Services

- ◆ Provide greater flexibility to manage resources while providing adequate fiscal control by creating one appropriation line item for the Department of Commerce and one appropriation line item for the Department of Workforce Services.

Proposed Legislative Intent

FY 1998

Commerce

Funds for Professional and Technical Services within Public Utilities in Commerce are nonlapsing.

Funds for the Committee of Consumer Services, Professional and Technical Services, are nonlapsing.

Fees charged and collected by the department will not be refunded where the applicant fails to qualify or withdraws the application or request for service.

Overpayments by licensees in excess of \$10 will be refunded automatically. Smaller overpayments will be refunded only upon written request. All

applicants seeking a license by reciprocity shall pay the same application fee.

Tax Commission

Funds for the License Plate Production Account are nonlapsing.

The Tax Commission may contract with private vendors to develop and implement the Tax Commission modernization (UTAX) project. Revenue clearly identified as collections attributable to the modernization project, that would not be collected but for the project, may be used to fund the modernization project. The Tax Commission may carry forward unexpended funds at the end of the fiscal year for the project.

Alcoholic Beverage Control

Alcoholic Beverage Control may expend up to \$100,000 from the Retail Liquor Sales Restricted Account for emergency building maintenance and capital equipment repairs, and is to report emergency expenditures to the Governor's Office of Planning and Budget and the Joint Appropriations Subcommittee on Commerce and Revenue.

Workforce Services

Funds charged by the department for contracted elevator inspections will be collected as dedicated credits.

Major Budget Recommendations

- ◆ Reserve for future years \$7.6 million in excess Temporary Assistance for Needy Families funds.

- ◆ Fund \$523,900 for connecting and maintaining employment security on the local and the wide area networks and \$470,000 for the new hire registry which will expedite collection of past due and future child support.
- ◆ Transfer the Office of Child Care Licensing to the Department of Health as recommended by the Child Care Licensing Task Force.
- ◆ Fund one-time and supplemental needs associated with the Department of Workforce Services consolidation and related data processing requirements with a Department of Labor grant.
- ◆ Replace \$6,000,000 in FY 1997 General Fund with Temporary Assistance for Needy Families federal block grant funds.
- ◆ Construct and buy liquor stores with a revenue bond of \$6,000,000 rather than continue to lease the facilities.
- ◆ Increase the staff at the Alcoholic Beverage Control retail stores' by nine to meet increased sales. Replace obsolete warehouse equipment.
- ◆ Hire five financial analysts in the Department of Financial Institutions to properly oversee the \$8 billion growth in the asset base.
- ◆ Fund counties for the 7.0 percent per year transaction growth in motor vehicle registration handled through contractual agreement. Update the title and registration system with modern data processing equipment.
- ◆ Continue to contract efforts with private vendors to develop the Tax Commission modernization project, *UTAX*. Collections through system efficiencies will fund the majority of the project.
- ◆ Include \$148,000 on the general obligation bond to purchase land for the Cedar City office of Workforce Services.

COMMERCE AND REVENUE
Operating Budget

	Governor Leavitt's Recommendations						
	Actual FY 1996	Authorized FY 1997	Recommended FY 1997	Base FY 1998	Adjust- ments	Total FY 1998	% Change RFY97-FY98
Plan of Financing							
General Fund	\$89,722,100	\$89,413,100	\$83,413,100	\$83,277,900	\$1,573,900	\$84,851,800	1.7%
Uniform School Fund	14,319,600	14,905,800	14,905,800	14,828,500	316,600	15,145,100	1.6
Transportation Fund	4,851,000	4,851,000	4,851,000	4,851,000	0	4,851,000	0.0
Federal Funds	118,892,900	114,424,200	121,782,100	127,204,600	8,480,700	135,685,300	11.4
Dedicated Credits	10,024,400	10,631,000	10,631,000	8,885,500	79,000	8,964,500	(15.7)
Restricted and Trust Funds	70,164,100	69,881,100	70,356,400	70,735,300	2,181,300	72,916,600	3.6
Transfers	8,912,700	7,321,400	7,321,400	7,519,800	150,500	7,670,300	4.8
Other Funds	0	130,500	130,500	130,500	804,800	935,300	616.7
Beginning Balances	5,684,800	9,707,700	9,707,700	6,053,800	0	6,053,800	(37.6)
Closing Balances	(9,707,700)	(6,053,800)	(6,053,800)	(6,084,500)	0	(6,084,500)	0.5
Lapsing Funds	(1,399,300)	0	0	0	(7,642,800)	(7,642,800)	0.0
Total Financing	\$311,464,600	\$315,212,000	\$317,045,200	\$317,402,400	\$5,944,000	\$323,346,400	2.0%
Programs							
Alcoholic Beverage Control	\$10,875,200	\$11,169,600	\$11,644,900	\$10,918,100	\$1,179,600 <i>a</i>	\$12,097,700	3.9%
Citizens' Council on ABC	6,000	0	0	0	0	0	0.0
Commerce	12,183,600	13,887,000	13,887,000	13,259,100	257,700 <i>b</i>	13,516,800	(2.7)
Financial Institutions	1,983,100	2,152,500	2,152,500	2,160,900	285,700 <i>c</i>	2,446,600	13.7
Insurance	3,446,900	3,726,600	3,726,600	3,671,900	28,400 <i>d</i>	3,700,300	(0.7)
Public Service Commission	6,581,300	7,926,600	7,926,600	8,385,400	0	8,385,400	5.8
Tax Commission	50,798,100	54,897,500	54,897,500	52,943,000	834,800 <i>e</i>	53,777,800	(2.0)
Workforce Services	225,590,400	221,452,200	222,810,100	226,064,000	(228,300) <i>f</i>	225,835,700	1.4
Compensation Package	0	0	0	0	3,586,100 <i>g</i>	3,586,100	--
Total Budget	\$311,464,600	\$315,212,000	\$317,045,200	\$317,402,400	\$5,944,000	\$323,346,400	2.0%
Positions	3,243.7	3,220.2	3,207.2	3,348.2	(61.0)	3,287.2	

a See B1 through B4 and B23 through B26
b See B5 through B8, B27 and B28
c See B9, B29 and B30
d See B10 and B11

e See B12 and B31
f See B13 through B21 and B32 through B34
g See B22

COMMERCE AND REVENUE**ONGOING APPROPRIATIONS****Alcoholic Beverage Control**

<i>B1</i>	Technical support specialist supervisor	Responsible for local area network administration, communications, and other information systems
<i>B2</i>	Retail store sales clerks	Increase in sales requires additional staffing of nine positions
<i>B3</i>	Information analyst	Data processing technician to better describe information user needs
<i>B4</i>	Programmer analyst IV upgrade	Programmer upgrade for migration to HP9000 system

Commerce

<i>B5</i>	Office technician	One technician for occupational and professional licensing
<i>B6</i>	Current expense	Cost increases for mailings, notices, registrations, etc.
<i>B7</i>	Real estate education fund	Enhance training for real estate professionals through seminars and brochures
<i>B8</i>	Turnover savings	Savings from hiring delays due to difficulty in hiring and retaining quality staff

Financial Institutions

<i>B9</i>	Financial examiners	Five examiners to meet demands of asset base growth to \$19 billion
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Insurance

<i>B10</i>	Senior financial analyst	Enhance corrective action capability and identification of potentially troubled insurers
<i>B11</i>	Turnover savings	Savings from hiring delays due to difficulty in hiring and retaining quality staff

Tax Commission

<i>B12</i>	County contract cost	County contract cost for combined collection of taxes and motor vehicle registration
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Workforce Services

<i>B13</i>	Wide area network connection fees	Wide area connection for employment security regional and administrative offices
<i>B14</i>	Local area network hardware and software	Local area network hardware and support maintenance costs for employment security
<i>B15</i>	New hire registry	New hire registry, with six new technicians, to locate delinquent child support payments
<i>B16</i>	Elevator inspector contract	Additional inspector contract to meet safety inspection schedule funded by fees
<i>B17</i>	Transfer of position	Position transfer from Governor's Office to address workload demands in Industrial Commission
<i>B18</i>	Transfer child care licensing	Transfer responsibility for day care licensing from Office of Family Support to Health
<i>B19</i>	Caseload reduction	Reduce 40 positions due to caseload decrease from 14,000 to 13,000
<i>B20</i>	Employment Security base reduction	Reduce 18 positions due to funding constraints imposed by Department of Labor
<i>B21</i>	Temporary assistance for needy families	Establish a fund reserve for Temporary Assistance for Needy Families (TANF)

Compensation and Personal Services

<i>B22</i>	Compensation package	Compensation package of 3.0 percent including benefit adjustments
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Subtotal Ongoing Appropriations**ONE-TIME APPROPRIATIONS****Alcoholic Beverage Control**

<i>B23</i>	Conversion from HP3000 to HP9000	Contract programming, and purchase of software and hardware for migration to new system
<i>B24</i>	Point of sales system	New retail point of sale register system for 36 state liquor stores
<i>B25</i>	Administrative data processing equipment	Replace servers, printers, and other equipment for orders, inventory, and shipment
<i>B26</i>	Central warehouse equipment	Forklift, truck, pallet jacks, and other warehouse equipment

Commerce

<i>B27</i>	Licensing and investigative system rewrite	Update system containing occupational and professional licensing information
<i>B28</i>	Internet licensing and renewal	Provide licensing application over the Internet (electronic commerce)

Ongoing, One-Time, and Supplemental Appropriations - Commerce and Revenue

	General Fund	Uniform School Fund	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
B1	\$0	\$0	\$0	\$0	\$0	\$58,000	\$0	\$58,000
B2	0	0	0	0	0	143,000	0	143,000
B3	0	0	0	0	0	58,000	0	58,000
B4	0	0	0	0	0	32,600	0	32,600
B5	0	0	0	0	0	32,000	0	32,000
B6	0	0	0	0	0	44,000	0	44,000
B7	0	0	0	0	0	9,500	0	9,500
B8	0	0	0	0	0	(42,800)	0	(42,800)
B9	0	0	0	0	0	228,800	0	228,800
B10	56,800	0	0	0	0	0	0	56,800
B11	(28,400)	0	0	0	0	0	0	(28,400)
B12	165,200	0	0	0	0	0	0	165,200
B13	246,400	0	0	0	0	0	0	246,400
B14	277,500	0	0	0	0	0	0	277,500
B15	0	0	0	0	0	0	470,000	470,000
B16	55,200	0	0	0	0	0	0	55,200
B17	68,400	0	0	0	0	0	0	68,400
B18	(681,200)	0	0	(541,800)	0	0	0	(1,223,000)
B19	0	0	0	(1,284,200)	0	0	0	(1,284,200)
B20	0	0	0	0	0	(838,600)	0	(838,600)
B21	0	0	0	7,642,800	0	0	(7,642,800)	0
B22	1,079,200	316,600	0	663,900	79,000	1,296,900	150,500	3,586,100
	\$1,239,100	\$316,600	\$0	\$6,480,700	\$79,000	\$1,021,400	(\$7,022,300)	\$2,114,500
B23	\$0	\$0	\$0	\$0	\$0	\$420,000	\$0	\$420,000
B24	0	0	0	0	0	227,000	0	227,000
B25	0	0	0	0	0	70,000	0	70,000
B26	0	0	0	0	0	171,000	0	171,000
B27	0	0	0	0	0	85,000	0	85,000
B28	0	0	0	0	0	130,000	0	130,000

COMMERCE AND REVENUE**Financial Institutions**

<i>B29</i>	Office equipment and furniture	Data processing equipment, supplies, and cubicles for new financial examiners
<i>B30</i>	Carpet for office	Replace carpet throughout office

Tax Commission

<i>B31</i>	Motor vehicle cashiering equipment	Update title and registration system
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Workforce Services

<i>B32</i>	Consolidation and move of agencies	Remaining cost of consolidation into 48 locations
<i>B33</i>	Employment security software	Software for personal computers required by consolidation of departments
<i>B34</i>	Establish local area networks	Installation of local area networks, terminals, servers, gateways, and channel controllers

Subtotal One-time Appropriations**Total FY 1998 Adjustments (Ongoing and One-Time Appropriations)****SUPPLEMENTALS****Alcoholic Beverage Control**

<i>B35</i>	Technical support specialist supervisor	Responsible for local area network administration, communications, and other information systems
<i>B36</i>	Retail store sales clerks	Increase in sales requires additional staffing of nine positions
<i>B37</i>	Conversion from HP3000 to HP9000	Contract programming, and purchase of software and hardware for migration to new system
<i>B38</i>	Point of sales system	New retail point of sale register system for 36 state liquor stores
<i>B39</i>	Information analyst	Data processing technician to better describe information user needs
<i>B40</i>	Administrative data processing upgrade	Replace server, printers, and other equipment for orders, inventory, and shipment

Workforce Services

<i>B41</i>	Consolidation and move of agencies	Consolidation into 48 locations and required office and data processing equipment
<i>B42</i>	Convert employment security to state system	Programming to convert payroll and accounting systems to the state's systems
<i>B43</i>	Caseload reductions	Savings from a caseload decrease in Aid to Families with Dependent Children
<i>B44</i>	Funding reallocation	Funding source switch without reduction in program

Total FY 1997 Supplementals

Ongoing, One-Time, and Supplemental Appropriations - Commerce and Revenue

	General Fund	Uniform School Fund	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
B29	0	0	0	0	0	45,500	0	45,500
B30	0	0	0	0	0	11,400	0	11,400
B31	334,800	0	0	0	0	0	334,800	669,600
B32	0	0	0	903,000	0	0	0	903,000
B33	0	0	0	480,000	0	0	0	480,000
B34	0	0	0	617,000	0	0	0	617,000
	\$334,800	\$0	\$0	\$2,000,000	\$0	\$1,159,900	\$334,800	\$3,829,500
	\$1,573,900	\$316,600	\$0	\$8,480,700	\$79,000	\$2,181,300	(\$6,687,500)	\$5,944,000

B35	\$0	\$0	\$0	\$0	\$0	\$27,500	\$0	\$27,500
B36	0	0	0	0	0	37,800	0	37,800
B37	0	0	0	0	0	170,000	0	170,000
B38	0	0	0	0	0	165,500	0	165,500
B39	0	0	0	0	0	27,500	0	27,500
B40	0	0	0	0	0	47,000	0	47,000
B41	0	0	0	1,500,000	0	0	0	1,500,000
B42	0	0	0	500,000	0	0	0	500,000
B43	0	0	0	(642,100)	0	0	0	(642,100)
B44	(6,000,000)	0	0	6,000,000	0	0	0	0
	(\$6,000,000)	\$0	\$0	\$7,357,900	\$0	\$475,300	\$0	\$1,833,200

■ CORRECTIONS (Adult and Youth)

Mission: Protect the public, provide adult offenders with skills training to enhance their prospects for success after release, and provide rehabilitation programs for young offenders

Programs

◆ Adult Corrections

Administration provides administrative support for each division.

Field Operations supervises offenders on probation or parole in a community setting.

Institutional Operations directs prison operations at Draper, Gunnison, and Iron County facilities, and oversees state inmates housed at county jails.

Clinical Services ensures proper medical and mental health treatment for inmates.

Forensic Services assists mentally ill offenders through contract with State Hospital.

Jail Reimbursement by statutory formula reimburses counties for offenders sentenced up to one year in county jail as condition of probation.

- ◆ **Board of Pardons and Parole**, a state constitutional board, determines parole revocations and prison releases.

◆ Youth Corrections

Administration/Case Management/Parole provides administrative support and assigns case managers/parole officers to

provide supervision and individual treatment for juvenile offenders.

Community-based Alternatives provides supervision and treatment for juvenile offenders through contracts with private providers.

Alternatives to Institutional Care includes work camps, day and night reporting centers, observation and assessment centers, and other innovative alternatives outside of institutional care.

Institutional Care directs operations in long-term secure care facilities, detention centers, and multi-purpose facilities.

Receiving Centers offer local law enforcement a one-stop location to deliver youth for nondetainable or status offenses.

Youth Parole Authority, a citizens' board, determines release of juvenile offenders from long-term secure facilities and conditions of their parole.

Selected Department Goals

◆ Board of Pardons and Parole

Expedite parole violation hearings and intensive supervision early release hearings.

Update administrative rules, policies, and procedures, and victim, inmate, and parolee handbooks.

Modify administrative rules and procedures for first degree and violent felonies.

◆ **Adult Corrections**

Ensure adequate, secure housing for violent and chronic offenders by maintaining prisons at or below operational capacity, reducing technical violation rate for probationers and parolees, and preventing emergency releases from prison.

Allocate staff to effectively supervise probationers and parolees and provide presentence services to ensure public safety.

Manage personnel allocation to provide high level of security in correctional facilities to limit violence, allow safe treatment, and ensure public safety.

Implement intermediate sanctions to reduce rate of growth in prison population and match offender needs with programming.

Provide educational, vocational, treatment, and work programs to reduce offender recidivism.

◆ **Youth Corrections**

Ensure most appropriate setting for youthful offenders while adequately protecting community.

Provide secure, humane, and therapeutic confinement for youth who present danger to the public.

Hold youth accountable for delinquent behavior in a manner consistent with

public safety through a system of graduated sanctions, rehabilitative measures, and victim restoration programs.

Provide diverse community-based and secure correctional programs.

A comprehensive list of goals and performance measurements can be found in the Utah Tomorrow Strategic Plan, 1996 Annual Report, pages 65-72, and 107-123.

Base Budget Efficiency Initiatives

◆ Adult Corrections is streamlining its executive office by eliminating one of the two deputy director positions at a savings of \$104,000.

◆ Adult Corrections will be able to reduce costs for the women's correctional center by closing the YWCA center and transferring the female offenders to the Orange Street and Northern Utah centers. This decision allows the department to reduce costs in rent, personnel, and other current expenses by \$298,000.

◆ Adult Corrections is also consolidating in both field operations and institutional operations by reassigning duties and responsibilities and by centralizing record keeping and positions. These changes will allow the department to reduce operational budgets by \$264,000.

◆ The Board of Pardons and Parole is exploring ways to increase efficiency through the use of telecommuting for Board members as well as other staff.

◆ Youth Corrections will delay the opening of the Moab receiving center and use the \$200,000 which will be saved to increase community alternative programs.

Proposed Legislative Intent

FY 1997

Youth Corrections

Funds for community alternatives are nonlapsing.

Funds for medicaid match are nonlapsing.

FY 1998

Adult Corrections

Funds for Adult Corrections are nonlapsing.

Adult Corrections—Jail Reimbursement

Funds for Jail Reimbursement are nonlapsing.

Board of Pardons and Parole

Funds for the Board of Pardons and Parole are nonlapsing.

Youth Corrections

Funds for Youth Corrections are nonlapsing.

Major Budget Recommendations

- ◆ Increase jail reimbursement to counties by \$3.5 million to allow for full implementation of House Bill 162 which was enacted by the 1993 legislature.
- ◆ Allow the Department of Corrections to combine administrative services, field operations, institutional operations, clinical services, and forensic line items into one line item to give more flexibility to the department to shift funds where needed.
- ◆ Privatize construction of a new women's multi-custody facility at a cost of \$29,140,300, and a production kitchen at a cost of \$11,789,900. Upon completion, operation of these facilities will also be privatized.
- ◆ Fund implementation of a new juvenile sentencing matrix adding critical resources to the juvenile justice system in observation and assessment, state supervision, and case management. Additional resources have also been recommended for the Juvenile Court, the Division of Child and Family Services and the youth in custody program in the State Office of Education.
- ◆ Provide full-year funding for the Utah County youth center and the Salt Lake County privatized detention center.
- ◆ Expand community alternative programs allowing effective supervision of youth offenders in low-cost nonsecure settings and case management supervision providing oversight of treatment programs for youth offenders.
- ◆ Include \$14,997,300 on the general obligation bond for five youth correction facilities including a new 72-bed secure facility in Ogden.
- ◆ Provide partial-year funding for the new medium 192-bed prison at Gunnison (CUCF-1) to house violent and chronic offenders. In addition, provide the remaining costs associated with full-year funding of the Draper (Uinta IV-A) facility.
- ◆ Increase contracts with local jails by 140 beds to allow additional housing of adult offenders. The daily rate for contracts with local jails will also be increased from \$35 to \$38 a day.

CORRECTIONS (ADULT AND YOUTH)
Operating Budget

	Governor Leavitt's Recommendations						
	Actual FY 1996	Authorized FY 1997	Recommended FY 1997	Base FY 1998	Adjust- ments	Total FY 1998	% Change RFY97-FY98
Plan of Financing							
General Fund	\$154,740,400	\$171,209,300	\$172,540,300	\$171,641,400	\$26,280,100	\$197,921,500	14.7%
Federal Funds	1,079,700	742,900	742,900	691,900	72,500	764,400	2.9
Dedicated Credits	2,231,800	3,710,100	3,710,100	4,205,100	0	4,205,100	13.3
Restricted and Trust Funds	185,000	250,000	450,000	300,000	0	300,000	(33.3)
Transfers	7,447,800	5,267,100	5,267,100	5,597,000	158,300	5,755,300	9.3
Beginning Balances	2,680,700	5,246,700	5,246,700	0	0	0	(100.0)
Closing Balances	(5,246,700)	0	0	0	0	0	0.0
Lapsing Funds	(106,800)	0	0	0	0	0	0.0
Total Financing	\$163,011,900	\$186,426,100	\$187,957,100	\$182,435,400	\$26,510,900	\$208,946,300	11.2%
Programs							
Adult Corrections							
Administration	\$7,469,500	\$7,993,200	\$7,993,200	\$7,869,300	\$0	\$7,869,300	(1.6%)
Field Operations	34,951,200	38,255,400	38,255,400	29,874,600	(541,000) <i>a</i>	29,333,600	(23.3)
Institutional Operations	62,248,600	72,892,000	72,892,000	78,535,800	5,655,300 <i>b</i>	84,191,100	15.5
Clinical Services	10,868,300	13,082,500	13,082,500	13,812,900	1,165,000 <i>c</i>	14,977,900	14.5
Forensic Services	183,200	190,000	190,000	190,000	0	190,000	0.0
Jail Reimbursement	3,631,200	4,826,100	4,826,100	4,826,100	3,564,700 <i>d</i>	8,390,800	73.9
Board of Pardons and Parole	1,965,700	2,246,800	2,246,800	2,149,600	40,000 <i>e</i>	2,189,600	(2.5)
Compensation Package	0	0	0	0	2,325,600 <i>f</i>	2,325,600	--
Subtotal Adult Corrections	121,317,700	139,486,000	139,486,000	137,258,300	12,209,600	149,467,900	7.2
Youth Corrections							
Admin./Case Management./Parole	5,954,800	6,338,700	6,338,700	6,403,200	1,034,600 <i>g</i>	7,437,800	17.3
Community Based Alternatives	12,379,800	10,657,500	12,188,500	10,692,400	3,082,600 <i>h</i>	13,775,000	13.0
Alternatives to Institutional Care	7,394,600	7,510,500	7,510,500	7,516,000	4,277,300 <i>i</i>	11,793,300	57.0
Institutional Care	14,759,500	20,682,500	20,682,500	18,814,500	5,498,200 <i>j</i>	24,312,700	17.6
Receiving Centers	1,002,300	1,527,200	1,527,200	1,527,200	(200,000) <i>k</i>	1,327,200	(13.1)
Youth Parole Authority	203,200	223,700	223,700	223,800	0	223,800	0.0
Compensation Package	0	0	0	0	608,600 <i>l</i>	608,600	--
Subtotal Youth Corrections	41,694,200	46,940,100	48,471,100	45,177,100	14,301,300	59,478,400	22.7
Total Budget	\$163,011,900	\$186,426,100	\$187,957,100	\$182,435,400	\$26,510,900	\$208,946,300	11.2%
Positions	2,572.5	2,686.5	2,686.5	2,686.5	64.7	2,751.2	

a See C1 through C5
b See C6 through C13
c See C14 and C15
d See C16
e See C18 and C19
f See C17

g See C20 and C21
h See C22 and C23
i See C24 and C25
j See C26 through C28
k See C29
l See C30

CORRECTIONS (ADULT AND YOUTH)**ONGOING APPROPRIATIONS****Adult Corrections-Field Operations**

<i>C1</i>	Eliminate deputy director position	Eliminate one of two deputy director positions
<i>C2</i>	Reduce relocation funding	Reduce funds to relocate Salt Lake women's community correction center
<i>C3</i>	Closure of current women's center	Savings from unneeded rent, current expense, and administrator at women's center
<i>C4</i>	Eliminate region III support positions	Eliminate hearing officer and budget officer in region III of field operations
<i>C5</i>	Eliminate field operations administrator	Eliminate administrator position in field operations and reassigns duties

Adult Corrections-Institutional Operations

<i>C6</i>	Uinta IV-A continuation funding	Funds for the remainder of the full-year costs to operate the 192 bed Uinta IV-A facility
<i>C7</i>	Expand Central Utah Correctional Facility	Partial year funding for 192 bed facility (CUCF I)
<i>C8</i>	Jail contracting	Contracts with counties for 140 additional beds at \$35 a day
<i>C9</i>	Jail contracting rate increase	Costs associated with increase in rate from \$35 to \$38 per day
<i>C10</i>	Consolidation of positions	Consolidates two positions at Central Utah Correctional Facility
<i>C11</i>	Institutional parole officer supervisor	Eliminate institutional parole officer position at Draper and reassign responsibilities
<i>C12</i>	Promontory supervisor/GRAMA specialist	Reassign contract oversight for the privatized Promontory facility to the North Point warden
<i>C13</i>	Centralize inmate files	Centralize inmate files at Draper into one central location

Adult Corrections-Clinical Services

<i>C14</i>	University of Utah medical contract	Cost increases for physician services provided by University of Utah hospital
<i>C15</i>	Medical costs	Medical increases for inmates at Promontory facility

Adult Corrections-Jail Reimbursement

<i>C16</i>	Jail reimbursement	Additional costs of jail reimbursement as required by H.B. 162, 1993 Legislature
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Compensation and Personal Services

<i>C17</i>	Compensation package	Compensation package of 3.0 percent including benefit adjustments
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Board of Pardons and Parole

<i>C18</i>	Rent increase	Renewal of office lease for the Board of Pardons and Parole
<i>C19</i>	Maintenance support	Maintenance contract for document imaging system

Division of Youth Corrections**Youth Corrections-Administration/Case Management/Parole**

<i>C20</i>	Case management	Add 12 case managers to handle increased offender population in youth corrections
<i>C21</i>	Case management	Eight additional case managers to implement new juvenile sentencing guidelines

Youth Corrections-Community Based Alternatives

<i>C22</i>	Community alternatives	Maintenance of effort for community alternatives for juvenile offenders
<i>C23</i>	Medicaid match	Required match to allow local mental health centers to use federal medicaid funds

Youth Corrections-Alternatives to Institutional Care

<i>C24</i>	State supervision	Create new state supervision programs for new juvenile sentencing guidelines
<i>C25</i>	Observation and assessment	Additional funds for new juvenile sentencing guidelines

Youth Corrections-Institutional Care

<i>C26</i>	Salt Lake privatized detention center	Remainder of full-year costs for 160 bed privatized Salt Lake detention center
<i>C27</i>	Utah county youth center	Remainder of full-year costs for 72 bed Utah County youth center
<i>C28</i>	Carbon/Emery county youth center	Initial start up costs for Carbon/Emery youth center

Youth Corrections-Receiving Centers

<i>C29</i>	Moab receiving center	Delay implementation of Moab receiving center
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Ongoing, One-Time, and Supplemental Appropriations - Corrections (Adult and Youth)

	General Fund	Uniform School Fund	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
C1	(\$104,000)	\$0	\$0	\$0	\$0	\$0	\$0	(\$104,000)
C2	(185,000)	0	0	0	0	0	0	(185,000)
C3	(113,000)	0	0	0	0	0	0	(113,000)
C4	(81,000)	0	0	0	0	0	0	(81,000)
C5	(58,000)	0	0	0	0	0	0	(58,000)
C6	1,325,000	0	0	0	0	0	0	1,325,000
C7	2,048,000	0	0	0	0	0	0	2,048,000
C8	1,828,300	0	0	0	0	0	0	1,828,300
C9	579,000	0	0	0	0	0	0	579,000
C10	(40,000)	0	0	0	0	0	0	(40,000)
C11	(50,000)	0	0	0	0	0	0	(50,000)
C12	(15,000)	0	0	0	0	0	0	(15,000)
C13	(20,000)	0	0	0	0	0	0	(20,000)
C14	365,000	0	0	0	0	0	0	365,000
C15	800,000	0	0	0	0	0	0	800,000
C16	3,564,700	0	0	0	0	0	0	3,564,700
C17	2,325,600	0	0	0	0	0	0	2,325,600
C18	20,000	0	0	0	0	0	0	20,000
C19	20,000	0	0	0	0	0	0	20,000
C20	456,300	0	0	61,200	0	0	134,000	651,500
C21	383,100	0	0	0	0	0	0	383,100
C22	2,732,600	0	0	0	0	0	0	2,732,600
C23	350,000	0	0	0	0	0	0	350,000
C24	2,671,300	0	0	0	0	0	0	2,671,300
C25	1,606,000	0	0	0	0	0	0	1,606,000
C26	4,005,000	0	0	0	0	0	0	4,005,000
C27	1,250,000	0	0	0	0	0	0	1,250,000
C28	243,200	0	0	0	0	0	0	243,200
C29	(200,000)	0	0	0	0	0	0	(200,000)

CORRECTIONS (ADULT AND YOUTH)

Compensation and Personal Services

C30 Compensation package Compensation package of 3.0 percent including benefit adjustments

Total FY 1998 Adjustments (Ongoing Appropriations)

SUPPLEMENTALS

Division of Youth Corrections

C31 Executive Director Medicaid match Required match to allow local mental health centers to use federal medicaid funds
C32 Community based alternatives Covers shortfall in funding of community alternatives for juvenile offenders

Total FY 1997 Supplementals

Ongoing, One-Time, and Supplemental Appropriations - Corrections (Adult and Youth)

	General Fund	Uniform School Fund	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
<i>C30</i>	573,000	0	0	11,300	0	0	24,300	608,600
	\$26,280,100	\$0	\$0	\$72,500	\$0	\$0	\$158,300	\$26,510,900

<i>C31</i>	\$280,000	\$0	\$0	\$0	\$0	\$0	\$0	\$280,000
<i>C32</i>	1,051,000	0	0	0	0	200,000		1,251,000
	\$1,331,000	\$0	\$0	\$0	\$0	\$200,000	\$0	\$1,531,000

COURTS

Mission: *Ensure equity and fairness for all Utah citizens through judicial review of laws and cases*

Programs

- ◆ **Supreme Court** serves as court of last resort for the state court system.
- ◆ **Law Library** provides public and judicial access to legal documents.
- ◆ **Court of Appeals** hears cases assigned by the state supreme court or defined in statute.
- ◆ **Administration** serves as judicial council staff and provides administrative support for judges.
- ◆ **Federal Grants** administers federal grants received by state courts.
- ◆ **Judicial Education** provides education and training opportunities for judges.
- ◆ **Contracts/Leases** administers facility lease arrangements.
- ◆ **Justice Courts** provide administrative support to local justice courts.
- ◆ **Data Processing** coordinates data processing needs for all state courts.
- ◆ **Trial Courts** serve as the state court of general jurisdiction.
- ◆ **Court Security** contracts with local governments for courtroom security.
- ◆ **Juvenile Court** renders decisions for youth under age 18 in cases of child abuse, neglect, termination of parental rights, and delinquent actions.
- ◆ **Guardian Ad Litem** provides proper attorney representation for children involved in court proceedings.
- ◆ **Child Permanency Project** provided one-time funding to reduce backlog of foster children awaiting permanent placement.
- ◆ **Grand Jury** provides funding for grand juries as well as prosecution expenses in grand jury cases.
- ◆ **Juror/Witness/Interpreter Fees** provides payment to jurors, witnesses, expert witnesses, and interpreters.

Selected Department Goals

- ◆ Attract and retain qualified and experienced judges and maximize the skills of judges and court personnel.

- ◆ Process cases timely and efficiently, standardize court procedures statewide, and provide easy access to information about court structure and operations.

A comprehensive list of goals and performance measurements can be found in the Utah Tomorrow Strategic Plan, 1996 Annual Report, pages 65-72, and 107-123.

Base Budget Efficiency Initiatives

- ◆ The courts created 10 new domestic violence deputy clerks by redirecting \$315,000 in existing resources.
- ◆ The data processing section of the courts will add a new automated trial court case processing system by using internal savings in the amount of \$800,000 over the next two years.
- ◆ A market salary adjustment in the amount of \$750,000 in FY 1997 and \$1,000,000 in FY 1998 will be implemented through the use of turnover savings.

Proposed Legislative Intent

FY 1997

Judicial Council/Court Administrator - Juror/Witness/Interpreter Fees

Funds for the juror/witness/interpreter program are nonlapsing.

Judicial Council—Court Administrator - Guardian Ad Litem

Funds for the guardian ad litem program are nonlapsing.

FY 1998

Judicial Council—Court Administrator

Funds for the courts are nonlapsing.

Judicial Council—Court Administrator - Guardian Ad Litem

Funds for the guardian ad litem program are nonlapsing.

Judicial Council—Court Administrator - Juror/Witness/Interpreter Fees

Funds for the juror/witness/interpreter program are nonlapsing.

Major Budget Recommendations

- ◆ Fund the new juvenile sentencing guidelines which will add critical resources to the juvenile justice system. A total of \$5,665,900 has been added to the juvenile court to hire 60 additional probation officers as well as money for state supervision of juveniles remaining in their homes. Additional resources have also been recommended for the Division of Youth Corrections, the Division of Child and Family Services, and the youth in custody program in the State Office of Education.

- ◆ Hire an additional district court judge/court commissioner and support staff.
- ◆ Add resources for increased costs associated with the juror/witness/interpreter program.
- ◆ Hire one law clerk for district court judges to assist in capital criminal cases to help reduce trial court error.
- ◆ Add additional resources to the guardian ad litem program to assist in representing children who are abused or neglected.
- ◆ Include \$1,093,200 in the base budget to fund increases in leases and utilities in court facilities.
- ◆ Include \$117,000 in the general obligation bond for parking facilities at the Cedar City courthouse.

COURTS

Operating Budget

	Actual FY 1996	Authorized FY 1997	Governor Leavitt's Recommendations				% Change AFY97-FY98
			Courts' Request FY 1998	Base FY 1998	Adjust- ments	Total FY 1998	
Plan of Financing							
General Fund	\$66,572,600	\$68,402,700	\$71,854,200	\$69,513,300	\$7,520,400	\$77,033,700	12.6%
Federal Funds	71,500	71,400	71,400	71,400	1,800	73,200	2.5
Dedicated Credits	733,600	802,100	1,267,900	1,121,900	18,600	1,140,500	42.2
Restricted and Trust Funds	1,444,200	1,560,000	1,610,900	1,545,900	86,200	1,632,100	4.6
Transfers	51,900	48,300	48,300	48,300	1,100	49,400	2.3
Beginning Balances	511,200	218,200	33,200	33,200	0	33,200	(84.8)
Closing Balances	(218,200)	(33,200)	0	0	0	0	(100.0)
Lapsing Funds	(247,800)	0	0	0	0	0	0.0
Total Financing	\$68,919,000	\$71,069,500	\$74,885,900	\$72,334,000	\$7,628,100	\$79,962,100	12.5%
Programs							
Supreme Court	\$1,700,700	\$1,767,200	\$1,767,200	\$1,767,200	\$0	\$1,767,200	0.0%
Law Library	390,500	390,500	433,700	433,700	0	433,700	11.1
Court of Appeals	2,198,800	2,366,800	2,366,800	2,366,800	0	2,366,800	0.0
Administration	2,826,500	2,955,100	3,016,400	2,972,500	0	2,972,500	0.6
Federal Grants	340,200	282,200	282,300	282,300	0	282,300	0.0
Judicial Education	534,900	543,100	556,300	543,100	0	543,100	0.0
Contracts/Leases	8,046,100	8,397,100	9,563,600	9,663,600	0	9,663,600	15.1
Justice Courts	113,200	116,700	150,600	116,700	0	116,700	0.0
Data Processing	4,929,700	4,581,800	4,510,300	4,200,300	0	4,200,300	(8.3)
Trial Courts	26,612,600	28,093,900	29,329,900	28,055,300	283,600 <i>a</i>	28,338,900	0.9
Court Security	2,104,100	2,191,000	2,245,800	2,191,000	0	2,191,000	0.0
Juvenile Courts	14,493,600	16,451,800	16,784,100	16,478,000	5,776,100 <i>b</i>	22,254,100	35.3
Guardian Ad Litem	2,150,100	2,231,900	2,446,900	2,231,900	96,000 <i>c</i>	2,327,900	4.3
Child Permanency Project	1,110,700	0	0	0	0	0	0.0
Grand Jury	1,000	1,000	6,000	0	0	0	(100.0)
Juror and Witness Fees	1,366,300	699,400	1,426,000	1,031,600	100,000 <i>d</i>	1,131,600	61.8
Compensation Package	0	0	0	0	1,372,400 <i>e</i>	1,372,400	--
Total Budget	\$68,919,000	\$71,069,500	\$74,885,900	\$72,334,000	\$7,628,100	\$79,962,100	12.5%
Positions	1,073.8	1,099.8	1,125.8	1,099.8	66.0	1,165.8	

a See D1 and D2

b See D3 through D6

c See D7

d See D8

e See D9

In addition to the amounts listed in the Authorized FY 1997 column, Governor Leavitt recommends a \$754,200 supplemental appropriation for Guardian Ad Litem and Juror/Witness/Interpreter Fees, of which \$658,200 is from the General Fund.

COURTS**ONGOING APPROPRIATIONS****Trial Courts**

<i>D1</i>	District court judge/commissioner	One district court judge/commissioner and two clerks
<i>D2</i>	Law clerk	One law clerk to assist judges in capital criminal cases

Juvenile Court

<i>D3</i>	Community service	Increase opportunities for juvenile offenders to complete court ordered community service
<i>D4</i>	Probation officers	Add 60 probation officers to implement new juvenile sentencing guidelines
<i>D5</i>	State supervision resources	Create new state supervision programs for new juvenile sentencing guidelines
<i>D6</i>	Restorative justice	Implement alternative dispute resolution program for juvenile offenders

Guardian Ad Litem

<i>D7</i>	Operations and conflict attorney	Operational costs related to caseload increases and conflict attorney
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Juror/Witness/Interpreter Fees

<i>D8</i>	Juror, witness, and interpreter fees	Additional funding for juror, witness, and interpreter fees
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Compensation and Personal Services

<i>D9</i>	Compensation package	Compensation package of 3.0 percent including benefit adjustments
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Total FY 1998 Adjustments (Ongoing Appropriations)**SUPPLEMENTALS****Guardian ad litem**

<i>D10</i>	Operations and conflict attorney	Operational costs related to caseload increases and conflict attorney
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Juror/Witness/Interpreter Fees

<i>D11</i>	FY 1996 deficit	Eliminate FY 1996 deficit for juror, witness, and interpreter fees
<i>D12</i>	Anticipated FY 1997 deficit	Increase funds to cover projected FY 1997 deficit for juror, witness, and interpreter fees

Total FY 1997 Supplementals

Ongoing, One-Time, and Supplemental Appropriations - Courts

	General Fund	Uniform School Fund	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
D1	\$237,300	\$0	\$0	\$0	\$0	\$0	\$0	\$237,300
D2	46,300	0	0	0	0	0	0	46,300
D3	80,200	0	0	0	0	0	0	80,200
D4	2,370,000	0	0	0	0	0	0	2,370,000
D5	3,295,900	0	0	0	0	0	0	3,295,900
D6	30,000	0	0	0	0	0	0	30,000
D7	30,000	0	0	0	1,000	65,000	0	96,000
D8	100,000	0	0	0	0	0	0	100,000
D9	1,330,700	0	0	1,800	17,600	21,200	1,100	1,372,400
	\$7,520,400	\$0	\$0	\$1,800	\$18,600	\$86,200	\$1,100	\$7,628,100
D10	\$0	\$0	\$0	\$0	\$1,000	\$95,000	\$0	\$96,000
D11	358,200	0	0	0	0	0	0	358,200
D12	300,000	0	0	0	0	0	0	300,000
	\$658,200	\$0	\$0	\$0	\$1,000	\$95,000	\$0	\$754,200

■ ECONOMIC DEVELOPMENT AND HUMAN RESOURCES

Economic Development and Human Resources includes Department of Community and Economic Development, Utah Technology Finance Corporation, Department of Human Resource Management, Career Service Review Board, and Utah Retirement Board

Programs

◆ Community and Economic Development

Administration provides support services for all divisions.

Business Development promotes business opportunities and serves as a resource for business and local leaders.

Centennial Commission oversees commemoration of statehood centennial.

Community Development provides technical and financial assistance for communities to plan and provide basic services.

Energy Services promotes development and efficient use of energy and administers clean fuels loan program.

Ethnic Affairs Offices act as liaisons between state government and Utah's Asian, Polynesian, Black, and Hispanic communities. Division of Indian Affairs serves as the state's Indian Affairs authority.

Fairpark (Utah State Fair Corporation) manages activities relating to the state fair and promotes and manages the year round use of the state fairpark.

Fine Arts administers a grants program and community outreach programs to broaden appreciation for the arts.

Historical Society serves as the fundraising and membership arm of the Division of State History.

Industrial Assistance Fund provides incentives for corporate expansion and relocation into the state.

State History preserves historic resources and promotes understanding of Utah's heritage.

State Library provides support services to public libraries and direct services to visually and physically disabled individuals.

Travel Development promotes Utah tourism.

- ◆ **Utah Technology Finance Corporation** increases the capital available to Utah businesses and provides technical assistance to entrepreneurs.
- ◆ **Human Resource Management** manages state employee classification, compensation, recruitment, selection, and development.
- ◆ **Career Service Review Board** administers state employee grievances and appeal procedures, and mediates disputes between agencies and employees.
- ◆ **Utah Retirement Board** administers public employee retirement systems, deferred compensation plans, and group insurance plans.
- ◆ **Retirement Board** — Generate eight percent return on investment portfolios and outperform inflation by four percent.
- ◆ **Retirement Board** — Keep medical and dental insurance costs for public institutions at or below state and national trends.

*A comprehensive list of goals and performance measurements can be found in the **Utah Tomorrow Strategic Plan, 1996 Annual Report**, pages 1-9, 10-18, and 60-64.*

Selected Department Goals

- ◆ **Community and Economic Development** — Build a solid economic environment through job creation, tax base expansion, rural development, and enhancement of Utah's quality of life.
- ◆ **Utah Technology Finance Corporation** — Leverage public and private capital, and provide early stage debt financing and technical assistance to start-up and growing small businesses.
- ◆ **Human Resource Management** — Streamline recruitment, selection, and employee tracking functions through implementation of HR Streamline.
- ◆ **Community and Economic Development** — Created partnerships between federal and state agencies and local communities for regional heritage tourism. Heritage tourism promotes new tourism opportunities while maintaining an area's character and culture. This initiative will combine resources from a variety of programs to assist communities.
- ◆ **Community and Economic Development** — Reorganized the Community Services Office to include the department's housing, homeless and weatherization programs. These programs will be managed in coordination with the community services block grant program to more effectively address safe and affordable housing issues.
- ◆ **Utah Technology Finance Corporation** — Continued to expand the capital pool available to Utah businesses by leveraging new sources of financing.

The Corporation attracts almost \$5 of nonstate money for each \$1 of state money that it loans to businesses.

- ◆ **Human Resource Management** — Eliminate funds from General Fund in human resource training program which will be funded entirely from dedicated credits on a fee for service basis.

Proposed Legislative Intent

FY 1998

Community and Economic Development

Funds for Administration are nonlapsing.

Funds for the Industrial Assistance Fund are nonlapsing.

Funds for Business and Economic Development are nonlapsing.

Funds for the Office of Asian Affairs are nonlapsing.

Funds for the Office of Polynesian Affairs are nonlapsing.

Funds for the Office of Black Affairs are nonlapsing.

Funds for the Martin Luther King Commission are nonlapsing.

Funds for the Office of Hispanic Affairs are nonlapsing.

Funds for the Division of Indian Affairs are nonlapsing.

Funds for Travel Development are nonlapsing.

Funds for the Utah State Historical Society are nonlapsing.

Funds for the Division of State History are nonlapsing.

Funds for the Percent for Arts Program are nonlapsing.

Funds for the State Library Division are nonlapsing.

Funds for Community Development are nonlapsing.

Funds for the Utah Technology Finance Corporation are nonlapsing.

Funds for quality growth efficiency tools are nonlapsing.

Career Service Review Board

Funds for the Career Service Review Board are nonlapsing.

Human Resource Management

Funds for the Department of Human Resources are nonlapsing.

The compensation package for state employees is to be increased by 3.0 percent effective July 1, 1997.

Utah Retirement Board

Utah Retirement Board shall provide to the Governor's Office of Planning and

Budget and the Office of the Legislative Fiscal Analyst a management study of performance measures demonstrating administrative cost efficiencies of retirement and insurance services through a comparative cost analysis of similar service providers.

to provide additional capital for the development of affordable housing.

- ◆ **Community and Economic Development** — Provide funding for the Office of Museum Services grant program to provide project support and technical assistance for museums statewide.

Major Budget Recommendations

- ◆ **Community and Economic Development** — Fund \$2.5 million for the Olene S. Walker Housing Trust Fund

- ◆ **Human Resource Management** — Maintain and operate human resource management information system and associated streamlining systems.

ECONOMIC DEVELOPMENT AND HUMAN RESOURCES

Operating Budget

	Governor Leavitt's Recommendations						
	Actual FY 1996	Authorized FY 1997	Recommended FY 1997	Base FY 1998	Adjust- ments	Total FY 1998	% Change RFY97-FY98
Plan of Financing							
General Fund	\$31,948,200	\$33,582,900	\$33,582,900	\$30,479,400	\$223,700	\$30,703,100	(8.6%)
Transportation Fund	118,000	118,000	118,000	118,000	0	118,000	0.0
Federal Funds	16,382,700	14,560,200	14,560,200	14,455,700	32,200	14,487,900	(0.5)
Dedicated Credits	12,534,100	13,078,600	13,078,600	13,210,800	72,400	13,283,200	1.6
Mineral Lease	322,800	100,000	100,000	0	100,000	100,000	0.0
Restricted and Trust Funds	25,274,200	25,492,300	26,992,300	25,525,900	1,529,300	27,055,200	0.2
Transfers	(296,400)	49,900	49,900	0	0	0	(100.0)
Pass-through Funds	1,534,300	1,514,500	1,514,500	1,712,600	7,000	1,719,600	13.5
Beginning Balances	15,211,500	12,672,000	12,672,000	4,145,400	0	4,145,400	(67.3)
Closing Balances	(12,672,000)	(4,145,400)	(4,145,400)	(3,283,200)	0	(3,283,200)	(20.8)
Lapsing Funds	(839,500)	0	0	0	0	0	0.0
Total Financing	\$89,517,900	\$97,023,000	\$98,523,000	\$86,364,600	\$1,964,600	\$88,329,200	(10.3%)
Programs							
Comm. and Econ. Development							
Administration	\$1,466,500	\$1,890,500	\$1,890,500	\$1,855,900	\$0	\$1,855,900	(1.8%)
Business Development	10,335,900	14,084,700	14,084,700	9,127,300	20,000 <i>a</i>	9,147,300	(35.1)
Centennial Commission	1,896,400	729,700	729,700	0	0	0	(100.0)
Community Development	14,458,500	15,487,200	15,487,200	14,190,300	(210,000) <i>b</i>	13,980,300	(9.7)
Energy Services	3,795,000	3,233,300	3,233,300	3,719,600	0	3,719,600	15.0
Ethnic Affairs Offices	623,500	750,200	750,200	707,100	0	707,100	(5.7)
Fair Park (Utah State Fair Corp.)	3,122,600	3,095,000	3,095,000	3,154,600	0	3,154,600	1.9
Fine Arts	3,315,500	3,316,300	3,316,300	3,135,400	(648,000) <i>c</i>	2,487,400	(25.0)
Historical Society	231,000	403,300	403,300	246,200	0	246,200	(39.0)
Industrial Assistance Fund	1,277,900	167,500	1,667,500	167,500	0	167,500	(90.0)
Special Initiatives	517,000	790,000	790,000	0	600,000 <i>d</i>	600,000	(24.1)
State History	2,361,600	3,117,000	3,117,000	2,176,600	0	2,176,600	(30.2)
State Library	5,560,900	6,151,600	6,151,600	5,773,100	0	5,773,100	(6.2)
Travel Development	4,589,600	4,284,300	4,284,300	4,136,100	100,000 <i>e</i>	4,236,100	(1.1)
Utah Technology Finance Corp.	4,295,500	4,971,100	4,971,100	5,280,100	0	5,280,100	6.2
Compensation Package	0	0	0	0	338,300 <i>f</i>	338,300	--
Subtotal Comm./Econ. Devl.	57,847,400	62,471,700	63,971,700	53,669,800	200,300	53,870,100	(15.8)
Human Resources							
Human Resource Management	3,569,100	3,168,100	3,168,100	2,680,000	130,800 <i>g</i>	2,810,800	(11.3)
Career Service Review Board	137,400	145,700	145,700	137,200	0	137,200	(5.8)
Retirement Office	27,964,000	31,237,500	31,237,500	29,877,600	1,572,600 <i>h</i>	31,450,200	0.7
Compensation Package	0	0	0	0	60,900 <i>i</i>	60,900	--
Subtotal Human Resources	31,670,500	34,551,300	34,551,300	32,694,800	1,764,300	34,459,100	(0.3)
Total Budget	\$89,517,900	\$97,023,000	\$98,523,000	\$86,364,600	\$1,964,600	\$88,329,200	(10.3%)
Positions	528.4	560.3	560.3	539.5	0.5	540.0	

a See E3*b* See E2 and E24*c* See E1*d* See E25 and E26*e* See E23*f* See E4*g* See E5 through E7*h* See E9 through E22*i* See E8

ECONOMIC DEVELOPMENT AND HUMAN RESOURCES

Capital Budget

	<u>Governor Leavitt's Recommendations</u>					
	Actual FY 1996	Authorized FY 1997	Recommended FY 1997	Base FY 1998	Adjust- ments	Total FY 1998
Plan of Financing						
General Fund	\$4,834,100	\$10,054,100	\$10,054,100	\$1,834,100	\$2,500,000	\$4,334,100
Uniform School Fund	0	860,000	860,000	0	0	0
Federal Funds	1,077,200	3,634,900	3,634,900	3,844,700	0	3,844,700
Mineral Lease	13,736,000	12,533,200	12,533,200	14,029,000	0	14,029,000
Restricted and Trust Funds	7,992,000	8,839,000	8,839,000	8,842,400	0	8,842,400
Transfers	220,000	0	0	0	0	0
Pass-through Funds	1,216,500	2,375,300	2,375,300	1,295,600	0	1,295,600
Beginning Balances	1,426,800	4,130,100	4,130,100	0	0	0
Closing Balances	(4,130,100)	0	0	0	0	0
Lapsing Funds	(2,017,300)	0	0	0	0	0
Total Financing	\$24,355,200	\$42,426,600	\$42,426,600	\$29,845,800	\$2,500,000	\$32,345,800
Projects						
Community Assistance Program	\$21,892,300	\$21,416,600	\$21,416,600	\$22,871,400	\$0	\$22,871,400
Energy Services	184,100	2,725,300	2,725,300	1,315,600	0	1,315,600
Low-Income Housing	1,096,700	9,647,800	9,647,800	5,658,800	2,500,000 ^a	8,158,800
Special Initiatives	1,182,100	8,636,900	8,636,900	0	0	0
Total Budget	\$24,355,200	\$42,426,600	\$42,426,600	\$29,845,800	\$2,500,000	\$32,345,800

^a See E29

ECONOMIC DEVELOPMENT AND HUMAN RESOURCES**ONGOING APPROPRIATIONS****Department of Community and Economic Development****Fine Arts**

E1 Reduce funding for grants program Reduce state funding

Community Development

E2 Reduce spending for zoos Reduce state funding

Business and Economic Development

E3 Veterans Affairs position Clerical staff to assist in the Office of Veterans Affairs

Compensation and Personal Services

E4 Compensation package Compensation package of 3.0 percent including benefit adjustments

Department of Human Resource Management

E5 HR Streamline operational support Maintain human resource management information system in client server environment

E6 Job Service revenue replacement Replace lost revenue from Job Service due to creation of Workforce Services Department

E7 Reduction human resource training Transfer human resource training General Fund base budget to HR Streamline

Compensation and Personal Services

E8 Compensation package Compensation package of 3.0 percent including benefit adjustments

Utah Retirement Board

E9 Investment and handling fees Additional fees to manage investment portfolios related to anticipated growth in asset valuation

E10 Mainframe computer maintenance Annual maintenance costs for mainframe computer system

E11 Telephone, postage and mailings Additional mailings and phone contacts required by anticipated membership growth

E12 Other contracts - optical imaging Temporary labor to assist transfer of data to optical imaging system

E13 Printing and binding Additional printing costs required by anticipated membership growth

E14 Office rental Fair market value adjustment for leased space

E15 Miscellaneous current expense Microfilm supplies, office supplies, photocopy supplies, and other miscellaneous current expense

Group Insurance

E16 Attorney fees Contractual managed care legal issues

E17 Printing and binding Publish health guide for chronic illnesses

E18 Office rental Fair market value adjustment for leased space and additional office space

E19 Mainframe computer maintenance Annual maintenance fee required upon expiration of warranty period

E20 Personal computers Provide optical imaging capability to enrollment staff

E21 Reduction mainframe software Operating software purchase completed

E22 Reduction consulting services Terminate contractual services of imaging consultant

Subtotal Ongoing Appropriations**ONE-TIME APPROPRIATIONS****Department of Community and Economic Development****Travel Development**

E23 Destination development Enhancement and creation of travel destination locations throughout the state

Community Development

E24 Museum services grant program Technical assistance, professional training, and funding for eligible museums statewide

Ongoing, One-Time, and Supplemental Appropriations - Economic Development and Human Resources

	General Fund	Uniform School Fund	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
E1	(\$648,000)	\$0	\$0	\$0	\$0	\$0	\$0	(\$648,000)
E2	(250,000)	0	0	0	0	0	0	(250,000)
E3	20,000	0	0	0	0	0	0	20,000
E4	270,000	0	0	32,200	16,400	12,700	7,000	338,300
E5	159,900	0	0	0	0	0	0	159,900
E6	34,300	0	0	0	0	0	0	34,300
E7	(63,400)	0	0	0	0	0	0	(63,400)
E8	60,900	0	0	0	0	0	0	60,900
E9	0	0	0	0	0	1,356,200	0	1,356,200
E10	0	0	0	0	0	10,000	0	10,000
E11	0	0	0	0	0	46,700	0	46,700
E12	0	0	0	0	0	23,700	0	23,700
E13	0	0	0	0	0	19,200	0	19,200
E14	0	0	0	0	0	23,000	0	23,000
E15	0	0	0	0	0	37,800	0	37,800
E16	0	0	0	0	20,000	0	0	20,000
E17	0	0	0	0	50,000	0	0	50,000
E18	0	0	0	0	40,000	0	0	40,000
E19	0	0	0	0	21,000	0	0	21,000
E20	0	0	0	0	50,000	0	0	50,000
E21	0	0	0	0	(41,000)	0	0	(41,000)
E22	0	0	0	0	(84,000)	0	0	(84,000)
	(\$416,300)	\$0	\$0	\$32,200	\$72,400	\$1,529,300	\$7,000	\$1,224,600
E23	\$0	\$0	\$0	\$0	\$0	\$0	\$100,000	\$100,000
E24	40,000	0	0	0	0	0	0	40,000

ECONOMIC DEVELOPMENT AND HUMAN RESOURCES

Special Initiatives (not DCED requests)

E25 University of Utah Museum of Fine Arts Financial support for design and construction of new facility

E26 Quality growth efficiency tools Development of state's economic and demographic models

Subtotal One-time Appropriations

Total FY 1998 Adjustments (Ongoing and One-Time Appropriations)

SUPPLEMENTALS

Industrial Assistance Fund

E27 Replenishment of fund Principal repayment to creditor companies based on credits earned for economic performance

E28 Transfer excess funds Transfer of funds from the Industrial Assistance Fund to the General Fund

Total FY 1997 Supplementals

CAPITAL BUDGET ONE-TIME APPROPRIATIONS

Community Development

E29 Olene S. Walker Housing Trust Fund Infusion of capital to the Olene S. Walker Housing Trust Fund to develop housing statewide

Total FY 1998 Capital Budget Adjustments (One-Time Appropriations)

Ongoing, One-Time, and Supplemental Appropriations - Economic Development and Human Resources

	General Fund	Uniform School Fund	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
<i>E25</i>	500,000	0	0	0	0	0	0	500,000
<i>E26</i>	100,000	0	0	0	0	0	0	100,000
	\$640,000	\$0	\$0	\$0	\$0	\$0	\$100,000	\$740,000
	\$223,700	\$0	\$0	\$32,200	\$72,400	\$1,529,300	\$107,000	\$1,964,600

<i>E27</i>	\$1,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$1,500,000
<i>E28</i>	(1,500,000)	0	0	0	0	1,500,000	0	0
	\$0	\$0	\$0	\$0	\$0	\$1,500,000	\$0	\$1,500,000

<i>E29</i>	\$2,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$2,500,000
	\$2,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$2,500,000

ELECTED OFFICIALS

Offices

- ◆ The **Governor** is chief administrator of the state's executive branch of government. Within the governor's office are the Lieutenant Governor's office, Office of Planning and Budget, Commission on Criminal and Juvenile Justice, and Crime Victim Reparations program.
 - ◆ The **Attorney General** is the constitutional legal officer of the state, serves as counsel in all cases in which the state or its officers are a party, and provides legal services for state agencies.
 - ◆ The **State Auditor** performs financial audits of state agencies, helps agencies maintain proper internal controls and comply with state law, and trains city and county treasurers to ensure local government compliance with state law.
 - ◆ The **State Treasurer** serves as custodian and depository for all state funds and invests them at competitive market rates in bank certificates of deposit, corporate obligations, notes, and bonds of the United States.
 - ◆ **Judicial Conduct Commission** investigates complaints against judges, conducts confidential hearings, and has power to reprimand, censure, suspend, remove, or involuntarily retire any judge.
- for the needy while fostering self-reliance, operate government within the state's means, protect the quality of life, and develop long-term growth policies.
- ◆ **Attorney General** — Enforce laws to make Utah safe for children, offer justice to crime victims, empower people against unlawful and unjust conduct, defend Utah's natural and monetary assets, open and operate additional Children's Justice Centers, and provide quality legal service at minimum cost.
 - ◆ **State Auditor** — Ensure integrity and accountability of government agencies and selected nonprofit organizations through appropriate audits, studies, and compliance reviews.
 - ◆ **State Treasurer** — Make financial and investment decisions to maintain the state's AAA bond rating and maximize interest revenue, and increase the amount going from the Unclaimed Property Trust Fund to the Uniform School Fund.
 - ◆ **Judicial Conduct Commission** — Prevent judicial misconduct by educating judges and the public with respect to statutory and constitutional provisions governing judicial conduct.
- A comprehensive list of goals and performance measurements can be found in the Utah Tomorrow Strategic Plan, 1996 Annual Report, pages 65-72.*

Selected Goals

- ◆ **Governor** — Create quality jobs, develop world-class education, provide

Base Budget Efficiency Initiatives

- ◆ The Governor's Office of Planning and Budget has assumed the increased

workload in planning and budget analysis caused by creation of the Department of Workforce Services. In addition, it is eliminating one position in administrative rulemaking.

- ◆ The Attorney General is saving taxpayers an estimated one million dollars annually by developing an experienced litigation staff which has virtually eliminated the need for outside counsel except where conflict of interest or other extraordinary circumstances are involved.
- ◆ The State Auditor has incorporated the use of advanced information technology products to increase the effectiveness of the office while maintaining the current position levels.
- ◆ The State Treasurer reduced the time and cost of investment activities by completing financial transactions via electronic transfer and reduced the number of positions in the Unclaimed Property Division through enhancements in information technology.
- ◆ The Judicial Conduct Commission has amended and standardized procedural rules governing the Commission, formalized a process for efficient disposition of complaints, and adopted sanctioning guidelines for use in formal hearings.

Proposed Legislative Intent

FY 1997

Office of the Governor

Funds for the Governor's Commission for Women and Families are nonlapsing.

Attorney General

Funds for the Attorney General for settlement expenses are nonlapsing.

FY 1998

Office of the Governor

Funds for the Governor's Office are nonlapsing.

Funds for the Governor's Commission for Women and Families are nonlapsing.

Funds for the Governor's Emergency Fund are nonlapsing.

Funds for the Governor's Office of Planning and Budget are nonlapsing.

Funds for the Commission on Criminal and Juvenile Justice are nonlapsing.

Attorney General

Funds for the Attorney General's main line item are nonlapsing.

The Attorney General is to guarantee the state's interest in the cold fusion patents.

Funds for the Children's Justice Centers are nonlapsing.

Funds for Child Protection are nonlapsing.

Funds for Financial Crimes/Money Laundering are nonlapsing.

Funds for Antitrust Prosecution are nonlapsing.

Funds for Contract Attorneys are nonlapsing.

Funds for Abortion Litigation are nonlapsing.

Funds for the Prosecution Council are nonlapsing.

Funds for Domestic Violence are nonlapsing.

State Auditor

Funds for the State Auditor are nonlapsing.

State Treasurer

Funds for the State Treasurer are nonlapsing.

Judicial Conduct Commission

Funds for the Judicial Conduct Commission are nonlapsing.

Major Budget Recommendations

- ◆ No increases in state funding for both current and new programs.
- ◆ A compensation package of 3.0 percent for the five elected officials which is the same as that recommended for all state employees.
- ◆ A supplemental appropriation to the Attorney General for settlement expenses arising from the suit filed against the state by the National Center for Youth Law.

ELECTED OFFICIALS
Operating Budget

	Actual FY 1996	Authorized FY 1997	Elected Officials' Request FY 1998	Governor Leavitt's Recommendations			
				Base FY 1998	Adjust- ments	Total FY 1998	% Change AFY97-FY98
Plan of Financing							
General Fund	\$23,219,400	\$24,312,900	\$24,382,800	\$23,849,900	\$426,400	\$24,276,300	(0.2%)
Federal Funds	5,750,300	8,476,800	10,039,200	9,919,200	121,600	10,040,800	18.5
Dedicated Credits	8,646,800	10,137,000	10,138,700	10,088,700	264,300	10,353,000	2.1
Restricted and Trust Funds	2,198,500	2,111,200	2,259,000	2,129,200	62,200	2,191,400	3.8
Transfers	810,100	945,100	695,100	695,100	5,200	700,300	(25.9)
Pass-through Funds	6,700	153,000	0	0	0	0	(100.0)
Beginning Balances	589,300	1,836,400	104,000	104,000	0	104,000	(94.3)
Closing Balances	(1,836,400)	(104,000)	0	0	0	0	(100.0)
Lapsing Funds	(544,400)	0	0	0	0	0	0.0
Total Financing	\$38,840,300	\$47,868,400	\$47,618,800	\$46,786,100	\$879,700	\$47,665,800	(0.4%)
Programs							
Governor	\$12,819,800	\$18,418,800	\$18,632,800	\$18,246,500	(\$46,000) <i>a</i>	\$18,200,500	(1.2%)
Attorney General	21,961,400	24,408,900	24,200,900	23,741,400	170,000 <i>b</i>	23,911,400	(2.0)
Auditor	2,565,600	3,139,500	2,895,200	2,905,900	0	2,905,900	(7.4)
Treasurer	1,341,600	1,695,000	1,682,900	1,685,300	0	1,685,300	(0.6)
Judicial Conduct Commission	151,900	206,200	207,000	207,000	0	207,000	0.4
Compensation Package	0	0	0	0	755,700 <i>c</i>	755,700	--
Total Budget	\$38,840,300	\$47,868,400	\$47,618,800	\$46,786,100	\$879,700	\$47,665,800	(0.4%)
Positions	548.9	549.9	556.4	550.9	(1.0)	549.9	

a See F1 and F4

b See F2

c See F3

In addition to the amounts listed in the Authorized FY 1997 column, Governor Leavitt recommends supplemental appropriations of \$50,000 General Fund for the Constitutional Defense Fund, \$150,000 General Fund for the David C. lawsuit settlement expenses, and \$270,000 federal funds and dedicated credits for the Children's Justice Centers program.

ELECTED OFFICIALS**ONGOING APPROPRIATIONS****Governor****Planning and Budget**

F1 Administrative rules streamlining Transfer position to Industrial Commission (Dept. of Workforce Services)

Attorney General**Children's Justice Centers**

F2 Additional children's justice center Open a fourth center in either Moab, Price, St. George, or Logan

Compensation and Personal Services

F3 Compensation package Compensation package of 3.0 percent including benefit adjustments

Subtotal Ongoing Appropriations**ONE-TIME APPROPRIATIONS****Governor****Planning and Budget**

F4 State Olympic coordinator Ensure compliance with all applicable contracting rules and regulations, 63A-9-203, UCA

Subtotal One-time Appropriations**Total FY 1998 Adjustments (Ongoing and One-Time Appropriations)****SUPPLEMENTALS****Governor****Governor's Office**

F5 Constitutional Defense Fund Legal costs for issues involving the federal government

Attorney General**Children's Justice Centers**

F6 Authority to spend funds Legislative authority to spend federal funds and dedicated credits

Claims Against the State

F7 Settlement expense David C. lawsuit settlement expenses

Total FY 1997 Supplementals

Ongoing, One-Time, and Supplemental Appropriations - Elected Officials

	General Fund	Uniform School Fund	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
<i>F1</i>	(\$68,400)	\$0	\$0	\$0	\$0	\$0	\$0	(\$68,400)
<i>F2</i>	0	0	0	120,000	50,000	0	0	170,000
<i>F3</i>	494,800	0	0	1,600	214,300	39,800	5,200	755,700
	\$426,400	\$0	\$0	\$121,600	\$264,300	\$39,800	\$5,200	\$857,300
<i>F4</i>	\$0	\$0	\$0	\$0	\$0	\$22,400	\$0	\$22,400
	\$0	\$0	\$0	\$0	\$0	\$22,400	\$0	\$22,400
	\$426,400	\$0	\$0	\$121,600	\$264,300	\$62,200	\$5,200	\$879,700
<i>F5</i>	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000
<i>F6</i>	0	0	0	220,000	50,000	0	0	270,000
<i>F7</i>	150,000	0	0	0	0	0	0	150,000
	\$200,000	\$0	\$0	\$220,000	\$50,000	\$0	\$0	\$470,000

■ ENVIRONMENTAL QUALITY

Mission: *Safeguard human health and quality of life by protecting and enhancing the environment*

Programs

- ◆ **Executive Director** coordinates all administrative and planning functions for the department.
- ◆ **Air Quality** protects human health, property, and vegetation from the effects of air pollution.
- ◆ **Drinking Water** ensures that public water systems provide safe drinking water.
- ◆ **Environmental Response and Remediation** cleans up chemically-contaminated sites and ensures proper use of underground storage tanks.
- ◆ **Radiation** monitors radiation levels to ensure lowest possible exposure to residents.
- ◆ **Water Quality** protects quality of surface and underground waters, and prevents improper disposal of wastes.
- ◆ **Solid and Hazardous Waste** monitors management of solid and hazardous wastes.

Selected Department Goals

- ◆ Establish clear and achievable criteria that define excellence in environmental quality for air, water, and soil standards.
- ◆ Administer environmental programs and priorities to reflect Utah's unique conditions, oversee programs at the

state or local level, and whenever possible actively influence non-delegated federal programs to reflect Utah's needs.

- ◆ Improve effectiveness and delivery of environmental services by strengthening relationships with local health departments and local governments.
- ◆ Operate as a customer-oriented agency by focusing on customer service, trust, and problem solving through teamwork and partnership.

*A comprehensive list of goals and performance measurements can be found in the **Utah Tomorrow Strategic Plan, 1996 Annual Report**, pages 35-59, 65-72, and 88-93.*

Base Budget Efficiency Initiatives

- ◆ Entered into a performance partnership with the federal Environmental Protection Agency (EPA) which reduces accounting requirements and increases flexibility to utilize federal categorical funding.
- ◆ Entered into a three-way partnership with certain local health departments and the EPA which, through cooperative efforts, maximizes the use of limited resources.
- ◆ Evaluated and changed major processes in several divisions resulting in more efficient operations in issuing permits which have allowed the department to continue to meet customer needs.

Proposed Legislative Intent

FY 1997

Environmental Response and Remediation

Funds appropriated from the Hazardous Substances Mitigation Fund for the purpose of addressing natural resource damages and cleaning up ground water associated with the Trojan powder plant shall be nonlapsing. If the funds go unused or upon recovery of costs from the Trojan powder plant, the Hazardous Substances Mitigation Fund shall be made whole.

Air Quality

Any unexpended funds resulting from air quality operating permit fees collected during FY 1997 are non-lapsing and authorized for use in the operating permit program in FY 1998 to reduce emission fees.

Any unexpended funds resulting from the urban airshed modeling program during FY 1997 are nonlapsing and authorized for use in the urban airshed modeling program in FY 1998 thereby allowing for ongoing maintenance.

FY 1998

Environmental Response and Remediation

Funds appropriated from the Petroleum Storage Tank Fund for cleanup sites shall be nonlapsing.

Funds appropriated from the Hazardous Substances Mitigation Fund for the purpose of addressing natural resource damages and cleaning up ground water associated with the Trojan powder plant shall be nonlapsing. If the funds go unused or upon recovery of costs from the Trojan powder plant, the Hazardous Substances Mitigation Fund shall be made whole.

Major Budget Recommendations

- ◆ Provide pass-through funds to local health departments to assist them with approving, inspecting, and managing increased numbers of individual home wastewater disposal systems. Fund a position in Water Quality to evaluate innovate technology and provide training and technical assistance to local health departments with individual wastewater disposal systems.
- ◆ Fund a position to enhance groundwater expertise within the Division of Radiation Control.
- ◆ Allocate revenue under Section 59-12-103(5)(e), UCA, to the Drinking Water Loan Program and the Utah Wastewater Loan Program.

ENVIRONMENTAL QUALITY

Operating Budget

	Governor Leavitt's Recommendations						
	Actual FY 1996	Authorized FY 1997	Recommended FY 1997	Base FY 1998	Adjust- ments	Total FY 1998	% Change RFY97-FY98
Plan of Financing							
General Fund	\$8,532,700	\$9,200,100	\$9,200,100	\$8,805,200	\$242,100	\$9,047,300	(1.7%)
Federal Funds	46,081,400	51,899,100	51,899,100	51,849,800	65,700	51,915,500	0.0
Dedicated Credits	5,379,400	6,581,900	6,581,900	5,758,000	95,300	5,853,300	(11.1)
Mineral Lease	0	0	0	0	168,000	168,000	100.0
Restricted and Trust Funds	4,775,500	5,541,600	5,951,600	5,303,100	637,000	5,940,100	(0.2)
Transfers	153,100	147,700	147,700	147,700	0	147,700	0.0
Other Funds	0	0	0	0	5,400	5,400	100.0
Beginning Balances	5,543,000	4,079,900	4,079,900	1,718,000	0	1,718,000	(57.9)
Closing Balances	(4,079,900)	(1,718,000)	(1,718,000)	0	0	0	(100.0)
Lapsing Funds	(226,900)	0	0	0	0	0	0.0
Total Financing	\$66,158,300	\$75,732,300	\$76,142,300	\$73,581,800	\$1,213,500	\$74,795,300	(1.8%)
Programs							
Executive Director	\$3,364,000	\$4,029,300	\$4,029,300	\$3,588,300	\$17,500 <i>a</i>	\$3,605,800	(10.5)
Air Quality	7,412,600	7,381,400	7,381,400	7,126,300	(44,900) <i>b</i>	7,081,400	(4.1)
Drinking Water	1,970,300	1,926,500	1,926,500	1,932,400	351,800 <i>c</i>	2,284,200	18.6
Environmental Resp./Remediation	27,983,900	40,354,600	40,464,600	40,284,600	(304,900) <i>d</i>	39,979,700	(1.2)
Radiation	1,341,500	1,631,200	1,631,200	1,376,300	66,200 <i>e</i>	1,442,500	(11.6)
Water Quality	18,706,600	13,925,600	14,225,600	13,498,500	560,200 <i>f</i>	14,058,700	(1.2)
Solid and Hazardous Waste	5,379,400	6,483,700	6,483,700	5,775,400	27,000 <i>g</i>	5,802,400	(10.5)
Compensation Package	0	0	0	0	540,600 <i>h</i>	540,600	--
Total Budget	\$66,158,300	\$75,732,300	\$76,142,300	\$73,581,800	\$1,213,500	\$74,795,300	(1.8%)
Positions	428.3	428.3	428.3	428.3	(2.8)	425.5	

a See G1*b* See G2*c* See G3*d* See G4*e* See G5 and G6*f* See G7 through G9 and G12*g* See G10*h* See G11

ENVIRONMENTAL QUALITY

Capital Budget

	<u>Governor Leavitt's Recommendations</u>					
	Actual FY 1996	Authorized FY 1997	Recommended FY 1997	Base FY 1998	Adjust- ments	Total FY 1998
Plan of Financing						
General Fund	\$600,000	\$2,250,000	\$2,250,000	\$0	\$0	\$0
Federal Funds	0	0	12,000,000	0	5,000,000	5,000,000
Restricted and Trust Funds	400,000	2,650,000	2,650,000	0	11,295,000	11,295,000
Total Financing	\$1,000,000	\$4,900,000	\$16,900,000	\$0	\$16,295,000	\$16,295,000
Projects						
Safe Drinking Water Loan Fund	\$300,000	\$1,000,000	\$13,000,000	\$0	\$9,350,000 <i>a</i>	\$9,350,000
Waste Water Quality Loan Fund	300,000	1,000,000	1,000,000	0	4,350,000 <i>b</i>	4,350,000
Hazardous Substances Mitigation	400,000	900,000	900,000	0	400,000 <i>c</i>	400,000
Petroleum Storage Tank Loan Fund	0	2,000,000	2,000,000	0	0	0
Petroleum storage tank cleanup	0	0	0	0	2,195,000 <i>d</i>	2,195,000
Total Budget	\$1,000,000	\$4,900,000	\$16,900,000	\$0	\$16,295,000	\$16,295,000

*a See G15 and G16**b See G17**c See G18**d See G19*

ENVIRONMENTAL QUALITY**ONGOING APPROPRIATIONS****Executive Director**

G1 Local health departments Consideration of cost-of-living increases on state funds for local authorities as per state code

Air Quality

G2 Reduction in personnel Eliminate one and one-half vacant positions due to reduction in federal funds

Drinking Water

G3 Safe Drinking Water Act positions Add six and one-half positions to implement provisions of Safe Drinking Water Act

Environmental Response and Remediation

G4 Reduction in personnel Eliminate seven vacant positions due to reduction in federal funds

Radiation

G5 Groundwater expertise Add one position to evaluate radio nuclide contamination in groundwater

G6 Radiological equipment Maintenance and replacement of radiological equipment

Water Quality

G7 Individual wastewater position Add one position to assist local health departments with individual wastewater disposal systems

G8 Diversion of federal funds Reallocation of federal funds from ongoing programs to recommended programs

G9 Reduction in personnel Eliminate 2.8 vacant positions due to reduction in federal funds

Solid/Hazardous Waste

G10 Used oil management program Increase demand in the used oil management program

Compensation and Personal Services

G11 Compensation package Compensation package of 3.0 percent including benefit adjustments

Subtotal Ongoing Appropriations**ONE-TIME APPROPRIATIONS****Water Quality**

G12 Natural resource damage claim Transfer from the Hazardous Substances Mitigation Fund for water pollution mitigation

Subtotal One-time Appropriations**Total FY 1998 Adjustments (Ongoing and One-Time Appropriations)****SUPPLEMENTALS****Water Quality**

G13 Natural resource damage claim Transfer from Hazardous Substances Mitigation Fund for water pollution mitigation

Environmental Response and Remediation

G14 Restore Underground Storage Tank Account Transfer from Petroleum Storage Tank Fund to Underground Storage Tank Account

Total FY 1997 Supplementals

Ongoing, One-Time, and Supplemental Appropriations - Environmental Quality

	General Fund	Uniform School Fund	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
G1	\$17,500	\$0	\$0	\$0	\$0	\$0	\$0	\$17,500
G2	0	0	0	(44,900)	0	0	0	(44,900)
G3	0	0	0	351,800	0	0	0	351,800
G4	0	0	0	(304,900)	0	0	0	(304,900)
G5	0	0	0	0	0	58,700	0	58,700
G6	0	0	0	0	0	7,500	0	7,500
G7	50,000	0	0	36,000	0	0	168,000	254,000
G8	0	0	0	(36,000)	0	0	0	(36,000)
G9	0	0	0	(98,900)	0	0	0	(98,900)
G10	0	0	0	0	0	27,000	0	27,000
G11	174,600	0	0	162,600	95,300	102,700	5,400	540,600
	\$242,100	\$0	\$0	\$65,700	\$95,300	\$195,900	\$173,400	\$772,400
G12	\$0	\$0	\$0	\$0	\$0	\$441,100	\$0	\$441,100
	\$0	\$0	\$0	\$0	\$0	\$441,100	\$0	\$441,100
	\$242,100	\$0	\$0	\$65,700	\$95,300	\$637,000	\$173,400	\$1,213,500
G13	\$0	\$0	\$0	\$0	\$0	\$300,000	\$0	\$300,000
G14	0	0	0	0	0	110,000	0	110,000
	\$0	\$0	\$0	\$0	\$0	\$410,000	\$0	\$410,000

ENVIRONMENTAL QUALITY**CAPITAL BUDGET ONGOING APPROPRIATIONS****Drinking Water**

<i>G15</i>	Sales tax for drinking water infrastructure	Funding for loans under jurisdiction of drinking water board, H.B. 393, 1996 General Session
<i>G16</i>	Safe Drinking Water Act	Federal funding for the Safe Drinking Water Act

Waste Quality

<i>G17</i>	Sales tax for waste water infrastructure	Funding for loans under jurisdiction of water quality board, H.B. 393, 1996 General Session
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Subtotal Capital Budget Ongoing Appropriations**CAPITAL BUDGET ONE-TIME APPROPRIATIONS****Environmental Response and Remediation**

<i>G18</i>	Hazardous Substances Mitigation Fund	Transfer from Environmental Quality Restricted Account
<i>G19</i>	Petroleum storage tank cleanup	Transfer from Petroleum Storage Tank Fund for leaking underground storage tanks

Subtotal Capital Budget One-Time Appropriations**Total FY 1998 Capital Budget Adjustments (Ongoing and One-Time Appropriations)****CAPITAL BUDGET SUPPLEMENTAL APPROPRIATIONS****Drinking Water**

<i>G20</i>	Safe Drinking Water Act	Federal funding for the Safe Drinking Water Act
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Total FY 1997 Capital Budget Supplemental Appropriations

Ongoing, One-Time, and Supplemental Appropriations - Environmental Quality

	General Fund	Uniform School Fund	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
<i>G15</i>	\$0	\$0	\$0	\$0	\$0	\$4,350,000	\$0	\$4,350,000
<i>G16</i>	0	0	0	5,000,000	0	0	0	5,000,000
<i>G17</i>	0	0	0	0	0	4,350,000	0	4,350,000
	\$0	\$0	\$0	\$5,000,000	\$0	\$8,700,000	\$0	\$13,700,000
<i>G18</i>	0	0	0	0	0	400,000	0	400,000
<i>G19</i>	0	0	0	0	0	2,195,000	0	2,195,000
	\$0	\$0	\$0	\$0	\$0	\$2,595,000	\$0	\$2,595,000
	\$0	\$0	\$0	\$5,000,000	\$0	\$11,295,000	\$0	\$16,295,000
<i>G20</i>	\$0	\$0	\$0	\$12,000,000	\$0	\$0	\$0	\$12,000,000
	\$0	\$0	\$0	\$12,000,000	\$0	\$0	\$0	\$12,000,000

HEALTH

Mission: *Protect public health by preventing avoidable illness, injury, disability, and premature death; assuring access to affordable, quality health care; and promoting healthy lifestyles*

Programs

- ◆ **Office of the Executive Director** conducts administrative and support functions, manages birth and death certificates, and prepares and issues health statistics.
- ◆ **Medical Examiner** investigates and certifies deaths from unnatural causes and investigates causes that could endanger public health.
- ◆ **Health Systems Improvement** trains and certifies emergency medical personnel, licenses health care facilities, and promotes primary care to underserved populations.
- ◆ **Epidemiology and Laboratory Services** performs clinical and environmental laboratory examinations to support public health programs, ensures quality of medical and environmental laboratories and performs surveillance and investigation of disease and environmental exposure.
- ◆ **Community and Family Health Services** manages programs that promote public health and help women, infants, children, and their

families gain access to comprehensive and affordable health care.

- ◆ **Health Care Financing** administers Medicaid and the Utah Medical Assistance Program. The service portion of these two programs makes up the Medical Assistance category.
- ◆ **Health Policy Commission** recommends state policy and legislation to implement *HealthPrint*—the governor's health care reform package.

Selected Department Goals

- ◆ Increase access to affordable, quality health care.
- ◆ Address the needs of infants and toddlers with disabilities across the spectrum of available services.
- ◆ Improve immunization levels in Utah's children.

A comprehensive list of goals and performance measurements can be found in the Utah Tomorrow Strategic Plan, 1996 Annual Report, pages 65-93.

Base Budget Efficiency Initiatives

- ◆ Reduce staff in the Division of Health Care Financing by 12 positions due to efficiencies achieved through the implementation of managed care.
- ◆ Implement a \$1 pharmacy co-pay for non-institutionalized, non-pregnant adult Medicaid recipients and reduce the pharmacy dispensing fee by \$1 to correspond to the private market.
- ◆ Implement a case management program to purchase Factor 8 for Medicaid hemophiliacs.

Proposed Legislative Intent

FY 1997

Health Care Financing

Collections from the Utah Medical Assistance Program Dental Clinic for services provided are nonlapsing.

Health Systems Improvement

Fees collected for the purpose of plan reviews by the Bureau of Health Facility Licensure are nonlapsing.

FY 1998

Health Systems Improvement

Funds for primary care grants are nonlapsing.

Epidemiology and Laboratory Services

The state health laboratory will establish a fee schedule to recover the increased costs associated with law enforcement drug testing.

Community and Family Health Services

Funds for second dose MMR (measles, mumps, rubella) are nonlapsing.

Major Budget Recommendations

- ◆ Fund and restructure the Comprehensive Health Insurance Pool. Fund area health education centers (in higher education), a health care workforce planning database, and primary care grants as recommended by the Health Policy Commission. The recommendations for FY 1998 represent the fourth year of implementation of *HealthPrint*.
- ◆ Provide base funding for the installed telemedicine infrastructure to allow it to continue to serve rural Utah.
- ◆ Transfer the day care licensing program from the newly created Department of Workforce Services to the Bureau of Health Facility Licensure providing for greater coordination of licensing activities.

- ◆ Fund growth in the Early Intervention-Baby Watch program providing services to an additional 500 disabled infants and toddlers. This recommendation includes the implementation of a sliding fee scale for services provided.
- ◆ Fund Medicaid inflation and utilization growth to maintain the current program.
- ◆ Fund the provision of heart, lung, and bone marrow transplants. Funding will be provided in FY 1997 and in the ongoing base budget of FY 1998.
- ◆ Increase the Medicaid reimbursement level for dental services from 45 percent of charges to 55 percent of charges.

HEALTH

Operating Budget

	Governor Leavitt's Recommendations						
	Actual FY 1996	Authorized FY 1997	Recommended FY 1997	Base FY 1998	Adjust- ments	Total FY 1998	% Change RFY97-FY98
Plan of Financing							
General Fund	\$150,656,800	\$162,068,800	\$162,068,800	\$161,159,300	\$9,925,400	\$171,084,700	5.6%
Federal Funds	502,803,100	539,440,000	543,150,700	538,404,600	19,576,000	557,980,600	2.7
Dedicated Credits	31,884,000	34,542,000	34,560,500	34,489,500	1,055,400	35,544,900	2.8
Mineral Lease	0	350,000	350,000	0	350,000	350,000	0.0
Restricted and Trust Funds	13,173,600	9,785,600	11,156,400	9,583,600	653,300	10,236,900	(8.2)
Transfers	48,669,600	37,243,900	37,243,900	36,631,000	17,300	36,648,300	(1.6)
Beginning Balances	2,347,200	2,559,100	2,559,100	500,000	0	500,000	(80.5)
Closing Balances	(2,559,100)	(500,000)	(500,000)	(500,000)	0	(500,000)	0.0
Lapsing Funds	(8,068,100)	0	0	0	0	0	0.0
Total Financing	\$738,907,100	\$785,489,400	\$790,589,400	\$780,268,000	\$31,577,400	\$811,845,400	2.7%
Programs							
Executive Director	\$10,164,500	\$12,140,800	\$12,140,800	\$10,761,400	\$356,000 <i>a</i>	\$11,117,400	(8.4%)
Health Systems Improvement	7,296,200	10,064,400	10,064,400	8,120,700	1,752,800 <i>b</i>	9,873,500	(1.9)
Epidemiology and Lab Services	8,522,500	9,893,500	9,893,500	8,946,100	107,000 <i>c</i>	9,053,100	(8.5)
Community and Family Health	61,027,800	67,402,300	67,402,300	66,516,800	2,541,400 <i>d</i>	69,058,200	2.5
Health Care Financing	42,714,700	43,613,300	43,613,300	43,617,300	(553,700) <i>e</i>	43,063,600	(1.3)
Medical Assistance	608,604,800	642,150,200	647,250,200	642,080,700	26,145,900 <i>f</i>	668,226,600	3.2
Health Policy Commission	576,600	224,900	224,900	225,000	0	225,000	0.0
Compensation Package	0	0	0	0	1,228,000 <i>g</i>	1,228,000	--
Total Budget	\$738,907,100	\$785,489,400	\$790,589,400	\$780,268,000	\$31,577,400	\$811,845,400	2.7%
Positions	860.1	1,039.2	1,039.2	1,029.1	16.5	1,045.6	

a See H1, H2, H29 and H30

b See H3 through H5 and H31

c See H6

d See H7 through H10 and H32

e See H11 through H17

f See H18 through H27

g See H28

HEALTH**ONGOING APPROPRIATIONS****Executive Director**

- H1* Health care workforce planning survey Surveys of health care providers to aid decision making for training and placement of professionals
- H2* Local health cost-of-living adjustment Consideration of cost-of-living increases on state funds for local authorities as per state code

Health Systems Improvement

- H3* Additional licensing capacity Two new positions to conduct surveys and investigate complaints at local health care facilities
- H4* Rural telemedicine On-line medical consultation services to assist rural Utah health care providers
- H5* Day care licensing transfer Transfer responsibility for day care licensing from Office of Family Support

Epidemiology and Laboratory Services

- H6* Drug testing capacity Toxicological staff to improve turnaround for local law enforcement and Office of Medical Examiner

Community and Family Health Services

- H7* Early intervention Fund 500 additional children entitled to early intervention services based on current criteria
- H8* Early intervention sliding fees Sliding fee charged to parents of children receiving early intervention services
- H9* Poison control center cost-of-living adj. Increase in estimated personal services budget of poison control center
- H10* Tobacco prevention program Funding from cigarette tax increase for expanding tobacco education and prevention

Health Care Financing

- H11* Eliminate medical claims tech positions Reduce seven claims processing personnel due to managed care
- H12* Develop electronic funds transfer Integration of electronic funds transfer through financial information network
- H13* Develop electronic remittance statement Replacement of current paper-based process
- H14* Reduce paper claims charges Reduce claims batching charges from Utah Correctional Industries due to managed care
- H15* Transfer claims batching Transfer to Utah Correctional Industries claims batching responsibilities
- H16* Consolidate clinic locations Eliminate downtown clinic and shift to central valley location
- H17* Eliminate vacant positions Eliminate five vacant positions

Medical Assistance

- H18* Medicaid service inflation Inflation costs for services to categorically eligible populations
- H19* Medicaid utilization and caseload Utilization costs for services to categorically eligible populations
- H20* Pharmacy co-pay Maximum \$5 per month co-pay amount for non-institutional, non-pregnant adults
- H21* Case management program for hemophiliacs Implement coordinated buying methodology for Factor 8
- H22* Crossover claims contract Eliminate contract with processor for certain claims types
- H23* Reduce pharmacy dispensing fee by \$1 Current fee is greater than private payers provide
- H24* Substance abuse adults Federal law eliminates supplemental security income (SSI) benefits for this population
- H25* Federal match rate change Additional state match due to federal participation decrease of 0.05 percent
- H26* Restoration of Medicaid transplants Extension of bone marrow, heart, and lung transplant benefits to adults
- H27* Dental fee increase Increase reimbursement rate to 55 percent of charges from 45 percent

Compensation and Personal Services

- H28* Compensation package Compensation package of 3.0 percent including benefit adjustments

Subtotal Ongoing Appropriations

Ongoing, One-Time, and Supplemental Appropriations - Health

	General Fund	Uniform School Fund	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
H1	\$170,800	\$0	\$0	\$0	\$0	\$0	\$0	\$170,800
H2	48,200	0	0	0	0	0	0	48,200
H3	79,800	0	0	0	0	0	0	79,800
H4	100,000	0	0	0	0	0	0	100,000
H5	681,200	0	0	541,800	0	0	0	1,223,000
H6	57,000	0	0	0	50,000	0	0	107,000
H7	1,500,000	0	0	0	0	0	0	1,500,000
H8	(750,000)	0	0	0	750,000	0	0	0
H9	21,400	0	0	0	0	0	0	21,400
H10	770,000	0	0	0	0	0	0	770,000
H11	(40,400)	0	0	(121,100)	0	0	0	(161,500)
H12	(6,300)	0	0	(18,700)	0	0	0	(25,000)
H13	(2,500)	0	0	(7,500)	0	0	0	(10,000)
H14	(31,300)	0	0	(93,700)	0	0	0	(125,000)
H15	(3,100)	0	0	(9,400)	0	0	0	(12,500)
H16	(17,200)	0	0	(20,400)	0	0	0	(37,600)
H17	(107,300)	0	0	(74,800)	0	0	0	(182,100)
H18	3,479,500	0	0	9,836,000	49,200	198,400	0	13,563,100
H19	2,765,800	0	0	7,605,000	38,100	77,800	0	10,486,700
H20	(742,000)	0	0	(1,958,000)	0	0	0	(2,700,000)
H21	(68,700)	0	0	(181,300)	0	0	0	(250,000)
H22	(109,900)	0	0	(290,100)	0	0	0	(400,000)
H23	(549,600)	0	0	(1,450,400)	0	0	0	(2,000,000)
H24	(100,000)	0	0	(263,900)	0	0	0	(363,900)
H25	135,900	0	0	(148,700)	2,000	10,800	0	0
H26	1,309,700	0	0	4,213,400	21,100	265,800	0	5,810,000
H27	542,300	0	0	1,450,400	7,300	0	0	2,000,000
H28	505,100	0	0	567,400	137,700	500	17,300	1,228,000
	\$9,638,400	\$0	\$0	\$19,576,000	\$1,055,400	\$553,300	\$17,300	\$30,840,400

HEALTH**ONE-TIME APPROPRIATIONS****Executive Director**

<i>H29</i>	Health care workforce planning survey	Surveys of health care providers to aid decision making for training and placement of professionals
<i>H30</i>	Children's organ transplant trust fund	Authorization for expenditure of funds from income tax check-off

Health Systems Improvement

<i>H31</i>	Primary care grants	Annual grant awards to clinics and health centers providing access to under-served populations
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Community and Family Health Services

<i>H32</i>	Second dose MMR	Third of four-year effort to immunize 4th and 8th graders against measles, mumps, and rubella
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Subtotal One-time Appropriations**Total FY 1998 Adjustments (Ongoing and One-Time Appropriations)****SUPPLEMENTALS****Medical Assistance**

<i>H33</i>	Restoration of Medicaid transplants	Extension of bone marrow, heart, and lung transplant benefits to adults
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Total FY 1997 Supplementals

Ongoing, One-Time, and Supplemental Appropriations - Health

	General Fund	Uniform School Fund	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
<i>H29</i>	\$37,000	\$0	\$0	\$0	\$0	\$0	\$0	\$37,000
<i>H30</i>	0	0	0	0	0	100,000	0	100,000
<i>H31</i>	0	0	0	0	0	0	350,000	350,000
<i>H32</i>	250,000	0	0	0	0	0	0	250,000
	\$287,000	\$0	\$0	\$0	\$0	\$100,000	\$350,000	\$737,000
	\$9,925,400	\$0	\$0	\$19,576,000	\$1,055,400	\$653,300	\$367,300	\$31,577,400
<i>H33</i>	\$0	\$0	\$0	\$3,710,700	\$18,500	\$1,370,800	\$0	\$5,100,000
	\$0	\$0	\$0	\$3,710,700	\$18,500	\$1,370,800	\$0	\$5,100,000

■ HIGHER EDUCATION

Mission: *Provide high quality academic, professional, and applied technology learning opportunities designed to advance intellectual, cultural, social, and economic well-being*

Institutions

- ◆ **University of Utah** is a research/teaching university that currently enrolls 21,100 full-time equivalent (FTE) students and supports more than \$100 million in separately budgeted research.
- ◆ **Utah State University** is a research/teaching university that currently enrolls 15,700 FTE students and supports more than \$60 million in separately budgeted research.
- ◆ **Weber State University** is a regional/metropolitan university with 10,500 FTE students.
- ◆ **Southern Utah University** is a regional university with 4,700 FTE students.
- ◆ **Snow College** is a rural comprehensive community college with 2,700 FTE students.
- ◆ **Dixie College** is a rural comprehensive community college with 3,300 FTE students.
- ◆ **College of Eastern Utah** is a rural comprehensive community college with 2,100 FTE students.
- ◆ **Utah Valley State College** is an urban comprehensive community college with expanded authority to offer several baccalaureate degree programs and currently enrolls 9,800 FTE students.

- ◆ **Salt Lake Community College** is an urban comprehensive community college with 13,500 FTE students.
- ◆ **Utah State Board of Regents** is the governing board of the Utah System of Higher Education (USHE) and administers several statewide programs.

Higher Education Goals

- ◆ Provide access to appropriate post-secondary education for Utah's citizenry.
- ◆ Ensure that post-secondary education students acquire skills and knowledge for marketable employment or advanced study.
- ◆ Provide high quality, technologically-enhanced instruction and support services.

*A comprehensive list of goals and performance measurements can be found in the **Utah Tomorrow Strategic Plan, 1996 Annual Report**, pages 19-20, 27-34, and 65-72.*

Base Budget Efficiency Initiatives

- ◆ Expanded concurrent enrollment programs. USHE concurrent enrollment courses continue to grow at a rapid pace, allowing high school students to simultaneously earn high school and college credit.
- ◆ Continued lag funding basis for new students. USHE institutions must absorb the cost of instructing all new

students during their first year of enrollment. State funding to support these students will be requested the following year.

- ◆ Fund enrollment growth through inter-institutional budget reallocations which reflect both increases and decreases in student enrollment.
- ◆ Continue to slow the pace at which campus facilities are built and hold operation and maintenance budgets to zero growth.

Major Budget Recommendations

- ◆ Fund a major state-wide restructuring of the nine institutions of higher education to convert from a quarter-system to a semester-system. Courses will be updated and coordinated to ensure transferability of students between institutions. New calendaring will improve coordination between public and higher education for programs such as concurrent enrollment. In addition, semester conversion will require one fewer term per year for students to register for courses, purchase books, etc.

- ◆ Fund fourth year of technology initiative including technology-based instruction, library networking, campus infrastructure, and faculty development.
- ◆ Support a second year of no tuition increases for seven of nine institutions and a 2.0 percent tuition increase for the two research universities to be used for library improvements. Additionally, provide major support for critical needs in library staffing, collections and operations for campus libraries at all institutions.
- ◆ Include \$16,103,600 on the general obligation bond to complete funding package for construction of Gardner Hall at the University of Utah; \$410,000 for the purchase of the Durrant School property adjacent to the College of Eastern Utah; \$771,000 for the purchase of access property adjacent to Weber State University Davis County land bank; and \$1,100,000 for design of a physical education building at Southern Utah University.

HIGHER EDUCATION

Operating Budget

	Governor Leavitt's Recommendations						
	Actual FY 1996	Authorized FY 1997	Recommended FY 1997	Base FY 1998	Adjust- ments	Total FY 1998	% Change RFY97-FY98
Plan of Financing							
General Fund	\$424,362,900	\$418,946,300	\$418,946,300	\$415,100,200	\$21,106,800	\$436,207,000	4.1%
Uniform School Fund	534,300	38,568,500	38,568,500	23,692,400	12,766,100	36,458,500	(5.5)
Federal Funds	4,572,800	4,742,300	4,742,300	4,742,300	0	4,742,300	0.0
Dedicated Credits	151,139,600	153,602,500	153,602,500	153,602,500	1,894,800	155,497,300	1.2
Mineral Lease	7,129,300	5,962,900	5,962,900	4,749,000	0	4,749,000	(20.4)
Restricted and Trust Funds	211,800	752,700	752,700	752,700	0	752,700	0.0
Pass-through Funds	11,340,800	0	0	0	0	0	0.0
Beginning Balances*	14,859,700	16,082,600	16,082,600	16,082,600	0	16,082,600	0.0
Closing Balances*	(16,082,600)	(16,082,600)	(16,082,600)	(16,082,600)	0	(16,082,600)	0.0
Total Financing	\$598,068,600	\$622,575,200	\$622,575,200	\$602,639,100	\$35,767,700	\$638,406,800	2.5%
Programs							
University of Utah	\$213,156,100	\$225,812,600	\$225,812,600	\$225,403,900	\$2,506,400 <i>a</i>	\$227,910,300	0.9%
Utah State University	130,972,600	135,865,800	135,865,800	135,402,000	2,707,800 <i>b</i>	138,109,800	1.7
Weber State University	63,471,800	66,238,400	66,238,400	63,836,900	1,032,000 <i>c</i>	64,868,900	(2.1)
Southern Utah University	26,683,000	26,292,900	26,292,900	25,821,300	1,690,900 <i>d</i>	27,512,200	4.6
Snow College	12,977,300	12,251,000	12,251,000	12,036,900	441,200 <i>e</i>	12,478,100	1.9
Dixie College	14,494,300	14,604,800	14,604,800	14,398,300	942,800 <i>f</i>	15,341,100	5.0
College of Eastern Utah	11,426,100	11,461,900	11,461,900	10,950,300	729,600 <i>g</i>	11,679,900	1.9
Utah Valley State College	38,483,100	39,822,000	39,822,000	38,916,100	3,079,400 <i>h</i>	41,995,500	5.5
Salt Lake Community College	58,830,400	60,453,000	60,453,000	58,510,700	2,487,700 <i>i</i>	60,998,400	0.9
Board of Regents	27,573,900	29,772,800	29,772,800	17,362,700	5,530,000 <i>j</i>	22,892,700	(23.1)
Compensation Package	0	0	0	0	14,619,900 <i>k</i>	14,619,900	--
Total Budget	\$598,068,600	\$622,575,200	\$622,575,200	\$602,639,100	\$35,767,700	\$638,406,800	2.5%

*a - i See 11, 12 and 14 through 114**j See 13, 115 and 117 through 121**k See 116*

* Balances have been reduced by the amount of liability for post-employment benefits and are composed of restricted and encumbered funds for outstanding purchases orders, fuel and power reserves, restricted supplemental appropriations, and departmental acquisitions and operations. Balances for FY 1997 and FY 1998 are estimates.

HIGHER EDUCATION
Capital Budget

	<u>Governor Leavitt's Recommendations</u>					
	Actual FY 1996	Authorized FY 1997	Recommended FY 1997	Base FY 1998	Adjust- ments	Total FY 1998
Plan of Financing						
General Fund	\$4,160,000	\$28,152,700	\$28,152,700	\$0	\$0	\$0
Uniform School Fund	0	985,500	985,500	0	0	0
Other Funds	0	0	0	0	6,000,000	6,000,000
Total Financing	\$4,160,000	\$29,138,200	\$29,138,200	\$0	\$6,000,000	\$6,000,000
Projects						
Institutional projects	\$4,160,000	\$29,138,200	\$29,138,200	\$0	\$0	\$0
U of U (private donor)	0	0	0	0	6,000,000 ^a	6,000,000
Total Budget	\$4,160,000	\$29,138,200	\$29,138,200	\$0	\$6,000,000	\$6,000,000

^a See I22

HIGHER EDUCATION**ONGOING APPROPRIATIONS****Restoration of One-time Funding in FY 1997 Appropriation**

<i>11</i>	Staff for new libraries	Additional staffing for Utah System of Higher Education libraries
<i>12</i>	Enrollment growth	Enrollment funding for additional students
<i>13</i>	Concurrent enrollment	Expansion of high school-based concurrent enrollment opportunities
<i>14</i>	Applied technology education	Programmatic support for Weber State University and College of Eastern Utah
<i>15</i>	Base budget	Uniform School Fund support for teacher education and vocational education base budgets

Subtotal Restoration of One-time Funding**FY 1998 Enhancements****Base Adjustments**

<i>16</i>	Mineral lease funding	Replacement of mineral lease funds transferred to the Community Impact Fund
<i>17</i>	Operation and maintenance costs	Operation and maintenance funding for new facilities
<i>18</i>	Standard mandated costs	Water, sewer, garbage, fuel, and power rate increases
<i>19</i>	Americans with Disabilities Act	Increase programmatic support for disabled students and employees
<i>110</i>	Hazardous waste	Hazardous waste removal
<i>111</i>	Minimum wage	Increase funding for minimum wage students and employees

Enrollment Growth

<i>112</i>	Enrollment adjustments	Net amount to fund 201 additional students (1,165 increase, 964 decrease)
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Library and Institutional Priorities

<i>113</i>	Library	Increase support for library staffing and library operating budgets
<i>114</i>	Institutional priorities	Fund high priority institutional programs

Technology Initiative

<i>115</i>	Higher education technology initiative	Electronically-enhanced instruction, services, and support for higher education statewide
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Subtotal FY 1998 Enhancements**Compensation and Personal Services**

<i>116</i>	Compensation package	Compensation package of 3.0 percent including benefit adjustments
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Subtotal Ongoing Appropriations**ONE-TIME APPROPRIATIONS****Semester Conversion**

<i>117</i>	Semester conversion	Statewide conversion from quarter to semester calendar
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Technology Initiative

<i>118</i>	Higher education technology initiative	Electronically-enhanced instruction, services, and support for higher education statewide
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Applied Technology Education

<i>119</i>	Applied technology education	Increase support for statewide applied technology education
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Ongoing, One-Time, and Supplemental Appropriations - Higher Education

	General Fund	Uniform School Fund	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
<i>I1</i>	\$0	\$706,000	\$0	\$0	\$0	\$0	\$0	\$706,000
<i>I2</i>	0	2,236,700	0	0	0	0	0	2,236,700
<i>I3</i>	0	400,000	0	0	0	0	0	400,000
<i>I4</i>	0	83,400	0	0	0	0	0	83,400
<i>I5</i>	0	5,100,000	0	0	0	0	0	5,100,000
	\$0	\$8,526,100	\$0	\$0	\$0	\$0	\$0	\$8,526,100
<i>I6</i>	\$1,405,200	\$0	\$0	\$0	\$0	\$0	\$0	\$1,405,200
<i>I7</i>	1,089,600	0	0	0	0	0	0	1,089,600
<i>I8</i>	258,100	0	0	0	0	0	0	258,100
<i>I9</i>	100,000	0	0	0	0	0	0	100,000
<i>I10</i>	230,600	0	0	0	0	0	0	230,600
<i>I11</i>	560,600	0	0	0	0	0	0	560,600
<i>I12</i>	763,300	0	0	0	247,300	0	0	1,010,600
<i>I13</i>	252,500	0	0	0	705,500	0	0	958,000
<i>I14</i>	992,000	0	0	0	942,000	0	0	1,934,000
<i>I15</i>	85,000	240,000	0	0	0	0	0	325,000
	\$5,736,900	\$240,000	\$0	\$0	\$1,894,800	\$0	\$0	\$7,871,700
<i>I16</i>	\$14,619,900	\$0	\$0	\$0	\$0	\$0	\$0	\$14,619,900
	\$20,356,800	\$8,766,100	\$0	\$0	\$1,894,800	\$0	\$0	\$31,017,700
<i>I17</i>	\$0	\$2,500,000	\$0	\$0	\$0	\$0	\$0	\$2,500,000
<i>I18</i>	0	1,500,000	0	0	0	0	0	1,500,000
<i>I19</i>	250,000	0	0	0	0	0	0	250,000

HIGHER EDUCATION**Financial Aid**

I20 State financial aid (UCOPE) Increase funding for the Utah Centennial Opportunities Program for Education

Institutional Priorities

I21 Institutional priorities Fund high priority institutional programs

Subtotal One-time Appropriations

Total FY 1998 Adjustments (Ongoing and One-Time Appropriations)

CAPITAL BUDGET ONE-TIME APPROPRIATIONS

I22 University of Utah Gardner Hall renovation

Total FY 1998 Capital Budget Adjustments (One-Time Appropriations)

Ongoing, One-Time, and Supplemental Appropriations - Higher Education

	General Fund	Uniform School Fund	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
<i>I20</i>	250,000	0	0	0	0	0	0	250,000
<i>I21</i>	250,000	0	0	0	0	0	0	250,000
	\$750,000	\$4,000,000	\$0	\$0	\$0	\$0	\$0	\$4,750,000
	\$21,106,800	\$12,766,100	\$0	\$0	\$1,894,800	\$0	\$0	\$35,767,700
<i>I22</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$6,000,000	\$6,000,000
	\$0	\$0	\$0	\$0	\$0	\$0	\$6,000,000	\$6,000,000

HUMAN SERVICES

Mission: *Help individuals and families resolve personal problems*

Programs

- ◆ **Executive Director** conducts administrative and support functions for the department.
- ◆ **Mental Health** oversees local mental health centers and operates the Utah State Hospital for the severely mentally ill.
- ◆ **Substance Abuse** oversees substance abuse treatment and prevention services.
- ◆ **Services for People with Disabilities** provides community and institutional programs for citizens with mental retardation and developmental disabilities.
- ◆ **Recovery Services** directs a number of collection and cost avoidance programs including the collection of child support for families on public assistance.
- ◆ **Child and Family Services** oversees child welfare and domestic violence programs.
- ◆ **Aging and Adult Services** acts as an advocate for elderly citizens and

provides services through local agencies and other providers.

Selected Department Goals

- ◆ Protect from harm those at risk of being abused, neglected, or exploited by serving children, the elderly, and families with domestic violence.
- ◆ Strengthen families by meeting their needs in a way that allows them to stay in their own homes whenever possible.
- ◆ Foster self reliance by helping people in the state's care receive the medications and other services they need to be as productive as possible.
- ◆ Provide emergency assistance services to those families with a disabled family member.
- ◆ Assure public trust by continuing to implement meaningful department, division, and program outcome measures for accountability.

*A comprehensive list of goals and performance measurements can be found in the **Utah Tomorrow Strategic Plan, 1996 Annual Report**, pages 65-72, and 94-101.*

Base Budget Efficiency Initiatives

- ◆ Implement a legislative audit recommendation for statewide handling of all public assistance fraud and abuse cases by redirecting five staff from other areas of the department.
- ◆ Reassign staff in the Director's Office to focus on the development of department outcome measures.
- ◆ Redirect 16.5 staff from other areas to assist in meeting increasing caseload demands for child support collections.
- ◆ Eliminate one position by merging the budget and accounting functions for the divisions of Substance Abuse and Mental Health.

Proposed Legislative Intent

FY 1997

Child and Family Services

Funds for Child and Family Services are nonlapsing.

Funds for development of a management information system are nonlapsing.

Aging and Adult Services

Funds for the National Aging Information System are nonlapsing.

FY 1998

Services for People with Disabilities

Rent collected from individuals who occupy state-owned group homes will be applied to the cost of maintaining these facilities. The Division of Services for People with Disabilities will provide an accounting of state owned group home rents and costs upon request from the legislature or the Legislative Fiscal Analyst.

Child and Family Services

Funds for development of a management information system are nonlapsing.

Major Budget Recommendations

- ◆ Increase funding by \$18.8 million in FY 1998 and \$5.1 million in FY 1997 to insure that children are protected from abuse and neglect. This recommendation is the fourth year of a multi-year plan to address child welfare needs.
- ◆ Fund statewide implementation of a foster care citizen review process.
- ◆ Increase funding to the community mental health system for both children and adults.
- ◆ Provide a cost-of-living increase for local authorities of mental health, substance abuse, and aging as well as

for private/nonprofit providers for services to individuals with disabilities in order to maintain current levels of services and insure adequate placement and treatment options.

- ◆ Include \$14,800,700 on the general obligation bond for construction of a

100-bed forensic unit at the Utah State Hospital.

- ◆ Increase funding to the local substance abuse system for treatment services for both youth and adults.

HUMAN SERVICES
Operating Budget

	Governor Leavitt's Recommendations						
	Actual FY 1996	Authorized FY 1997	Recommended FY 1997	Base FY 1998	Adjust- ments	Total FY 1998	% Change RFY97-FY98
Plan of Financing							
General Fund	\$142,223,800	\$155,263,800	\$158,778,300	\$159,794,500	\$18,543,600	\$178,338,100	12.3%
Federal Funds	94,051,000	93,400,400	94,755,100	81,104,600	6,597,900	87,702,500	(7.4)
Dedicated Credits	10,468,300	9,086,000	9,086,000	6,831,400	61,100	6,892,500	(24.1)
Restricted and Trust Funds	1,500,000	1,500,000	1,950,000	1,500,000	1,088,000	2,588,000	32.7
Transfers	72,967,400	79,759,700	80,249,900	77,146,800	4,290,100	81,436,900	1.5
Beginning Balances	3,330,900	1,755,500	1,755,500	0	0	0	(100.0)
Closing Balances	(1,755,500)	0	0	0	0	0	0.0
Lapsing Funds	(530,900)	0	0	0	0	0	0.0
Total Financing	\$322,255,000	\$340,765,400	\$346,574,800	\$326,377,300	\$30,580,700	\$356,958,000	3.0%
Programs							
Human Services							
Executive Director	\$23,663,900	\$23,067,000	\$23,180,600	\$23,097,000	\$646,600 <i>a</i>	\$23,743,600	2.4%
Mental Health	52,878,300	56,124,000	56,124,000	55,689,600	973,600 <i>b</i>	56,663,200	1.0
Substance Abuse	25,229,000	25,467,000	25,667,000	21,079,900	1,220,100 <i>c</i>	22,300,000	(13.1)
Services for People w/Disabilities	86,376,100	94,491,400	94,691,400	93,052,200	3,924,100 <i>d</i>	96,976,300	2.4
Recovery Services	36,099,500	33,339,600	33,339,600	33,910,300	1,585,000 <i>e</i>	35,495,300	6.5
Family Services	83,413,400	92,020,600	97,216,400	83,766,200	18,611,800 <i>f</i>	102,378,000	5.3
Aging and Adult Services	14,594,800	16,255,800	16,355,800	15,782,100	140,600 <i>g</i>	15,922,700	(2.6)
Compensation Package	0	0	0	0	3,478,900 <i>h</i>	3,478,900	--
Total Budget	\$322,255,000	\$340,765,400	\$346,574,800	\$326,377,300	\$30,580,700	\$356,958,000	3.0%
Positions	3,372.0	3,429.3	3,434.0	3,340.3	118.0	3,458.3	

a See J2 through J4
b See J5 through J7
c See J8 through J12
d See J13 through J17 and J30

e See J18 through J20
f See J1, J21 through J27 and J31
g See J28
h See J29

HUMAN SERVICES**ONGOING APPROPRIATIONS****Restoration of One-time Funding in FY 1997 Appropriation****Child and Family Services**

J1 Child welfare-replace one-time funding Out of home care

Subtotal Restoration of One-time Funding**FY 1998 Enhancements****Executive Director**

J2 Child welfare-foster care citizen review Statewide implementation of pilot review process which complies with federal/state statutes
 J3 Background screening technician One new technician and replacement funding for a second to meet statutory requirements
 J4 Child welfare-foster care licensors Two additional licensors to meet growing demands and process applications on a timely basis

Mental Health

J5 Children's mental health Additional services for seriously emotionally-disturbed children
 J6 Growth in adult population served Increase aid to local authorities to meet statutory responsibility for adult mentally ill
 J7 Local mental health cost-of-living adj. Consideration of cost-of-living increases on state funds for local authorities as per state code

Substance Abuse

J8 Treatment for adults Funding from cigarette tax increase for outpatient, residential, and rehabilitative services
 J9 Treatment for youth Funding from cigarette tax increase for outpatient, residential, and rehabilitative services
 J10 PK-12 Prevention Dimensions Funding from cigarette tax increase for the state's drug and violence prevention strategy
 J11 Increase local pass-through of DUI fines Authorization for all collections to go towards DUI rehabilitation services
 J12 Local substance abuse cost-of-living adj. Consideration of cost-of-living increases on state funds for local authorities as per state code

Services for People with Disabilities

J13 Emergency community outplacement Alternative community care for people with disabilities
 J14 Savings from client attrition Savings from clients leaving programs for a variety of reasons
 J15 Federal match rate change Replace a reduction in federal financial participation
 J16 Lisa P. lawsuit settlement shortfall Funding required to move individuals from State Developmental Center
 J17 Provider cost-of-living adjustment Consideration of cost-of-living increase on funds paid to contracted providers as per state code

Recovery Services

J18 Staff required by caseload growth Keep caseload to staff ratios at current levels
 J19 Reductions in other staff Reduce 16.5 positions within agency to help fund more critical needs
 J20 Compliance with federal welfare reform Implement requirements in recent federal welfare reform legislation

Child and Family Services

J21 Domestic violence Increase in domestic violence shelter costs and court ordered treatment for perpetrators
 J22 Child welfare-staff to reduce caseloads Add 82 positions to meet caseloads implied by law/settlement agreement
 J23 Child welfare-children in custody Provide adequate and appropriate placement options for children taken into state custody
 J24 Child welfare-foster parent rate increase Increase in rate paid to foster parents to care for children in state custody
 J25 Child welfare-information system Information system required by Child Welfare Reform Act
 J26 Child welfare-loss of federal funding Maintenance of current program levels required by loss of federal funding
 J27 State supervision/case management Increase for new juvenile sentencing guidelines

Aging and Adult Services

J28 Local aging cost-of-living adjustment Consideration of cost-of-living increases on state funds for local authorities as per state code

Subtotal FY 1998 Enhancements

Ongoing, One-Time, and Supplemental Appropriations - Human Services

	General Fund	Uniform School Fund	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
<i>J1</i>	\$1,000,000	\$0	\$0	\$205,900	\$0	\$0	\$264,700	\$1,470,600
	\$1,000,000	\$0	\$0	\$205,900	\$0	\$0	\$264,700	\$1,470,600
<i>J2</i>	\$368,900	\$0	\$0	\$88,800	\$0	\$0	\$0	\$457,700
<i>J3</i>	20,900	0	0	62,700	0	0	0	83,600
<i>J4</i>	26,300	0	0	79,000	0	0	0	105,300
<i>J5</i>	250,000	0	0	0	0	0	0	250,000
<i>J6</i>	300,000	0	0	0	0	0	0	300,000
<i>J7</i>	423,600	0	0	0	0	0	0	423,600
<i>J8</i>	250,000	0	0	0	0	0	0	250,000
<i>J9</i>	430,000	0	0	0	0	0	0	430,000
<i>J10</i>	100,000	0	0	0	0	0	0	100,000
<i>J11</i>	0	0	0	0	0	250,000	0	250,000
<i>J12</i>	190,100	0	0	0	0	0	0	190,100
<i>J13</i>	201,200	0	0	0	0	0	354,200	555,400
<i>J14</i>	(100,600)	0	0	0	0	0	(177,100)	(277,700)
<i>J15</i>	457,000	0	0	0	0	0	0	457,000
<i>J16</i>	323,500	0	0	0	0	0	853,600	1,177,100
<i>J17</i>	491,000	0	0	0	0	0	783,300	1,274,300
<i>J18</i>	502,200	0	0	974,800	0	0	0	1,477,000
<i>J19</i>	(251,100)	0	0	(487,400)	0	0	0	(738,500)
<i>J20</i>	287,800	0	0	558,700	0	0	0	846,500
<i>J21</i>	275,000	0	0	0	0	100,000	0	375,000
<i>J22</i>	3,066,400	0	0	455,200	0	0	369,700	3,891,300
<i>J23</i>	4,253,600	0	0	1,021,100	0	0	610,200	5,884,900
<i>J24</i>	427,800	0	0	273,100	0	0	0	700,900
<i>J25</i>	236,800	0	0	336,700	0	0	0	573,500
<i>J26</i>	1,517,100	0	0	312,300	0	0	401,600	2,231,000
<i>J27</i>	165,300	0	0	0	0	0	0	165,300
<i>J28</i>	140,600	0	0	0	0	0	0	140,600
	\$14,353,400	\$0	\$0	\$3,675,000	\$0	\$350,000	\$3,195,500	\$21,573,900

HUMAN SERVICES**Compensation and Personal Services**

J29 Compensation package Compensation package of 3.0 percent including benefit adjustments

Subtotal Ongoing Appropriations**ONE-TIME APPROPRIATIONS****Services for People with Disabilities**

J30 Use of trust funds Use proceeds from land sales/leases at State Developmental Center for six specified items

Child and Family Services

J31 Child welfare-information system Information system required by Child Welfare Reform Act

Subtotal One-time Appropriations**Total FY 1998 Adjustments (Ongoing and One-Time Appropriations)****SUPPLEMENTALS****Executive Director**

J32 Child welfare-foster care citizen review Statewide implementation of pilot review process which complies with federal/state statutes

Substance Abuse

J33 Increase local allocation of DUI fines Authorization for all collections to go towards DUI rehabilitation services

Services for People with Disabilities

J34 Housing allowance subsidy Supplemental housing assistance for individuals with disabilities

Child and Family Services

J35 Child welfare-loss of federal funding Replace a loss of federal funding

J36 Child welfare-children in custody Provide adequate and appropriate placement options for children taken into state custody

J37 Child welfare-information system Information system required by Child Welfare Reform Act

J38 Domestic violence restricted fund Authorization for all collections to go towards domestic violence services

Aging and Adult Services

J39 National aging information system Information system required by 1992 reauthorization of Older Americans Act

Total FY 1997 Supplementals

Ongoing, One-Time, and Supplemental Appropriations - Human Services

	General Fund	Uniform School Fund	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
J29	\$1,959,600	\$0	\$0	\$628,300	\$61,100	\$0	\$829,900	\$3,478,900
	\$17,313,000	\$0	\$0	\$4,509,200	\$61,100	\$350,000	\$4,290,100	\$26,523,400
J30	\$0	\$0	\$0	\$0	\$0	\$738,000	\$0	\$738,000
J31	1,230,600	0	0	2,088,700	0	0	0	3,319,300
	\$1,230,600	\$0	\$0	\$2,088,700	\$0	\$738,000	\$0	\$4,057,300
	\$18,543,600	\$0	\$0	\$6,597,900	\$61,100	\$1,088,000	\$4,290,100	\$30,580,700
J32	\$91,600	\$0	\$0	\$22,000	\$0	\$0	\$0	\$113,600
J33	0	0	0	0	0	200,000	0	200,000
J34	0	0	0	0	0	200,000	0	200,000
J35	1,102,400	0	0	227,000	0	0	291,800	1,621,200
J36	2,058,500	0	0	619,700	0	0	198,400	2,876,600
J37	162,000	0	0	486,000	0	0	0	648,000
J38	0	0	0	0	0	50,000	0	50,000
J39	100,000	0	0	0	0	0	0	100,000
	\$3,514,500	\$0	\$0	\$1,354,700	\$0	\$450,000	\$490,200	\$5,809,400

LEGISLATURE

Programs

The state legislature consists of two houses—the House of Representatives with 75 members elected to two-year terms and the Senate with 29 members elected to four-year terms. Each representative represents about 26,600 constituents. Each senator represents about 68,900 constituents. In addition, the legislature has the following support components:

- ◆ The **Office of Legislative Research and General Counsel** is the research and legal staff arm of the legislature and provides a legal and policy review of both current law and proposed legislation.
- ◆ The **Legislative Fiscal Analyst** is responsible for analyzing and making recommendations to the legislature on every item of the governor's budget; provides cost estimates on proposed legislation, and provides revenue estimates on existing and proposed revenue sources.
- ◆ The **Legislative Auditor General** conducts performance audits of state agencies and institutions, including school districts and state colleges and universities.
- ◆ The **Legislative Printing** office provides printing services for the legislature and legislative staff.
- ◆ The **Tax Review Commission** provides an ongoing and comprehensive review of state tax law and makes recommendations to the governor and the legislature on taxation issues and policies.
- ◆ The **Constitutional Revision Commission** is responsible for making comprehensive reviews of the state constitution and recommending amendments to the legislature.

Major Budget Recommendations

- ◆ As required by state statute, changes to the legislature's budget for noncompensation areas are included as requested by the legislature with no revisions by the governor.

LEGISLATURE
Operating Budget

	Actual FY 1996	Authorized FY 1997	Legislature's Request FY 1998	Governor Leavitt's Recommendations			
				Base FY 1998	Adjust- ments	Total FY 1998	% Change AFY97-FY98
Plan of Financing							
General Fund	\$10,334,200	\$10,922,700	\$10,911,800	\$10,592,400	\$552,600	\$11,145,000	2.0%
Dedicated Credits	321,800	290,000	310,000	310,000	0	310,000	6.9
Beginning Balances	1,187,000	1,524,500	1,524,500	1,524,500	0	1,524,500	0.0
Closing Balances	(1,524,500)	(1,524,500)	(1,409,700)	(1,409,700)	0	(1,409,700)	0.0
Total Financing	\$10,318,500	\$11,212,700	\$11,336,600	\$11,017,200	\$552,600	\$11,569,800	3.2%
Programs							
Senate	\$1,066,100	\$1,268,700	\$1,209,200	\$1,191,400	\$18,500 <i>a</i>	\$1,209,900	(4.6%)
House of Representatives	1,832,200	2,238,800	2,081,300	1,991,800	93,000 <i>b</i>	2,084,800	(6.9)
Legislative Printing	714,700	697,300	782,700	773,100	10,200 <i>c</i>	783,300	12.3
Legislative Research	3,682,300	3,498,700	3,605,000	3,476,600	146,300 <i>d</i>	3,622,900	3.5
Tax Review Commission	3,600	50,000	50,000	50,000	0	50,000	0.0
Legislative Fiscal Analyst	1,465,600	1,689,900	1,731,600	1,697,600	41,700 <i>e</i>	1,739,300	2.9
Legislative Auditor General	1,399,800	1,569,700	1,668,500	1,637,100	39,200 <i>f</i>	1,676,300	6.8
Dues - NCSL	77,600	77,600	84,300	77,600	6,700 <i>g</i>	84,300	8.6
Dues - Council of State Gov'ts	65,200	67,000	69,000	67,000	2,000 <i>h</i>	69,000	3.0
Constitutional Revision Comm.	9,200	55,000	55,000	55,000	0	55,000	0.0
Western Legislative Conference	2,200	0	0	0	0	0	0.0
Compensation Package	0	0	0	0	195,000 <i>i</i>	195,000	--
Total Budget	\$10,318,500	\$11,212,700	\$11,336,600	\$11,017,200	\$552,600	\$11,569,800	3.2%
Positions	114.5	114.0	114.0	114.0	0.0	114.0	

a See K4
b See K5
c See K6
d See K7
e See K8

f See K9
g See K1
h See K2
i See K3

LEGISLATURE

ONGOING APPROPRIATIONS

Legislature

K1 National Conference of State Legislatures Increase in annual dues

K2 Council of State Governments Increase in annual dues

Compensation and Personal Services

K3 Compensation package Compensation package of 3.0 percent including benefit adjustments

Subtotal Ongoing Appropriations

ONE-TIME APPROPRIATIONS

Senate

K4 Data processing current expense costs Information technology enhancements

House of Representatives

K5 Data processing current expense costs Information technology enhancements

Legislative Research and General Counsel

K6 Data processing current expense costs Information technology enhancements

Legislative Fiscal Analyst

K7 Data processing current expense costs Information technology enhancements

Legislative Auditor General

K8 Data processing current expense costs Information technology enhancements

Legislative Printing

K9 Lease of equipment Increase in cost of printer lease

Subtotal One-time Appropriations

Total FY 1998 Adjustments (Ongoing and One-Time Appropriations)

Ongoing, One-Time, and Supplemental Appropriations - Legislature

	General Fund	Uniform School Fund	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
<i>K1</i>	\$6,700	\$0	\$0	\$0	\$0	\$0	\$0	\$6,700
<i>K2</i>	2,000	0	0	0	0	0	0	2,000
<i>K3</i>	195,000	0	0	0	0	0	0	195,000
	\$203,700	\$0	\$0	\$0	\$0	\$0	\$0	\$203,700
<i>K4</i>	\$18,500	\$0	\$0	\$0	\$0	\$0	\$0	\$18,500
<i>K5</i>	93,000	0	0	0	0	0	0	93,000
<i>K6</i>	146,300	0	0	0	0	0	0	146,300
<i>K7</i>	41,700	0	0	0	0	0	0	41,700
<i>K8</i>	39,200	0	0	0	0	0	0	39,200
<i>K9</i>	10,200	0	0	0	0	0	0	10,200
	\$348,900	\$0	\$0	\$0	\$0	\$0	\$0	\$348,900
	\$552,600	\$0	\$0	\$0	\$0	\$0	\$0	\$552,600

NATIONAL GUARD

Mission: *Respond to state emergencies and augment regular armed forces of the United States*

Programs

- ◆ **Administration** directs state programs and coordinates joint state and federal programs.
- ◆ **Armory Maintenance** maintains facilities in 26 Utah communities for training and mobilization activities.
- ◆ **Air National Guard** provides worldwide refueling support to the U.S. Air Force from the air base at the Salt Lake International Airport.
- ◆ **Camp Williams** provides major military training facilities for both active duty and reserve forces.

Selected Department Goals

- ◆ Respond to civil and national emergencies.
- ◆ Provide well-trained, combat ready units to support the president in case of national or international emergencies.
- ◆ Properly maintain all guard facilities and training areas.
- ◆ Respond to requests for community support projects statewide.

A comprehensive list of goals and performance measurements can be found in the Utah Tomorrow Strategic Plan, 1996 Annual Report, pages 65-72.

Base Budget Efficiency Initiatives

- ◆ Negotiated the sale of two armories. The proceeds were used to reduce deficits incurred over the past several years.
- ◆ Continue to consolidate units and close facilities to reduce operation and maintenance costs and to increase overall operational control of associated units.
- ◆ Pursuing authority to place a 500 kilowatts wind generator at Camp Williams to reduce dependance on commercial energy.
- ◆ Aggressively pursued reimbursement of costs from the federal government.
- ◆ Provide \$30,000 of General Fund from the maintenance base budget to partially pay the costs of a Deputy Adjutant General position previously funded by federal dollars.

Major Budget Recommendations

- ◆ Fund a Deputy Adjutant General position to coordinate state operations of the National Guard.
- ◆ Reimburse prior years and provide funding for ongoing utility costs of the Fort Douglas Museum.

NATIONAL GUARD
Operating Budget

	Governor Leavitt's Recommendations						
	Actual FY 1996	Authorized FY 1997	Recommended FY 1997	Base FY 1998	Adjust- ments	Total FY 1998	% Change RFY97-FY98
Plan of Financing							
General Fund	\$3,042,000	\$3,241,300	\$3,251,300	\$3,211,800	\$250,600	\$3,462,400	6.5%
Federal Funds	19,613,900	13,622,000	13,622,000	17,005,400	135,100	17,140,500	25.8
Dedicated Credits	512,800	41,000	41,000	40,000	0	40,000	(2.4)
Restricted and Trust Funds	200,000	200,000	200,000	200,000	0	200,000	0.0
Transfers	22,500	0	0	0	0	0	0.0
Beginning Balances	(1,133,800)	2,900	2,900	0	0	0	(100.0)
Closing Balances	(2,900)	0	0	0	0	0	0.0
Total Financing	\$22,254,500	\$17,107,200	\$17,117,200	\$20,457,200	\$385,700	\$20,842,900	21.8%
Programs							
National Guard							
Administration	\$344,600	\$336,900	\$346,900	\$360,700	\$91,900 <i>a</i>	\$452,600	30.5%
Armory Maintenance	7,995,100	4,853,400	4,853,400	5,489,400	110,600 <i>b</i>	5,600,000	15.4
Camp Williams	4,324,900	1,910,600	1,910,600	4,405,100	0	4,405,100	130.6
Air National Guard	2,281,800	2,139,400	2,139,400	2,442,200	0	2,442,200	14.2
Compensation Package	0	0	0	0	126,600 <i>c</i>	126,600	--
Subtotal National Guard	14,946,400	9,240,300	9,250,300	12,697,400	329,100	13,026,500	40.8
Comprehensive Emergency Management							
Emergency Management	7,308,100	7,866,900	7,866,900	7,759,800	0	7,759,800	(1.4)
Compensation Package	0	0	0	0	56,600 <i>d</i>	56,600	--
Subtotal Emergency Management	7,308,100	7,866,900	7,866,900	7,759,800	56,600	7,816,400	(0.6)
Total Budget	\$22,254,500	\$17,107,200	\$17,117,200	\$20,457,200	\$385,700	\$20,842,900	21.8%
Positions	170.0	170.0	170.0	170.0	1.0	171.0	

a See L1

b See L2, L3 and L6

c See L4

d See L5

NATIONAL GUARD**ONGOING APPROPRIATIONS****National Guard - Administration**

L1 Deputy Adjutant General Full-time Deputy Adjutant General to coordinate state operations

Armory Maintenance

L2 Fort Douglas annual maintenance Annual utility costs for Fort Douglas museum

L3 Decrease in maintenance Reduction in maintenance costs to partially cover costs of new Deputy Adjutant General

Compensation and Personal Services

L4 Compensation package Compensation package of 3.0 percent including benefit adjustments

Comprehensive Emergency Management**Compensation and Personal Services**

L5 Compensation package Compensation package of 3.0 percent including benefit adjustments

Subtotal Ongoing Appropriations**ONE-TIME APPROPRIATIONS****Armory Maintenance**

L6 Reimbursement for museum costs Reimbursement for Fort Douglas museum utility costs paid in prior years by National Guard

Subtotal One-time Appropriations**Total FY 1998 Adjustments (Ongoing and One-Time Appropriations)****SUPPLEMENTALS****Administration**

L7 Gubernatorial inauguration Funding for governor's inauguration

Total FY 1997 Supplementals

Ongoing, One-Time, and Supplemental Appropriations - National Guard

	General Fund	Uniform School Fund	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
<i>L1</i>	\$91,900	\$0	\$0	\$0	\$0	\$0	\$0	\$91,900
<i>L2</i>	18,000	0	0	0	0	0	0	18,000
<i>L3</i>	(30,000)	0	0	0	0	0	0	(30,000)
<i>L4</i>	35,100	0	0	91,500	0	0	0	126,600
<i>L5</i>	13,000	0	0	43,600	0	0	0	56,600
	\$128,000	\$0	\$0	\$135,100	\$0	\$0	\$0	\$263,100
<i>L6</i>	\$122,600	\$0	\$0	\$0	\$0	\$0	\$0	\$122,600
	\$122,600	\$0	\$0	\$0	\$0	\$0	\$0	\$122,600
	\$250,600	\$0	\$0	\$135,100	\$0	\$0	\$0	\$385,700
<i>L7</i>	\$10,000	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000
	\$10,000	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000

■ NATURAL RESOURCES

Natural Resources consists of the Department of Natural Resources, the Department of Agriculture, and School and Institutional Trust Lands Administration. Their primary focus is to conserve, protect, and develop Utah's natural resources and agriculture, and to effectively manage School and Institutional Trust Lands.

Programs

◆ Natural Resources

Administration provides administrative support for the department.

Forestry, Fire, and State Lands coordinates forestry and fire control measures for non-federal landowners and manages sovereign lands throughout the state.

Oil, Gas, and Mining regulates exploration and development of energy and mineral resources.

Wildlife Resources manages wildlife habitat and regulates hunting, fishing, and trapping.

Parks and Recreation provides safe outdoor recreational opportunities, administers boating and recreational vehicle programs, and preserves natural, historic, and scenic resources.

Geological Survey inventories geological resources, investigates geological hazards, and provides geologic information for economic development.

Water Resources provides comprehensive water planning, administers development of water projects, and represents Utah in interstate stream negotiations.

Water Rights appropriates, adjudicates, and administers distribution of Utah waters and oversees dam safety.

- ◆ **Agriculture** promotes agricultural resources and protects consumer health and safety by monitoring the marketing of agricultural products.
- ◆ **Trust Lands Administration** manages trust assets for trust beneficiaries which primarily include public schools, universities, hospitals, and correctional institutions.

Selected Goals

- ◆ **Natural Resources** — develop, conserve, and protect the state's natural resources to enhance the quality of life.
- ◆ **Agriculture** — promote agricultural land preservation, enforce appropriate regulations, and assure a safe, wholesome, and properly labeled food supply.

- ◆ **Trust Lands Administration** — contribute \$20 million to trust beneficiaries and permanent school fund.

*A comprehensive list of goals and performance measurements can be found in the **Utah Tomorrow Strategic Plan, 1996 Annual Report**, pages 35-59, and 65-72.*

Base Budget Efficiency Initiatives

Natural Resources

- ◆ Reduced growth in positions over the last three years in spite of increased demand for services caused by the opening of This Is the Place State Park, Jordanelle State Park, Antelope Island State Park/Visitor's Center, Palisade and Green River golf courses, and other programs.
- ◆ Formed partnerships with private contributors who have donated in excess of \$8 million toward such projects as This Is the Place State Park, Antelope Island State Park/Visitor's Center and other similar projects.

Agriculture

- ◆ Plant Industry's rigid insect survey program played a key role in the State of Arizona lifting import restrictions on commercial fruit grown in Utah and lifting import restrictions on Utah-grown alfalfa transported to California.

Proposed Legislative Intent

FY 1997

Natural Resources

Funds for Parks and Recreation riverway and trail enhancement are nonlapsing.

Funds for Parks and Recreation for park renovation are nonlapsing.

Funds for Forestry, Fire, and State Lands for fire suppression are nonlapsing.

Funds for Wildlife Resources to make up for the big game license fee shortfall are nonlapsing.

Agriculture

Funds for Agriculture Resource Development Loans are nonlapsing.

FY 1998

Natural Resources

Up to \$500,000 of the Wildlife Resources budget and all nonlapsing amounts may be used for big game depredation expenses. Half of the cost should come from the General Fund and half from the Wildlife Restricted Account. This funding is nonlapsing.

Up to \$2,250,000 of the Wildlife Resources budget and all nonlapsing amounts may be used for habitat projects under the direction of the Habitat Council. This funding is nonlapsing.

Funds for Wildlife Resources' capital budgets are nonlapsing.

Funds for Wildlife Resources for cooperative environmental studies and contributed research programs are nonlapsing.

Contributions to Water Resources for water education programs are nonlapsing.

Funds for the Utah Geological Survey are nonlapsing.

Agriculture

Funds for Soil Conservation District elections are nonlapsing.

Funds for agribusiness are nonlapsing.

Funds for the Horse Commission are nonlapsing.

Funds for grain grading are nonlapsing.

Funds for pesticide amnesty are nonlapsing.

Funds for fertilizer assessment are nonlapsing.

Funds for auction market veterinarians are nonlapsing.

Federal funds from cooperative agreements for grading and inspection services are nonlapsing.

Resource Conservation funds are to be used for the expense, travel reimbursement and pay of Soil

Conservation members and Soil Conservation supervisors as required by statute. Semi-annual reports are to be prepared and submitted documenting supervisory expenses to the Legislative Fiscal Analyst, the Governor's Office of Planning and Budget, and the Soil Conservation Commission. These documents are to be reviewed and reported to the governor and the legislature.

Funds collected for education materials and testing of pesticide applicators are nonlapsing dedicated credits.

Major Budget Recommendations

Natural Resources

- ◆ Convert two seasonal fire wardens to full-time fire wardens.
- ◆ Fund fire suppression costs sustained in the 1996 fire season.
- ◆ Replace \$8,038,100 in General Fund with revenue collected under *Sales Tax for Infrastructure*, House Bill 393, 1996 General Session.

Agriculture

- ◆ Restore General Fund to base resulting from error made in 1996 legislative session.
- ◆ Replace \$130,000 in General Fund with revenue collected under *Sales Tax for Infrastructure*, House Bill 393, 1996 General Session.

Trust Lands Administration

- ◆ Fund legal and other consultant fees related to the Grand Staircase National Monument.
- ◆ Fund one position and other costs associated with development in the Salt Lake City area.

NATURAL RESOURCES

Operating Budget

	Governor Leavitt's Recommendations						
	Actual FY 1996	Authorized FY 1997	Recommended FY 1997	Base FY 1998	Adjust- ments	Total FY 1998	% Change RFY97-FY98
Plan of Financing							
General Fund	\$34,194,100	\$40,226,000	\$44,191,400	\$35,606,200	(\$1,888,400)	\$33,717,800	(23.7%)
Federal Funds	15,367,800	23,856,300	23,856,300	23,048,700	513,600	23,562,300	(1.2)
Dedicated Credits	9,816,000	10,256,400	10,256,400	10,286,200	220,000	10,506,200	2.4
Mineral Lease	634,000	630,000	630,000	626,200	15,100	641,300	1.8
Restricted and Trust Funds	37,889,500	32,350,300	32,808,500	33,955,100	8,807,000	42,762,100	30.3
Transfers	3,365,800	514,400	514,400	528,700	0	528,700	2.8
Other Funds	0	0	0	0	208,300	208,300	100.0
Pass-through Funds	190,800	120,000	120,000	72,300	0	72,300	(39.8)
Beginning Balances	4,273,500	5,456,500	5,456,500	1,414,200	0	1,414,200	(74.1)
Closing Balances	(5,456,500)	(1,414,200)	(1,414,200)	(1,115,500)	0	(1,115,500)	(21.1)
Lapsing Funds	(6,716,400)	0	0	0	0	0	0.0
Total Financing	\$93,558,600	\$111,995,700	\$116,419,300	\$104,422,100	\$7,875,600	\$112,297,700	(3.5%)
Programs							
Natural Resources							
Administration	\$3,768,400	\$2,760,400	\$2,760,400	\$2,710,200	\$0	\$2,710,200	(1.8%)
Building Operations	1,433,100	1,644,500	1,644,500	1,620,500	0	1,620,500	(1.5)
Forestry, Fire, and State Lands	5,059,400	3,988,800	7,954,200	3,661,100	174,000 <i>a</i>	3,835,100	(51.8)
Oil, Gas, and Mining	5,404,900	5,808,500	5,808,500	5,588,200	0	5,588,200	(3.8)
Wildlife Resources	24,861,200	31,817,500	32,275,700	30,694,400	200,000 <i>b</i>	30,894,400	(4.3)
Contributed Research	347,200	334,200	334,200	334,200	0	334,200	0.0
Cooperative Studies	2,980,400	12,008,400	12,008,400	12,050,000	0	12,050,000	0.3
Parks and Recreation	17,126,200	18,051,400	18,051,400	17,881,800	1,716,000 <i>c</i>	19,597,800	8.6
Geological Survey	3,670,700	3,868,700	3,868,700	3,112,300	0	3,112,300	(19.6)
Water Resources	4,385,700	4,406,800	4,406,800	4,230,800	0	4,230,800	(4.0)
Water Rights	5,594,400	6,073,400	6,073,400	5,748,600	0	5,748,600	(5.3)
CUP Mitigation Fund	3,000,000	3,000,000	3,000,000	0	3,000,000 <i>d</i>	3,000,000	0.0
Compensation Package	0	0	0	0	1,326,800 <i>e</i>	1,326,800	--
Subtotal Natural Resources	77,631,600	93,762,600	98,186,200	87,632,100	6,416,800	94,048,900	(4.2)
Agriculture							
Administration	10,836,600	13,168,100	13,168,100	11,769,200	68,600 <i>f</i>	11,837,800	(10.1)
Compensation Package	0	0	0	0	203,700 <i>g</i>	203,700	--
Subtotal Agriculture	10,836,600	13,168,100	13,168,100	11,769,200	272,300	12,041,500	(8.6)
Trust Lands Administration							
Administration	5,090,400	5,065,000	5,065,000	5,020,800	1,125,900 <i>h</i>	6,146,700	21.4
Compensation Package	0	0	0	0	60,600 <i>i</i>	60,600	--
Subtotal Trust Lands Admin.	5,090,400	5,065,000	5,065,000	5,020,800	1,186,500	6,207,300	22.6
Total Budget	\$93,558,600	\$111,995,700	\$116,419,300	\$104,422,100	\$7,875,600	\$112,297,700	(3.5%)
Positions	1,282.6	1,298.2	1,298.2	1,298.2	9.4	1,307.5	

a See M8 and M9*b* See M10, M11 and M34*c* See M12 through M15 and M33*d* See M32*e* See M22*f* See M1 through M6*g* See M7*h* See M23 through M30, M35 and M36*i* See M31

NATURAL RESOURCES

Capital Budget

	Governor Leavitt's Recommendations					
	Actual FY 1996	Authorized FY 1997	Recommended FY 1997	Base FY 1998	Adjust- ments	Total FY 1998
Plan of Financing						
General Fund	\$5,484,000	\$8,456,400	\$8,456,400	\$4,834,400	(\$2,419,500)	\$2,414,900
Federal Funds	2,741,700	1,454,000	1,454,000	1,361,000	0	1,361,000
Dedicated Credits	581,900	166,300	166,300	135,000	0	135,000
Restricted and Trust Funds	12,961,800	14,909,700	14,909,700	14,371,500	3,589,500	17,961,000
Transfers	(762,400)	(1,302,300)	(1,302,300)	(5,127,600)	0	(5,127,600)
Beginning Balances	17,465,600	16,065,400	16,065,400	6,152,400	0	6,152,400
Closing Balances	(16,065,400)	(6,152,400)	(6,152,400)	(4,858,900)	0	(4,858,900)
Lapsing Funds	(1,155,700)	0	0	0	0	0
Total Financing	\$21,251,500	\$33,597,100	\$33,597,100	\$16,867,800	\$1,170,000	\$18,037,800
Projects						
Agriculture						
Resource Development Loans	\$130,000	\$130,000	\$130,000	\$130,000	\$370,000 <i>a</i>	\$500,000
Natural Resources						
Wildlife Resources						
Information and Education	48,500	143,000	143,000	275,000	0	\$275,000
Fisheries	415,100	1,000,000	1,000,000	1,035,000	0	1,035,000
Game Management	20,200	520,000	520,000	206,000	0	206,000
Parks and Recreation						
Park Renovation	2,978,600	4,039,600	4,039,600	1,790,100	0	1,790,100
Acquisition and Development	1,058,300	1,073,400	1,073,400	100,000	0	100,000
Land and Water Conservation	540,500	300,000	300,000	0	0	0
Riverway Enhancement and Trails	833,900	3,555,400	3,555,400	709,800	0	709,800
Veterans Cemetery	1,200	7,700	7,700	0	0	0
Water Resources						
Cities Water Loan Fund	3,186,400	2,967,100	2,967,100	2,126,300	0	2,126,300
Revolving Construction Fund	1,743,300	8,267,800	8,267,800	5,308,700	0	5,308,700
Conservation and Dev. Fund	10,295,500	9,593,100	9,593,100	3,186,900	800,000 <i>b</i>	3,986,900
Subtotal Natural Resources	21,121,500	31,467,100	31,467,100	14,737,800	800,000	15,537,800
Trust Lands Administration						
Development and Improvement	0	2,000,000	2,000,000	2,000,000	0	2,000,000
Total Budget	\$21,251,500	\$33,597,100	\$33,597,100	\$16,867,800	\$1,170,000	\$18,037,800

*a See M42**b See M43*

NATURAL RESOURCES**ONGOING APPROPRIATIONS****Agriculture****Executive Director**

<i>M1</i>	Agriculture inspection	Restoration of General Fund revenue to base
<i>M2</i>	Utah pesticide control program	Educational materials and examination for pesticide applicators

Marketing and Enhancement

<i>M3</i>	Market news/resource conservation	Continue market news services at current levels
<i>M4</i>	Soil conservation program	Matching funds to offset costs of continuing market news services at current levels
<i>M5</i>	Soil conservation district elections	Provide funds for statutorily assigned responsibilities

Animal Industry

<i>M6</i>	Enhanced personnel utilization/brand inspector	Broaden utilization of a brand inspector located in Millard County
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Compensation and Personal Services

<i>M7</i>	Compensation package	Compensation package of 3.0 percent including benefit adjustments
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Natural Resources**Forestry, Fire, and State Lands**

<i>M8</i>	Fire wardens	Full-time fire wardens for Tooele and Rich Counties with county participation
<i>M9</i>	Sovereign land management projects	Increase in program delivery-cooperators program

Wildlife Resources

<i>M10</i>	Access fee payment to School Trust Lands	Compensation to School and Institutional Trust Lands Administration for hunter and fisher access
<i>M11</i>	Fish hatchery funding swap	Change ongoing to one-time funding plus federal match

Parks and Recreation

<i>M12</i>	Off highway vehicle grant	Better accounting and audit trails, and administration of grant programs
<i>M13</i>	Off highway vehicle grant pass-through	Better accounting and audit trails, and administration of grant programs
<i>M14</i>	Boating access	More opportunities for growing number of boaters in the state
<i>M15</i>	Boating operations	Increase boating safety enforcement at Lake Powell

Water Resources

<i>M16</i>	Interstate streams	Replacement of General Fund with Sales Tax for Infrastructure (HB 393), 1996 Legislature
<i>M17</i>	Planning	Replacement of General Fund with Sales Tax for Infrastructure (HB 393), 1996 Legislature
<i>M18</i>	City loans administration	Replacement of General Fund with Sales Tax for Infrastructure (HB 393), 1996 Legislature
<i>M19</i>	Water education/conservation	Replacement of General Fund with Sales Tax for Infrastructure (HB 393), 1996 Legislature

Water Rights

<i>M20</i>	Cooperative studies	Replacement of General Fund with Sales Tax for Infrastructure (HB 393), 1996 Legislature
<i>M21</i>	Adjudication	Replacement of General Fund with Sales Tax for Infrastructure (HB 393), 1996 Legislature

Compensation and Personal Services

<i>M22</i>	Compensation package	Compensation package of 3.0 percent including benefit adjustments
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Trust Lands Administration**Data Processing**

<i>M23</i>	Data processing	Data input to Trust Lands geographic information system
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Ongoing, One-Time, and Supplemental Appropriations - Natural Resources

	General Fund	Uniform School Fund	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
M1	\$30,000	\$0	\$0	\$0	\$0	\$0	\$0	\$30,000
M2	0	0	0	0	25,000	0	0	25,000
M3	6,000	0	0	0	0	0	0	6,000
M4	(3,000)	0	0	0	0	0	0	(3,000)
M5	2,300	0	0	0	0	2,300	0	4,600
M6	2,400	0	0	0	0	3,600	0	6,000
M7	144,500	0	0	24,900	13,700	17,700	2,900	203,700
M8	32,000	0	0	0	32,000	0	0	64,000
M9	0	0	0	0	0	110,000	0	110,000
M10	0	0	0	0	0	200,000	0	200,000
M11	(800,000)	0	0	(2,400,000)	0	0	0	(3,200,000)
M12	0	0	0	0	0	175,000	0	175,000
M13	0	0	0	0	0	(175,000)	0	(175,000)
M14	0	0	0	300,000	0	100,000	0	400,000
M15	0	0	0	0	0	316,000	0	316,000
M16	(242,800)	0	0	0	0	242,800	0	0
M17	(1,587,200)	0	0	0	0	1,587,200	0	0
M18	(66,200)	0	0	0	0	66,200	0	0
M19	(50,000)	0	0	0	0	50,000	0	0
M20	(572,400)	0	0	0	0	572,400	0	0
M21	(100,000)	0	0	0	0	100,000	0	0
M22	516,000	0	0	188,700	149,300	452,300	20,500	1,326,800
M23	0	0	0	0	0	48,000	0	48,000

NATURAL RESOURCES

	Development	
M24	Development, Salt Lake City	Effectively manage real estate development activities on trust lands
	Surface	
M25	Heritage - archaeology	Purchase services for compliance review, coordination, and consultant services for archaeology
	Minerals	
M26	Mineral evaluations	Purchase services for critical mineral evaluations of trust lands
	Administration	
M27	Rental and misc. occupancy cost increases	Relocation costs including rent and expanded space
	Board	
M28	Professional and technical services	Acquire professional and technical expertise, and provide incentive awards
	Legal Department	
M29	Attorney	Assist department in litigation and other legal matters
	Forestry/Grazing	
M30	Inventory of trust lands forest resources	Two seasonal employees for 20 weeks each year to identify forest resources on trust lands
	Compensation and Personal Services	
M31	Compensation package	Compensation package of 3.0 percent including benefit adjustments
	Subtotal Ongoing Appropriations	

ONE-TIME APPROPRIATIONS

	Natural Resources	
	Water Resources	
M32	Central Utah Project mitigation	Appropriate Sales Tax for Infrastructure (HB393, 1996 Legislature) in lieu of General Fund
	Parks and Recreation	
M33	Boating enhancements	Educational opportunities, courtesy docks, Willard Bay enhancements, and Lake Powell facilities
	Wildlife Resources	
M34	Fish hatchery funding swap	Change ongoing to one-time funding
	Trust Lands Administration	
	Data Processing	
M35	Complete data processing development	Implement business and imaging systems, integrate business and geographic information system
	Director	
M36	National monument expenditures	Legal and other consultant fees related to Grand Staircase National Monument
	Subtotal One-time Appropriations	

Total FY 1998 Adjustments (Ongoing and One-Time Appropriations)

Ongoing, One-Time, and Supplemental Appropriations - Natural Resources

	General Fund	Uniform School Fund	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
M24	0	0	0	0	0	104,400	0	104,400
M25	0	0	0	0	0	43,500	0	43,500
M26	0	0	0	0	0	51,500	0	51,500
M27	0	0	0	0	0	95,900	0	95,900
M28	0	0	0	0	0	32,200	0	32,200
M29	0	0	0	0	0	46,500	0	46,500
M30	0	0	0	0	0	43,900	0	43,900
M31	0	0	0	0	0	60,600	0	60,600
	(\$2,688,400)	\$0	\$0	(\$1,886,400)	\$220,000	\$4,347,000	\$23,400	\$15,600
M32	\$0	\$0	\$0	\$0	\$0	\$3,000,000	\$0	\$3,000,000
M33	0	0	0	0	0	800,000	200,000	1,000,000
M34	800,000	0	0	2,400,000	0	0	0	3,200,000
M35	0	0	0	0	0	160,000	0	160,000
M36	0	0	0	0	0	500,000	0	500,000
	\$800,000	\$0	\$0	\$2,400,000	\$0	\$4,460,000	\$200,000	\$7,860,000
	(\$1,888,400)	\$0	\$0	\$513,600	\$220,000	\$8,807,000	\$223,400	\$7,875,600

NATURAL RESOURCES**SUPPLEMENTALS****Natural Resources****Forestry, Fire, and State Lands**

M37 Wildland fire suppression costs Costs associated with fighting the summer of 1996 wildland fires

Wildlife Resources

M38 Dedicated credits - duck stamps Waterfowl projects under the direction of Habitat Council

M39 Big game depredation Payments to farmers and ranchers to offset losses due to depredation

Total FY 1997 Supplementals**CAPITAL BUDGET ONGOING APPROPRIATIONS****Natural Resources****Water Resources**

M40 Revolving Construction Loan Fund Replacement of General Fund with Sales Tax for Infrastructure (HB 393), 1996 Legislature

M41 Conservation and Development Loan Fund Replacement of General Fund with Sales Tax for Infrastructure (HB 393), 1996 Legislature

Agriculture**Market Enhancement**

M42 Agriculture Resource Development Loan Fund Replacement of General Fund with Sales Tax for Infrastructure (HB 393), 1996 Legislature

Subtotal Capital Budget Ongoing Appropriations**CAPITAL BUDGET ONE-TIME APPROPRIATIONS****Natural Resources****Water Resources**

M43 Dam safety grants Appropriate Sales Tax for Infrastructure (HB393, 1996 Legislature) in lieu of General Fund

Subtotal Capital Budget One-Time Appropriations**Total FY 1998 Capital Budget Adjustments (Ongoing and One-Time Appropriations)**

Ongoing, One-Time, and Supplemental Appropriations - Natural Resources

	General Fund	Uniform School Fund	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
M37	\$3,965,400	\$0	\$0	\$0	\$0	\$0	\$0	\$3,965,400
M38	0	0	0	0	0	99,000	0	99,000
M39	0	0	0	0	0	359,200	0	359,200
	\$3,965,400	\$0	\$0	\$0	\$0	\$458,200	\$0	\$4,423,600
M40	(\$1,200,000)	\$0	\$0	\$0	\$0	\$1,200,000	\$0	\$0
M41	(1,089,500)	0	0	0	0	1,089,500	0	0
M42	(130,000)	0	0	0	0	500,000	0	370,000
	(\$2,419,500)	\$0	\$0	\$0	\$0	\$2,789,500	\$0	\$370,000
M43	\$0	\$0	\$0	\$0	\$0	\$800,000	\$0	\$800,000
	\$0	\$0	\$0	\$0	\$0	\$800,000	\$0	\$800,000
	(\$2,419,500)	\$0	\$0	\$0	\$0	\$3,589,500	\$0	\$1,170,000

PUBLIC EDUCATION

Mission: *Assure Utah the best educated citizenry in the world and each individual the training to succeed in a global society by providing students with learning and occupational skills, character development, literacy, and basic knowledge through a responsive, statewide system that guarantees local school communities autonomy, flexibility, and client choice while holding them accountable for results*

Programs

- ◆ **Utah State Office of Education** provides administrative support for the State Board of Education and the State Board for Vocational Education and distributes state and federal funding to local school districts.
- ◆ **School Food Services** manages child nutrition and food services programs in the public schools and provides free and reduced-price meals to eligible children.
- ◆ **Utah State Office of Rehabilitation** helps eligible individuals secure and maintain employment.
- ◆ **Educational Contracts** provide contractual services through local education agencies at the Utah State Hospital, American Fork Developmental Center, and the Utah State Department of Corrections.
- ◆ **Science and Arts** supports science and art programs presented by Hansen Planetarium, Utah Symphony, Ballet West, Utah Opera, and Modern Dance.
- ◆ **Utah System of Applied Technology** operates applied technology centers and applied technology service regions and provides open-entrance/open-exit and custom fit technological training for secondary and non-degree adult students.

- ◆ **Utah Schools for the Deaf and the Blind** serves the educational needs of sensory-impaired school children with specialized instruction, resource materials, and support services.

Selected Department Goals

- ◆ Help each student achieve individually developed educational/occupational plan objectives.
- ◆ Prepare each student departing the public schools to achieve success in productive employment and/or further education.

*A comprehensive list of goals and performance measurements can be found in the **Utah Tomorrow Strategic Plan, 1996 Annual Report**, pages 19-26, 65-72, 81-93, and 96-99.*

Base Budget Efficiency Initiatives

- ◆ Maintained prior gains in major education initiatives holding Public Education harmless from fluctuations in funding sources.
- ◆ Provided for alternative delivery systems through expansion of Concurrent Enrollment, EdNet/Utah Link, and extended school year programs.
- ◆ Continued programs which permit selective use of alternative funding sources to meet specific needs for

teacher inservice training and additional classroom space.

- ◆ Supported distribution of Applied Technology funding based upon performance measures related to program completions, placements, and weighted enrollments.

- ◆ Restore ongoing funding for school construction and other capital needs by replacing one-time funds for the state-supported capital outlay program.

- ◆ Fund expansion of state support for Board and Voted Leeway programs in accordance with statutory amendments.

Proposed Legislative Intent

FY 1997

Minimum School Program

The amount of money necessary to complete the funding of the state's portion of the Minimum School Program is authorized for transfer from the General Fund to the Uniform School Fund.

- ◆ Support student enrollment growth as estimated by the Common Data Committee.

- ◆ Provide for expansion of Student Education/Occupation Plans through additional funding of the Comprehensive Guidance program.

- ◆ Support increased student participation and greater Public Education/Higher Education coordination in the Concurrent Enrollment program.

FY 1998

Minimum School Program

Additional funds, not to exceed \$450,000 available from the ending balance in the Centennial Schools Program for FY 1997 are authorized for distribution to that program in FY 1998.

The amount of money necessary to complete the funding of the state's portion of the Minimum School Program is authorized for transfer from the General Fund to the Uniform School Fund.

- ◆ Fund salary increase for teachers and other personnel, as well as increases for school maintenance and operations, with 3.0 percent increase in the Weighted Pupil Unit.

- ◆ Support mandated expenditures for textbooks and related instructional supplies and materials of at least \$47,000,000, and continued funding for class size reduction at an annual expenditure of \$54,400,000.

- ◆ Fund reimbursement of teacher-purchased supplies in the amount of \$3,000,000.

Major Budget Recommendations

- ◆ Support continuation of ongoing programs of Applied Technology Education; disabled, at-risk, and rehabilitation programs; innovative and exemplary programs; and student transportation by funding them with ongoing rather than one-time funds.

- ◆ Support information technology through increased base and one-time appropriations for EdNet/Utah Link and Technology 2000.

PUBLIC EDUCATION
Operating Budget

	Governor Leavitt's Recommendations						
	Actual FY 1996	Authorized FY 1997	Recommended FY 1997	Base FY 1998	Adjust- ments	Total FY 1998	% Change RFY97-FY98
Plan of Financing							
General Fund	\$0	\$80,000	\$80,000	\$0	\$0	\$0	(100.0%)
Uniform School Fund	1,254,761,400	1,420,431,300	1,421,380,700	1,363,619,300	86,130,400	1,449,749,700	2.0
Federal Funds	179,812,400	183,837,600	183,837,600	182,151,200	703,000	182,854,200	(0.5)
Dedicated Credits	20,148,100	20,267,200	20,267,200	20,723,000	84,300	20,807,300	2.7
Mineral Lease	634,000	630,000	630,000	641,300	0	641,300	1.8
Restricted and Trust Funds	340,000	364,000	364,000	400,000	0	400,000	9.9
Transfers	1,448,400	981,500	981,500	958,800	13,000	971,800	(1.0)
Beginning Balances	25,642,700	16,754,600	16,754,600	10,140,800	0	10,140,800	(39.5)
Closing Balances	(16,754,600)	(10,140,800)	(10,140,800)	(10,140,800)	0	(10,140,800)	0.0
Lapsing Funds	(14,008,500)	0	0	0	0	0	0.0
Local Property Tax	263,214,000	252,258,900	252,258,900	252,258,900	19,223,400	271,482,300	7.6
Total Financing	\$1,715,237,900	\$1,885,464,300	\$1,886,413,700	\$1,820,752,500	\$106,154,100	\$1,926,906,600	2.1%
Programs							
Utah State Office of Education	\$102,910,700	\$106,614,800	\$106,657,200	\$100,116,100	\$252,400 <i>a</i>	\$100,368,500	(5.9%)
Utah State Office of Rehabilitation	32,788,000	36,334,300	36,334,300	36,717,700	1,195,700 <i>b</i>	37,913,400	4.3
Schools for the Deaf and the Blind	12,656,200	15,528,200	15,528,200	14,595,800	1,050,000 <i>c</i>	15,645,800	0.8
Utah System of Applied Technology	26,941,300	34,399,000	34,399,000	28,134,300	2,879,300 <i>d</i>	31,013,600	(9.8)
Science and the Arts	1,916,700	2,056,700	2,056,700	2,056,700	0	2,056,700	0.0
Educational Contracts	3,867,100	4,018,500	4,018,500	4,018,500	0	4,018,500	0.0
Nutrition Programs	85,851,400	89,264,500	89,264,500	89,265,500	0	89,265,500	0.0
Minimum School Program	1,448,306,500	1,597,248,300	1,598,155,300	1,545,847,900	99,125,900 <i>e</i>	1,644,973,800	2.9
Compensation Package	0	0	0	0	1,650,800 <i>f</i>	1,650,800	--
Total Budget	\$1,715,237,900	\$1,885,464,300	\$1,886,413,700	\$1,820,752,500	\$106,154,100	\$1,926,906,600	2.1%
Positions	1,298.3	1,357.5	1,357.5	1,352.0	1.5	1,353.5	

a See N1, N20 and N38

b See N2, N3, N21 and N37

c See N7 through N9, N23 and N24

d See N4 through N6, and N22

e See N10 through N18, N25 through N35, and N39 through N41

f See N36

PUBLIC EDUCATION
Capital Budget

	<u>Governor Leavitt's Recommendations</u>					
	Actual FY 1996	Authorized FY 1997	Recommended FY 1997	Base FY 1998	Adjust- ments	Total FY 1998
Plan of Financing						
Uniform School Fund	\$14,447,200	\$26,358,000	\$26,358,000	\$0	\$26,358,000	\$26,358,000
Mineral Lease	3,910,800	0	0	0	0	0
Local Property Tax	7,511,900	0	0	0	0	0
Total Financing	\$25,869,900	\$26,358,000	\$26,358,000	\$0	\$26,358,000	\$26,358,000
Projects						
Critical School Building Program	\$13,058,000	\$26,358,000	\$26,358,000	\$0	\$26,358,000 ^a	\$26,358,000
Capital Equalization	12,811,900	0	0	0	0	0
Total Budget	\$25,869,900	\$26,358,000	\$26,358,000	\$0	\$26,358,000	\$26,358,000

^a See N19

C. Unrestricted Basic School Programs									
1. Local Program	11,722	20,384,558	11,769	21,078,279	693,721				3.4%
Total Local Program	11,722	20,384,558	11,769	21,078,279	693,721				3.4%
Total Basic School Program WPU's	648,532	1,127,797,148	668,389	1,197,084,699	69,287,551				6.1%
D. Related to Basic Program									
1. Social Security and Retirement	217,034,299			230,512,091	13,477,792				6.2%
2. Pupil Transportation to and from School	39,026,934			46,626,600	7,599,666				19.5%
3. Contingency Fund	623,000			644,200	21,200				3.4%
4. Incentives for Excellence	619,800			640,900	21,100				3.4%
5. Regional Service Centers	776,200			802,600	26,400				3.4%
6. Inservice Education	1,001,230			1,035,294	34,064				3.4%
7. Comprehensive Guidance	4,136,150			5,882,848	1,746,698				42.2%
8. Technology 2000	4,419,162			4,436,839	17,677				.4%
9. EdNet/Utah Link	7,899,929			8,881,529	981,600				12.4%
10. Highly Impacted Schools	4,500,000			5,613,000	1,113,000				24.7%
11. FACT At-Risk Program	4,174,813			4,316,848	142,035				3.4%
12. Alternative Language Services	1,600,000			3,589,537	1,989,537				124.3%
13. Character Education	550,000			552,200	2,200				.4%
14. Class Size Initiatives	30,000,000			0	(30,000,000)				(100.0%)
15. Sign Language Education	100,000			100,400	400				.4%
16. Centennial Schools Program	0			2,754,000	2,754,000				N/A
Total Related to Basic Program	316,461,517			316,388,886	(72,631)				(.0%)
E. Special Purpose Programs									
1. Experimental - Developmental Programs	4,556,900			6,256,800	1,699,900				37.3%
Total Special Purpose Programs	4,556,900			6,256,800	1,699,900				37.3%
F. Board and Voted Leeway Programs									
1. Voted Leeway Program	70,105,405			82,242,488	12,137,083				17.3%
2. Board Leeway Program	26,797,560			30,500,959	3,703,399				13.8%
Total Board and Voted Leeway Programs	96,902,965			112,743,447	15,840,482				16.3%
G. FY 1997 One-time Appropriations									
	48,239,800			0					
Total Minimum School Program	\$1,593,958,330			\$1,632,473,832	\$38,515,502				2.4%
School Building Aid Program									
Plan of Financing									
Uniform School Fund	\$26,358,000			\$26,358,000	\$0				.0%
Total Building Aid Revenue	\$26,358,000			\$26,358,000	\$0				.0%
Programs									
Capital Outlay Program	\$26,358,000			\$26,358,000	\$0				.0%
Total School building aid programs	\$26,358,000			\$26,358,000	\$0				.0%

PUBLIC EDUCATION**ONGOING APPROPRIATIONS****Restoration of One-time Funding in FY 1997 Appropriation****Utah State Office of Education**

N1 Centennial High School principal Principal and support staff for Centennial electronic high school

Utah State Office of Rehabilitation

N2 Assistive technology Assistive technology support and training to enhance potential for independent living

N3 Governor's committee Support for Governor's Committee on Employment of People with Disabilities

Utah System of Applied Technology

N4 Performance measures Increase for applied technology centers and service regions based on performance measures

N5 Custom Fit training Continuation and expansion of custom fit training

N6 Maintenance and operations replacement Continuation of facilities funding for applied technology centers (ATC)

Utah Schools for the Deaf and the Blind

N7 Dual sensory impaired Training and technical assistance for specialized services to children with dual impairment

N8 Visually impaired Continued statewide support for visually impaired children

N9 Hearing impaired Continued statewide support for hearing impaired children

Minimum School Program

N10 Student transportation Support to fully fund the cost of transporting students to and from school

N11 Centennial schools program Continuation of funding for Centennial Schools

N12 Applied technology programs Support for local school applied technology programs

N13 Comprehensive guidance Phase four of program to implement student educational and occupational planning

N14 Concurrent enrollment Increase student participation in concurrent enrollment programs

M15 At risk flow through Personalized education programs and services for students who are at risk of failure

N16 Alternative language services Assist the learning process of individuals whose primary language is not English

N17 Highly impacted schools Resources for schools that are highly impacted with students at risk

N18 Experimental/developmental programs Expansion of extended year school programs

Capital Outlay Restoration of One-time Funding

N19 Capital outlay program State support for school district capital outlay

Subtotal Restoration of One-time Funding**FY 1998 Enhancements****Utah State Office of Education**

N20 Education Commission of the States Membership dues

Utah State Office of Rehabilitation

N21 Vocational rehabilitation services Assist individuals with disabilities to obtain and maintain gainful employment

Utah System of Applied Technology

N22 Program growth and expansion Growth and expansion of applied technology centers and service regions

Utah Schools for the Deaf and the Blind

N23 Funding of salary schedules Step and lane increases to maintain salary schedules comparable with local school districts

Ongoing, One-Time, and Supplemental Appropriations - Public Education

	General Fund	Uniform School Fund	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
N1	\$0	\$110,000	\$0	\$0	\$0	\$0	\$0	\$110,000
N2	0	105,400	0	0	0	0	0	105,400
N3	0	38,700	0	0	0	0	0	38,700
N4	0	1,600,000	0	0	66,000	0	0	1,666,000
N5	0	900,000	0	0	0	0	0	900,000
N6	0	100,000	0	0	0	0	0	100,000
N7	0	600,000	0	0	0	0	0	600,000
N8	0	100,000	0	0	0	0	0	100,000
N9	0	100,000	0	0	0	0	0	100,000
N10	0	6,089,800	0	0	0	0	0	6,089,800
N11	0	2,754,000	0	0	0	0	0	2,754,000
N12	0	1,500,000	0	0	0	0	0	1,500,000
N13	0	200,000	0	0	0	0	0	200,000
N14	0	250,000	0	0	0	0	0	250,000
M15	0	600,000	0	0	0	0	0	600,000
N16	0	2,000,000	0	0	0	0	0	2,000,000
N17	0	700,000	0	0	0	0	0	700,000
N18	0	1,500,000	0	0	0	0	0	1,500,000
N19	0	26,358,000	0	0	0	0	0	26,358,000
	\$0	\$45,605,900	\$0	\$0	\$66,000	\$0	\$0	\$45,671,900
N20	\$0	\$42,400	\$0	\$0	\$0	\$0	\$0	\$42,400
N21	0	331,000	0	400,000	0	0	0	731,000
N22	0	213,300	0	0	0	0	0	213,300
N23	0	100,000	0	0	0	0	0	100,000

PUBLIC EDUCATION

N24	Contractual obligations	Increase in contract costs such as private transportation for deaf and blind children
	Minimum School Program	
N25	Enrollment growth	Support for increased growth in student enrollment
N26	Voted and board leeways	Statutory state support for voted and board leeway programs
N27	Weighted pupil unit	Three percent increase in value of weighted pupil unit for compensation and other costs
N28	Comprehensive guidance	Phase four of program to implement student educational and occupational planning
N29	Concurrent enrollment	Support for increased student participation in concurrent enrollment programs
N30	District applied technology education	Support for local school district applied technology
N31	EdNet maintenance and operation	Expand support for EdNet maintenance and operation
N32	Youth in custody	Educational services and training for youth in custody
N33	Youth in custody sentencing guidelines	Additional costs related to juvenile sentencing guidelines
N34	Preschool special education	Special education and related services for preschool children with disabilities
N35	Gang prevention and intervention	Resources to assist students who are at risk of gang involvement
	Subtotal FY 1998 Enhancements	
	Compensation and Personal Services	
N36	Compensation package	Compensation package of 3.0 percent including benefit adjustments
	Subtotal Ongoing Appropriations	

ONE-TIME APPROPRIATIONS

	Utah State Office of Rehabilitation	
N37	Replacement of computer equipment	Update data processing equipment
	Utah State Office of Education	
N38	Public awareness campaign	Public information campaign to encourage participation in applied technology education
	Minimum School Program	
N39	Math and science equipment	Equipment for mathematics and science instruction
N40	Teacher supplies and equipment	Reimbursement for supplies and equipment purchased by teachers
N41	Technology 2000	Continuation of support for Technology 2000 education technology initiative
	Subtotal One-time Appropriations	

Total FY 1998 Adjustments (Ongoing and One-Time Appropriations)

SUPPLEMENTALS

	Office of Education	
N42	Education Commission of the States	Membership dues
	Minimum School Program	
N43	Concurrent enrollment	Funding for expenses already incurred due to expansion of concurrent enrollment
N44	Youth in custody	Additional youth in custody services
N45	Gang prevention and intervention	Expand programs for gang prevention and intervention

Total FY 1997 Supplementals

Ongoing, One-Time, and Supplemental Appropriations - Public Education

	General Fund	Uniform School Fund	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
N24	0	150,000	0	0	0	0	0	150,000
N25	0	6,316,500	0	0	0	0	0	6,316,500
N26	0	3,368,600	0	0	0	0	12,471,600	15,840,200
N27	0	36,757,900	0	0	0	0	6,751,800	43,509,700
N28	0	1,400,000	0	0	0	0	0	1,400,000
N29	0	978,300	0	0	0	0	0	978,300
N30	0	499,900	0	0	0	0	0	499,900
N31	0	950,000	0	0	0	0	0	950,000
N32	0	327,400	0	0	0	0	0	327,400
N33	0	472,500	0	0	0	0	0	472,500
N34	0	338,300	0	0	0	0	0	338,300
N35	0	399,300	0	0	0	0	0	399,300
	\$0	\$52,645,400	\$0	\$400,000	\$0	\$0	\$19,223,400	\$72,268,800
N36	\$0	\$1,316,500	\$0	\$303,000	\$18,300	\$0	\$13,000	\$1,650,800
	\$0	\$99,567,800	\$0	\$703,000	\$84,300	\$0	\$19,236,400	\$119,591,500
N37	\$0	\$320,600	\$0	\$0	\$0	\$0	\$0	\$320,600
N38	0	100,000	0	0	0	0	0	100,000
N39	0	500,000	0	0	0	0	0	500,000
N40	0	3,000,000	0	0	0	0	0	3,000,000
N41	0	9,000,000	0	0	0	0	0	9,000,000
	\$0	\$12,920,600	\$0	\$0	\$0	\$0	\$0	\$12,920,600
	\$0	\$112,488,400	\$0	\$703,000	\$84,300	\$0	\$19,236,400	\$132,512,100
N42	\$0	\$42,400	\$0	\$0	\$0	\$0	\$0	\$42,400
N43	0	207,000	0	0	0	0	0	207,000
N44	0	400,000	0	0	0	0	0	400,000
N45	0	300,000	0	0	0	0	0	300,000
	\$0	\$949,400	\$0	\$0	\$0	\$0	\$0	\$949,400

PUBLIC SAFETY

Mission: *Protect the public and ensure a safe environment*

Programs

- ◆ **Commissioner's Office** provides leadership and administers the department's operating divisions.
- ◆ **Safety Promotion** provides public information and educational programs about automobile, industrial, and residential safety.
- ◆ **Police Officer Standards and Training (POST)** provides training for law enforcement personnel.
- ◆ **Law Enforcement Services** maintains fingerprint and criminal history files, analyzes evidence from crime scenes, and provides dispatch services.
- ◆ **Investigative Services** gathers and exchanges intelligence information on organized crime, liquor and narcotics abuse, and Medicaid fraud.
- ◆ **Driver License Division** examines and licenses Utah motorists and takes corrective action against substandard drivers.
- ◆ **Highway Patrol** facilitates traffic flow on state highways and protects life and property by helping prevent traffic accidents.
- ◆ **Highway Safety** administers federal contracts for state safety projects.
- ◆ **Information Management** oversees department information processing systems.

- ◆ **Fire Marshal** enforces public building codes, conducts fire service training, coordinates prevention efforts, and investigates suspicious fires.

Selected Department Goals

- ◆ Offer technical services, such as instant access to local, state, and federal databases, and statewide telecommunication services to the criminal justice community in a cost effective manner.
- ◆ Improve quality of life through efficient protection of highways and assistance to local law enforcement officers.
- ◆ Support the criminal justice community with mobile communication, access to data bases, and improved forensic testing and criminal intelligence systems.

A comprehensive list of goals and performance measurements can be found in the Utah Tomorrow Strategic Plan, 1996 Annual Report, pages 65-72, 81-93, and 107-123.

Base Budget Efficiency Initiatives

- ◆ Participation in gang and narcotics task forces has reduced the need for additional agents while increasing staffing for critical investigations.
- ◆ The acquisition of helicopters from federal surplus at no cost other than retrofitting will contribute significantly to law enforcement surveillance and apprehension.

- ◆ Consolidated dispatch centers have allowed state and local law enforcement entities to respond more rapidly and at reduced cost.
- ◆ An array of technological systems has allowed the department to become more productive and efficient. Examples include mobile data terminals for highway patrol troopers, lap top computers for arson investigation, laboratory equipment for forensic examinations, and the installation of several new databases to assist both state and local law enforcement.

seizures awarded by state and federal courts to aid in enforcement efforts to combat drug trafficking. Funds disbursed to other governmental entities through existing contractual agreements shall be exempt from this intent statement.

Public Safety shall provide the Joint Appropriations Subcommittee for Executive Offices, Criminal Justice and the Legislature, a complete accounting of expenditures and revenues from seizures as part of the annual budget hearings.

Receipts above \$10,000 of reimbursable aircraft flight time are nonlapsing and are to be used only to replace or repair aircraft engines.

Proposed Legislative Intent

FY 1997

Fire Marshal

Funds for the Driver License Division to replace the minicomputer licensing system with a HP-UNIX system are nonlapsing.

Funds for Management Information Systems for computer hardware and software upgrades to include the local area network are nonlapsing.

Supplemental appropriations from the Fire Academy Support Account to Utah Valley State College are nonlapsing.

FY 1998

Commissioner's Office

All monies seized or forfeited to the state as a result of drug or narcotic-related activities through the state or federal court process are to be deposited in the General Fund—Drug Forfeiture Account.

Public Safety is authorized to expend amounts not to exceed \$500,000 from

Highway Safety

Federal funds from this line item may be transferred to other items of appropriation.

Major Budget Recommendations

- ◆ Increase highway safety by adding three additional troopers.
- ◆ Provide additional resources to investigate and cleanup clandestine laboratories.
- ◆ Convert the current driver license system microcomputer to more open operating system in preparation for a digitized photo “smart card” licensing process.
- ◆ Increase the number of dispatchers at the Salt Lake Communications Center and provide funds to operate the emergency service channel.

- ◆ Replace the current CPU's in Richfield and Cedar City with a single mainframe computer in Richfield.
- ◆ Expand classrooms and improve training areas at the Utah Fire and Rescue Training Academy.

PUBLIC SAFETY
Operating Budget

	Governor Leavitt's Recommendations						
	Actual FY 1996	Authorized FY 1997	Recommended FY 1997	Base FY 1998	Adjust- ments	Total FY 1998	% Change RFY97-FY98
Plan of Financing							
General Fund	\$30,757,700	\$33,331,400	\$33,331,400	\$33,355,400	\$1,182,300	\$34,537,700	3.6%
Transportation Fund	14,755,300	5,495,500	5,495,500	5,495,500	64,800	5,560,300	1.2
Federal Funds	2,865,500	2,285,500	2,285,500	2,292,900	25,800	2,318,700	1.5
Dedicated Credits	3,346,900	2,642,100	2,642,100	2,745,200	61,400	2,806,600	6.2
Restricted and Trust Funds	4,770,600	15,097,200	16,222,200	15,201,700	1,143,500	16,345,200	0.8
Transfers	1,566,400	1,010,300	1,010,300	720,100	9,900	730,000	(27.7)
Beginning Balances	775,000	227,200	227,200	0	0	0	(100.0)
Closing Balances	(227,200)	0	0	0	0	0	0.0
Lapsing Funds	(828,100)	0	0	0	0	0	0.0
Total Financing	\$57,782,100	\$60,089,200	\$61,214,200	\$59,810,800	\$2,487,700	\$62,298,500	1.8%
Programs							
Commissioner's Office	\$2,152,200	\$2,351,300	\$2,351,300	\$2,323,700	\$0	\$2,323,700	(1.2%)
Safety Promotion	147,000	148,700	148,700	157,900	0	157,900	6.2
Police Academy	1,929,400	1,788,900	1,788,900	1,757,300	98,500 <i>a</i>	1,855,800	3.7
Law Enforcement	7,692,600	7,707,300	7,707,300	7,569,000	393,000 <i>b</i>	7,962,000	3.3
Investigative Services	4,561,900	4,667,700	4,667,700	4,619,800	100,000 <i>c</i>	4,719,800	1.1
Driver License	11,198,100	12,330,200	12,700,200	12,269,500	395,000 <i>d</i>	12,664,500	(0.3)
Highway Patrol	24,794,100	26,168,100	26,168,100	26,403,800	222,000 <i>e</i>	26,625,800	1.7
Highway Safety	2,145,800	1,506,800	1,506,800	1,510,900	0	1,510,900	0.3
Management Information	1,510,300	1,487,300	1,572,300	1,279,500	135,000 <i>f</i>	1,414,500	(10.0)
Fire Marshal	1,650,700	1,932,900	2,602,900	1,919,400	0	1,919,400	(26.3)
Compensation Package	0	0	0	0	1,144,200 <i>g</i>	1,144,200	--
Total Budget	\$57,782,100	\$60,089,200	\$61,214,200	\$59,810,800	\$2,487,700	\$62,298,500	1.8%
Positions	1,020.5	1,032.5	1,032.5	1,032.5	9.0	1,041.5	

a See O1 and O10 through O13

b See O2 through O4 and O14

c See O5 and O15

d See O6 and O16

e See O7 and O17

f See O8 and O18

g See O9

PUBLIC SAFETY**ONGOING APPROPRIATIONS****Peace Officer Standards and Training**

O1 Vehicle operations course Operating and maintenance costs for emergency vehicle operations course at Police Academy

Law Enforcement Technical Services

O2 Dispatchers Four additional dispatchers at Salt Lake Communications Center

O3 Record clerks Two additional records clerks in Bureau of Criminal Investigations

O4 Service channel/radio consoles Continuation of current expenses for State Crime Laboratory and Bureau of Communications

Investigations

O5 Controlled substance database Contract with Commerce for Occupational and Professional Licensing data base services

Driver License

O6 Digitized photo for driver license Interfacing the driver license process to accommodate a digitized photo on the license

Utah Highway Patrol

O7 Additional troopers Three additional troopers for Interstate 15 traffic management

Management Information Systems

O8 Contract programming Update essential criminal justice databases used by law enforcement throughout the state

Compensation and Personal Services

O9 Compensation package Compensation package of 3.0 percent including benefit adjustments

Subtotal Ongoing Appropriations**ONE-TIME APPROPRIATIONS****Peace Officer Standards and Training**

O10 Technology enhancements Six additional desktop computers

O11 Upgrade shooting range at Camp Williams Upgrade shooting range donated by Utah National Guard

O12 Firearms training system inserts Weapon inserts for computerized firearms training system

O13 Copy machine Replacement of copy machine

Law Enforcement Technical Services

O14 Technology enhancements Replace mainframes at Richfield and Cedar City dispatch centers

Investigations

O15 Clandestine lab response expenses Investigation and cleanup expenses associated with clandestine lab activities

Driver License

O16 Technology enhancements Replace minicomputer driver license system with HP-UNIX system

Utah Highway Patrol

O17 Vehicle purchases Vehicles and special purpose equipment for additional troopers

Management Information Systems

O18 Technology enhancements File server and computer equipment upgrades

Subtotal One-time Appropriations

Total FY 1998 Adjustments (Ongoing and One-Time Appropriations)

Ongoing, One-Time, and Supplemental Appropriations - Public Safety

	General Fund	Uniform School Fund	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
<i>O1</i>	\$0	\$0	\$0	\$0	\$0	\$20,000	\$0	\$20,000
<i>O2</i>	120,000	0	0	0	0	0	0	120,000
<i>O3</i>	0	0	0	0	60,000	0	0	60,000
<i>O4</i>	93,000	0	0	0	0	0	0	93,000
<i>O5</i>	50,000	0	0	0	0	0	0	50,000
<i>O6</i>	0	0	0	0	0	215,000	0	215,000
<i>O7</i>	123,000	0	0	0	0	0	0	123,000
<i>O8</i>	0	0	0	0	0	65,000	0	65,000
<i>O9</i>	796,300	0	64,800	25,800	1,400	246,000	9,900	1,144,200
	\$1,182,300	\$0	\$64,800	\$25,800	\$61,400	\$546,000	\$9,900	\$1,890,200
<i>O10</i>	\$0	\$0	\$0	\$0	\$0	\$15,000	\$0	\$15,000
<i>O11</i>	0	0	0	0	0	45,500	0	45,500
<i>O12</i>	0	0	0	0	0	3,000	0	3,000
<i>O13</i>	0	0	0	0	0	15,000	0	15,000
<i>O14</i>	0	0	0	0	0	120,000	0	120,000
<i>O15</i>	0	0	0	0	0	50,000	0	50,000
<i>O16</i>	0	0	0	0	0	180,000	0	180,000
<i>O17</i>	0	0	0	0	0	99,000	0	99,000
<i>O18</i>	0	0	0	0	0	70,000	0	70,000
	\$0	\$0	\$0	\$0	\$0	\$597,500	\$0	\$597,500
	\$1,182,300	\$0	\$64,800	\$25,800	\$61,400	\$1,143,500	\$9,900	\$2,487,700

PUBLIC SAFETY**SUPPLEMENTALS****Driver License Division***O19* Technology enhancements

Replace minicomputer driver license system with HP-UNIX system

Fire Marshal*O20* Fire Academy

Additional classrooms, new fire apparatus, and live-fire props

Management Information Systems*O21* Technology enhancements

Computer hardware and software upgrades to include the local area network

Total FY 1997 Supplementals

Ongoing, One-Time, and Supplemental Appropriations - Public Safety

	General Fund	Uniform School Fund	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
<i>O19</i>	\$0	\$0	\$0	\$0	\$0	\$370,000	\$0	\$370,000
<i>O20</i>	0	0	0	0	0	670,000	0	670,000
<i>O21</i>	0	0	0	0	0	85,000	0	85,000
	\$0	\$0	\$0	\$0	\$0	\$1,125,000	\$0	\$1,125,000

■ TRANSPORTATION

Mission: *Provide a quality, economical transportation system that is safe, reliable, and environmentally sensitive, and serves the public, commerce, and industry*

Programs

- ◆ **Support Services** provides administrative, data processing, and maintenance support for the department.
- ◆ **Engineering Services** designs, plans, and engineers Utah highways.
- ◆ **Construction Management** oversees highway projects from design through completion.
- ◆ **District Management** plans highway maintenance and rehabilitation, and performs laboratory work in close proximity to highway or construction site.
- ◆ **Maintenance Management** provides litter control, highway striping, snow removal, and road and sign repair.
- ◆ **Aeronautics** conducts statewide aeronautical planning, provides navigational and weather assistance, coordinates air safety standards, certifies public airports, and assists with local airport construction projects.

Selected Department Goals

- ◆ Maintain and improve state highway infrastructure.
- ◆ Strengthen planning, development, and performance of multi-modal transportation system.
- ◆ Implement strategies to reduce congestion on state highways.
- ◆ Maximize both federal and state funds available for highway construction and maintenance.
- ◆ Reduce project costs by streamlining design and construction engineering.
- ◆ Limit additional appropriations by reducing administrative costs and reallocating cost savings to critical areas.
- ◆ Evaluate and implement innovative approaches to highway design and construction that will save both construction time and taxpayer money without compromising quality.

*A comprehensive list of goals and performance measurements can be found in the **Utah Tomorrow Strategic Plan, 1996 Annual Report**, pages 65-72 and 102-106.*

Base Budget Efficiency Initiatives

- ◆ Developed a preconstruction project management system which promotes cost efficiency by emphasizing accountability, tracking, and control of preconstruction planning and design.
- ◆ Accommodated increased demand for highway design and planning by shifting existing personnel to high priority positions.
- ◆ Continued to implement a department directive to reduce administrative costs by 20 percent below FY 1995 levels.
- ◆ Implemented a pavement preservation program which continues to provide high levels of maintenance on increased highway lane miles without additional resources.

resource utilization and efficiency savings. These adjustments will be consistent with, and driven by, strategic goals and performance management initiatives directed by department leadership and coordinated through a performance management team. In addition, the Executive Director and the Transportation Commission will prioritize and oversee performance reviews of key focus areas and processes.

In support of these improvement initiatives, the department appropriations for Support Services, Engineering Services, Maintenance Management, Region Management, and Equipment Management shall be combined into one line item called Transportation Services. Specific programs within these line items will remain intact to provide accountability and comparability with previous appropriations.

Proposed Legislative Intent

FY 1997

Construction Management

Funds appropriated from the Transportation Fund for Construction Management are nonlapsing.

FY 1998

Transportation Services

The Department of Transportation will continue to implement internal adjustments focusing on improved

Maintenance Management

Building requests exceeding \$100,000 will be submitted to the State Building Board and the legislature for consideration.

All collections from the sale or salvage of land and buildings will lapse to the Transportation Fund, except those from sale of surplus properties to replace District Two headquarters.

Equipment Management

The Utah Department of Transportation may enter into a lease-purchase contract for heavy equipment if it is cost beneficial to do so. Before entering into a lease-purchase contract, the department will coordinate with the Governor's Office of Planning and Budget and the Office of the Legislative Fiscal Analyst.

Construction Management

Funds appropriated from the Transportation Fund for Construction Management are nonlapsing.

Funds in the Transportation Fund, not otherwise appropriated, may be used by the department for the construction, rehabilitation, and preservation of state highways in Utah.

The appropriation shall fund first, a maximum participation with the federal government for the construction of federally designated highways, as provided by law; next, the rehabilitation and preservation of state highways, as provided by law; and last, the construction of state highways, as funding permits.

Mineral Lease

Mineral Lease funds are nonlapsing and are to be used for improving or reconstructing roads that have been heavily impacted by mineral or energy development.

Sidewalk Construction

Transportation funds for pedestrian safety projects are nonlapsing and are to be used to correct pedestrian hazards on state highways. If local governments cannot use their allocation of Sidewalk Safety Funds in two years, these funds will then be available for other governmental entities which are prepared to use the resources. Participation in the Sidewalk Construction Program is on a 75 percent state to 25 percent local match basis.

Major Budget Recommendations

- ◆ Fund the final installment of a new computer aided design and drafting software system.
- ◆ Increase the ongoing General Fund appropriated to the Centennial Highway Trust Fund from \$75 million to \$80 million. The governor will work closely with the legislature developing a transportation plan which will finance construction of critical transportation needs throughout the entire state.
- ◆ Allocate revenue of \$18 million generated by a one-sixteenth percent sales tax rate to the Transportation Corridor Revolving Loan Fund, the State Park Access Highway Improvement Program, and the Class B and Class C Roads Account.

- ◆ Combine appropriations for Support Services, Engineering Services, Maintenance Management, Region Management, and Equipment Management into one line item called Transportation Services. Specific programs within these line items will remain intact to provide accountability and comparability with previous appropriations.
- ◆ Provide additional funds in the equipment purchases program for replacement of aging equipment.

TRANSPORTATION

Operating Budget

	Governor Leavitt's Recommendations						
	Actual FY 1996	Authorized FY 1997	Recommended FY 1997	Base FY 1998	Adjust- ments	Total FY 1998	% Change RFY97-FY98
Plan of Financing							
General Fund	\$1,079,000	\$1,584,700	\$1,584,700	\$1,084,700	\$0	\$1,084,700	(31.6%)
Transportation Fund	115,474,000	121,525,700	122,646,000	119,181,400	3,885,000	123,066,400	0.3
Federal Funds	45,459,300	28,848,600	28,848,600	28,848,400	407,400	29,255,800	1.4
Dedicated Credits	16,340,400	15,086,000	15,086,000	14,996,100	149,500	15,145,600	0.4
Restricted and Trust Funds	8,595,100	6,786,500	6,801,500	6,786,500	30,900	6,817,400	0.2
Beginning Balances	1,417,100	(1,376,400)	(1,376,400)	0	0	0	(100.0)
Closing Balances	1,376,400	0	0	0	0	0	0.0
Lapsing Funds	(979,800)	0	0	0	0	0	0.0
Total Financing	\$188,761,500	\$172,455,100	\$173,590,400	\$170,897,100	\$4,472,800	\$175,369,900	1.0%
Programs							
Support Services	\$20,567,400	\$22,962,300	\$23,262,300	\$20,421,900	\$1,000,000 <i>a</i>	\$21,421,900	(7.9%)
Engineering Services	20,504,800	20,687,200	21,127,200	20,625,700	0	20,625,700	(2.4)
Maintenance Management	63,775,200	64,374,600	64,374,600	64,592,100	0	64,592,100	0.3
District Management	12,841,600	13,304,100	13,684,400	13,678,900	0	13,678,900	(0.0)
Equipment Management	18,244,800	14,865,900	14,865,900	15,524,500	1,200,000 <i>b</i>	16,724,500	12.5
Aeronautics	36,113,900	17,302,400	17,317,400	17,202,400	15,000 <i>c</i>	17,217,400	(0.6)
Construction - Management	16,713,800	18,958,600	18,958,600	18,851,600	0	18,851,600	(0.6)
Compensation Package	0	0	0	0	2,257,800 <i>d</i>	2,257,800	--
Total Budget	\$188,761,500	\$172,455,100	\$173,590,400	\$170,897,100	\$4,472,800	\$175,369,900	1.0%
Positions	1,769.0	1,769.0	1,769.0	1,769.0	0.0	1,769.0	

a See P1 through P3 and P7

b See P4

c See P5

d See P6

TRANSPORTATION

Capital Budget

	Governor Leavitt's Recommendations					
	Actual FY 1996	Authorized FY 1997	Recommended FY 1997	Base FY 1998	Adjust- ments	Total FY 1998
Plan of Financing						
General Fund	\$30,600,000	\$110,650,000	\$110,650,000	\$75,000,000	\$5,000,000	\$80,000,000
Transportation Fund	122,209,700	132,436,500	131,316,200	130,266,300	8,084,600	138,350,900
Federal Funds	125,917,400	94,320,400	94,320,400	94,320,400	0	94,320,400
Dedicated Credits	4,435,200	1,550,000	1,550,000	1,550,000	0	1,550,000
Mineral Lease	9,138,800	9,884,000	9,884,000	9,297,800	0	9,297,800
Restricted and Trust Funds	0	0	0	0	18,000,000	18,000,000
Other Funds	41,668,100	25,774,800	25,774,800	6,100,100	0	6,100,100
Beginning Balances	12,414,200	46,815,000	46,815,000	0	0	0
Closing Balances	(46,815,000)	0	0	0	0	0
Lapsing Funds	(121,600)	0	0	0	0	0
Total Financing	\$299,446,800	\$421,430,700	\$420,310,400	\$316,534,600	\$31,084,600	\$347,619,200
Projects						
Construction	\$227,275,200	\$344,181,600	\$343,061,300	\$243,410,800	\$8,622,200 ^a	\$252,033,000
Sidewalk Construction	571,900	1,749,600	1,749,600	500,000	0	500,000
B and C Road Account	60,028,500	63,326,000	63,326,000	63,326,000	19,141,700 ^b	82,467,700
Maintenance Sheds	2,433,900	2,277,200	2,277,200	0	3,320,700 ^c	3,320,700
Mineral Lease Programs	9,137,300	9,896,300	9,896,300	9,297,800	0	9,297,800
Total Budget	\$299,446,800	\$421,430,700	\$420,310,400	\$316,534,600	\$31,084,600	\$347,619,200

^a See P12 through P15

^b See P16 and P17

^c See P18 and P19

TRANSPORTATION**ONGOING APPROPRIATIONS****Support Services**

<i>P1</i>	Hardware and software maintenance	Maintenance costs of new computer-aided design and drafting system
<i>P2</i>	Construction management system	Initial development of a construction management system
<i>P3</i>	Data processing charges	Increase costs for financial information network

Equipment Management

<i>P4</i>	Equipment purchases	Replacement of aged equipment
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Aeronautics

<i>P5</i>	Utah Air Travel Commission	Financial support for Utah Air Travel Commission
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Compensation and Personal Services

<i>P6</i>	Compensation package	Compensation package of 3.0 percent including benefit adjustments
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Subtotal Ongoing Appropriations**ONE-TIME APPROPRIATIONS****Support Services**

<i>P7</i>	Computer system capital outlay	Final phase of migration to new computer-aided design and drafting system
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Subtotal One-time Appropriations**Total FY 1998 Adjustments (Ongoing and One-Time Appropriations)****SUPPLEMENTALS****Support Services**

<i>P8</i>	Additional data processing charges	Transfer of funds from Construction line item for financial information network charges
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Engineering Services

<i>P9</i>	Reallocation of costs	Transfer of funds from Construction line item for cost overages
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Region Management

<i>P10</i>	Reallocation of costs	Transfer of funds from Construction line item for cost overages
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Aeronautics

<i>P11</i>	Utah Air Travel Commission	Increase financial support for Utah Air Travel Commission
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Total FY 1997 Supplementals

Ongoing, One-Time, and Supplemental Appropriations - Transportation

	General Fund	Uniform School Fund	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
<i>P1</i>	\$0	\$0	\$100,000	\$0	\$0	\$0	\$0	\$100,000
<i>P2</i>	0	0	100,000	0	0	0	0	100,000
<i>P3</i>	0	0	200,000	0	0	0	0	200,000
<i>P4</i>	0	0	1,200,000	0	0	0	0	1,200,000
<i>P5</i>	0	0	0	0	0	15,000	0	15,000
<i>P6</i>	0	0	1,685,000	407,400	149,500	15,900	0	2,257,800
	\$0	\$0	\$3,285,000	\$407,400	\$149,500	\$30,900	\$0	\$3,872,800
<i>P7</i>	\$0	\$0	\$600,000	\$0	\$0	\$0	\$0	\$600,000
	\$0	\$0	\$600,000	\$0	\$0	\$0	\$0	\$600,000
	\$0	\$0	\$3,885,000	\$407,400	\$149,500	\$30,900	\$0	\$4,472,800
<i>P8</i>	\$0	\$0	\$300,000	\$0	\$0	\$0	\$0	\$300,000
<i>P9</i>	0	0	440,000	0	0	0	0	440,000
<i>P10</i>	0	0	380,300	0	0	0	0	380,300
<i>P11</i>	0	0	0	0	0	15,000	0	15,000
	\$0	\$0	\$1,120,300	\$0	\$0	\$15,000	\$0	\$1,135,300

TRANSPORTATION**CAPITAL BUDGET ONGOING APPROPRIATIONS****Construction Management**

<i>P12</i>	Centennial Highway Trust Fund	Enhance funding for critical transportation needs
<i>P13</i>	Corridor preservation	Transportation corridor preservation program HB 393, 1996 Legislature
<i>P14</i>	State park access improvement	State park access highway improvement program HB 393, 1996 Legislature
<i>P15</i>	Road improvement	Construction of state highways

B and C Road Account

<i>P16</i>	Sales tax dedication	Sales tax revenues allocated to the B and C road account HB 393, 1996 Legislature
<i>P17</i>	Increase in B and C road account	Allocation to Class B and Class C Road Account from increased highway revenues

Subtotal Capital Budget Ongoing Appropriations**CAPITAL BUDGET ONE-TIME APPROPRIATIONS****Maintenance Sheds**

<i>P18</i>	Cove Fort	Construction of maintenance shed near Cove Fort
<i>P19</i>	Grantsville	Construction of maintenance shed at Grantsville

Subtotal Capital Budget One-Time Appropriations**Total FY 1998 Capital Budget Adjustments (Ongoing and One-Time Appropriations)****CAPITAL BUDGET SUPPLEMENTAL APPROPRIATIONS****Construction**

<i>P20</i>	Reallocation of costs	Transfer of funds to Engineering Services and Region Management line items
<i>P21</i>	Transfer for data processing charges	Transfer of funds to Support Services line item for financial information network charges

Total FY 1997 Capital Budget Supplemental Appropriations

Ongoing, One-Time, and Supplemental Appropriations - Transportation

	General Fund	Uniform School Fund	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
P12	\$5,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000,000
P13	0	0	0	0	0	500,000	0	500,000
P14	0	0	0	0	0	500,000	0	500,000
P15	0	0	2,622,200	0	0	0	0	2,622,200
P16	0	0	0	0	0	17,000,000	0	17,000,000
P17	0	0	2,141,700	0	0	0	0	2,141,700
	\$5,000,000	\$0	\$4,763,900	\$0	\$0	\$18,000,000	\$0	\$27,763,900
P18	\$0	\$0	\$1,678,400	\$0	\$0	\$0	\$0	\$1,678,400
P19	0	0	1,642,300	0	0	0	0	1,642,300
	\$0	\$0	\$3,320,700	\$0	\$0	\$0	\$0	\$3,320,700
	\$5,000,000	\$0	\$8,084,600	\$0	\$0	\$18,000,000	\$0	\$31,084,600
P20	\$0	\$0	(\$820,300)	\$0	\$0	\$0	\$0	(\$820,300)
P21	0	0	(300,000)	0	0	0	0	(300,000)
	\$0	\$0	(\$1,120,300)	\$0	\$0	\$0	\$0	(\$1,120,300)

OTHER

Other includes programs that do not fall within the purview of a specific agency.

Programs

- ◆ **Comprehensive Health Insurance Pool** funds low cost insurance for those who are unable to obtain health insurance through established programs.
- ◆ **Criminal Defense Fund** provides funds to be administered by the Utah Prosecution Council for legal services for indigent defendants.
- ◆ **Ogden Multi-Purpose Facility** received funding in FY 1996 to help finance the cost of construction.
- ◆ **Year 2000 Computer Date Change** funds applications programming for Year 2000 date change.

- ◆ **Fiscal Note Reserve** is the amount the governor has set aside for legislative fiscal notes.

Major Budget Recommendations

- ◆ Fund the Comprehensive Health Insurance Pool with ongoing appropriation of \$5,000,000. This recommendation addresses the needs of approximately 1,000 uninsurable Utahns in FY 1998.
- ◆ Set aside \$2,000,000 for the legislature to allocate to fiscal notes on legislation.
- ◆ Fund the Year 2000 date change requirements with one-time funds of \$4,611,000 and supplemental funds of \$200,000.

OTHER
Operating Budget

	Governor Leavitt's Recommendations						
	Actual FY 1996	Authorized FY 1997	Recommended FY 1997	Base FY 1998	Adjust- ments	Total FY 1998	% Change RFY97-FY98
Plan of Financing							
General Fund	\$1,250,000	\$0	\$200,000	\$0	\$8,228,000	\$8,228,000	4014.0%
Uniform School Fund	0	0	0	0	1,422,000	1,422,000	100.0
Federal Funds	0	0	0	0	1,961,000	1,961,000	100.0
Restricted and Trust Funds	2,192,000	1,950,000	1,950,000	2,025,000	0	2,025,000	3.8
Beginning Balances	6,345,600	4,536,000	4,536,000	1,679,900	0	1,679,900	(63.0)
Closing Balances	(4,536,000)	(1,679,900)	(1,679,900)	0	0	0	(100.0)
Total Financing	\$5,251,600	\$4,806,100	\$5,006,100	\$3,704,900	\$11,611,000	\$15,315,900	205.9%
Programs							
Comprehensive Risk Pool	\$4,001,600	\$4,806,100	\$4,806,100	\$3,704,900	\$5,000,000 <i>a</i>	\$8,704,900	81.1%
Criminal Defense Fund	250,000	0	0	0	0	0	0.0
Ogden Multi-Purpose Facility	1,000,000	0	0	0	0	0	0.0
Year 2000 Computer Date Change	0	0	200,000	0	4,611,000 <i>b</i>	4,611,000	2,205.5
Fiscal Note Reserve	0	0	0	0	2,000,000 <i>c</i>	2,000,000	100.0
Total Budget	\$5,251,600	\$4,806,100	\$5,006,100	\$3,704,900	\$11,611,000	\$15,315,900	205.9%

a See Q1

b See Q2

c See Q3

OTHER**ONGOING APPROPRIATIONS****Comprehensive Health Insurance Pool**

<i>Q1</i>	Expand Health Insurance Pool	Dedicate portion of cigarette tax to expand access to health insurance for uninsurable Utahns
	Subtotal Ongoing Appropriations	

ONE-TIME APPROPRIATIONS**Administrative Services - Finance**

<i>Q2</i>	Year 2000 computer date change	Allocation directed by state's chief information officer after completion of validation studies
	Administrative Services	Applications programming required for year 2000 date change
	Human Services	Applications programming required for year 2000 date change
	Health	Applications programming required for year 2000 date change
	Tax Commission	Applications programming required for year 2000 date change
	Workforce Services	Applications programming required for year 2000 date change

Fiscal Note Reserve

<i>Q3</i>	Fiscal note reserve	Funds for fiscal impact of legislation (include county planning, \$283,000; missing children's database, \$60,000; Indigent Defense Fund, \$100,000; and additional school nurses \$350,000)
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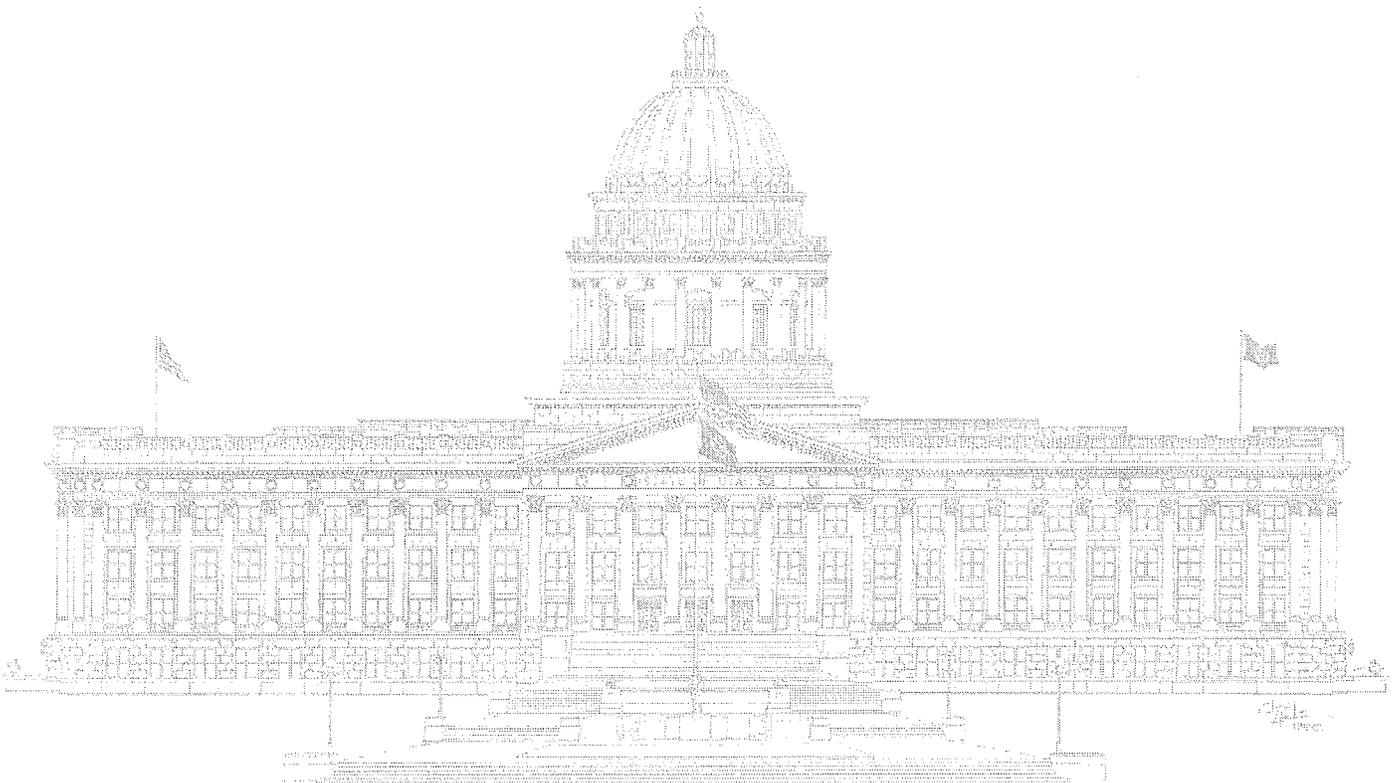
Subtotal One-time Appropriations**Total FY 1998 Adjustments (Ongoing and One-Time Appropriations)****SUPPLEMENTALS****Administrative Services - Finance**

<i>Q4</i>	Year 2000 computer date change	Validation and coordination studies for year 2000 date change issues
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Total FY 1997 Supplementals

Ongoing, One-Time, and Supplemental Appropriations - Other

	General Fund	Uniform School Fund	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
<i>Q1</i>	\$5,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000,000
	\$5,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000,000
 <i>Q2</i>								
	\$1,100,000	\$0	\$0	\$0	\$0	\$0	\$0	\$1,100,000
	566,000	0	0	566,000	0	0	0	1,132,000
	140,000	0	0	420,000	0	0	0	560,000
	422,000	422,000	0	0	0	0	0	844,000
	0	0	0	975,000	0	0	0	975,000
 <i>Q3</i>								
	1,000,000	1,000,000	0	0	0	0	0	2,000,000
	\$3,228,000	\$1,422,000	\$0	\$1,961,000	\$0	\$0	\$0	\$6,611,000
	\$8,228,000	\$1,422,000	\$0	\$1,961,000	\$0	\$0	\$0	\$11,611,000
 <i>Q4</i>								
	\$200,000	\$0	\$0	\$0	\$0	\$0	\$0	\$200,000
	\$200,000	\$0	\$0	\$0	\$0	\$0	\$0	\$200,000



State of Utah

Internal Service Funds Enterprise Funds by Fund

- * Function and purpose of Internal Service and Enterprise Funds
- * Three-year comparison of Internal Service Fund revenue, capital acquisitions, and positions, including the governor's FY 1998 recommendations
- * Three-year comparison of Enterprise Fund operations

ENTERPRISE FUND OPERATIONS TABLE GUIDE

ENTERPRISE FUND OPERATIONS

	EXPENDITURES					Revenue Less Expenditures
	Total Revenue	Admin. Costs	Amortization/ Depreciation	Interest Expense	Total Expenditures	
Agriculture Loan Programs						
Actual FY 1996	\$970,200	\$139,100	\$1,300	\$0	\$180,400	\$789,800
Projected FY 1997	\$985,600	\$294,800	\$1,300	\$0	\$296,100	\$689,500
Projected FY 1998	\$1,013,900	\$294,800	\$1,300	\$0	\$296,100	\$717,800
Alcoholic Beverage Control						
Actual FY 1996	33.7		00	0	11,596,500	22,155,100
Projected FY 1997	37.0		00	0	11,979,600	25,107,000
Projected FY 1998	40.7		00	0	13,399,600	27,353,500
Correctional Industries						
Actual FY 1996	5.4		00	0	5,237,500	172,100
Projected FY 1997	5.7		00	0	5,450,000	250,000
Projected FY 1998	5,700,000	5,200,000	250,000	0	5,450,000	250,000
Housing Finance Agency						
Actual FY 1996	84,309,000	7,555,000	156,000			0
Projected FY 1997	84,712,100	7,831,600	162,200			0
Projected FY 1998	86,406,400	7,988,400	165,500			0
Regents - Loan Purchase						
Actual FY 1996	48,637,700	7,952,500	565,100			0
Projected FY 1997	50,908,500	9,606,500	85,600			0
Projected FY 1998	52,000,000	9,500,000	86,000			0
Regents - Assistance Authority						
Actual FY 1996	21,820,700	19,712,500	131,400	0	19,843,900	1,976,800
Projected FY 1997	25,734,800	24,319,100	131,400	0	24,450,500	1,284,300
Projected FY 1998	26,000,000	25,000,000	131,400	0	25,131,400	868,600
Technology Finance Corp.						
Actual FY 1996	4,552,200	2,478,100	31,400	53,700	2,563,200	1,989,000
Projected FY 1997	4,481,000	3,191,100	100,000	0	3,291,100	1,189,900
Projected FY 1998	5,635,200	3,792,200	110,000	0	3,902,200	1,733,000
TOTALS						
Actual FY 1996	\$199,471,000	\$53,692,100	\$1,904,300	\$91,015,000	\$146,611,400	\$52,859,600
Projected FY 1997	\$209,608,600	\$61,612,700	\$1,540,500	\$98,824,700	\$161,977,900	\$47,630,700
Projected FY 1998	\$217,528,600	\$64,350,000	\$1,559,200	\$100,616,800	\$166,526,000	\$51,002,600

Administrative costs include personal services and overhead charges.

Revenue in excess of expenditures is reinvested in the enterprise or transferred to the General Fund as directed by state statute.

a. Reflects gross profit on sales

Enterprise funds provide goods and services to the public and may generate a profit.

■ INTERNAL SERVICE AND ENTERPRISE FUNDS

Internal service and enterprise funds are managed much like private sector businesses and are accounted for with income statements, balance sheets, and statements of changes in financial position.

to private organizations. These agencies finance their operations through user charges and are allowed to generate a profit. Enterprise funds may be exempted from administrative statutes.

Internal Service Funds (ISFs)

Internal Service Funds allow state government to account for goods and services provided by one agency to other agencies on a cost reimbursement basis. ISFs do not generate a profit and are subject to the same administrative statutes as state government agencies.

Recommendations

The following ISF tables show revenue anticipated from user agencies and recommended capital acquisitions and staffing levels. Funding for ISF services is included in individual agency budgets. The level of service provided by an ISF depends on the needs of state agencies.

Enterprise Funds

Enterprise Funds are maintained to account for state operations that provide goods and services to the public and

The Enterprise Fund table shows a three-year summary of operational revenue and expenditures for seven enterprise funds. This table is shown for informational rather than recommendation purposes. ■

INTERNAL SERVICE FUNDS

Total Revenue

	<u>Governor Leavitt's Recommendations</u>		
	Actual FY 1996	Authorized FY 1997	Estimated FY 1998
Administrative Services			
Central Administration	\$590,000	\$558,000	\$674,200
Central Mailing	6,146,300	5,969,300	5,926,700
Central Stores	3,528,100	2,905,100	3,528,100
Copy Services	3,318,600	3,547,500	4,177,700
Central Motor Pool	7,148,000	7,786,100	9,286,500
Surplus Property	1,134,400	1,287,900	1,132,900
Fuel Dispensing	647,300 ^a	617,500 ^a	646,900 ^a
Information Technology Services	49,523,700	45,843,800	49,259,000
Risk Management	21,789,700	22,874,100	26,495,000
Facilities Management	12,685,700	12,785,000	14,646,800
Board of Education			
General Services	1,227,800	1,025,700	1,107,500
Natural Resources			
Central Data Processing	712,900	682,200	1,111,300
Motor Pool	2,158,700	2,323,500	2,306,200
Warehouse	674,600	528,000	716,700
Agriculture - Data Processing	67,700	192,600	192,600
Health - Data Processing	1,049,300	1,087,200 ^b	0 ^b
Corrections - Data Processing	614,400	562,600	728,300
Human Services			
General Services	1,727,900	1,858,500	1,861,300
Electronic Data Processing	1,825,100	2,616,800	2,626,300
Field Facilities	253,500	267,100	506,800 ^c
TOTAL	\$116,823,700	\$115,318,500	\$126,930,800

^a Reflects gross profit on sales

^b Discontinued as internal service fund during FY 1997

^c Rent revenue increased due to expansion of Blanding facility

INTERNAL SERVICE FUNDS

Capital Acquisitions

	<u>Governor Leavitt's Recommendations</u>		
	Actual FY 1996	Authorized FY 1997	Recommended FY 1998
Administrative Services			
Central Administration	\$0	\$30,000	\$52,500 <i>a</i>
Central Mailing	12,100	22,000	12,000
Central Stores	0	0	0
Copy Services	789,900	1,598,000	1,899,500
Central Motor Pool	7,127,600	7,414,600	12,293,600 <i>b</i>
Surplus Property	0	45,000	28,000
Fuel Dispensing	0	98,000	780,500 <i>c</i>
Information Technology Services	18,271,900	12,405,900	7,352,200
Risk Management	0	0	0
Facilities Management	5,600	51,500	233,000
Board of Education - General Svcs	0	12,500	12,500
Natural Resources			
Central Data Processing	16,800	699,000 <i>d</i>	450,000 <i>d</i>
Motor Pool	2,081,500	2,646,000	4,582,500 <i>e</i>
Warehouse	0	698,000 <i>f</i>	300,000 <i>f</i>
Agriculture - Data Processing	36,600	68,300	12,200
Health - Data Processing	528,200	280,000 <i>g</i>	0 <i>g</i>
Corrections - Data Processing	75,100	50,000	150,000
Human Services			
General Services	0	0	45,000
Electronic Data Processing	0	0	0
Field Facilities	0	0	0
TOTAL	\$28,945,300	\$26,118,800	\$28,203,500

a Includes \$7,500 for acquisition of new IT file server if statewide centralization of motor pool is approved

b Includes \$4,582,500 for expansion of Department of Transportation fleet

c Includes \$610,000 for two alternative fuels refueling facilities

d Provides point of sale system for Division of Wildlife Resources

e Replacement of fleet vehicles over 80,000 miles

f Construction of core sample warehouse for Utah Geological Survey

g Discontinued as internal service fund during FY 1997

INTERNAL SERVICE FUNDS**Positions****Governor Leavitt's Recommendations**

	Actual FY 1996	Authorized FY 1997	Recommended FY 1998
Administrative Services			
Central Administration	7.05	7.05 <i>a</i>	7.85 <i>a</i>
Central Mailing	28.25	28.50 <i>a</i>	31.00 <i>a</i>
Central Stores	13.00	13.25 <i>a</i>	13.00 <i>a</i>
Copy Services	17.25	16.45 <i>a</i>	17.85 <i>a,b</i>
Central Motor Pool	15.25	15.50 <i>a</i>	17.70 <i>a</i>
Surplus Property	15.00	15.00	15.00
Fuel Dispensing	4.75	4.75 <i>a</i>	5.60 <i>a</i>
Information Technology Services	234.00	234.00	234.00
Risk Management	22.50	22.50	22.50
Facilities Management	98.50	97.50	112.50 <i>b, c</i>
Board of Education			
General Services	9.75	9.75	9.75
Natural Resources			
Central Data Processing	5.00	5.00	8.00 <i>d</i>
Motor Pool	4.00	4.00	4.00
Warehouse	2.00	2.00	2.00
Agriculture - Data Processing	3.00	3.00	3.00
Health - Data Processing	41.50	8.25 <i>e</i>	0.00 <i>e</i>
Corrections - Data Processing	3.50	10.00	10.00
Human Services			
General Services	8.00	8.50	5.00 <i>f</i>
Electronic Data Processing	33.00	54.00	40.00 <i>f</i>
Field Facilities	0.00	0.75	0.75
TOTAL	565.30	559.75	559.50

a Shifted positions between various General Services programs with net increase of seven positions

b Service to new Courts Complex coming online in FY 1998 includes two positions in Copy Services and seven positions in Facilities Management

c Transferred three positions from appropriated budget

d Transferred four positions from the Department of Natural Resources

e Discontinued as an internal service fund during FY 1997

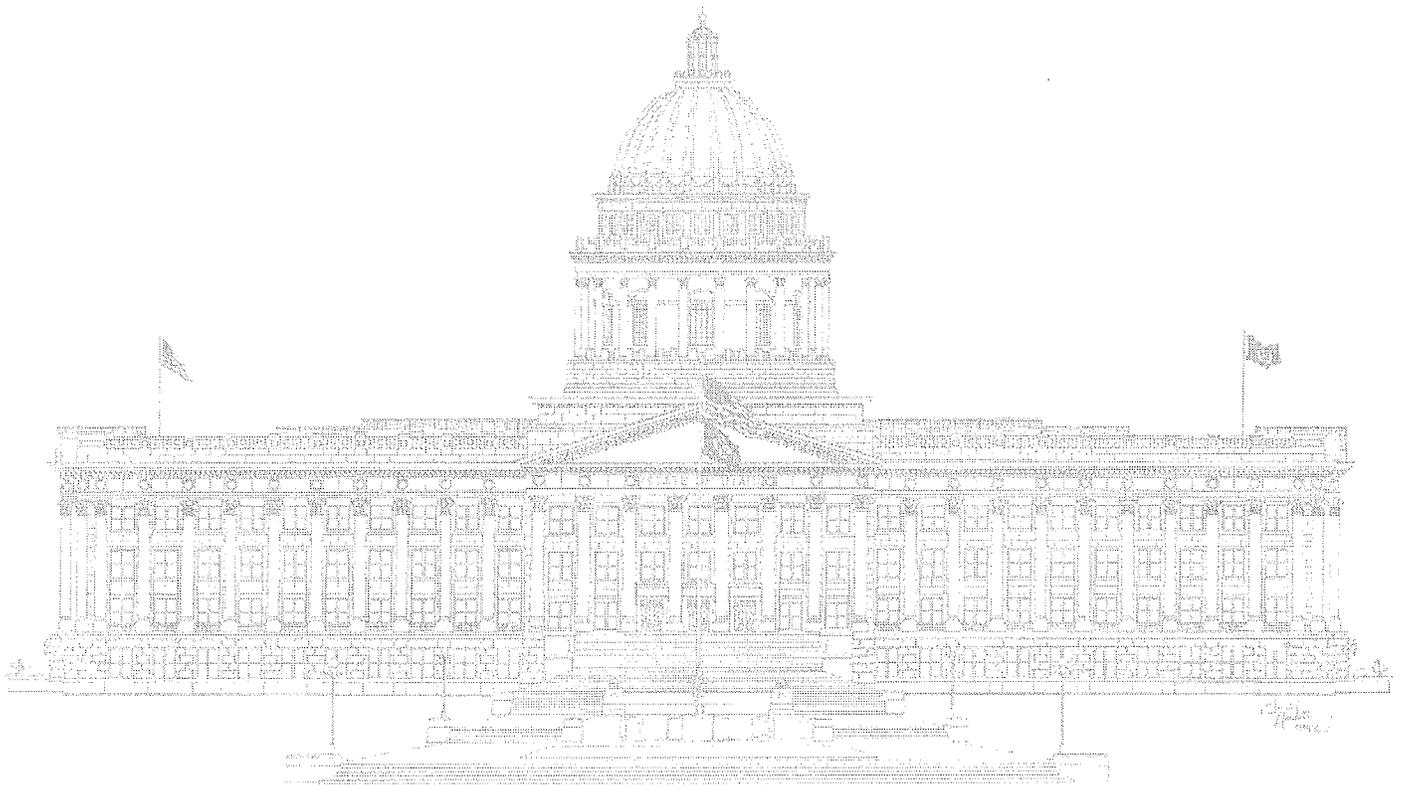
f Transferred 17.5 positions from General Services and Electronic Data Processing to the Department of Workforce Services

ENTERPRISE FUND OPERATIONS

	REVENUE				EXPENDITURES				Revenue Less Expenditures
	Sale of Services	Interest Income	Other Sources	Total Revenue	Admin. Costs	Amortization/Depreciation	Interest Expense	Total Expenditures	
Agriculture Loan Programs									
Actual FY 1996	\$0	\$970,200	\$0	\$970,200	\$179,100	\$1,300	\$0	\$180,400	\$789,800
Projected FY 1997	0	985,600	0	985,600	294,800	1,300	0	296,100	689,500
Projected FY 1998	0	1,013,900	0	1,013,900	294,800	1,300	0	296,100	717,800
Alcoholic Beverage Control									
Actual FY 1996	32,949,400	0	802,200	33,751,600	10,790,700	805,800	0	11,596,500	22,155,100
Projected FY 1997	36,244,300	0	842,300	37,086,600	11,169,600	810,000	0	11,979,600	25,107,000
Projected FY 1998	39,868,700	0	884,400	40,753,100	12,584,600	815,000	0	13,399,600	27,353,500
Correctional Industries									
Actual FY 1996	5,409,600	0	0	5,409,600	5,024,200	213,300	0	5,237,500	172,100
Projected FY 1997	5,700,000	0	0	5,700,000	5,200,000	250,000	0	5,450,000	250,000
Projected FY 1998	5,700,000	0	0	5,700,000	5,200,000	250,000	0	5,450,000	250,000
Housing Finance Agency									
Actual FY 1996	0	80,334,000	3,975,000	84,309,000	7,555,000	156,000	64,068,000	71,779,000	12,530,000
Projected FY 1997	0	83,547,300	1,164,800	84,712,100	7,831,600	162,200	67,271,400	75,265,200	9,446,900
Projected FY 1998	0	85,218,300	1,188,100	86,406,400	7,988,400	165,500	68,616,800	76,770,700	9,635,700
Regents - Loan Purchase									
Actual FY 1996	0	37,396,900	11,260,800	48,657,700	7,952,500	565,100	26,893,300	35,410,900	13,246,800
Projected FY 1997	0	37,889,300	13,019,200	50,908,500	9,606,500	85,600	31,553,300	41,245,400	9,663,100
Projected FY 1998	0	38,000,000	14,000,000	52,000,000	9,500,000	86,000	32,000,000	41,586,000	10,414,000
Regents - Assistance Authority									
Actual FY 1996	20,623,500	1,197,200	0	21,820,700	19,712,500	131,400	0	19,843,900	1,976,800
Projected FY 1997	24,751,500	983,300	0	25,734,800	24,319,100	131,400	0	24,450,500	1,284,300
Projected FY 1998	25,000,000	1,000,000	0	26,000,000	25,000,000	131,400	0	25,131,400	868,600
Technology Finance Corp.									
Actual FY 1996	286,100	1,106,200	3,202,900	4,595,200	2,478,100	31,400	53,700	2,563,200	2,032,000
Projected FY 1997	320,000	1,345,100	2,330,500	3,995,600	3,191,100	100,000	0	3,291,100	704,500
Projected FY 1998	310,000	2,257,400	2,250,500	4,817,900	3,782,200	110,000	0	3,892,200	925,700
TOTALS									
Actual FY 1996	\$59,268,600	\$121,004,500	\$19,240,900	\$199,514,000	\$53,692,100	\$1,904,300	\$91,015,000	\$146,611,400	\$52,902,600
Projected FY 1997	67,015,800	124,750,600	17,356,800	209,123,200	61,612,700	1,540,500	98,824,700	161,977,900	47,145,300
Projected FY 1998	70,878,700	127,489,600	18,323,000	216,691,300	64,350,000	1,559,200	100,616,800	166,526,000	50,165,300

a Reflects gross profit on sales

b Includes General Fund appropriation



State of Utah

Recommended One-Time Projects by Department

* Potential one-time projects under nonlapsing authority

ONE-TIME PROJECTS FROM NONLAPSING FUNDS

The legislature gave state agencies more budget flexibility by passing Budgetary Procedures Act - Nonlapsing Authority legislation in its 1994 General Session. Under Section 63-38-8.1, UCA, agencies submit a list of possible one-time uses of carry-forward funds to the governor. The governor reviews these lists and includes in his budget recommendations a priority ranking of any carry-forward funds that may occur. The legislature may approve some or all of the recommended projects and may rank them in priority order. This list does not assume there will be any carry-forward funds, but rather directs spending in the event there are unused funds at the end of the fiscal year.

Governor Leavitt's Recommendations
 (*Priority ranking by program)

	Computer Equip/Software *	Training/ Incentives *	Equipment/ Supplies *	Capital Equipment or Improvements *	Special Projects/ Studies *	Other *
Administrative Services						
Executive Director	\$5,000	\$0	\$0	\$0	\$0	\$0
Archives	2,800	0	0	0	0	0
DFCM - Administration	40,000	0	0	0	0	0
Commerce and Revenue						
Alcoholic Beverage Control	0	0	0	165,000	0	0
Commerce	33,000 (3)	0	32,500 (2)	25,000 (1)	0	0
Insurance	50,000	0	0	0	0	0
Public Service Commission	0	5,000 (2)	30,000 (1)	15,000 (3)	0	0
Workforce Services	53,000 (1)	0	253,000 (2)	0	0	0
Environmental Quality						
Environmental Quality	165,000 (4)	50,000 (3)	0	50,000 (2)	0	25,000 (1) <i>a</i>
<i>a Water treatment and source protection contracts</i>						
Human Services						
Executive Director	50,000 (1)	0	50,000 (2)	0	0	0
Mental Health	25,000 (1)	0	0	50,000 (2)	25,000 (3)	0
Substance Abuse	10,000	0	0	0	0	0
Srvcs. for People with Disabilities	25,000 (1)	0	25,000 (2)	50,000 (3)	0	0
Recovery Services	100,000	0	0	0	0	0
Child and Family Services	100,000	0	0	0	0	0
Aging and Adult Services	20,000 (3)	10,000 (5)	20,000 (2)	0	28,000 (4)	22,000 (1) <i>b</i>

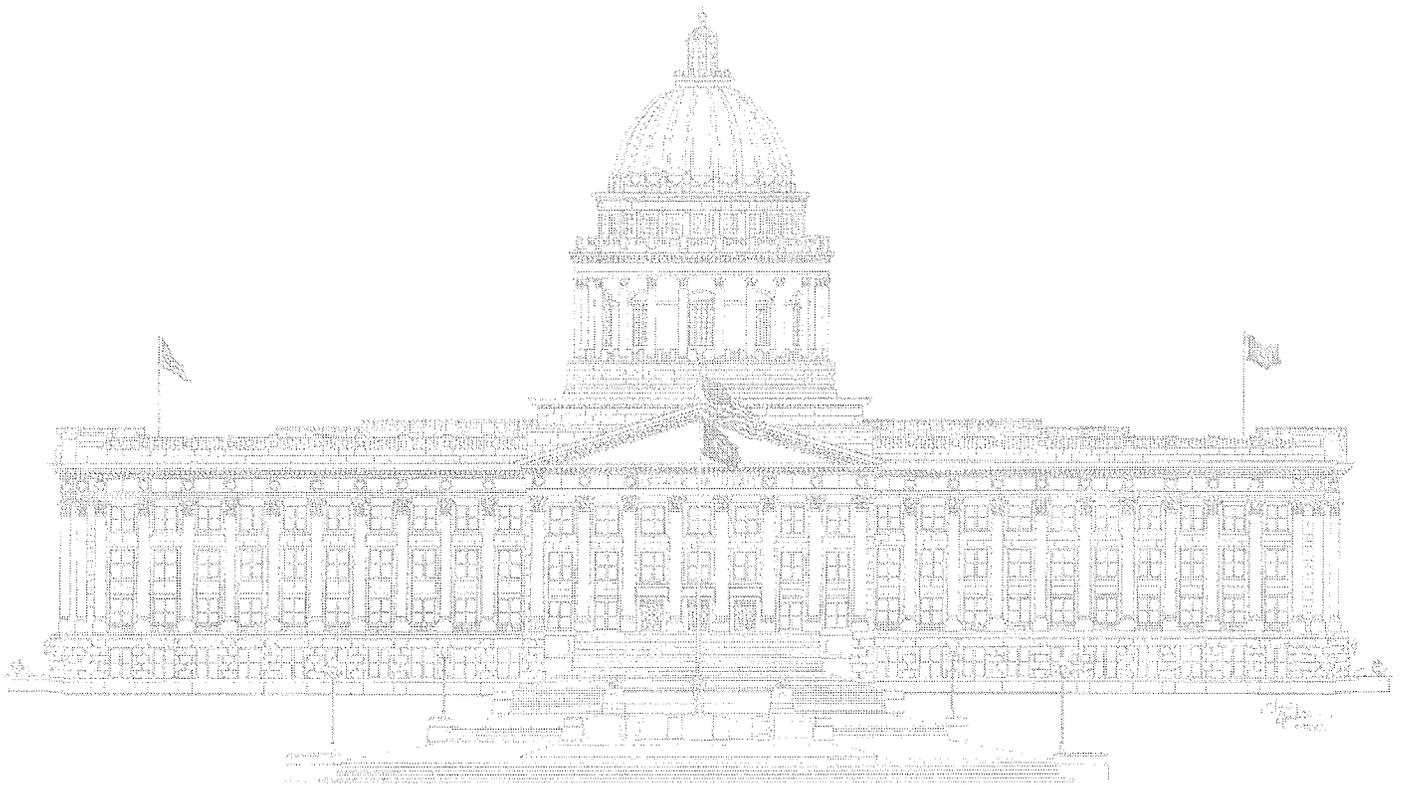
b One-time home and community-based waiver costs to cover start up expenses

Continued

One-Time Projects

Continued

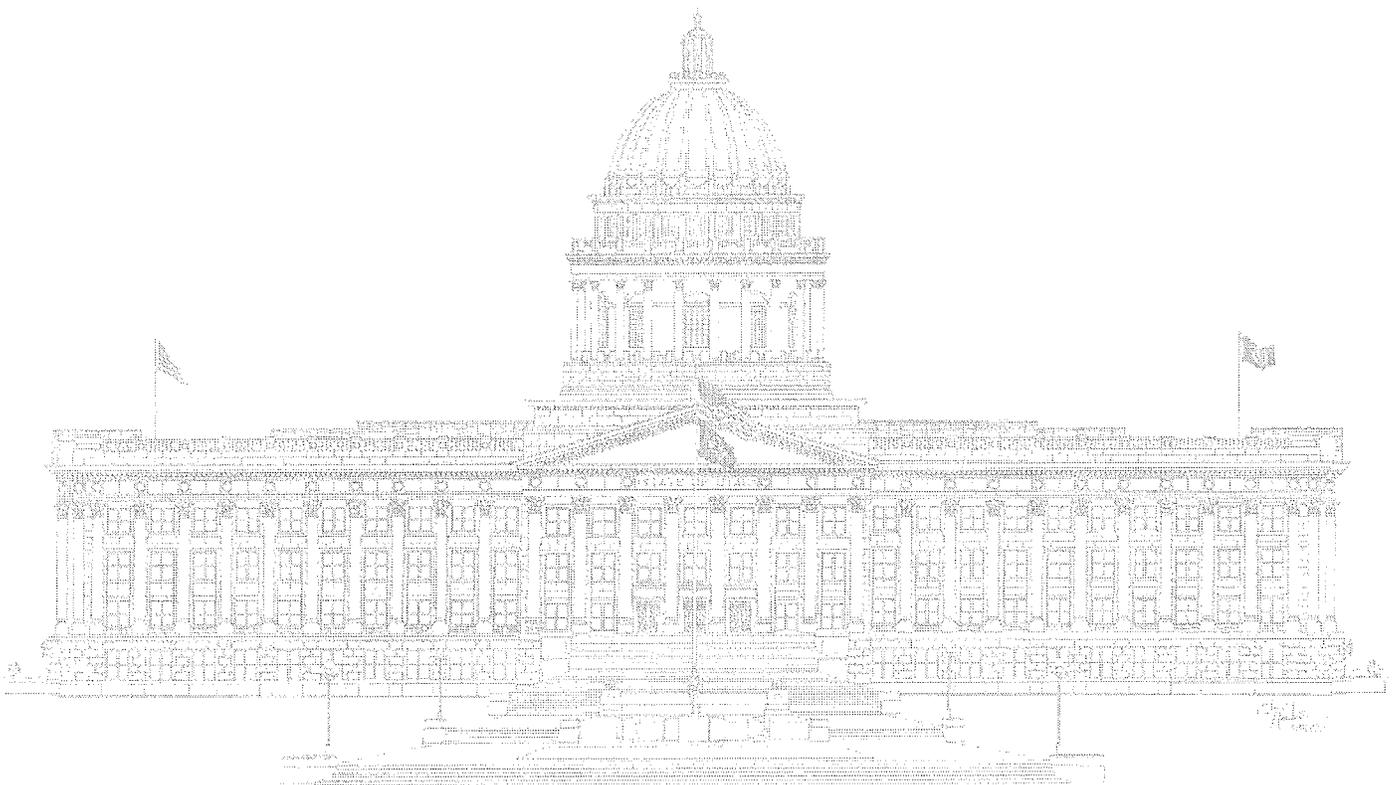
	Computer Equip/Software *	Training/ Incentives *	Equipment/ Supplies *	Capital Equipment or Improvements *	Special Projects/ Studies *	Other *
National Guard						
National Guard						
Maintenance	0	0	0	50,000	0	0
Emergency Management						
Emergency Management	0	0	0	0	0	87,200 <i>c</i>
<i>c Replenish Emergency Response Fund</i>						
Natural Resources						
Natural Resources						
Administration	17,000 (2)	0	18,000 (1)	0	0	0
Rent/Maintenance	0	0	0	10,000	0	0
Oil, Gas, and Mining	21,000 (3)	35,000 (1)	35,000 (2)	0	0	0
Parks and Recreation	10,000 (4)	20,000 (1)	0	10,000 (3)	60,000 (2)	0
Water Rights	10,000 (2)	0	0	65,000 (1)	0	0
Agriculture						
Administration	129,000 (2)	38,500 (4)	77,300 (3)	188,000 (1)	30,000 (5)	30,000 (6) <i>d</i>
<i>d Brucellosis vaccine</i>						
Public Safety						
Commissioner	15,000 (2)	0	0	36,000 (1)	0	0
POST	15,000 (4)	50,000 (1)	15,000 (3)	43,000 (2)	0	0
Law Enforcement	140,000 (2)	0	0	95,000 (1)	0	0
Investigative Services	100,000 (1)	0	25,000 (3)	70,000 (2)	0	0
Driver License	60,000 (3)	0	30,000 (1)	20,000 (2)	0	0
Highway Patrol	30,000 (2)	0	290,000 (1)	180,000 (3)	0	0
Management Information	25,000 (2)	20,000 (1)	0	0	0	0
Fire Marshal	8,000 (1)	0	2,500 (2)	0	0	0
Transportation						
Administrative Services	350,000 (1)	100,000 (2)	0	0	0	0
Maintenance Management	0	0	0	600,000	0	0
Equipment Management	0	0	0	300,000	0	0
Aeronautics	0	0	0	100,000	0	0



State of Utah

Glossary

- * Definition of terms
- * Acronyms frequently used in this document



GLOSSARY OF TERMS AND ACRONYMS

Terms:

Actual expenditures	Expenditures made in preceding fiscal years. In this document the term is primarily used for the most recently completed state fiscal year.
Appropriation	Funding allocated through legislative bill.
Authorized expenditures	Amounts for the current state fiscal year that reflect state funds appropriated by the legislature as well as an agency's best estimate of revenues to be earned such as fees or federal grants.
Base budget	Ongoing funding authorized for expenditure on a recurring basis.
Beginning balance	Amount of funds left over from the previous fiscal year and available at the start of the new fiscal year.
Bill	A proposed law.
Bond	A debt instrument representing a written promise to pay a specific sum of money in the future, plus interest.
Budget	A formal estimate of proposed expenditures and expected revenue during a fiscal year.
Budget Reserve Account	A fund designated in Utah law to receive a percentage of state revenue surpluses. This fund is formally known as the Budget Reserve Account.
Capital acquisition	An asset with a life of more than one year and a cost of over \$5,000.
Capital budget	Expenditure recommendations for new construction, major repairs to existing state facilities, and purchase of land and buildings.
Capital improvements	Improvement or repair of existing buildings or facilities.
Career Ladder Program	A component of the Minimum School Program which compensates teachers for additional service time, special projects, and merit.

Debt service	Money required to pay interest and principal on existing obligations, usually bonds.
Dedicated credits	Revenue generated from sources such as fines, licenses, and user fees.
Ending balance	Amount of funds remaining in an account at the end of the fiscal year.
Enterprise fund	A fund established by a governmental unit to provide goods and services to the public—primarily financed through user charges.
Federal funds	Various grants and contracts received by the state from the federal government which include federal statutory or regulatory restrictions on their use.
Fees	Charges paid by users of services.
Fiscal note	A note attached to a bill by legislative staff outlining the fiscal impact of the legislation.
Fiscal year (FY)	The 12-month accounting and budget period. Utah's fiscal year begins July 1 and ends June 30.
Full-time equivalent (FTE)	Equivalent of one person being paid for eight hours per day for the full year.
Fund	An independent fiscal and accounting entity with a self-balancing set of accounts.
General Fund (GF)	Account into which general tax revenue, primarily sales tax, is deposited. Revenue in this fund is not specifically earmarked by law for other purposes.
General Fund restricted accounts	Accounts within the General Fund designated for specific expenditures.
Internal Service Fund (ISF)	An accounting entity used to track the financing of goods and services provided by one agency for other agencies on a cost-reimbursement basis. ISFs do not generate a profit and are subject to the same administrative statutes as state government agencies.
Lapse	Automatic return of unexpended money to the fund from which it was originally appropriated.

Lapsing balances	Amount of unused funds that revert (lapse) back to the state fund from which they originally came.
Leeway, board or voted	A property tax levy approved by a local school board (board leeway) or by the local electorate (voted leeway). Board leeway is limited to a tax rate of .0004 and voted leeway is limited to a tax rate of .0020, including any authorized board leeway.
Legislative intent	Specific requirements by the legislature included in the appropriations act.
Line item	Any numbered item in an appropriations act for which an appropriation is made, e.g. department, division, program, etc.
Medicare	A federal health insurance program designed primarily for individuals entitled to Social Security who are age 65 or older.
Medicaid	A joint state/federal program of government-financed medical care for specified groups of low-income residents.
Merit increases	Salary increases in accordance with the state pay plan, given to employees whose performance merits an increase.
Mineral Lease Account	Funding received by the state from federal mineral lease revenue. The funding is used to alleviate the social, economic, and public impact of mineral development.
Minimum School Program	State-supported program for kindergarten, elementary, and secondary schools. The <i>Minimum School Program Act</i> specifies that all children of the state are entitled to reasonably equal educational opportunities regardless of their place of residence and the economic situation of their respective school districts.
Nonlapsing funds	Unexpended funds at the end of a state fiscal year that remain with a specific program or agency for use in the subsequent year.
One-time appropriations	Funds authorized for expenditure on a non-recurring basis. The amount is not added to the base budget.
Ongoing funding	Funding authorized for expenditure on a recurring basis.
Operating expenses	Costs necessary to manage an agency.

Pass-through funds	Funds, usually federal funds, that are passed on to local agencies for local programs.
Payment in lieu of taxes	Funding received from the federal government in place of state taxes on federally-owned land within the state.
Personal services	A general category that includes salaries, wages, employee pensions and insurance.
Position	Authorized employee, counted regardless of hours worked per day.
Program	A group of closely related services or activities that contribute to a common objective.
Rainy Day Fund	A fund designated in Utah law to receive a percentage of state revenue surpluses. This fund is formally known as the Budget Reserve Account.
Restricted funds	Funds that are maintained in a separate account for a specific purpose. Restricted funds must be appropriated by the legislature.
Revenue	Funding earned from various sources and used to finance expenditures.
Supplemental appropriation	Adjustment of funds, in the current fiscal year, either over or under the original appropriation.
Transfer	Movement of money from one governmental unit to another governmental unit.
Transportation Fund (TF)	A fund designated by the Utah Constitution exclusively for highway purposes and funded primarily by a tax on motor fuel.
Trust fund	A fund designated by law for specific purposes.
Uniform School Fund (USF)	A permanent state school fund financed primarily from state income tax collections. The USF is maintained for the support of the state's public elementary and secondary schools and institutions of higher education.
Weighted Pupil Unit (WPU)	Unit of measure used to uniformly determine the cost of the state Minimum School Program. The WPU generally represents one pupil in average daily membership, but additional WPUs are allocated for specific programs.

Acronyms:

AAA	Triple A bond rating—highest bond rating given by Moody’s Investors Service, Standard and Poors, and Fitch
ADA	Americans with Disabilities Act
AFDC	Aid to Families with Dependent Children
AG	Attorney General
ATC	Applied technology centers
ATE	Applied technology education
ATSR	Applied technology service region
CADD	Computer aided design and drafting
CAFR	Comprehensive annual financial report
COLA	Cost-of-living adjustment
CSG	Council of State Governments
CUP	Central Utah Project
DCED	Department of Community and Economic Development
DFCM	Division of Facilities Construction and Management
DP	Data processing
DUI	Driving under the influence
DWS	Department of Workforce Services
EPA	Environmental Protection Agency
ETI	Education technology initiative
FACT	Families, Agencies, and Communities Together
FCC	Federal Communications Commission
FLSA	Fair Labor Standards Act
FTE	Full-time equivalent
FY	Fiscal year
GF	General Fund
GOPB	Governor’s Office of Planning and Budget
HB	House bill
HIP	Health Insurance Pool
HR	Human resources
ISF/EF	Internal service funds/enterprise funds

IT	Information technology
ITS	Information Technology Services Division
LAN	Local area network
LFA	Legislative fiscal analyst
MESA	Math, engineering, and science achievement
MSP	Minimum school program
NCSL	National Conference of State Legislatures
O/M	Operation and maintenance costs
OME	Office of the Medical Examiner
ORSIS	Office of Recovery Services Information System
PC	Personal computer
PIP	Parent-infant program (Schools for the Deaf and Blind)
POST	Peace Officer Standards and Training
SB	Senate bill
SBDC	Small business development centers
SBIC	Small Business Investment Corporation
TANF	Temporary Assistance for Needy Families
TF	Transportation Fund
TIF	Transportation Investment Fund
UCA	Utah Code Annotated
UMAP	Utah Medical Assistance Program
USDB	Utah Schools for the Deaf and Blind
USATE	Utah system of applied technology education
USF	Uniform School Fund
USHE	Utah System of Higher Education
USOE	Utah State Office of Education
UTA	Utah Transit Authority
UTAX	Tax Commission modernization
WAN	Wide Area Network
WPU	Weighted pupil unit

