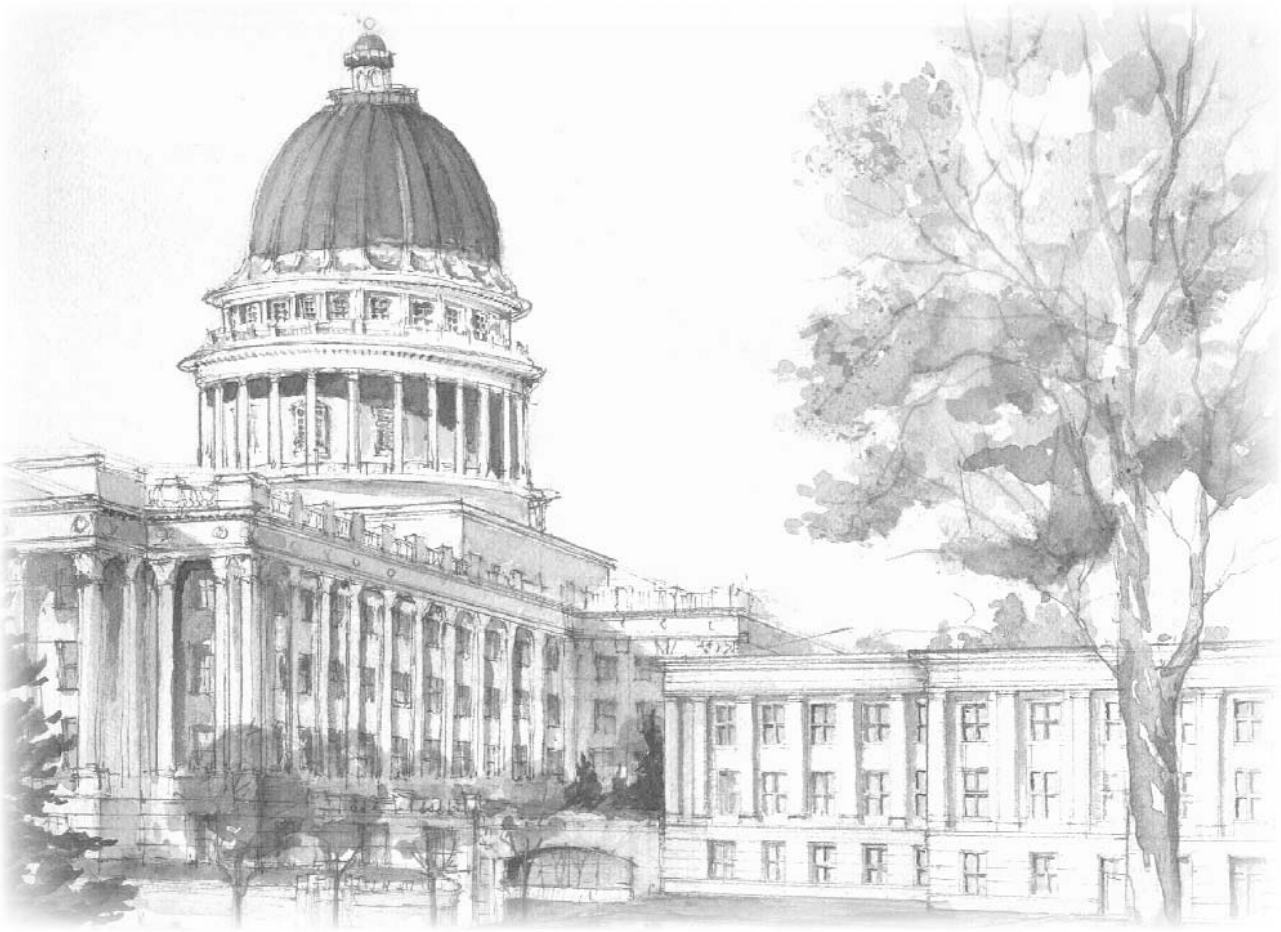
State of Utah
Budget Recommendations

Fiscal Year 2005
Fiscal Year 2004 Supplementals

Governor Olene S. Walker



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http://www.governor.state.ut.us/budget/FY2005

December 2003

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STATE OF UTAH

OLENE S. WALKER
GOVERNOR

OFFICE OF THE GOVERNOR
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GAYLE F. MCKEACHNIE
LIEUTENANT GOVERNOR

December 15, 2003

My Fellow Utahns:

In my short time as governor, I have had to deal with a difficult budgetary environment. As Utah looks hopefully toward a rebounding economy, state revenues projections for FY 2005 are only slightly higher than for FY 2001. At the same time, we face increasing budgetary strains in health care, human services, and public safety – all this while preparing for a long-anticipated increase in our school age population of 145,000 additional students over a ten year period.

In the past two budget years, we have acted prudently to soften the effects of recession by using reserves to balance the budget. The silver lining from the recession is that Utah state government, which was already perhaps the most efficient and leanest in the nation, is even leaner and more efficient, but not without significant sacrifices. With the obvious cuts already made, and the most likely sources of reserve funding already nearly depleted, I have had to make difficult decisions on how to best use our limited resources in the best interest of the citizens of Utah.

The budget I am recommending does not increase taxes nor does it call for any spending cuts. However, it does require that we restore the integrity of the General Fund, which supports the basic programs of the state. We can no longer afford to build roads at the expense of education. We cannot continue to subsidize water development at the expense of children, the elderly and others in need of food and health care. We can no longer provide certain subsidies to local government at the expense of the state's core mission.

We can only accomplish these things by working together. I will need the help of the Legislature to make it happen. Together we must set the priorities and make the decisions that show fiscal prudence. We must maintain our Triple A bond rating. Utah is the best managed state in the nation, and the recommendations I am making will keep us in that enviable position.

Now is the time for leadership. Now is the time to do the right thing.

Sincerely,

Olene S. Walker
Governor

AGENCY GUIDE

Agency	See Department Section
Administrative Services	Administrative Services
Agriculture and Food	Natural Resources
Alcoholic Beverage Control	Commerce and Revenue
Attorney General	Elected Officials
Auditor	Elected Officials
Board of Pardons	Corrections (Adult and Juvenile)
Capitol Preservation Board	Administrative Services
Career Service Review Board	Economic Development and Human Resources
Commerce	Commerce and Revenue
Community and Economic Development	Economic Development and Human Resources
Corrections - Adult	Corrections (Adult and Juvenile)
Courts	Courts
Environmental Quality	Environmental Quality
Financial Institutions	Commerce and Revenue
Governor/Lt. Governor	Elected Officials
Health	Health
Higher Education	Higher Education
Human Resource Management	Economic Development and Human Resources
Human Services	Human Services
Insurance	Commerce and Revenue
Juvenile Justice Services (Youth Corrections)	Corrections (Adult and Juvenile)
Labor Commission	Commerce and Revenue
Legislature	Legislature
Medical Education Council	Higher Education
National Guard	National Guard
Natural Resources	Natural Resources
Public Education	Public Education
Public Safety	Public Safety
Public Service Commission	Commerce and Revenue
Retirement	Economic Development and Human Resources
Tax Commission	Commerce and Revenue
Transportation	Transportation
Treasurer	Elected Officials
Trust Lands Administration	Natural Resources
Utah College of Applied Technology	Higher Education
Utah Education Network	Higher Education
Utah State Fair Corporation	Natural Resources
Workforce Services	Commerce and Revenue

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State of Utah

Budget Summary

- Governor's budget overview
- Utah revenue forecasts
- Utah economic forecasts
- FY 2004 and FY 2005 challenges
- Statewide summary tables

Governor’s Budget Overview

Budget Summary

The state's total budget is approaching $8.0 billion including federal funds, fees, licenses, and other earmarked types of revenues. These recommendations deal with the total state budget, but the primary focus is on the state funds budget, as these are discretionary dollars. State funds include the General Fund and school funds and total roughly $3.8 billion.

The General Fund is the primary funding source for most state government operations and includes all revenue not accounted for in other funds. Its major revenue sources are sales taxes; insurance premium taxes; and beer, cigarette, liquor, and severance taxes.

School funds, which include the Uniform School Fund, are restricted to the support of education. The major revenue sources are individual income and corporate franchise taxes.

Most states do not have a separate dedicated fund for major expenditures such as education. To compare to other states and show how the majority of Utah taxpayer money is spent, the General Fund and school funds are frequently combined in this document and are referred to as state funds.

Governor's Budget Overview

Utah's economy, similar to most other states' economies, has struggled the past three years. However, economic activity is stabilizing and the long-term economic outlook is favorable for a variety of reasons, including the state's diversified economy, continued population growth, and other demographic characteristics.

USA Today named Utah the best-managed state in the nation for its management of the economic downturn of the last two years. Utah was the only state to receive the newspaper's 4-star rating in each of the categories analyzed: spending restraint, bond rating, and tax system. Utah not only ranked highest, but no other western state was in the top seven and no other intermountain state was in the top 14.

Governor Walker takes her financial stewardship seriously. She has involved herself throughout the budget process. The recommendations contained in this budget represent her commitment to controlling state spending while providing for the basic education, health, and public safety needs of the state’s citizens. The budget recommendations for FY 2005 focus on her budget priorities in the Walker Work Plan:

- Maintain quality education
- Restore the integrity of the General Fund

- Protect the basic services of state government
- Exercise conservative fiscal management

Governor Walker has balanced the FY 2005 budget without proposing any new taxes or cuts to existing programs. Much of the increase in the budget reflects her support of education and commitment to maintaining vital human and public safety services.

Revenue Forecast

The Governor's Office of Planning and Budget (GOPB), the Tax Commission, and the Office of the Legislative Fiscal Analyst reached consensus on the revised revenue estimates used for FY 2004. The FY 2005 estimates reflect the consensus of the GOPB and the Tax Commission.

Utah's revenue forecast for the General Fund and Uniform School Fund for FY 2005 is only $24 million more than actual revenue collections for FY 2001. State revenues have lagged behind the general recovery of the economy, which is typical. The consensus estimate for FY 2004 revenues is only $39 million more than actual FY 2000 revenue collections.

The FY 2005 budget revenue estimate is $104 million more than the FY 2004 authorized amount. Figure 1 shows the recent history of state revenues.

Public Education

Utah continues to rank 50th out of the 50 states in spending per pupil. Despite the lack of funding, Utah educators do a remarkable job as demonstrated by above average scores by Utah students on standardized tests.

Maintaining the quality of education in Utah will be a challenge in the coming years. Changing demographics, most notably an influx of new stu-

Figure 1
General Fund and School Funds
Revenue, FY 2000 - 2005
(In billions)

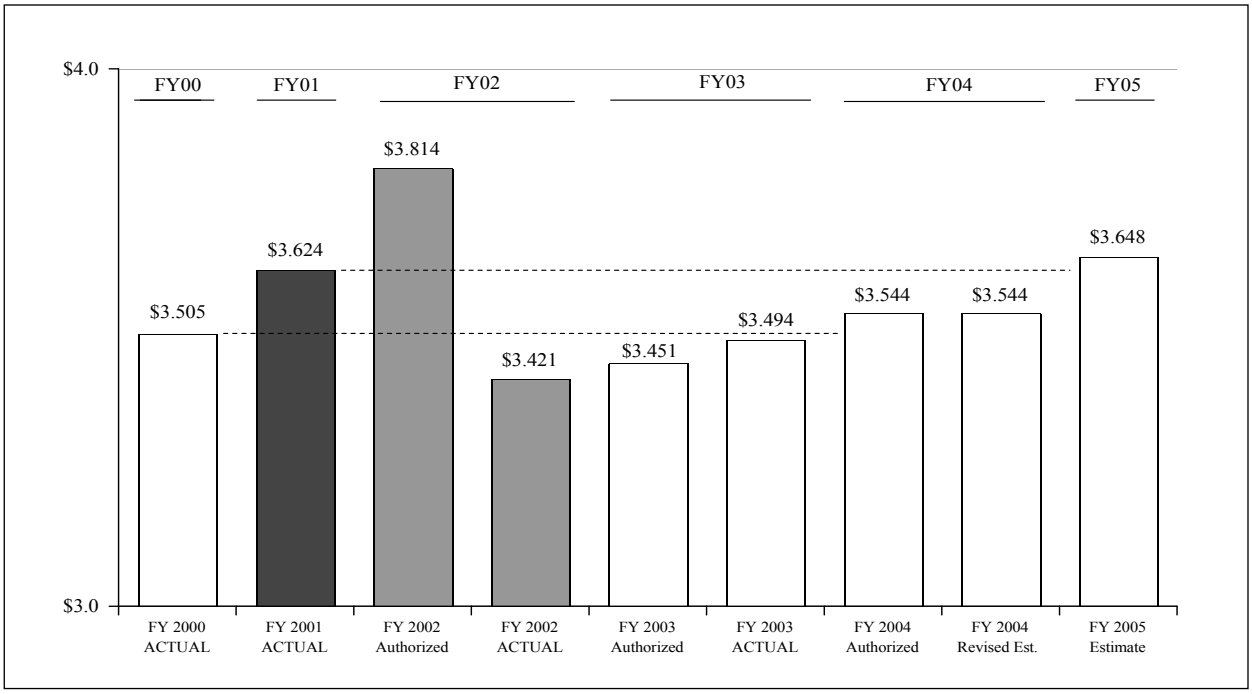
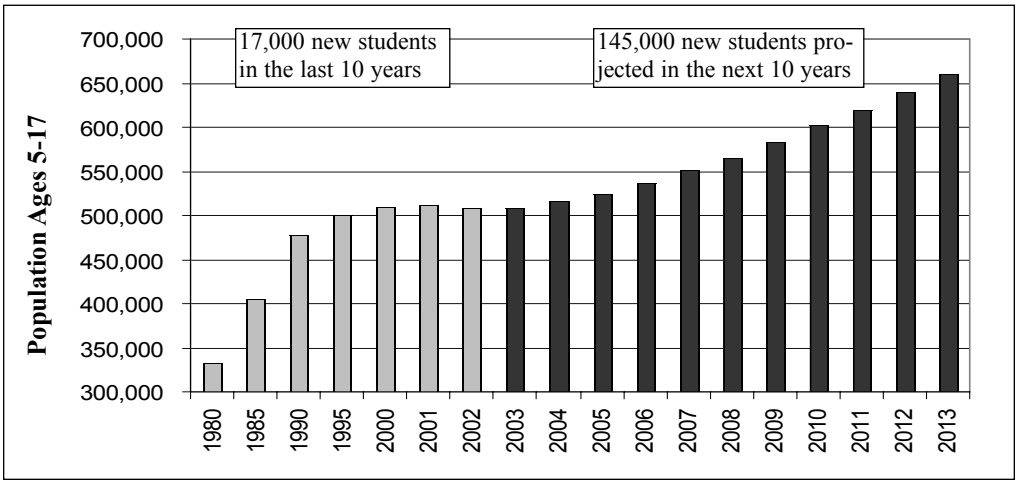


Figure 2
UTAH'S SCHOOL AGE POPULATION
Years 1980-2013



dents, will increase the school age population in Utah nearly 30 percent in the next ten years, as indicated in Figure 2. This will bring greater ethnic diversity, with more students speaking English as a second language than ever before. Helping all these new and existing students perform at grade level will require a commitment of new resources.

Utah's school age population will increase by 30 percent in the next decade.

See Figure 2

Governor Walker has recommended a first step in funding Performance Plus. She recommends a reading program for first through third graders with the goal of having all students reading at grade level by the time they leave the third grade. Her recommendations include:

- A $25 million ongoing appropriation for a statewide reading program in grades 1-3.
- A $5 million one-time supplemental in FY 2004 to acquire testing equipment, computers, and other startup costs necessary for the program.

In addition, Governor Walker has recommended a 2.54 percent increase in the Weighted Pupil Unit (WPU) for salary and benefit increases for teachers and staff.

Higher Education

Governor Walker proposes that remedial education at the state's colleges and universities be a self-supporting program. Students taking remedial classes must pay the full cost of those classes. She is proposing intent language requiring the Board of Regents to develop a remedial education program. Savings from the implementation of the program will be available to the Board of Regents to distribute to the institutions as an incentive.

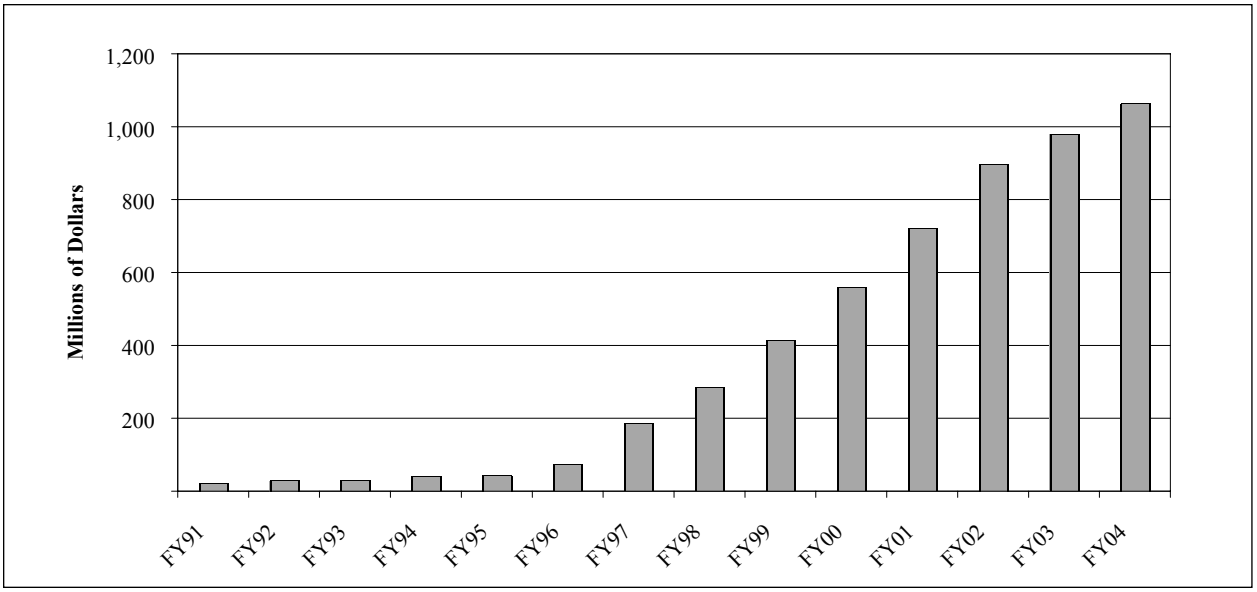
General Fund

Governor Walker has proposed a balanced budget without tax increases. She recognizes the need to restore the integrity of the General Fund and recommends redirecting tax revenues back to the General Fund. In times of plenty, tax revenues were earmarked and diverted away from the General Fund. Additionally, taxes were cut and certain exemptions from taxes were established. Structural imbalance and mounting pressure for basic state services and programs has increased the need for restoring General Fund revenues. The following are some of her recommendations for restoring the integrity of the General Fund.

Roads

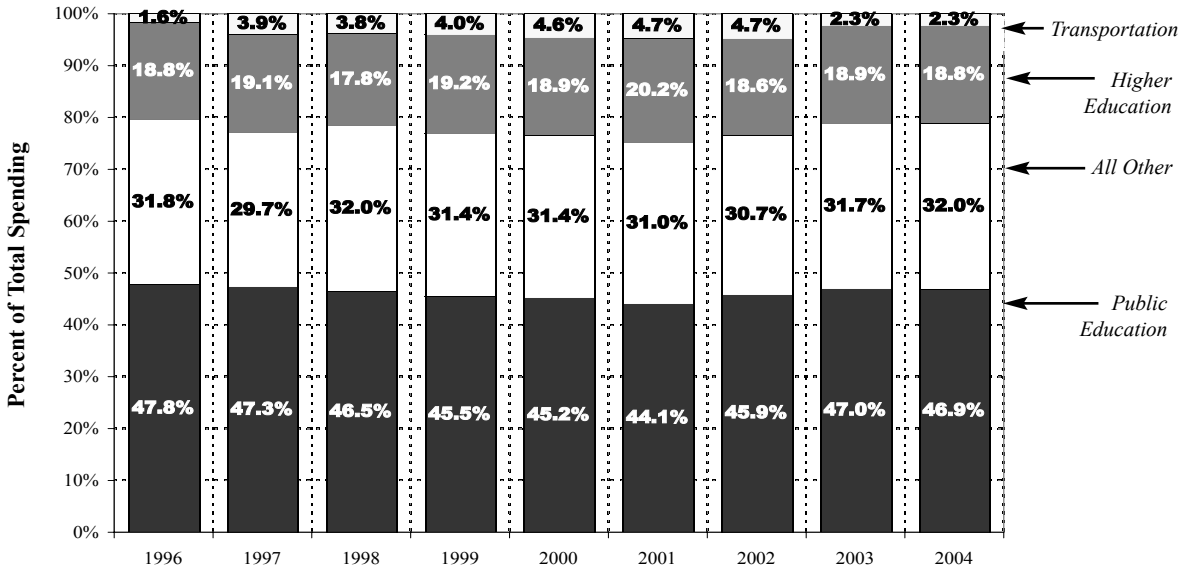
Each of us pays for constructing and maintaining roads through gas taxes and motor vehicle registration fees. During the economic expansion of the 1990s, we began using General Fund money for highways. Since 1991, $1.044 billion of General Fund (largely sales tax) monies were appropriated for state and local roads. Figure 3 shows the accumulation of General Fund monies used for roads. Governor Walker is recommending that $59.6 million of General Fund and $5.1 million of 1/64 cent sales tax used in the Centennial Highway Fund, as well as the $18.743 million of 1/16 cent earmarked

Figure 3
Cumulative Total of Sales Tax Used for Transportation Since FY 1991



Includes General Fund appropriations, 1/64th cent Olympic sales tax, and 1/16th cent sales tax for class B and class C roads.

Figure 4
WHERE STATE FUNDS ARE SPENT BY CATEGORY
General Fund and School Funds, FY 1996 - 2004



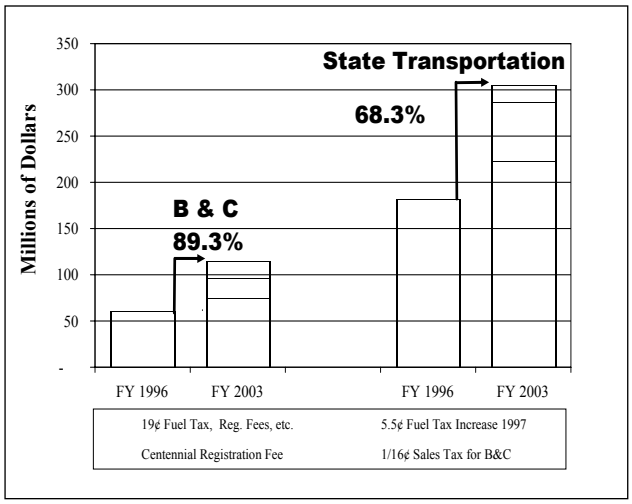
sales tax for local class B and class C (B&C) county and city roads, be returned to the General Fund. However, the governor recommends the appropriation of $15 million of one-time money to the Centennial Highway Fund for FY 2005.

Governor Walker recognizes that this proposal will require the deferral or elimination of certain Centennial Highway Projects. However, the appropriation of General Fund to the Centennial Highway Fund has reduced the funding available for public education, higher education, and other areas.

The appropriation of General Fund for B&C local roads has also reduced revenues needed for state purposes. For example, state employees' salaries have increased only 22.4 percent in the last eight years, while salaries for employees of Salt Lake, Davis, Washington, Weber, and Utah counties have increased between 34 and 48.6 percent.

Figure 4 shows the state budget from FY 1996 to the appropriations for FY 2004. The top section of each bar represents the amount of General Fund money used for transportation.

Figure 5
INCREASE IN ROAD FUNDS
Local vs. State



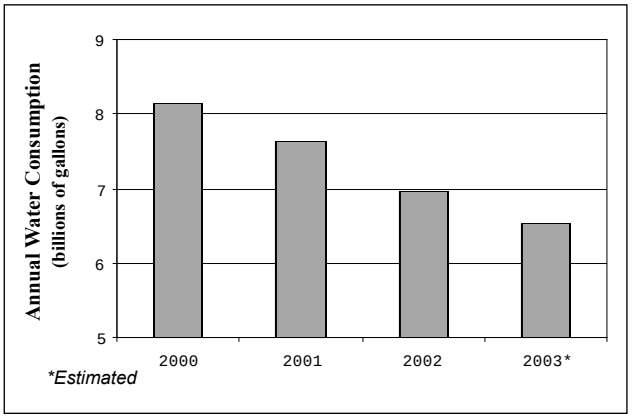
City and county roads have been built and maintained in part with General Fund dollars (largely sales tax). Figure 5 shows the increase in state authorizations and subsidies to B&C roads versus the increase in transportation funds for state roads.

The rate of increase in the state support for city and county roads is higher than the rate of increase the state has received for its own roads.

Water

Water is necessary for the state's future economic growth. It is a scarce resource that must be used wisely. The state's goal is to reduce per capita water demand from public community systems 25 percent before the year 2050. In the past few years we have made substantial progress toward our goal. Since 2000 Utahns have reduced water consumption by 14 percent through conservation measures. Figure 6 shows the reduced water consumption. Water conservation buys us time, but does not eliminate the need for new development projects in the future.

Figure 6
STATE WATER USE CONTINUES TO DECLINE



Water use has decreased 14% from 2000 to 2003.

Figure 7

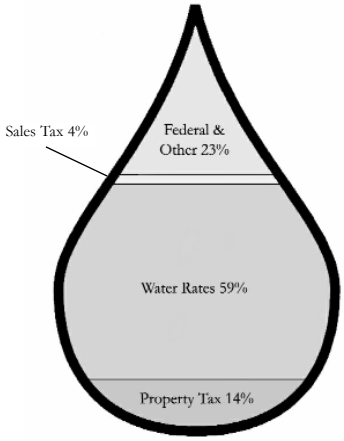
Money Measures

Public Education	Water	Roads
Lowest per pupil spending in the country	Water loan funds contain $250 million from the General Fund and also receive $14.35 million a year from the General Fund	$1.044 billion spent on roads from the General Fund since 1991

Figure 8

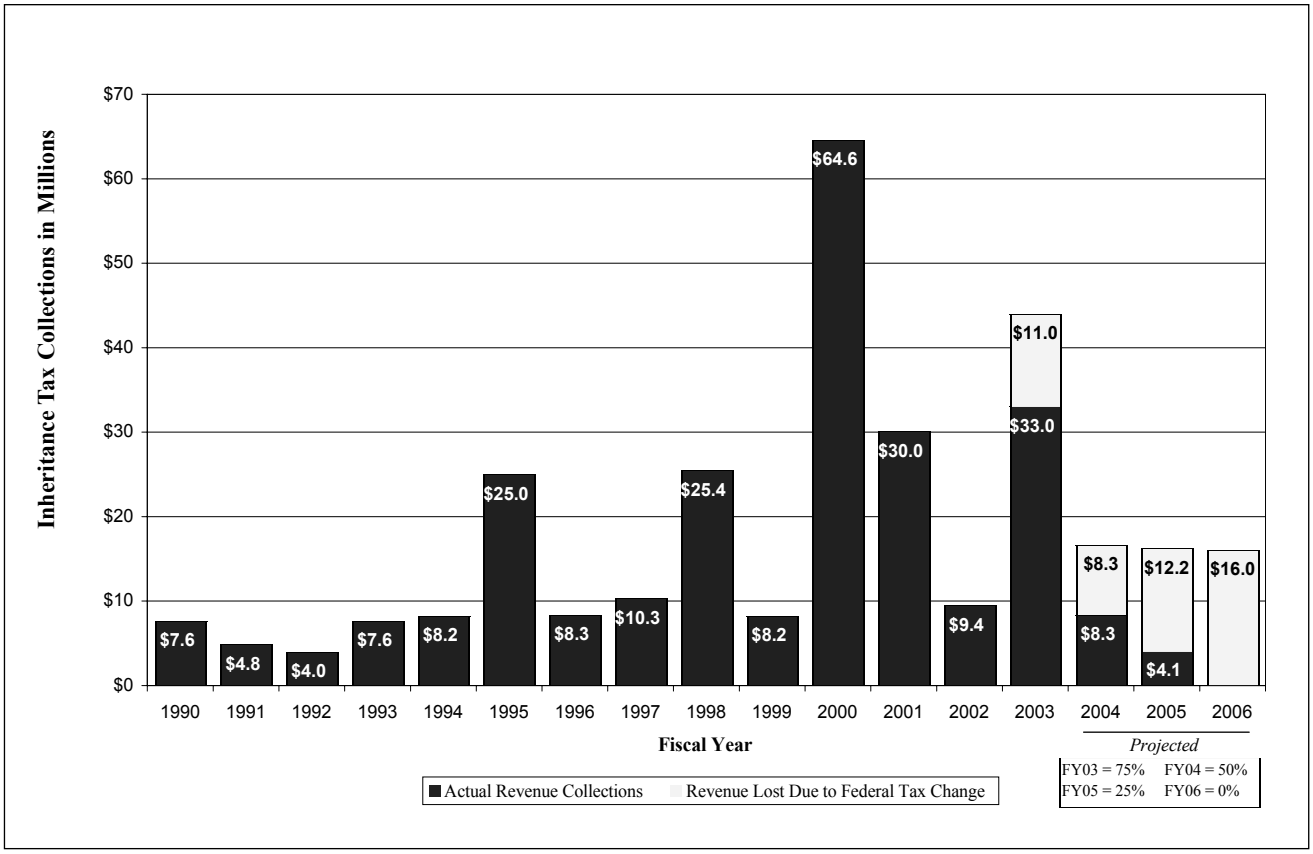
HOW WE CURRENTLY PAY FOR WATER DEVELOPMENT PROJECTS

Sources of revenue in the Utah water system



As shown in Figure 8, the rate we pay for the water we use is only 59 percent of the total cost of developing and transporting the water to our homes. The other 41 percent comes primarily from the taxes we pay at the federal (23 percent), state (4.0 percent), and local (14 percent) levels. From a 1/16 cent portion of the sales tax, $14.35 million is earmarked for water loan funds. Governor Walker acknowledges the need to continue developing new sources of water to support economic activity in the state. She also believes, however, that users of water should pay the costs of development. The governor recommends the water loan funds be supported by a user charge included in the basic water rate. This will allow the majority of the 1/16 cent sales tax to be returned to the General Fund to support public education, higher education, and other areas.

Figure 9
HISTORIC UTAH INHERITANCE TAX COLLECTIONS



Other Issues

Tax Changes — Governor Walker supports changing other taxes that are reduced because of federal legislation or used to subsidize local government, thus taking away from state purposes. These taxes include the estate tax, which should be decoupled from the federal tax code. Figure 9 shows the projected revenue loss to the state if the inheritance tax remains tied to the federal tax code. Without these changes the state will lose $12 million of estimated revenue in FY 2005.

In addition, the portions of insurance premium taxes that subsidize local government should be redirected back into the General Fund. The insurance premium tax has grown from $3.5 million in 1994 to $9.5 million in 2002. Almost all of this tax benefits local governments, not state programs.

Quarterly Filing — The majority of taxes paid to the state and federal government are remitted on a monthly and quarterly basis. Sales taxes are paid monthly by large retailers and quarterly by smaller entities. Corporate franchise tax is remitted to the state and federal governments on a quarterly basis. Personal income taxes withheld from an employee's pay are sent monthly. Excepted from this standard are individuals who are self-employed. These individuals must pay the federal government quarterly but the state annually. Governor Walker proposes that individuals filing estimated income tax returns begin making quarterly payments to the state. This change will generate $30 million of one-time money and also assist in making more accurate revenue estimates.

Tax Account Receivables — A recent legislative audit of the Tax Commission showed $135 million of delinquent accounts receivable. The governor recommends hiring 11 new FTEs, including auditors and collectors, at a cost of $600,000 to assist in the collection of these delinquent receivables. Each collector on average returns $1.1 million yearly. The governor includes $10 million for newly collected receivables in her State Fiscal Plan.

Tax Reform — The governor has announced that an action plan for tax reform will be developed by August 2004. To that end, she has announced a comprehensive tax reform effort involving eight tax policy advisors. The state cannot maintain structural balance and support the projected growth in Utah's school age population without tax reform. Her plan includes the following principles:

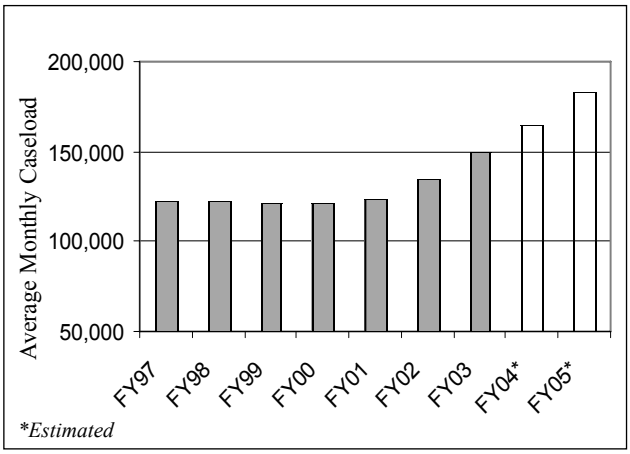
- Be fair, just, and balanced
- Support a business-friendly environment
- Focus on funding critical needs — primarily education
- Have structural balance — the state must maintain its bond rating
- Be a tax system for the 21st Century
- Balance state and local obligations and revenue sources

Human and Public Safety Services

Governor Walker is committed to maintaining state services that are basic to the health and safety of our citizens. The economic slowdown has put additional pressure on government services requiring additional state funds. The state faces increasing costs in Medicaid (the health care program for low income individuals), food stamps, foster care, and other federal mandates. Figure 10 shows the increase in caseload for Medicaid services.

The governor has also recommended the purchase of the Oxbow Jail from Salt Lake County to be used as a women's correction facility. Figure 11 shows the projected need for additional beds in the female corrections system.

Figure 10
Slow Economy, Rising Medicaid Caseload



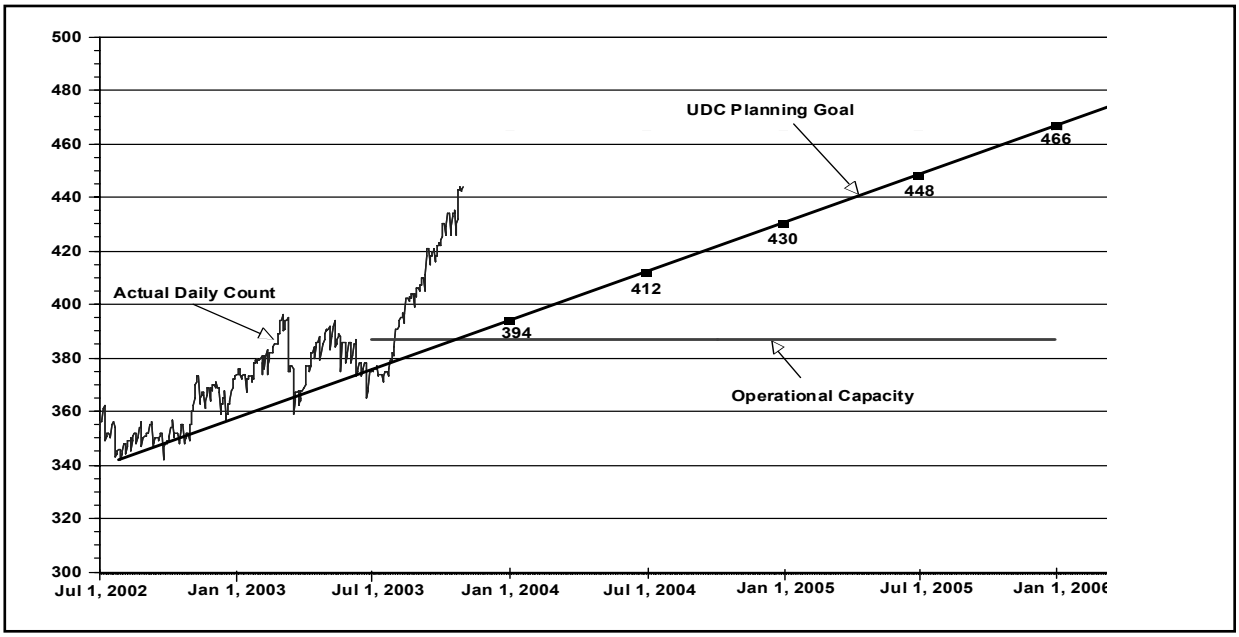
Caseload growth is projected to average 10 percent a year from FY 2001 to FY 2005.

Compensation

The state has not funded pay increases for state employees for two years. A recent survey by the Department of Human Resource Management showed that employees' salaries average 18.1 percent below the local and western states markets. Of 106 benchmark positions, only 24 did not require an adjustment of the salary range midpoint. Additionally, higher premium and copayments for health and dental insurance have reduced employees' take home pay. As a result of low salaries, the state is experiencing increased employee turnover. Low salaries make it difficult to fill positions with qualified individuals.

Governor Walker recommends a 2.0 percent cost-of-living adjustment (COLA) for public education, state, and higher education employees. She also recommends the state cover the large increases in the retirement rate of 13.82 percent weighted average, the health insurance rate of 5.02 percent, and the dental insurance rates of 4.26 percent. The increases equate to $60.6 million for public education teachers and staff in the form of a 2.54 percent

Figure 11
GROWTH IN FEMALE INCARCERATED POPULATION



increase in the WPU ($36 million for health, dental, and COLA) and $24.6 million for retirement; $19.9 million for state employees; and $26 million for higher education faculty and staff.

FISCAL MANAGEMENT

Bond Rating — Utah's AAA bond rating is a consideration in all financial decisions. Governor Walker realizes that the state has issued large amounts of debt in the past seven years to build highways and buildings. She has focused on maintaining structural balance and minimizing debt issuance in her proposed budget.

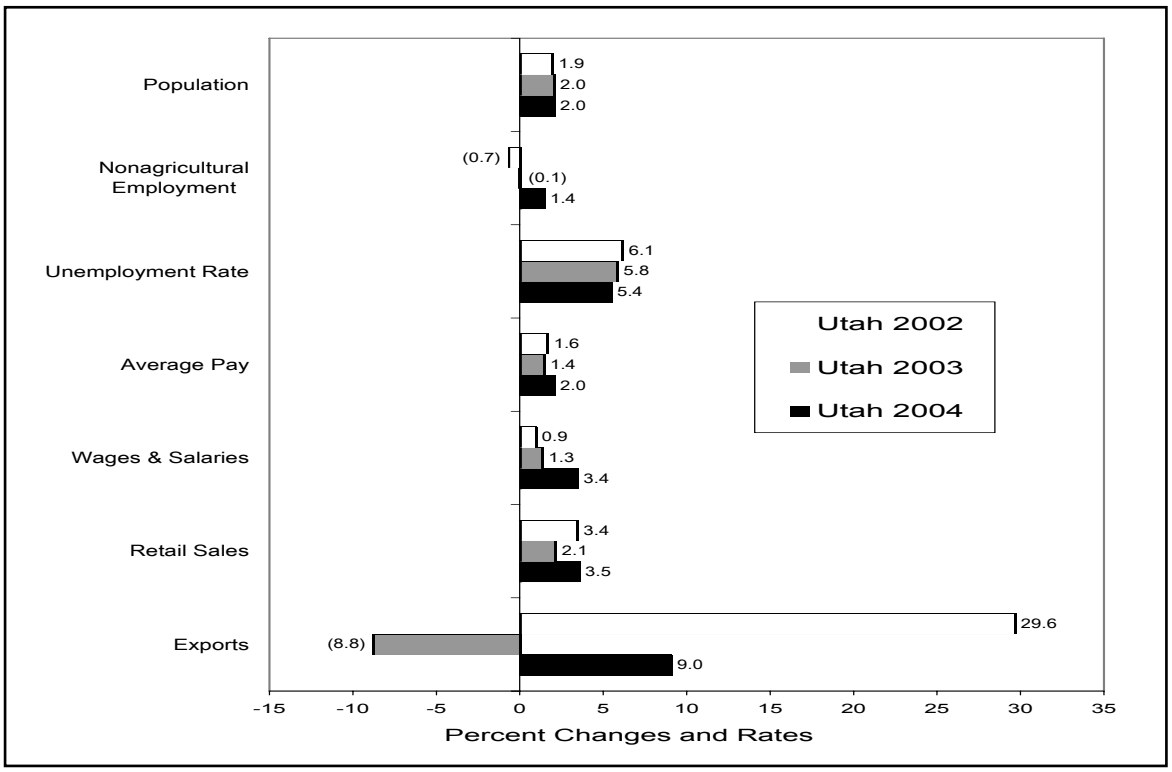
Governor Walker recommends that $25 million of one-time FY 2004 money be transferred to the Budget Reserve Fund (Rainy Day Fund). This will help insure that the state retains a AAA bond rating.

Bonding — The state has issued an increased amount of debt the past two years replacing cash appropriations. Governor Walker is proposing $102 million of general obligation bonds for highways and $61.2 million of general obligation bonds for capital facilities in FY 2005. In FY 2005 the state will pay off $136.3 million of general obligation bonds. The governor also recommends that $16.8 million of lease revenue bonds be issued by the State Building Ownership Authority to construct new state facilities. See Figure 12 for a listing of

Figure 12
BOND CAPITAL FACILITIES PROJECT LIST

Capitol restoration	$50,000,000
Oxbow Jail	11,203,000
General Obligation Bonds	**$61,203,000**
Ogden regional center	$8,914,000
Liquor stores	
Replace, expand, and new	7,945,000
State Building Ownership Authority Revenue Bonds	**$16,859,000**
Total	**$78,062,000**

Figure 13
UTAH ECONOMIC INDICATORS
2002 - 2004



Source: Council of Economic Advisors' Revenue Assumptions Committee

projects for both general obligation and lease revenue bonds. Based on Governor Walker's recommendations for FY 2005 and the structure of the state's debt, debt service payments for capital facilities general obligation bonds will decrease $12.8 million in FY 2006.

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ECONOMIC FORECASTS

The Council of Economic Advisors provides input and reviews the basic assumptions that lead to the governor's revenue forecasts. Members of the council represent the GOPB, the Office of the Legislative Fiscal Analyst, Wells Fargo Bank, Federal Reserve Bank of San Francisco, Utah Foundation, University of Utah, Utah State University, Brigham Young University, and various state agencies. Detailed information concerning Utah's economy and its outlook may be found in the 2004 Economic Report to the Governor (available January 2004).

Utah's economy is currently struggling along with the national economy. Figure 13 shows projected growth in economic indicators for Utah. It also shows estimated unemployment rates. The following data are for the calendar years indicated:

Population — The current state population is estimated at 2.4 million and is forecasted to grow by 2.0 percent in 2004, while the U.S. population will grow at a rate of 0.9 percent. Utah experienced net in-migration of about 9,900 people in 2003 and expects net in-migration of about 10,600 people in 2004.

Figure 14
INCREASES AND DECREASES BY AREA
General Fund and School Funds, FY 2004

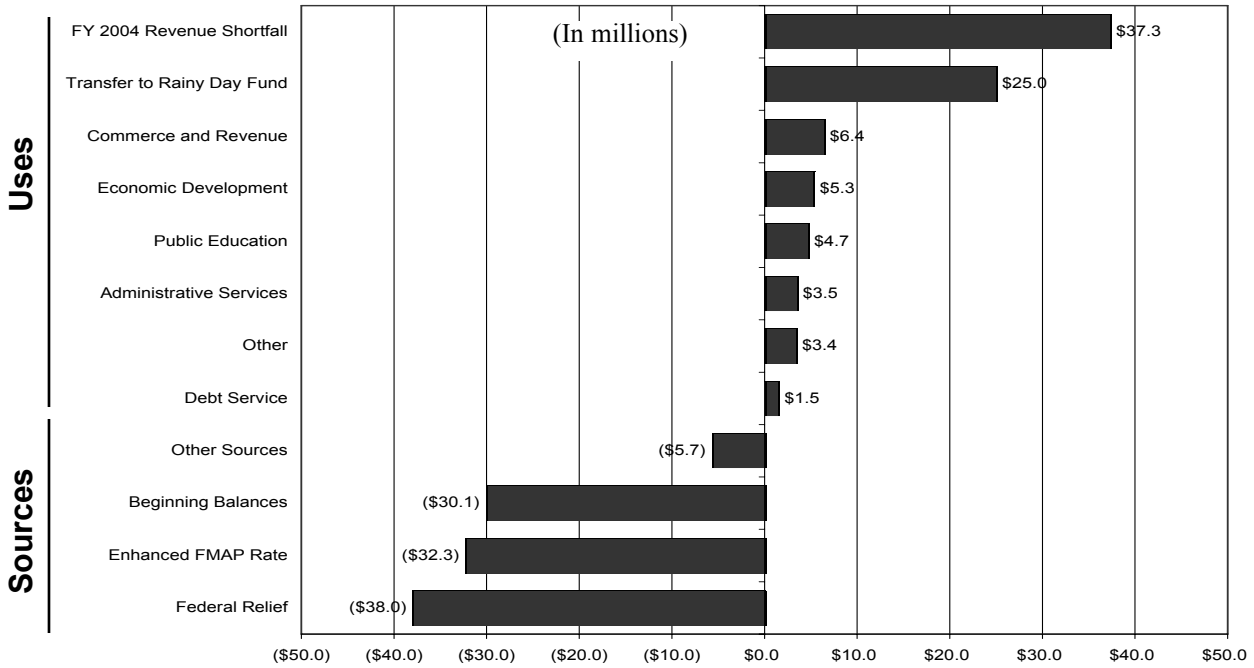
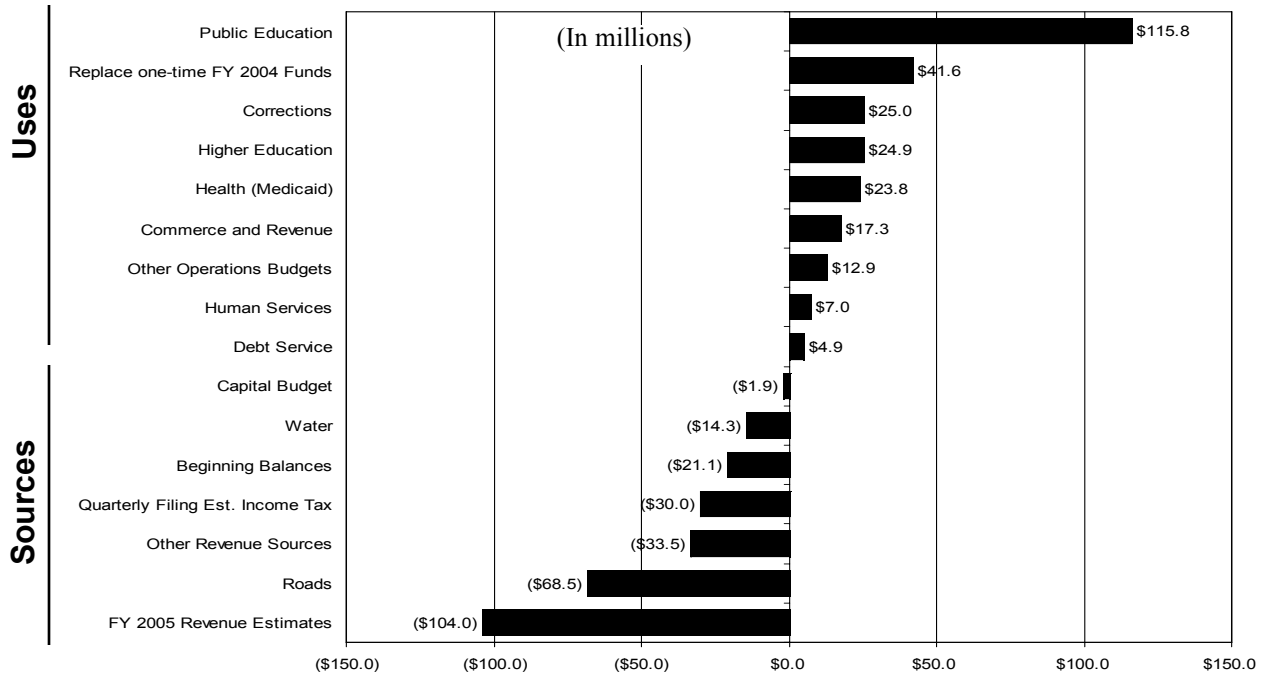


Figure 15
INCREASES AND DECREASES BY AREA
General Fund and School Funds, FY 2005



Employment — Utah employment is projected to decrease 0.1 percent in 2003 but increase 1.4 percent in 2004 and 2.3 percent in 2005. Meanwhile, the national employment growth rate should increase by 1.1 percent in 2004. The state's 2004 unemployment rate is projected at 5.4 percent, compared to 5.9 percent nationally.

Personal Income — Utahns' personal income growth will be slightly lower than the national average. State personal income grew 2.2 percent in 2002 and is projected to grow 2.0 percent in 2003 and 4.0 percent in 2004. Nationally, personal income will grow 2.2 percent in 2003 and 5.2 percent in 2004.

Retail Sales — The retail sales growth rate is expected to increase slightly from 2.1 percent in 2003 to 3.5 percent in 2004. Nationally, the growth rate will increase 5.6 percent in 2003 and by 4.4 percent in 2004.

Utah's economy slowed somewhat in 2002 and 2003. Utah's slowdown was a part of a national and global recession. Current expectations of the economic community are that growth will resume at a moderate rate during the first half of 2004. Service industries will remain the largest source of new jobs in the state.

FY 2004 and FY 2005 Challenges

A struggling economy, both locally and nationally, continues to make balancing the FY 2004 budget challenging. Revenue estimates for FY 2004 show a $37 million revenue shortfall. Fortunately, Utah received a one-time payment of $38 million in FY 2004 as part of the federal Jobs and Growth Tax Relief Reconciliation Act of 2003. Another portion of the act provides Utah with an additional $32 million in federal funds for FY 2004 that will be used for the Medicaid program. This additional funding will result in some General Fund remaining at the end of FY 2004, which will be carried forward to fund pressing needs, including $18 million in Medicaid caseload growth and inflation increases.

The modest increases recommended for the FY 2005 budget are shown in the following: (1) Figures 14 and 15, (2) Table 1 in Summary form, (3) tables 7 and 10 by department, and (4) the tables in the Recommendations by Department section in detail.

Appropriations Limit

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 2004 and FY 2005 are within the limit.

Budget Reserve Fund and Education Budget Reserve Fund

For additional budget stabilization, the state maintains the Budget Reserve Fund (Rainy Day Fund). The Rainy Day Fund was created within the General Fund by the 1986 legislature, pursuant to House Bill 13, *Surplus Revenue Trust Fund* (Walker, O.). These funds can only be used to cover operating deficits, retroactive tax refunds, and settlement agreements approved by the legislature. In addition to interest earnings, 25 percent of any General Fund surplus is transferred to the Rainy Day Fund. And until the fund has been replenished for FY 2002 reductions, an additional 25 percent of any General Fund surplus is transferred to the Rainy Day Fund.

The 2003 legislature, pursuant to House Bill 27, *Budget Reserve Account Amendments* (Buttars, Craig), created the Education Budget Reserve Fund

within the Uniform School Fund. The Education Budget Reserve Fund is a reserve to cover operating deficits in the public and higher education systems. The Education Reserve Fund is to receive 25 percent of any surplus in the Uniform School Fund at the end of each fiscal year. The total amount that may be held in the Rainy Day Fund and the Education Reserve Fund may not exceed 6.0 percent of the combined total of appropriations for all purposes from the General Fund and the Uniform School Fund.

The balance in the Rainy Day Fund at the end of FY 2003 was $26.6 million. Governor Walker recommends that a total of $25 million of FY 2004 revenue be deposited into the Rainy Day Fund to rebuild the fund's balance. The new Education Budget Reserve Fund had a balance of $601,000. The ceiling for the combined funds was $212.1 million at FY 2003 year end.

Figure 16

WHERE STATE DOLLARS COME FROM

General Fund and School Funds
FY 2005

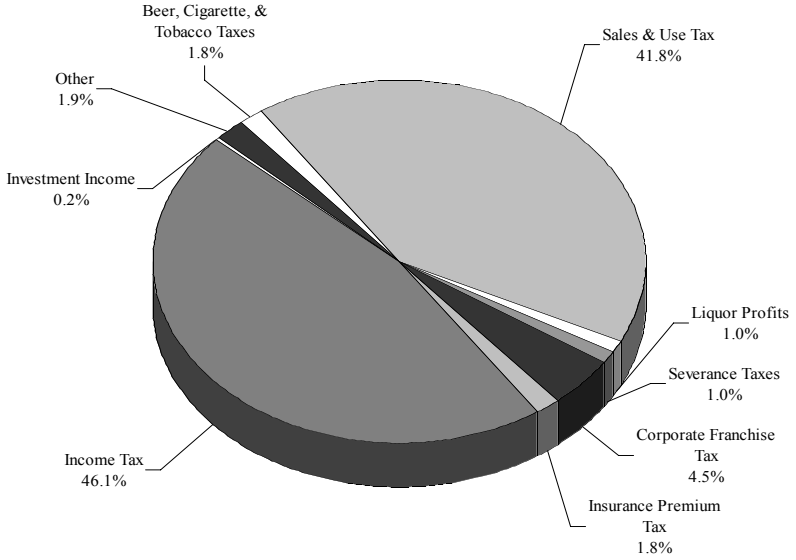
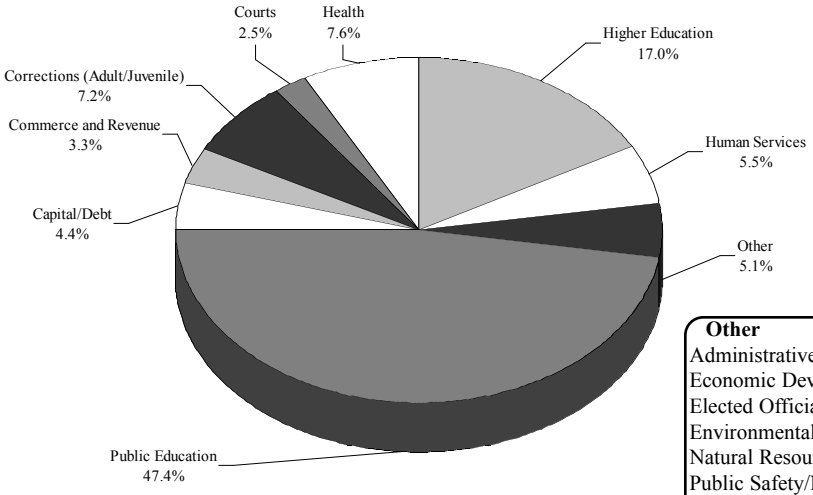


Figure 16 shows the estimated sources of state revenue (General Fund and school funds) for FY 2005.

Figure 17

WHERE STATE DOLLARS GO

General Fund and School Funds
FY 2005



Other	
Administrative Services	0.4%
Economic Dev./Human Resources	0.9%
Elected Officials/Legislature	1.1%
Environmental Quality/Transportation	0.3%
Natural Resources/Agriculture and Food	1.1%
Public Safety/National Guard	1.3%

Figure 17 shows how state funds (General Fund and school funds) will be expended in FY 2005. The largest portion, amounting to 64.4 percent, goes to Public and Higher Education.

Figure 18
WHERE ALL FUNDS COME FROM
All Sources of Funding
FY 2005

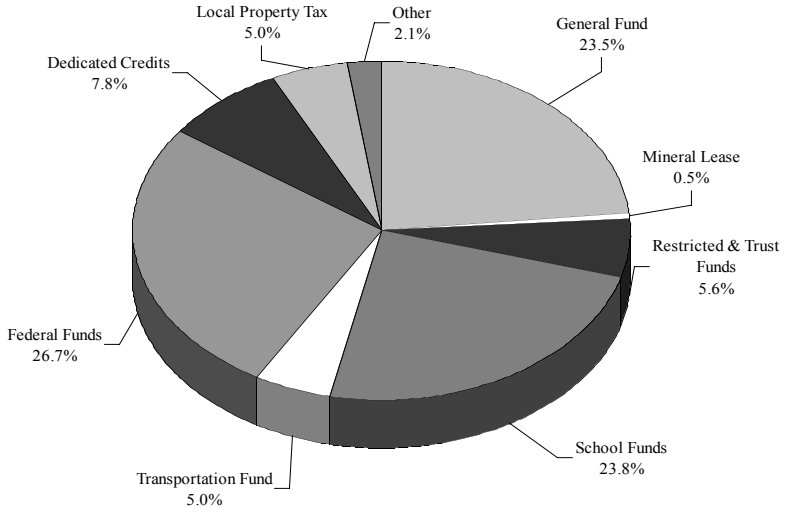
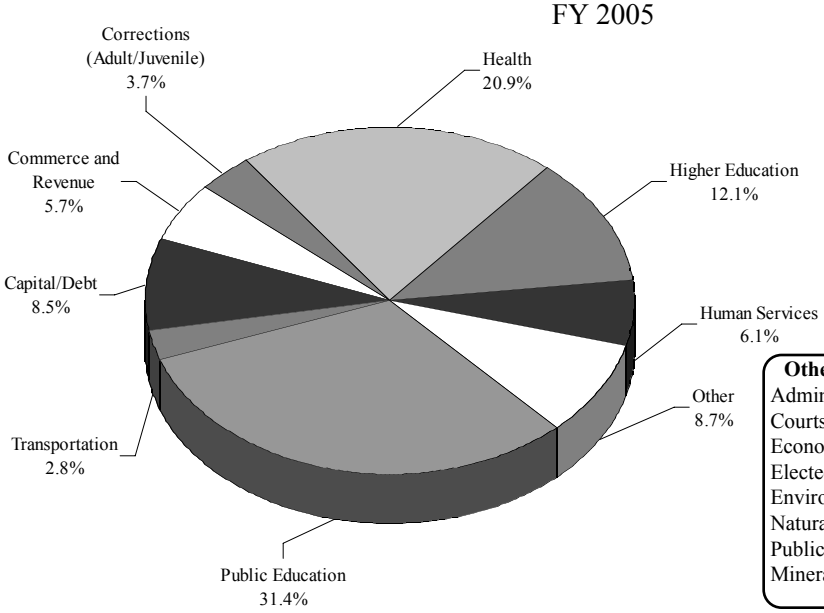


Figure 18 shows the total estimated sources of revenue for the FY 2005 budget. The General Fund and school funds, consisting primarily of sales and income taxes respectively, generate just under one-half (47.3 percent) of the total state budget.

Figure 19
WHERE ALL FUNDS GO
All Sources of Funding
FY 2005



Other	
Administrative Services	0.3%
Courts	1.3%
Economic Dev./Human Resources	1.9%
Elected Officials/Legislature	1.0%
Environmental Quality	0.5%
Natural Resources/Agriculture and Food	1.8%
Public Safety/National Guard	1.7%
Mineral Lease Transfers	0.2%

Figure 19 shows total state budget expenditures for FY 2005 from all sources of funding. Public and Higher Education receive nearly half of total state resources.

Table 1

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

			Governor Walker's Recommendations				
	Actual FY 2003	Authorized FY 2004	Supple-mentals (a)	Recom-mended FY 2004 (b)	Base FY 2005 (c)	Ongoing and One-time (d)	Recom-mended FY 2005 (e)
Sources of Funding							
Beginning Balance	$1,072	$0	$16,104	$16,104	$0	$21,117	$21,117
(f) General Fund Estimates	1,745,017	1,727,541	27,679	1,755,220	1,727,541	49,809	1,777,350
(f) School Funds Estimates	1,749,357	1,816,066	(26,966)	1,789,100	1,816,066	54,234	1,870,300
Subtotal GF/SF Estimates	*3,494,374*	*3,543,607*	*713*	*3,544,320*	*3,543,607*	*104,043*	*3,647,650*
Transfers	19,370	7,433	0	7,433	0	0	0
Mineral Lease	541	0	536	536	0	376	376
Perm. Trust Fund (Tobacco)	44,435	9,822	0	9,822	0	0	0
Ogden/Weber ACT Land Purchase Rescinded	500	0	0	0	0	0	0
Sale of Iron County Jail	0	1,550	0	1,550	0	0	0
Nursing Care Facilities Match	0	0	0	0	0	4,200	4,200
Insurance Premium Fund	0	0	0	0	0	9,000	9,000
Decouple Inheritance Tax	0	0	0	0	0	10,000	10,000
Tax Commission - Accounts Receivable	0	0	0	0	0	10,000	10,000
Quarterly Filing of Estimated Income Tax	0	0	0	0	0	30,000	30,000
Lapsing Balances	0	0	13,987	13,987	0	0	0
Bond for Prior Year Capital Authorization	35,000	0	0	0	0	0	0
Other	2,400	0	0	0	0	0	0
Transfer surplus (to) Rainy Day Fund	(7,314)	0	0	0	0	0	0
IAF Reserve from Prior Fiscal Year	0	0	5,183	5,183	0	0	0
IAF Reserve for Following Fiscal Year	(5,183)	0	0	0	0	0	0
Reserve from Prior Fiscal Year	2,000	35,648	0	35,648	0	0	0
Reserve for Following Fiscal Year	(35,648)	0	0	0	0	0	0
Water: Redirect 1/16 cent Sales Tax	0	0	0	0	0	14,350	14,350
CHF: Redirect 1/64 cent Sales Tax	0	0	0	0	0	5,120	5,120
Roads: Redirect 1/16 cent Sales Tax	0	0	0	0	0	18,743	18,743
Total Sources of Funding	**$3,551,547**	**$3,598,060**	**$36,523**	**$3,634,583**	**$3,543,607**	**$226,949**	**$3,770,556**
Appropriations							
Operations Budget	$3,338,336	$3,391,712	($9,021)	$3,382,691	$3,377,240	$226,658	$3,603,898
Capital Budget	130,806	130,245	0	130,245	133,945	(46,447)	87,498
Debt Service	66,301	73,998	1,532	75,530	73,998	4,888	78,886
Transfer to Rainy Day Fund	0	0	25,000	25,000	0	0	0
Total Appropriations	**$3,535,443**	**$3,595,955**	**$17,511**	**$3,613,466**	**$3,585,183**	**$185,099**	**$3,770,282**
Ending Balance	**$16,104**	**$2,105**	**$19,012**	**$21,117**	**($41,576)**	**$41,850**	**$274**
% Change from Authorized FY 2004				**0.5%**			**4.8%**

(a) The Supplementals column represents recommended changes to Authorized FY 2004.
(b) The Recommended FY 2004 column is based upon updated revenue projections and includes recommended supplemental appropriations.
(c) The Base FY 2005 column represents FY 2004 appropriations adjusted for one-time items and other base changes.
(d) The Ongoing and One-time column represents recommended changes to the FY 2005 base budget.
(e) The Recommended FY 2005 column is based upon updated revenue projections and includes recommended ongoing and one-time increases and adjustments.
(f) See Table 4, Revenue Collections and Estimates.

Table 2

STATE FISCAL PLAN
General Fund
(In Thousands of Dollars)

				Governor Walker's Recommendations			
	Actual FY 2003	Authorized FY 2004	Supple-mentals (a)	Recom-mended FY 2004 (b)	Base FY 2005 (c)	Ongoing and One-time (d)	Recom-mended FY 2005 (e)
Sources of Funding							
Beginning Balance	$1,072	$0	$14,302	$14,302	$0	$21,117	$21,117
(f) General Fund Estimates	1,745,017	1,727,541	27,679	1,755,220	1,727,541	49,809	1,777,350
Subtotal General Fund Estimates	*1,745,017*	*1,727,541*	*27,679*	*1,755,220*	*1,727,541*	*49,809*	*1,777,350*
Transfers	19,370	6,633	0	6,633	0	0	0
Mineral Lease	541	0	536	536	0	376	376
Permanent Trust Fund (Tobacco)	44,435	9,822	0	9,822	0	0	0
Ogden/Weber ACT Land Purchase Rescinded	500	0	0	0	0	0	0
Sale of Iron County Jail	0	1,550	0	1,550	0	0	0
Nursing Care Facilities Match	0	0	0	0	0	4,200	4,200
Insurance Premium Fund	0	0	0	0	0	9,000	9,000
Decouple Inheritance Tax	0	0	0	0	0	10,000	10,000
Tax Commission - Accounts Receivable	0	0	0	0	0	10,000	10,000
Bond for Prior Year Capital Authorization	35,000	0	0	0	0	0	0
Other	3,424	0	0	0	0	0	0
Transfer surplus (to) Rainy Day Fund	(6,713)	0	0	0	0	0	0
IAF Reserve from Prior Fiscal Year	0	0	5,183	5,183	0	0	0
IAF Reserve for Following Fiscal Year	(5,183)	0	0	0	0	0	0
Reserve from Prior Fiscal Year	2,000	74	0	74	0	0	0
Reserve for Following Fiscal Year	(74)	0	0	0	0	0	0
Water: Redirect 1/16 cent Sales Tax	0	0	0	0	0	14,350	14,350
CHF: Redirect 1/64 cent Sales Tax	0	0	0	0	0	5,120	5,120
Roads: Redirect 1/16 cent Sales Tax	0	0	0	0	0	18,743	18,743
Total Sources of Funding	**$1,839,389**	**$1,745,620**	**$47,700**	**$1,793,320**	**$1,727,541**	**$142,715**	**$1,870,256**
Appropriations							
Operations Budget	$1,672,705	$1,602,193	$2,720	$1,604,913	$1,594,699	$174,319	$1,769,018
Capital Budget	97,548	85,456	0	85,456	89,656	(46,447)	43,209
Debt Service	54,834	56,834	0	56,834	56,834	921	57,755
Transfer to Rainy Day Fund	0	0	25,000	25,000	0	0	0
Total Appropriations	**$1,825,087**	**$1,744,483**	**$27,720**	**$1,772,203**	**$1,741,189**	**$128,793**	**$1,869,982**
Ending Balance	**$14,302**	**$1,137**	**$19,980**	**$21,117**	**($13,648)**	**$13,922**	**$274**
% Change from Authorized FY 2004				**1.6%**			**7.2%**

(a) The Supplementals column represents recommended changes to Authorized FY 2004.
(b) The Recommended FY 2004 column is based upon updated revenue projections and includes recommended supplemental appropriations.
(c) The Base FY 2005 column represents FY 2004 appropriations adjusted for one-time items and other base changes.
(d) The Ongoing and One-time column represents recommended changes to the FY 2005 base budget.
(e) The Recommended FY 2005 column is based upon updated revenue projections and includes recommended ongoing and one-time increases and adjustments.
(f) See Table 4, Revenue Collections and Estimates.

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

Table 3

STATE FISCAL PLAN
School Funds*
(In Thousands of Dollars)

			Governor Walker's Recommendations				
	Actual FY 2003	Authorized FY 2004	Supple-mentals (a)	Recom-mended FY 2004 (b)	Base FY 2005 (c)	Ongoing and One-time (d)	Recom-mended FY 2005 (e)
Sources of Funding							
Beginning Balance	$0	$0	$1,802	$1,802	$0	$0	$0
(f) School Funds Estimates	1,749,357	1,816,066	(26,966)	1,789,100	1,816,066	54,234	1,870,300
Subtotal School Funds Estimates	*1,749,357*	*1,816,066*	*(26,966)*	*1,789,100*	*1,816,066*	*54,234*	*1,870,300*
Transfers	0	800	0	800	0	0	0
Quarterly Filing of Estimated Income Tax	0	0	0	0	0	30,000	30,000
Lapsing Balances	0	0	13,987	13,987	0	0	0
Other	(1,024)	0	0	0	0	0	0
Transfer surplus (to) Rainy Day Fund	(601)	0	0	0	0	0	0
Reserve from Prior Fiscal Year	0	35,574	0	35,574	0	0	0
Reserve for Following Fiscal Year	(35,574)	0	0	0	0	0	0
Total Sources of Funding	**$1,712,158**	**$1,852,440**	**($11,177)**	**$1,841,263**	**$1,816,066**	**$84,234**	**$1,900,300**
Appropriations							
Operations Budget	$1,665,631	$1,789,519	($11,740)	$1,777,779	$1,782,540	$52,340	$1,834,880
Capital Budget	33,258	44,789	0	44,789	44,289	0	44,289
Debt Service	11,467	17,164	1,531	18,695	17,164	3,967	21,131
Total Appropriations	**$1,710,356**	**$1,851,472**	**($10,209)**	**$1,841,263**	**$1,843,993**	**$56,307**	**$1,900,300**
Ending Balance	**$1,802**	**$968**	**($968)**	**$0**	**($27,927)**	**$27,927**	**$0**
% Change from Authorized FY 2004				**(0.6%)**			**2.6%**

* *Includes Uniform School Fund and income tax revenue for higher education.*

(a) The Supplementals column represents recommended changes to Authorized FY 2004.

(b) The Recommended FY 2004 column is based upon updated revenue projections and includes recommended supplemental appropriations.

(c) The Base FY 2005 column represents FY 2004 appropriations adjusted for one-time items and other base changes.

(d) The Ongoing and One-time column represents recommended changes to the FY 2005 base budget.

(e) The Recommended FY 2005 column is based upon updated revenue projections and includes recommended ongoing and one-time increases and adjustments.

(f) See Table 4, Revenue Collections and Estimates.

Table 3 shows all the sources of funding used to balance the school funds portion of the budget.

Table 4

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

			Governor Walker's Recommendations[(a)]					
	Actual FY 2003	Authorized FY 2004	Dollar Change A04-R04 (b)	Recom-mended FY 2004 (c)	Dollar Change A04-R05 (d)	Recom-mended FY 2005 (e)	Percent Change A04-R04 (f)	Percent Change A04-R05 (g)
General Fund (GF)								
Sales and Use Tax	$1,443,974	$1,483,000	($16,550)	$1,466,450	$42,200	$1,525,200	(1.1%)	2.8%
Liquor Profits	33,168	33,010	2,840	35,850	3,640	36,650	8.6	11.0
Insurance Premiums	58,989	66,500	(3,450)	63,050	(850)	65,650	(5.2)	(1.3)
Beer, Cigarette, and Tobacco	54,214	63,000	(2,450)	60,550	(2,650)	60,350	(3.9)	(4.2)
Oil and Gas Severance Tax	26,745	17,150	11,050	28,200	13,550	30,700	64.4	79.0
Metal Severance Tax	5,834	6,400	(750)	5,650	(500)	5,900	(11.7)	(7.8)
Inheritance Tax	32,978	6,150	2,150	8,300	(2,100)	4,050	35.0	(34.1)
Investment Income	6,471	6,300	1,250	7,550	950	7,250	19.8	15.1
Other	50,187	51,131	(4,031)	47,100	(4,081)	47,050	(7.9)	(8.0)
Temporary Federal Relief	37,970	0	37,970	37,970	0	0	--	--
Property and Energy Credit	(5,513)	(5,100)	(350)	(5,450)	(350)	(5,450)	6.9	6.9
Subtotal General Fund	*1,745,017*	*1,727,541*	*27,679*	*1,755,220*	*49,809*	*1,777,350*	*1.6*	*2.9*
School Funds (SF)								
(Includes Income Tax Revenue for Higher Education)								
Individual Income Tax	$1,575,486	$1,654,050	($33,000)	$1,621,050	$29,150	$1,683,200	(2.0%)	1.8%
Corporate Franchise Tax	152,429	137,000	7,150	144,150	25,650	162,650	5.2	18.7
Permanent School Fund Interest	8,388	10,050	(1,250)	8,800	(1,050)	9,000	(12.4)	(10.4)
Gross Receipts Tax	8,093	9,216	(1,416)	7,800	(1,366)	7,850	(15.4)	(14.8)
Other	4,961	5,750	1,550	7,300	1,850	7,600	27.0	32.2
Subtotal School Funds	*1,749,357*	*1,816,066*	*(26,966)*	*1,789,100*	*54,234*	*1,870,300*	*(1.5)*	*3.0*
Subtotal GF/SF	***$3,494,374***	***$3,543,607***	***$713***	***$3,544,320***	***$104,043***	***$3,647,650***	***0.0%***	***2.9%***
Pass-thru Perm Sch Fund Int.	(8,388)	(10,050)	1,250	(8,800)	1,050	(9,000)	(12.4)	(10.4)
Total GF/SF	**$3,485,986**	**$3,533,557**	**$1,963**	**$3,535,520**	**$105,093**	**$3,638,650**	**0.1%**	**3.0%**
Transportation Fund								
Motor Fuel Tax	$236,639	$244,900	($4,850)	$240,050	($2,650)	$242,250	(2.0%)	(1.1%)
Special Fuel Tax	84,523	88,750	(2,250)	86,500	450	89,200	(2.5)	0.5
Other	65,396	66,950	(450)	66,500	550	67,500	(0.7)	0.8
Total Transportation Fund	**$386,558**	**$400,600**	**($7,550)**	**$393,050**	**($1,650)**	**$398,950**	**(1.9%)**	**(0.4%)**
Mineral Lease								
Royalties	$41,452	$32,250	$3,150	$35,400	$3,150	$35,400	9.8%	9.8%
Bonus	11,656	1,750	1,100	2,850	250	2,000	62.9	14.3
Total Mineral Lease	**$53,108**	**$34,000**	**$4,250**	**$38,250**	**$3,400**	**$37,400**	**12.5%**	**10.0%**

(a) For other revenue/tax issues, see tables 1-3, State Fiscal Plan.
(b) The change is from the Authorized FY 2004 column to the Recommended FY 2004 column.
(c) The Recommended FY 2004 column is based upon updated economic projections from the Council of Economic Advisors' Revenue Assumptions Committee.
(d) The change is from the Authorized FY 2004 column to the Recommended FY 2005 column.
(e) The Recommended FY 2005 column is based upon updated economic projections from the Council of Economic Advisors' Revenue Assumptions Committee.
(f) The percentage change is from the Authorized FY 2004 column to the Recommended FY 2004 column.
(g) The percentage change is from the Authorized FY 2004 column to the Recommended FY 2005 column.

Table 4 shows actual revenue collections for FY 2003 and estimated revenue collections for FY 2004 and FY 2005. These include state revenues only; federal funds, licenses, fees, etc., are not included.

Table 5

MINERAL LEASE
Three-Year Comparison

	Actual FY 2003	Authorized FY 2004	Governor Walker's Recommendations: Recommended FY 2004 (a)	Governor Walker's Recommendations: Recommended FY 2005
Sources of Funding				
Federal Mineral Lease Royalties	$37,116,100	$29,863,500	$31,663,800	$31,663,800
Exchanged Lands Mineral Lease Royalties	4,280,100	2,315,600	3,670,700	3,670,700
National Monument Mineral Lease Royalties	56,300	70,900	65,500	65,500
Subtotal Mineral Lease Royalties	*41,452,500*	*32,250,000*	*35,400,000*	*35,400,000*
Federal Mineral Lease Bonus	2,492,900	1,750,000	1,064,400	746,900
Exchanged Lands Mineral Lease Bonus	9,163,100	0	1,785,600	1,253,100
Subtotal Mineral Lease Bonus	*11,656,000*	*1,750,000*	*2,850,000*	*2,000,000*
Total Funding	**$53,108,500**	**$34,000,000**	**$38,250,000**	**$37,400,000**
Appropriations				
Board of Education	$933,800	$954,400	$803,900	$803,900
Community Impact Fund	17,018,500	14,959,900	14,207,900	14,207,900
DCED - county special service districts	2,024,900	1,550,300	1,728,200	1,728,200
Discretionary:				
Transfer to General Fund	2,748,900	0	535,700	375,900
Payment in Lieu of Taxes	2,521,400	2,429,200	2,469,000	2,469,000
Transportation - county special service districts	16,221,500	13,900,000	13,851,700	13,851,700
USU Water Research Laboratory	911,200	752,600	777,700	777,700
Utah Geological Survey	912,500	732,800	779,200	779,200
Subtotal Appropriations	*43,292,700*	*35,279,200*	*35,153,300*	*34,993,500*
Statutory Allocations				
Community Impact Fund	7,020,400	2,053,700	1,508,700	1,058,800
Constitutional Defense Restricted Account	1,637,000	208,400	756,100	629,100
Rural Development Fund	398,400	138,900	280,700	262,700
Rural Electronic Commerce Fund	750,000	138,900	539,600	444,300
Permanent State School Fund	10,000	12,600	11,600	11,600
Subtotal Allocations	*9,815,800*	*2,552,500*	*3,096,700*	*2,406,500*
Total Appropriations and Allocations	**$53,108,500**	**$37,831,700**	**$38,250,000**	**$37,400,000**
Ending Balance	$0	($3,831,700)	$0	$0

(a) *Governor Walker's recommendations for FY 2004 and FY 2005 are based upon updated revenue projections and statutory amendments enacted by Senate Bill 66,* Revenues from Federal Land Exchange Parcels*, that passed in the 2002 General Session.*

Table 5 shows the actual, authorized, and recommended allocation of Mineral Lease revenue. This revenue comes from mineral leases on federal lands in Utah. Statutory allocations are set by formula.

Table 6

SUMMARY OF RECOMMENDATIONS BY DEPARTMENT
FY 2004 and FY 2005 Appropriations from General Fund and School Funds
(In Thousands of Dollars)

			Governor Walker's Recommendations						
	Actual FY 2003	Authorized FY 2004	Supplementals (a)	Recom-mended FY 2004 (b)	Base FY 2005 (c)	Ongoing and One-time Adj. (d)	Recom-mended FY 2005 (e)	Percent Change B05-R05 (f)	
Plan of Financing									
General Fund	$1,825,087	$1,744,483	$2,720	$1,747,203	$1,741,189	$128,793	$1,869,982	7.4%	
School Funds	1,710,356	1,851,472	(10,210)	1,841,262	1,843,994	56,307	1,900,301	3.1	
Total Financing	**$3,535,443**	**$3,595,955**	**($7,490)**	**$3,588,465**	**$3,585,183**	**$185,100**	**$3,770,283**	**5.2%**	
Programs									
Administrative Services	$13,498	$13,929	$3,536	$17,465	$13,594	$404	$13,998	3.0%	
Commerce and Revenue	100,057	108,311	6,399	114,710	107,044	17,324	124,368	16.2	(g)
Corrections (Adult and Juvenile)	242,426	246,032	0	246,032	245,232	24,972	270,204	10.2	(h)
Courts	87,819	89,060	150	89,210	88,836	4,095	92,931	4.6	
Econ. Development/Human Res.	45,092	35,005	5,252	40,257	32,116	1,362	33,478	4.2	
Elected Officials	27,679	28,287	1,072	29,359	27,093	1,391	28,484	5.1	
Environmental Quality	9,539	9,239	500	9,739	9,204	359	9,563	3.9	
Health	233,460	263,765	(32,270)	231,495	263,677	23,775	287,452	9.0	(i)
Higher Education	616,919	618,121	0	618,121	617,928	24,899	642,827	4.0	
Human Services	200,510	199,642	147	199,789	199,524	6,992	206,516	3.5	
Legislature	13,563	14,022	0	14,022	13,776	202	13,978	1.5	
National Guard	4,086	3,981	298	4,279	3,973	859	4,832	21.6	(j)
Natural Resources	51,795	40,598	398	40,996	40,577	1,457	42,034	3.6	
Public Education	1,648,453	1,678,002	4,650	1,682,652	1,671,082	115,830	1,786,912	6.9	
Public Safety	42,720	43,568	847	44,415	43,434	2,799	46,233	6.4	
Transportation	721	150	0	150	150	(62)	88	(41.3)	
Subtotal Operations Budget	***$3,338,337***	***$3,391,712***	***($9,021)***	***$3,382,691***	***$3,377,240***	***$226,658***	***$3,603,898***	***6.7%***	
Capital Budget	$130,806	$130,245	$0	$130,245	$133,945	($46,446)	$87,499	(34.7%)	(k)
Debt Service	66,300	73,998	1,531	75,529	73,998	4,888	78,886	6.6	
Total Budget	**$3,535,443**	**$3,595,955**	**($7,490)**	**$3,588,465**	**$3,585,183**	**$185,100**	**$3,770,283**	**5.2%**	

(a) The Supplementals column represents recommended changes to Authorized FY 2004.

(b) The Recommended FY 2004 column is based on updated revenue projections and includes recommended supplemental appropriations.

(c) The Base FY 2005 column is the FY 2004 appropriated amount adjusted for one-time FY 2004 appropriations and program transfers between departments.

(d) Recommended adjustments are shown in more detail in the individual department sections of the book, and include internal service fund rate changes, employee compensation and benefit rate adjustments, and ongoing and one-time program increases.

(e) The Recommended FY 2005 column includes Governor Walker's budget recommendations for FY 2005.

(f) The percent change is the difference from the Base FY 2005 column to the Recommended FY 2005 column.

(g) The 16.2 percent increase is largely due to $10 million to maintain the integrity of Utah's Comprehensive Health Insurance Pool for uninsurable citizens and $4.8 million for caseload growth in the Food Stamp and General Assistance programs.

(h) The 10.2 percent increase is largely due to expansion of prison beds at CUCF in Gunnison, operational costs to open the Oxbow Jail as a women's facility, county jail reimbursement and core rate increases, and operational costs for the new Dixie Area and Canyonlands juvenile facilities.

(i) The 9.0 percent increase results largely from funding federally-mandated Medicaid costs.

(j) The 21.6 percent increase is largely for maintenance costs at outlying National Guard armories in Utah.

(k) The 34.7 percent reduction results from an ongoing transfer from base capital budgets to operating budgets to help address Utah's structural budget imbalance.

Table 6 shows the budgeted 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.

Table 7

SUMMARY OF RECOMMENDATIONS BY DEPARTMENT
FY 2004 and FY 2005 Appropriations from All Sources of Funding
(In Thousands of Dollars)

			Governor Walker's Recommendations					
	Actual FY 2003	Authorized FY 2004	Supple-mentals (a)	Recom-mended FY 2004 (b)	Base FY 2005 (c)	Ongoing and One-time Adj. (d)	Recom-mended FY 2005 (e)	Percent Change B05-R05 (f)
Plan of Financing								
General Fund	$1,825,087	$1,744,483	$2,720	$1,747,203	$1,741,189	$128,793	$1,869,982	7.4%
School Funds	1,710,356	1,851,472	(10,210)	1,841,262	1,843,994	56,307	1,900,301	3.1
Transportation Fund	397,422	403,861	294	404,155	389,295	9,655	398,950	2.5
Federal Funds	1,933,869	2,028,571	35,797	2,064,368	2,012,317	114,294	2,126,611	5.7
Dedicated Credits	531,568	567,550	391	567,941	600,370	18,127	618,497	3.0
Mineral Lease	53,108	38,072	178	38,250	37,400	0	37,400	0.0
Restricted and Trust Funds	391,953	424,301	6,753	431,054	404,124	46,010	450,134	11.4
Transfers	380,321	183,170	4,027	187,197	179,042	(19,622)	159,420	(11.0)
Other Funds	(11,526)	(6,740)	(5,183)	(11,923)	(5,055)	99	(4,956)	(2.0)
Pass-through Funds	110	735	0	735	735	0	735	0.0
Beginning Balances	161,843	193,814	0	193,814	101,675	0	101,675	0.0
Closing Balances	(193,814)	(101,675)	0	(101,675)	(81,257)	0	(81,257)	0.0
Lapsing Funds	(71,097)	(4,730)	0	(4,730)	(3,217)	(1,972)	(5,189)	61.3
Local Property Tax	369,419	386,838	0	386,838	386,838	12,883	399,721	3.3
Total Financing	**$7,478,619**	**$7,709,722**	**$34,767**	**$7,744,489**	**$7,607,450**	**$364,574**	**$7,972,024**	**4.8%**
Programs								
Administrative Services	$20,639	$23,235	$3,651	$26,886	$22,468	$373	$22,841	1.7%
Commerce and Revenue	412,060	442,570	12,870	455,440	428,512	25,991	454,503	6.1
Corrections (Adult and Juvenile)	267,417	282,247	0	282,247	271,164	25,491	296,655	9.4
Courts	97,465	102,774	150	102,924	101,516	4,018	105,534	4.0
Econ. Development/Human Res.	122,918	141,772	3,429	145,201	132,408	14,819	147,227	11.2 (g)
Elected Officials	66,348	69,947	1,072	71,019	61,431	2,164	63,595	3.5
Environmental Quality	37,487	42,729	500	43,229	41,220	1,280	42,500	3.1
Health	1,343,098	1,534,940	381	1,535,321	1,557,821	106,454	1,664,275	6.8 (h)
Higher Education	886,315	927,994	0	927,994	926,255	39,007	965,262	4.2
Human Services	453,129	470,258	461	470,719	471,774	18,376	490,150	3.9
Legislature	14,172	14,619	0	14,619	14,398	202	14,600	1.4
National Guard	25,123	26,263	298	26,561	26,244	1,227	27,471	4.7
Natural Resources	144,587	143,283	1,302	144,585	138,554	6,127	144,681	4.4
Public Education	2,306,889	2,416,815	4,650	2,421,465	2,375,976	129,185	2,505,161	5.4
Public Safety	102,116	107,966	847	108,813	107,755	3,964	111,719	3.7
Transportation	221,476	224,570	(1,995)	222,575	221,672	32	221,704	0.0
Subtotal Operations Budget	***$6,521,239***	***$6,971,982***	***$27,616***	***$6,999,598***	***$6,899,168***	***$378,710***	***$7,277,878***	***5.5%***
Capital Budget	$738,776	$508,906	$1,603	$510,509	$455,767	($47,940)	$407,827	(10.5%) (i)
Debt Service	189,021	210,994	5,548	216,542	235,525	33,804	269,329	14.4
Mineral Lease Transfers	29,583	17,840	0	17,840	16,990	0	16,990	0.0
Total Budget	**$7,478,619**	**$7,709,722**	**$34,767**	**$7,744,489**	**$7,607,450**	**$364,574**	**$7,972,024**	**4.8%**

Continued on next page

Table 7 Continued

SUMMARY OF RECOMMENDATIONS BY DEPARTMENT
FY 2004 and 2005 Appropriations from All Sources of Funding

Continued from previous page

(a) The Supplementals column represents recommended changes to Authorized FY 2004.

(b) The Recommended FY 2004 column is based on updated revenue projections and includes recommended supplemental appropriations.

(c) The Base FY 2005 column is the FY 2004 appropriated amount adjusted for one-time FY 2004 appropriations, program transfers between departments, and changes in estimates of non-state funding sources.

(d) Recommended adjustments are shown in more detail in the individual department sections of the book, and include internal service fund rate changes, employee compensation and benefit rate adjustments, and ongoing and one-time program increases.

(e) The Recommended FY 2005 column includes Governor Walker's budget recommendations for FY 2005.

(f) The percent change is the difference from the Base FY 2005 column to the Recommended FY 2005 column.

(g) The 11.2 percent increase is largely the result of DCED accepting responsibility to administer the Housing and Urban Development Section 8 housing program statewide.

(h) The 6.8 percent increase results largely from funding federally-mandated Medicaid costs.

(i) The 10.5 percent decrease is mainly the result of an ongoing transfer from base capital budgets to operating budgets to help address Utah's structural budget imbalance.

Table 7 shows the budgeted use of all sources of funding by state agency.
It is a summary of the department tables found in a following section.

Table 8

SUMMARY PLAN OF FINANCING BY DEPARTMENT AND SOURCES OF FUNDING

	General Fund	School Funds	Transportation Fund	Federal Funds	Dedicated Credits	Mineral Lease	Restricted/ Trust Funds	Other	Property Tax	Total
Administrative Services										
Actual FY 2003	$13,497,700	$0	$450,000	$0	$2,451,500	$0	$4,576,100	($335,700)	$0	$20,639,600
Recommended FY 2004	17,464,800	0	450,000	0	3,935,400	0	4,031,900	1,004,600	0	26,886,700
Recommended FY 2005	13,997,400	0	450,000	0	2,544,600	0	5,137,900	711,800	0	22,841,700
Commerce and Revenue										
Actual FY 2003	84,576,900	15,479,600	5,857,400	219,244,400	14,559,400	0	63,172,200	9,170,700	0	412,060,600
Recommended FY 2004	97,948,900	16,761,000	5,857,400	225,782,600	18,402,800	0	75,156,600	15,530,000	0	455,439,300
Recommended FY 2005	106,913,500	17,455,400	5,857,400	208,462,100	19,422,400	0	82,444,800	13,947,300	0	454,502,900
Corrections (Adult and Juvenile)										
Actual FY 2003	242,426,400	0	0	2,918,700	5,253,400	0	2,255,300	14,563,500	0	267,417,300
Recommended FY 2004	246,032,100	0	0	2,841,100	5,670,100	0	2,584,400	25,119,600	0	282,247,300
Recommended FY 2005	270,204,400	0	0	2,848,400	5,827,800	0	2,592,600	15,180,900	0	296,654,100
Courts										
Actual FY 2003	87,818,600	0	0	53,400	1,185,100	0	7,666,300	741,700	0	97,465,100
Recommended FY 2004	89,209,600	0	0	52,700	890,400	0	9,287,000	3,483,700	0	102,923,400
Recommended FY 2005	92,931,000	0	0	53,300	1,022,000	0	9,138,600	2,388,800	0	105,533,700
Economic Development and Human Resources										
Actual FY 2003	45,092,200	0	118,000	30,735,900	16,432,900	0	41,348,600	(10,809,800)	0	122,917,800
Recommended FY 2004	40,258,900	0	118,000	40,555,000	18,073,400	0	46,823,700	(628,300)	0	145,200,700
Recommended FY 2005	33,477,700	0	118,000	48,278,000	18,099,600	0	49,213,100	(1,958,900)	0	147,227,500
Elected Officials										
Actual FY 2003	27,678,900	0	0	16,499,900	15,057,000	0	7,202,000	(90,000)	0	66,347,800
Recommended FY 2004	29,359,000	0	0	19,319,600	14,055,600	0	6,902,700	1,381,900	0	71,018,800
Recommended FY 2005	28,484,300	0	0	15,452,000	14,657,200	0	7,109,600	(2,108,800)	0	63,594,300
Environmental Quality										
Actual FY 2003	9,539,100	0	0	13,841,400	6,755,100	0	8,694,600	(1,343,100)	0	37,487,100
Recommended FY 2004	9,738,800	0	0	16,778,800	6,828,300	0	8,682,000	1,200,700	0	43,228,600
Recommended FY 2005	9,562,600	0	0	16,136,800	6,925,900	0	8,925,600	949,400	0	42,500,300
Health										
Actual FY 2003	233,460,500	0	0	907,792,300	85,923,300	0	16,483,700	99,437,800	0	1,343,097,600
Recommended FY 2004	231,494,700	0	0	1,073,814,600	101,081,400	0	16,687,000	112,243,100	0	1,535,320,800
Recommended FY 2005	287,452,200	0	0	1,133,607,200	109,069,000	0	16,795,200	117,351,800	0	1,664,275,400
Higher Education										
Actual FY 2003	614,965,600	1,953,700	0	9,109,400	265,146,800	911,200	8,284,500	(14,056,400)	0	886,314,800
Recommended FY 2004	539,500,000	78,621,000	0	9,411,900	291,154,200	777,700	8,284,500	244,400	0	927,993,700
Recommended FY 2005	612,059,300	30,767,300	0	9,055,700	304,113,000	777,700	8,284,500	203,500	0	965,261,000
Human Services										
Actual FY 2003	200,509,600	0	0	107,495,100	8,237,300	0	4,047,200	132,840,000	0	453,129,200
Recommended FY 2004	199,789,200	0	0	119,332,400	11,594,900	0	4,282,200	135,720,900	0	470,719,600
Recommended FY 2005	206,516,300	0	0	124,242,200	12,083,400	0	3,956,900	143,351,000	0	490,149,800

	General Fund	School Funds	Transportation Fund	Federal Funds	Dedicated Credits	Mineral Lease	Restricted/ Trust Funds	Other	Property Tax	Total
Legislature										
Actual FY 2003	13,562,900	0	0	0	234,200	0	0	375,300	0	14,172,400
Recommended FY 2004	14,022,000	0	0	0	320,500	0	0	276,300	0	14,618,800
Recommended FY 2005	13,978,000	0	0	0	320,500	0	0	301,700	0	14,600,200
National Guard										
Actual FY 2003	4,086,200	0	0	19,172,300	1,843,300	0	0	20,700	0	25,122,500
Recommended FY 2004	4,279,100	0	0	20,039,000	1,928,100	0	0	294,600	0	26,560,800
Recommended FY 2005	4,832,800	0	0	20,613,100	1,939,300	0	0	85,200	0	27,470,400
Natural Resources										
Actual FY 2003	51,795,100	0	0	28,417,800	19,597,100	912,500	48,855,500	(4,991,400)	0	144,586,600
Recommended FY 2004	40,995,500	0	0	28,799,900	12,350,700	779,200	57,763,300	3,896,500	0	144,585,100
Recommended FY 2005	42,033,500	0	0	28,216,800	12,256,100	779,200	60,125,300	1,269,700	0	144,680,600
Public Education										
Actual FY 2003	254,900	1,648,198,000	0	287,708,900	22,511,500	933,800	532,200	(22,669,100)	369,419,000	2,306,889,200
Recommended FY 2004	254,900	1,682,397,000	0	288,981,300	23,467,300	803,900	560,800	38,161,800	386,837,800	2,421,464,800
Recommended FY 2005	254,900	1,786,657,500	0	289,339,900	23,838,900	803,900	562,900	3,981,800	399,721,100	2,505,160,900
Public Safety										
Actual FY 2003	42,720,000	0	5,495,500	18,260,700	5,247,500	0	28,073,800	2,318,300	0	102,115,800
Recommended FY 2004	44,415,300	0	5,495,500	21,535,300	5,080,100	0	29,391,600	2,875,700	0	108,813,500
Recommended FY 2005	46,232,100	0	5,495,500	22,011,200	6,095,000	0	30,159,000	1,725,900	0	111,718,700
Transportation										
Actual FY 2003	720,800	0	155,945,300	41,971,200	23,009,400	0	7,946,900	(8,118,000)	0	221,475,600
Recommended FY 2004	150,100	0	155,416,600	39,849,200	15,617,400	0	10,700,200	841,600	0	222,575,100
Recommended FY 2005	88,100	0	154,877,200	40,190,100	15,825,700	0	10,723,100	0	0	221,704,200
TOTAL OPERATIONS BUDGET										
Actual FY 2003	$1,672,705,400	$1,665,631,300	$167,866,200	$1,703,221,400	$493,444,800	$2,757,500	$249,138,900	$197,054,500	$369,419,000	$6,521,239,000
Recommended FY 2004	1,604,912,900	1,777,779,000	167,337,500	1,907,133,400	530,450,600	2,360,800	281,137,900	341,647,100	386,837,800	6,999,597,000
Recommended FY 2005	1,769,018,100	1,834,880,200	166,798,100	1,958,506,800	554,040,400	2,360,800	295,169,100	297,381,100	399,721,100	7,277,875,700
Capital Budget										
Actual FY 2003	97,547,900	33,258,000	229,556,100	230,647,300	11,895,900	20,767,800	58,195,800	56,907,300	0	738,776,100
Recommended FY 2004	85,455,900	44,788,900	236,817,400	157,234,700	7,097,000	18,048,900	48,174,000	(87,108,100)	0	510,508,700
Recommended FY 2005	43,209,500	44,288,900	232,151,900	168,103,700	1,575,000	18,048,900	27,403,000	(126,953,500)	0	407,827,400
Debt Service										
Actual FY 2003	54,833,700	11,466,700	0	0	26,227,500	0	84,618,200	11,874,700	0	189,020,800
Recommended FY 2004	56,833,700	18,694,900	0	0	30,392,900	0	101,742,400	8,878,400	0	216,542,300
Recommended FY 2005	57,754,700	21,131,200	0	0	62,881,500	0	127,561,500	0	0	269,328,900
Mineral Lease Transfers										
Actual FY 2003	0	0	0	0	0	29,583,200	0	0	0	29,583,200
Recommended FY 2004	0	0	0	0	0	17,840,300	0	0	0	17,840,300
Recommended FY 2005	0	0	0	0	0	16,990,300	0	0	0	16,990,300
GRAND TOTALS										
Actual FY 2003	$1,825,087,000	$1,710,356,000	$397,422,300	$1,933,868,700	$531,568,200	$53,108,500	$391,952,900	$265,836,500	$369,419,000	$7,478,619,100
Recommended FY 2004	1,747,202,500	1,841,262,800	404,154,900	2,064,368,100	567,940,500	38,250,000	431,054,300	263,417,400	386,837,800	7,744,488,300
Recommended FY 2005	1,869,982,300	1,900,300,300	398,950,000	2,126,610,500	618,496,900	37,400,000	450,133,600	170,427,600	399,721,100	7,972,022,300

Table 9

SUMMARY OF FY 2005 ADJUSTMENTS BY DEPARTMENT
Ongoing and One-time Funding

Appropriations by Department	General Fund	School Funds	Transportation Fund	Federal Funds	Dedicted Credits	Restricted and Trust Funds	Other	Property Tax	Total
Administrative Services	$403,800	$0	$0	$0	($34,800)	$4,500	$0	$0	$373,500
Commerce and Revenue	16,582,100	742,500	0	4,617,400	88,300	3,891,000	69,600	0	25,990,900
Corrections (Adult and Juvenile)	24,972,500	0	0	57,300	63,400	8,200	389,200	0	25,490,600
Courts	4,095,100	0	0	0	43,200	(154,300)	34,200	0	4,018,200
Econ. Development/Human Res.	1,362,200	0	0	10,090,100	344,300	3,020,300	2,500	0	14,819,400
Elected Officials	1,391,600	0	0	66,100	474,000	215,100	16,700	0	2,163,500
Environmental Quality	358,800	0	0	378,800	187,600	348,600	6,300	0	1,280,100
Health	23,774,800	0	0	80,012,200	2,498,200	112,500	56,400	0	106,454,100
Higher Education	89,131,300	(64,232,700)	0	152,000	13,892,500	0	63,500	0	39,006,600
Human Services	6,991,900	0	0	5,322,400	546,900	109,700	5,404,600	0	18,375,500
Legislature	202,000	0	0	0	0	0	0	0	202,000
National Guard	859,600	0	0	365,900	0	0	1,000	0	1,226,500
Natural Resources	1,456,600	0	0	530,600	580,900	3,547,300	11,600	0	6,127,000
Public Education	0	115,830,100	0	401,600	21,200	2,100	47,000	12,883,300	129,185,300
Public Safety	2,798,600	0	0	190,200	118,400	809,000	47,700	0	3,963,900
Transportation	(62,000)	0	(978,000)	390,300	223,600	458,100	0	0	32,000
Total Operations Adj	**$174,318,900**	**$52,339,900**	**($978,000)**	**$102,574,900**	**$19,047,700**	**$12,372,100**	**$6,150,300**	**$12,883,300**	**$378,709,100**
Capital Budget	($46,446,400)	$0	$10,633,000	$11,719,000	$0	$3,801,000	($27,646,300)	$0	($47,939,700)
Debt Service	921,000	3,966,900	0	0	(921,000)	29,836,600	0	0	33,803,500
Total Budget Adjustments	**$128,793,500**	**$56,306,800**	**$9,655,000**	**$114,293,900**	**$18,126,700**	**$46,009,700**	**($21,496,000)**	**$12,883,300**	**$364,572,900**

Table 9 shows recommended FY 2005 ongoing and one-time appropriations by department. This includes internal service fund rate adjustments, employee COLA and benefit rate changes, and market comparability adjustments.

Table 10

SUMMARY OF FY 2004 BUDGET ADJUSTMENTS BY DEPARTMENT
Supplementals, All Sources of Funding

Appropriations by Department	General Fund	School Funds	Transportation Fund	Federal Funds	Dedicted Credits	Mineral Lease	Restricted and Trust Funds	Other	Total
Administrative Services	$3,536,100	$0	$0	$0	$240,000	$0	($124,500)	$0	$3,651,600
Commerce and Revenue	6,410,200	(11,100)	0	496,100	(2,000)	0	295,600	5,681,000	12,869,800
Corrections (Adult and Juvenile)	0	0	0	0	0	0	0	0	0
Courts	150,000	0	0	0	0	0	0	0	150,000
Econ. Development/Human Res.	5,252,500	0	0	2,500,000	109,200	0	750,000	(5,182,500)	3,429,200
Elected Officials	1,072,400	0	0	0	0	0	0	0	1,072,400
Environmental Quality	500,000	0	0	0	0	0	0	0	500,000
Health	(32,270,000)	0	0	32,654,100	(1,000)	0	0	(1,800)	381,300
Higher Education	16,379,000	(16,379,000)	0	0	0	0	0	0	0
Human Services	146,700	0	0	145,100	24,600	0	0	144,800	461,200
Legislature	0	0	0	0	0	0	0	0	0
National Guard	297,900	0	0	0	0	0	0	0	297,900
Natural Resources	397,700	0	0	2,100	20,000	0	882,000	0	1,301,800
Public Education	0	4,650,000	0	0	0	0	0	0	4,650,000
Public Safety	847,400	0	0	0	0	0	0	0	847,400
Transportation	0	0	(1,927,400)	0	0	0	(67,400)	0	(1,994,800)
Total Operations Adjustments	**$2,719,900**	**($11,740,100)**	**($1,927,400)**	**$35,797,400**	**$390,800**	**$0**	**$1,735,700**	**$641,500**	**$27,617,800**
Capital Budget	$0	$0	$2,221,700	$0	$0	$177,900	$1,000,000	($1,796,800)	$1,602,800
Debt Service	0	1,530,600	0	0	0	0	4,017,500	0	5,548,100
Total Budget Adjustments	**$2,719,900**	**($10,209,500)**	**$294,300**	**$35,797,400**	**$390,800**	**$177,900**	**$6,753,200**	**($1,155,300)**	**$34,768,700**

Table 10 shows recommended FY 2004 supplemental appropriations by department, including internal service fund rate adjustments.

Guide to Operating and Capital Budget Tables

The departmental operating and capital budget tables show actual revenue and expenditures for the past fiscal year (FY 2003), authorized and recommended revenue and expenditures for the current fiscal year (FY 2004), and recommended revenue and expenditures for the budget fiscal year (FY 2005). The guide below illustrates how to read these tables.

PUBLIC SAFETY
Operating Budget

The "Recommended FY 2004" column represents the authorized year plus recommended supplementals.

The "Total FY 2005" column represents the base budget plus all recommended adjustments. The details are shown in the itemized tables.

Governor Walker's Recommendations

	Actual FY 2003	Authorized FY 2004	Recommended FY 2004	Base FY 2005	Adjust-ments	Total FY 2005
Plan of Financing						
General Fund	$39,743,500	$42,137,800	$42,137,800	$41,884,200	$2,623,700	$44,507,900
Transportation Fund	5,495,500	5,495,5			0	5,495,500
Fe	2,200	12,5			(744,000)	12,021,900
I	,100	5,			26,000	5,088,000
I	,300	22,			1,373,200	23,679,500
T	,100	1,			31,400	1,555,100
Be	320,400	1,			0	285,300
Closing Balances	(1,701,500)	(			0	0
Lapsing Funds	(2,308,300)				0	0
Tot		**$91,32**			**$3,310,300**	**$92,633,200**
		,252,600	$5,25			0
		,382,800	9			
		143,400				
		,794,700	2			
		,686,700	15			
		15,062,900	15			
Highway Patrol		37,066,600	37			
Management Information	1,769,200	1,829,600	1			
Fire Marshal	2,888,700	3,101,500	3,			0
Liquor Law Enfor			1,00			,700
Total Budget			**1,378,400**	**$89,689,800**	**$3,309,900**	**$92,632,800**
% Change from Recommended FY 2004 to Total FY 2005						**-3.2%**
FTE Positions	--	1,097.8	1,097.8	1,097.8	(9.0)	1,088.8

The "Actual FY 2003" column represents verified revenues and expenditures for FY 2003.

The "Base FY 2005" column represents FY 2004 authorized amounts less one-time FY 2004 amounts, plus or minus other adjustments identified in the "Base Budget" section of the itemized tables.

The "Authorized FY 2004" column reflects state tax expenditures as appropriated by the legislature, modified by revisions to federal revenues and other anticipated collections. Supplemental recommendations are not included.

The "Adjustments" column displays one-time and ongoing funding changes to existing or new programs, including the recommended compensation package. The "Ongoing Adjustments" and "One-time Adjustments" sections of the itemized table show these in detail.

The number of full-time equivalent positions (employees) is shown for reference.

GUIDE TO RECOMMENDATIONS TABLES

These tables show in detail the governor's recommendations for base budget adjustments, 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 to authorized expenditures in the current fiscal year only.

NATURAL RESOURCES

	General Fund	School Funds	Other Funds	Total Funds
NATURAL RESOURCES FY 2005 OPERATING BUDGET				
Beginning Base Budget				
A1 FY 2004 appropriated budget	$0	$0	$0	$0
A2 Less one-time FY 2004 appropriations				0
Total Beginning Base Budget - Natural Resources				**0**
Ongoing Adjustments				
A3 Brief title/description here				0
One-time Adjustments				
A4 Brief title/description here	0	0	0	0
Total FY 2005 Natural Resources Adjustments				**0**
Total FY 2005 Natural Resources Operating Budget				
NATURAL RESOURCES FY 2004 OPERATING BUDGET AD				
A5 Brief title/description here				
Total FY 2004 Natural Resources Budget Adjustments				
NATURAL RESOURCES FY				
One-time Adjustments				
A6 Brief title/description here				0
Total FY 2005 Natural Resources Capital Adjustments	**0**	**0**	**0**	**0**
Total FY 2005 Natural Resources Capital Budget		**$0**	**$0**	**$0**
AGRICULTURE FY 2004 OPERATING BUDGET				
Beginning Base Budget				
A7 FY 2004 appropriated budget	$0			$0
Total Beginning Base Budget - Agriculture	**0**			**0**
Total FY 2005 Agriculture Adjustments	**0**			**0**
Total FY 2005 Agriculture Operating Budget	**$0**			**$0**
NATURAL RESOURCES TOTALS				
FY 2005 Operating Base Budget	$0			$0
FY 2005 Operating Adjustments	0			0
FY 2005 Operating Recommendation	0			0
FY 2004 Operating Supplementals	0	0	0	0
FY 2005 Capital Base Budget	0	0	0	0
FY 2005 Capital Adjustments	0	0	0	0
FY 2005 Capital Recommendation	0	0	0	0
FY 2004 Capital Supplementals	0	0	0	0

Separate columns are provided for different funding sources. The "Total Funds" column represents combined funding from all sources.

These numbers are for ease in referencing.

Each agency has its own section for operating and capital base budget, ongoing, one-time, and supplemental adjustments. The total base budget, total adjustments, and total budget rows for each department match the base budget, adjustments, and total columns in the operating or capital tables.

Each item has a brief description.

The "Totals" section combines base budget, adjustment, recommendation, and supplemental information for all agencies in a department section for easy comparison to operating and capital tables.

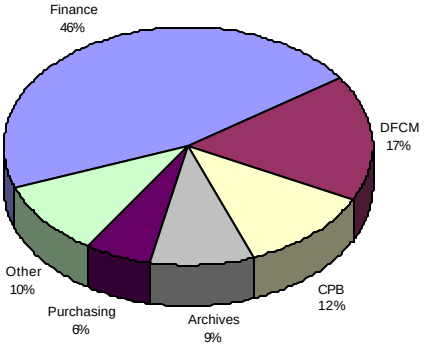
State of Utah

Operating and Capital Budget Recommendations by Department

- Agency categories in alphabetical order
- Budget and program highlights
- Governor Walker's major budget recommendations
- Intent statements recommended by the governor for the FY 2004 supplemental appropriations act and the FY 2005 appropriations act
- Three-year comparison of operating and capital budgets
- Detailed FY 2005 base adjustments, FY 2005 ongoing and one-time appropriations, and FY 2004 supplemental appropriations

ADMINISTRATIVE SERVICES

Where Will My Taxes Go for Administrative Services?
(Figure Based on Total FY 2005 Operating Funding)



Highlighted Services
(Including the Governor's Recommendations)

$10 million for Finance
- Prepares the state's Comprehensive Annual Financial Report
- Operates and maintains the state's financial accounting system, and processed 12.8 million records in FY 2003
- Issued 2.6 million warrants (checks) and sent 696,887 electronic funds transfers (EFT)
- Collected $8.9 million of debts owed the state through the FINDER system

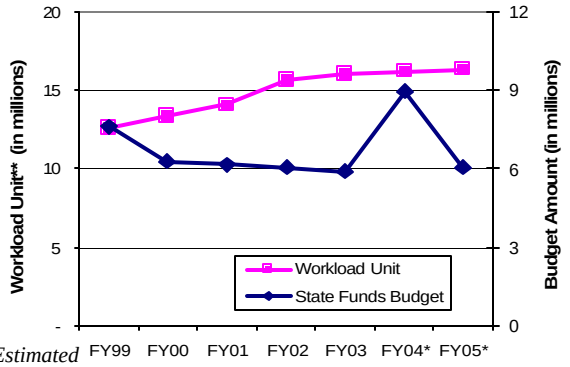
$4 million for Division of Facilities Construction and Management (DFCM)
- Oversaw 537 construction projects with expenditures of $224.7 million
- Managed 354 leases with annual rentals of $19 million

$2 million for Capitol Preservation Board
- Provides ongoing building operation and maintenance (O&M) for seven buildings on the Capitol Hill Complex

$2 million for Archives
- Provides storage and retrieval services on 108,100 boxes of records

$1 million for Purchasing
- Manages statewide contracts covering $300 million of purchases

State Funding For Finance Has Decreased While Workload Has Increased



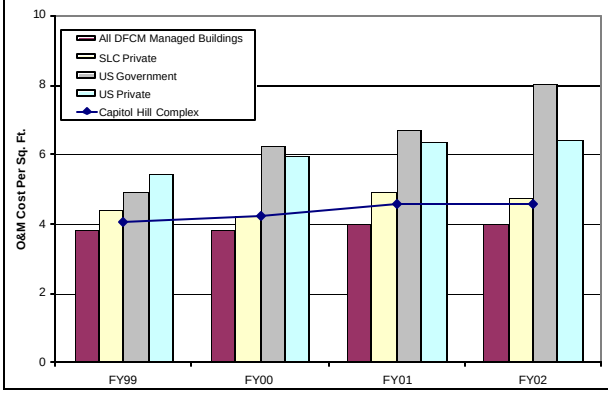
**Estimated*
***The workload unit is the sum of accounting records processed, warrants issued, and EFT's sent.*

The FY 2004 budget includes a one-time increase of $3 million to upgrade the state's accounting system.

Governor's Recommendation Highlights
(All Funding Sources)

- $1.9 million - Reduce the capital budget
- $3.0 million - FY 2004 supplemental to upgrade the state's central accounting system
- $0.7 million - FY 2004 supplemental to loan to the counties for new election equipment

Capitol O&M Is Below Non-State Averages, But Higher Than DFCM



The Capitol costs have been higher than the DFCM average because of the age of the Capitol and the size of its grounds.

BUDGET OVERVIEW

Administrative services consists of the Department of Administrative Services (DAS) and the Office of the Capitol Preservation Board (CPB). Their primary focus is to provide specialized agency support services, eliminate unnecessary duplication of services within state government, and preserve the State Capitol building and grounds.

Administrative Services

For FY 2004 DAS received operating budget appropriations totaling $19,397,100, including $11,762,700 in General Fund. For FY 2005 the governor recommends DAS be appropriated $20,178,400 in total funds, with $11,665,400 in General Fund. From the original FY 2002 appropriation through FY 2004, ongoing reductions in state funds totaled $11,488,100, or 52 percent. Budget cuts included a reduction of 17 positions through attrition and layoffs, elimination of funding for fleet capitalization, reduction in funding to the LeRay McAllister Critical Land Conservation Fund, and the replacement of ongoing General Fund with funding from other sources that are one time in nature.

In FY 2003 the Division of Facilities Construction and Management's (DFCM) General Fund budget of $2,886,600 was replaced with funds from the Capital Improvement Fund, Project Reserve Fund, and Contingency Reserve Fund. Using Capital Improvement Fund for DFCM reduces funds available for capital improvement projects. Over the last few years the Project Reserve Fund and the Contingency Reserve Fund have had excess amounts available that have been used to fund DFCM Administration staff. The nature of these funds does not guarantee that funds will be available on an ongoing basis. Excess amounts have been the result of construction prices that were lower than originally budgeted.

Capitol Preservation Board

For FY 2004 the legislature appropriated $2,504,100 to CPB, including $2,166,000 in General Fund. For FY 2005 the governor recommends CPB be appropriated $2,663,300 in total funds, with $2,332,000 in General Fund. From FY 2002 through FY 2004 ongoing General Fund reductions totaled $378,500, or 14.7 percent.

GOVERNOR'S RECOMMENDATIONS

General Fund

- Reduce the ongoing capital budget by $1,851,700 for capital development projects. Funding for capital development projects will come from one-time funds or from issuing bonds.

- Provide $3,000,000 as an FY 2004 supplemental to upgrade the state's central accounting system (FINET). The current version of the software will not be supported after July 2005. The total cost of the upgrade is estimated at $5,000,000. The remaining balance of $2,000,000 will come from Finance's FY 2003 nonlapsing funds.

- Provide $700,000 as an FY 2004 supplemental for loans to counties for new election equipment. The equipment is required to comply with new election laws.

Internal Service Funds

- In FY 2005 the governor recommends full-time equivalent positions (FTEs) and capital outlay authorizations for DAS internal services funds (ISF) as indicated on the table on the following page:

ISF Description	FTE Recommended	Capital Outlay Recommended
Debt Collection	5.0	$0
General Services	63.5	$2,816,000
Information Technology	241.0	$7,900,500
Fleet Operations	47.5	$13,882,200
Risk Management	25.0	$120,000
DFCM	121.0	$70,500

- Recommend FY 2004 and FY 2005 rate changes presented to and approved by the ISF rate committee except for the $45 monthly rate proposed by Fleet Operations for Public Safety Equipment. Fleet Operations will bill the actual cost of additional equipment installed on vehicles.

Other Funds

- Continue to use the Capital Improvement Fund for capital improvement staff, preventive maintenance, hazardous materials, and roofing and paving costs of $1,507,900.

- Continue to use Project Reserve Fund and Contingency Reserve Fund for capital development staff costs of $893,400.

- Use Project Reserve Fund and Contingency Reserve Fund for real estate staff and administrative staff costs of $1,464,200. Eventually an ongoing General Fund appropriation should be restored to fund these costs since they are not directly related to project management.

FY 2004 Proposed Legislative Intent

Administrative Services

- Funds for the Automated Geographic Reference Center (AGRC) are nonlapsing.

- DFCM shall use funds in the Roofing Program budget to purchase an additional truck for the program.

FY 2005 Proposed Legislative Intent

Administrative Services

- Funds for the Executive Director's Office are nonlapsing.

- Funds for the Division of Archives are nonlapsing.

- Funds for DFCM are nonlapsing and will be returned to the DFCM Reserve Fund(s) that provided the funding source, on a pro rata share.

- Funds for the Division of Finance are nonlapsing and are to be used toward statewide accounting systems.

- Funds for the Judicial Conduct Commission are nonlapsing.

- Funds for Post Conviction Indigent Defense are nonlapsing.

- Funds for LeRay McAllister Critical Land Fund are nonlapsing.

- Funds for the Division of Purchasing are nonlapsing.

- Funds for AGRC are nonlapsing.

- Beginning in FY 2006 the legislature will budget the following programs under the appropriated DFCM Administration line item:

Administration, Real Estate, Capital Improvement, Capital Development, and Governor's Mansion.

- DAS ISFs may add FTEs beyond the authorized level if the addition represents a benefit to the state and a decrease of FTEs in the user agency. Total FTEs within state government shall not change with the shift of FTEs.

- The DFCM ISF may add FTEs beyond the authorized level if new facilities come online or maintenance agreements are requested. Any added FTEs will be reviewed and approved by the legislature during the next legislative session.

- Unless inappropriate or prohibited by law, the Office of Debt Collection shall be authorized to establish reasonable costs of collection to be passed on to the debtor including attorney fees, all legal costs, and administrative costs.

Capitol Preservation Board

- Funds for the board are nonlapsing and shall be used for the design and construction costs associated with Capitol restoration.

ADMINISTRATIVE SERVICES

Operating Budget

	Actual FY 2003	Authorized FY 2004	Governor Walker's Recommendations: Supple-mentals	Recommended FY 2004	Base FY 2005	Ongoing and One-time Adj.	Total FY 2005
Plan of Financing							
General Fund	$13,497,700	$13,928,700	$3,536,100	$17,464,800	$13,593,600	$403,800	$13,997,400
Transportation Fund	450,000	450,000	0	450,000	450,000	0	450,000
Dedicated Credits	2,451,500	3,695,400	240,000	3,935,400	2,579,400	(34,800)	2,544,600
Restricted and Trust Funds	4,576,100	4,156,400	(124,500)	4,031,900	5,133,400	4,500	5,137,900
Transfers	(591,400)	(378,600)	0	(378,600)	(361,600)	0	(361,600)
Other Funds	(199,800)	0	0	0	0	0	0
Beginning Balances	3,420,900	2,732,900	0	2,732,900	1,349,700	0	1,349,700
Closing Balances	(2,732,900)	(1,349,700)	0	(1,349,700)	(276,300)	0	(276,300)
Lapsing Funds	(232,500)	0	0	0	0	0	0
Total Financing	**$20,639,600**	**$23,235,100**	**$3,651,600**	**$26,886,700**	**$22,468,200**	**$373,500**	**$22,841,700**
Programs							
Administrative Services							
Executive Director's Office	$891,700	$921,600	($60,000)	$861,600	$919,700	($36,400)	$883,300
Administrative Rules	269,300	288,700	0	288,700	279,700	10,100	289,800
Archives	1,973,700	1,979,900	12,700	1,992,600	1,909,000	173,400	2,082,400
DFCM							
Administration	3,114,700	3,950,000	(124,500)	3,825,500	3,942,300	4,500	3,946,800
Finance							
Administration	10,283,300	10,894,300	2,823,400	13,717,700	10,491,100	(14,900)	10,476,200
Mandated - Judicial Conduct Comm.	197,700	228,100	0	228,100	229,800	6,100	235,900
Mandated - Indigent Defense	63,800	74,000	0	74,000	74,000	0	74,000
Mandated - Other	482,600	482,600	700,000	1,182,600	482,600	0	482,600
Information Technology Services	360,600	1,025,800	300,000	1,325,800	823,000	15,600	838,600
Purchasing	1,269,200	1,337,000	0	1,337,000	1,302,900	48,500	1,351,400
Transfer Appropriations to Other Funds	(843,200)	(482,600)	0	(482,600)	(482,600)	0	(482,600)
Subtotal Administrative Services	*18,063,400*	*20,699,400*	*3,651,600*	*24,351,000*	*19,971,500*	*206,900*	*20,178,400*
Capitol Preservation Board							
Operations	2,576,200	2,535,700	0	2,535,700	2,496,700	166,600	2,663,300
Subtotal Capitol Preserv. Board	*2,576,200*	*2,535,700*	*0*	*2,535,700*	*2,496,700*	*166,600*	*2,663,300*
Total Budget	**$20,639,600**	**$23,235,100**	**$3,651,600**	**$26,886,700**	**$22,468,200**	**$373,500**	**$22,841,700**
% Change from Authorized FY 2004 to Total FY 2005							**(1.7%)**
FTE Positions	--	202.5	1.0	203.5	196.5	(2.0)	194.5

ADMINISTRATIVE SERVICES

Capital Budget

			Governor Walker's Recommendations				
	Actual FY 2003	**Authorized FY 2004**	**Recommended FY 2004**	**Base FY 2005**	**Ongoing and One-time Adj.**	**Total FY 2005**	**FY 2005 Bond**
Plan of Financing							
General Fund	$35,506,700	$23,384,700	$23,384,700	$27,584,700	($1,851,700)	$25,733,000	$0
School Funds	4,900,000	17,000,000	17,000,000	17,000,000	0	17,000,000	0
Transportation Fund	0	0	0	0	1,244,000	1,244,000	0
Federal Funds	7,900,300	0	0	0	11,719,000	11,719,000	0
Dedicated Credits	0	4,200,000	4,200,000	0	0	0	0
Restricted and Trust Funds	800,000	0	0	0	2,801,000	2,801,000	0
FY 2005 General Obligation Bond	0	0	0	0	0	0	61,203,000
FY 2005 Revenue Bond or Lease Purch.	0	0	0	0	0	0	16,859,000
Total Financing	**$49,107,000**	**$44,584,700**	**$44,584,700**	**$44,584,700**	**$13,912,300**	**$58,497,000**	**$78,062,000**
Projects							
Statewide capital improvements	$40,506,700	$38,514,700	$38,514,700	$38,514,700	$5,462,300	$43,977,000	$0
Ongoing funds applied to one-time projects	0	0	0	6,070,000	(6,070,000)	0	0
DFCM regional center planning	100,000	0	0	0	0	0	0
JJS - Canyonlands facility	2,476,000	0	0	0	0	0	0
JJS - Washington County facility	5,424,300	0	0	0	0	0	0
Nat. Grd. - maintenance projects	600,000	0	0	0	0	0	0
Corrections - Promontory bond payment	0	1,870,000	1,870,000	0	0	0	0
CPB - Capitol restoration	0	4,200,000	4,200,000	0	0	0	50,000,000
Corrections - Oxbow Jail	0	0	0	0	0	0	11,203,000
Ogden regional center	0	0	0	0	0	0	8,914,000
Nat. Grd. - TASS barracks	0	0	0	0	11,719,000	11,719,000	0
DWS - Logan employment center	0	0	0	0	2,801,000	2,801,000	0
DABC - replace N. Ogden store	0	0	0	0	0	0	1,430,000
DABC - replace Mt. Olympus store	0	0	0	0	0	0	1,950,000
DABC - new Park City store	0	0	0	0	0	0	2,830,000
DABC - replace Ogden store	0	0	0	0	0	0	1,160,000
DABC - expand Provo store	0	0	0	0	0	0	575,000
Total Budget	**$49,107,000**	**$44,584,700**	**$44,584,700**	**$44,584,700**	**$13,912,300**	**$58,497,000**	**$78,062,000**
% Change from Authorized FY 2004 to Total FY 2005						**31.2%**	

Capital facility projects (except for Higher Education, Public Education, and Transportation) are included in the Administrative Services budget because they are administered by the Division of Facilities Construction and Management, a division of the Department of Administrative Services.

ADMINISTRATIVE SERVICES

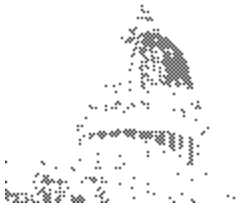
		General Fund	School Funds	Transportation Fund	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
	ADMINISTRATIVE SERVICES FY 2005 OPERATING BUDGET							
	Beginning Base Budget							
A1	FY 2004 appropriated budget	$11,762,700	$0	$450,000	$3,393,600	$4,156,400	($865,600)	$19,397,100
A2	Adjustments for one-time FY 2004 appropriations	(300,000)	0	0	0	0	0	(300,000)
A3	Adjustments for FY 2004 extra working day	(34,500)	0	0	(5,000)	(7,700)	0	(47,200)
A4	Adjustment for ISF overhead funds not available	0	0	0	0	(217,600)	0	(217,600)
A5	Reclassify capital improvement funds as restricted	0	0	0	(1,202,300)	1,202,300	0	0
A6	Adjustments to funding levels	0	0	0	182,800	0	956,400	1,139,200
	Total Beginning Base Budget - Administrative Services	**11,428,200**	**0**	**450,000**	**2,369,100**	**5,133,400**	**590,800**	**19,971,500**
	Statewide Ongoing Adjustments							
A7	Internal service fund adjustments	(234,700)	0	0	0	(24,700)	0	(259,400)
A8	Cost-of-living adjustments of 2%	157,400	0	0	11,800	52,800	0	222,000
A9	Market comparability adjustments	2,500	0	0	0	0	0	2,500
A10	Retirement rate adjustments	105,500	0	0	7,600	35,700	0	148,800
A11	Insurance rate adjustments	88,600	0	0	5,800	28,100	0	122,500
	Subtotal Statewide Ongoing Adjustments - Adm. Services	*119,300*	*0*	*0*	*25,200*	*91,900*	*0*	*236,400*
	Ongoing Adjustments							
A12	O&M for new archives building	85,800	0	0	0	0	0	85,800
A13	O&M for new archives automated storage system	9,000	0	0	0	0	0	9,000
A14	Rent increase for archives record center	23,100	0	0	0	0	0	23,100
A15	Reduce EDO internal auditor position	0	0	0	(60,000)	0	0	(60,000)
A16	Reduce DFCM project director position	0	0	0	0	(87,400)	0	(87,400)
	Subtotal Ongoing Adjustments - Administrative Services	*117,900*	*0*	*0*	*(60,000)*	*(87,400)*	*0*	*(29,500)*
	Total FY 2005 Administrative Services Adjustments	**237,200**	**0**	**0**	**(34,800)**	**4,500**	**0**	**206,900**
	Total FY 2005 Administrative Services Operating Budget	**$11,665,400**	**$0**	**$450,000**	**$2,334,300**	**$5,137,900**	**$590,800**	**$20,178,400**
	ADMINISTRATIVE SERVICES FY 2004 OPERATING BUDGET ADJUSTMENTS							
	Supplemental Adjustments							
A17	Internal service fund adjustments	($176,600)	$0	$0	$0	($29,400)	$0	($206,000)
A18	Rent increase for archives record center	12,700	0	0	0	0	0	12,700
A19	Reduce EDO internal auditor position	0	0	0	(60,000)	0	0	(60,000)
A20	Reduce DFCM project director position	0	0	0	0	(95,100)	0	(95,100)
A21	Increase to upgrade Finance FINET system	3,000,000	0	0	0	0	0	3,000,000
A22	Loan for mandated county election equipment	700,000	0	0	0	0	0	700,000
A23	Increase to AGRC for additional services to users	0	0	0	300,000	0	0	300,000
	Subtotal Supplemental Adjustments - Administrative Services	*3,536,100*	*0*	*0*	*240,000*	*(124,500)*	*0*	*3,651,600*
	Total FY 2004 Administrative Services Budget Adjustments	**$3,536,100**	**$0**	**$0**	**$240,000**	**($124,500)**	**$0**	**$3,651,600**

ADMINISTRATIVE SERVICES - CONTINUED

		General Fund	School Funds	Transportation Fund	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
	ADMINISTRATIVE SERVICES FY 2005 CAPITAL BUDGET							
	Base Budget							
A24	FY 2004 appropriated budget	$23,384,700	$17,000,000	$0	$4,200,000	$0	$0	$44,584,700
A25	Adjustments for one-time FY 2004 appropriations	4,200,000	0	0	(4,200,000)	0	0	0
	Subtotal Capital Base Budget - Admin. Services	*27,584,700*	*17,000,000*	*0*	*0*	*0*	*0*	*44,584,700*
	Total FY 2005 Admin. Services Capital Base Budget	**27,584,700**	**17,000,000**	**0**	**0**	**0**	**0**	**44,584,700**
	Ongoing Adjustments							
A26	Increase capital improvement funds (AR&I) mandated by statute	4,218,300	0	1,244,000	0	0	0	5,462,300
A27	Shift ongoing capital development base funding to AR&I	(4,218,300)	0	0	0	0	0	(4,218,300)
A28	Decrease ongoing capital development budget to zero	(1,851,700)	0	0	0	0	0	(1,851,700)
	Subtotal Ongoing Capital Adjustments - Admin. Services	*(1,851,700)*	*0*	*1,244,000*	*0*	*0*	*0*	*(607,700)*
	One-time Adjustments							
A29	Nat. Grd. - Total Army School System (TASS) barracks	0	0	0	0	0	11,719,000	11,719,000
A30	DWS - Logan employment center	0	0	0	0	2,801,000	0	2,801,000
	Subtotal One-time Capital Adjustments - Admin. Services	*0*	*0*	*0*	*0*	*2,801,000*	*11,719,000*	*14,520,000*
	Total FY 2005 Admin. Services Capital Adjustments	**(1,851,700)**	**0**	**1,244,000**	**0**	**2,801,000**	**11,719,000**	**13,912,300**
	Total FY 2005 Administrative Services Capital Budget	**$25,733,000**	**$17,000,000**	**$1,244,000**	**$0**	**$2,801,000**	**$11,719,000**	**$58,497,000**
	CAPITOL PRESERVATION BOARD FY 2005 OPERATING BUDGET							
	Beginning Base Budget							
A31	FY 2004 appropriated budget	$2,166,000	$0	$0	$228,200	$0	$109,900	$2,504,100
A32	Adjustments for FY 2004 extra working day	(600)	0	0	0	0	0	(600)
A33	Adjustments to funding levels	0	0	0	(17,900)	0	11,100	(6,800)
	Total Beginning Base Budget - Capitol Preservation Brd.	**2,165,400**	**0**	**0**	**210,300**	**0**	**121,000**	**2,496,700**
	Statewide Ongoing Adjustments							
A34	Cost-of-living adjustments of 2%	3,000	0	0	0	0	0	3,000
A35	Retirement rate adjustments	2,000	0	0	0	0	0	2,000
A36	Insurance rate adjustments	1,600	0	0	0	0	0	1,600
	Subtotal Statewide Ongoing Adjustments - Cap. Pres. Brd	*6,600*	*0*	*0*	*0*	*0*	*0*	*6,600*
	Ongoing Adjustments							
A37	Increase for operational costs of new East and West buildings	160,000	0	0	0	0	0	160,000
	Subtotal Ongoing Adjustments - Capitol Preserv. Board	*160,000*	*0*	*0*	*0*	*0*	*0*	*160,000*
	Total FY 2005 Capitol Preservation Board Adjustments	**166,600**	**0**	**0**	**0**	**0**	**0**	**166,600**
	Total FY 2005 Capitol Preservation Board Operating Budget	**$2,332,000**	**$0**	**$0**	**$210,300**	**$0**	**$121,000**	**$2,663,300**

ADMINISTRATIVE SERVICES - CONTINUED

	General Fund	School Funds	Transportation Fund	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
ADMINISTRATIVE SERVICES TOTALS							
FY 2005 Operating Beginning Base Budget	$13,593,600	$0	$450,000	$2,579,400	$5,133,400	$711,800	$22,468,200
FY 2005 Operating Ongoing and One-time Adjustments	403,800	0	0	(34,800)	4,500	0	373,500
FY 2005 Operating Recommendation	13,997,400	0	450,000	2,544,600	5,137,900	711,800	22,841,700
FY 2004 Operating Adjustments	3,536,100	0	0	240,000	(124,500)	0	3,651,600
FY 2005 Capital Base Budget	27,584,700	17,000,000	0	0	0	0	44,584,700
FY 2005 Capital Ongoing and One-time Adjustments	(1,851,700)	0	1,244,000	0	2,801,000	11,719,000	13,912,300
FY 2005 Capital Recommendation	25,733,000	17,000,000	1,244,000	0	2,801,000	11,719,000	58,497,000



COMMERCE AND REVENUE

Where Will My Taxes and Fees Go for Commerce and Revenue?
(Figure Based on Total FY 2005 Funding)

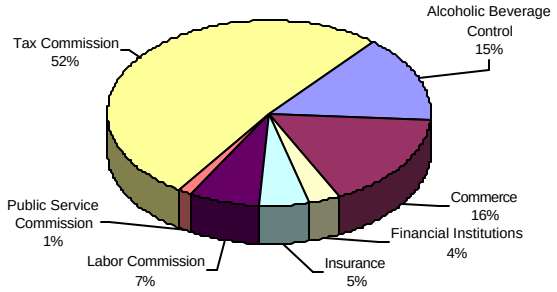


Figure excludes Workforce Services and enterprise funds

Highlighted Services
(Including the Governor's Recommendations)

$66 million for the Tax Commission
- Collect $4.8 billion in revenue in FY 2005 from over 40 various tax types

$19 million for Alcoholic Beverage Control
- Regulate and operate the retail sales of $170 million in alcoholic beverages throughout Utah

$21 million for the Department of Commerce
- License 125,000 licensees in 89 classifications
- Provide technical staff and rate payer representation in the regulation of 151 utilities

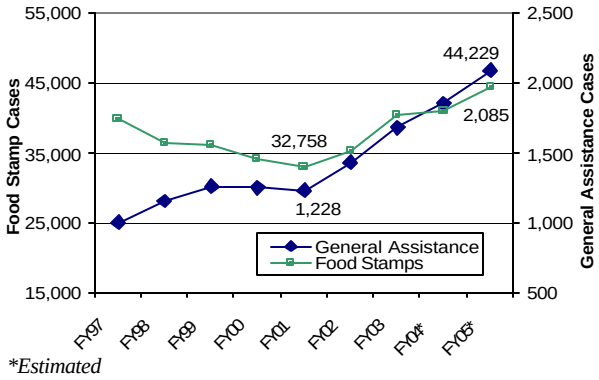
$5 million for Financial Institutions
- Monitor 130 depository institutions with assets totaling $109 billion

$6 million for the Insurance Commission
- Regulate 1,440 licensed insurers with annual premiums exceeding $7.4 billion

$2 million for the Public Service Commission
- Regulate 151 utilities with gross intrastate revenues exceeding $2.4 billion

$272 million for Workforce Services
- Provide financial assistance to 184,000 low income and/or unemployed households

Average Monthly Caseloads Have Risen Sharply Since FY 2001



**Estimated*

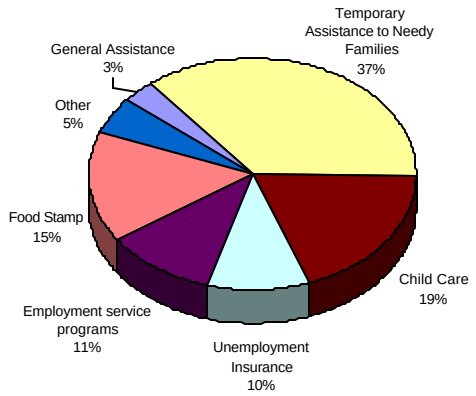
Governor's Recommendation Highlights
(All Funding Sources)

Tax Commission
- $1.0 million - Auditors and collection agents

Comprehensive Health Insurance Pool
- $10 million - Subsidy for uninsurable

Workforce Services
- $2.4 million - General Assistance caseload
- $1.4 million - Food Stamp caseload and match rate change

Where Will My Taxes Go For Workforce Services?
(Figure Based on Total FY 2005 Funding)



The Unemployment Insurance and Food Stamp programs do not include benefit payments.

BUDGET OVERVIEW

The Commerce and Revenue Appropriations Subcommittee budget consists of the Labor, Public Service and Tax commissions, and the departments of Alcoholic Beverage Control, Commerce, Financial Institutions, Insurance, and Workforce Services (DWS). For FY 2004 these agencies were appropriated a total of $442,569,500, with $108,310,800 from the General Fund and school funds. For FY 2005 the governor recommends that these agencies be appropriated $454,502,900, with $124,368,900 from the General Fund and school funds.

The Tax Commission, which comprises approximately 15 percent of total subcommittee funds, collected over $4.7 billion in state and local revenue in FY 2003. DWS, the largest agency in the subcommittee, comprises approximately 65 percent of the total funds and 51 percent of the subcommittee's General Fund. In FY 2003 DWS processed financial assistance claims for 184,000 Utah households.

From the original FY 2002 appropriation through FY 2004, these eight agencies have experienced $15,460,600 in cuts to their programs, making up 13.7 percent of their General Fund and school funds. DWS and Tax Commission cuts of $5,223,100 and $8,534,100, respectively, make up the bulk of the cuts.

GOVERNOR'S RECOMMENDATIONS

Commerce

Other Funds

- Provide $292,900 in ongoing restricted funds and six full-time equivalent positions to accommodate growth in licensing and regulation.

Insurance

General Fund

- Appropriate $10,000,000 in ongoing funds for the Comprehensive Health Insurance Pool, which provides insurance for uninsurable persons.

Public Service Commission

Other Funds

- Funding for the Public Service Commission comes out of the Public Utility Regulatory Fee (PURF), which is deposited into the General Fund Restricted – Commerce Service Fund. The governor recommends matching the appropriation with the deposit of the assessed fee and switching the funding source from the General Fund to restricted funds for this agency.

Tax Commission

General Fund

- Restore the $374,600 ongoing budget reduction to fund four auditors and four collectors.

- Provide $600,000 ongoing for 11 additional auditors and collectors who will promote compliance with tax laws.

Workforce Services

General Fund

- Provide $454,800 in ongoing funding and $945,200 in one-time funding for federally mandated match rate changes in the Food Stamp Employment and Training program and for Food Stamp caseload increases respectively.

- Provide $2,424,300 one-time funding for caseload growth in General Assistance to indigent persons without children.

- Use $6,321,000 one-time funding to add the Medicaid and Food Stamp modules to the electronic Resource Eligibility Program (e-REP).

FY 2004 PROPOSED LEGISLATIVE INTENT

Alcoholic Beverage Control

- Funds for Alcoholic Beverage Control are nonlapsing.

Commerce

- Under the terms of Section 63-38-8.1, UCA, funds are nonlapsing up to $500,000 for computer equipment and software and $60,000 for capital equipment or improvements.

- Unused Committee of Consumer Services funds will be transferred to the committee's Professional and Technical Services fund and are nonlapsing.

- Funds for Real Estate Education are nonlapsing.

Financial Institutions

- Under the terms of Section 63-38-8.1, UCA, restricted funds are nonlapsing up to $30,000 for capital equipment or improvements.

Insurance

- The Insurance Fraud Division may use dedicated credits to fund a vehicle purchase for a fraud investigator.

- Under the terms of Section 63-38-8.1, UCA, funds are nonlapsing up to $12,000 for capital equipment or improvements, $100,000 for computer equipment and software, and $10,000 for employee training and incentives.

Labor Commission

- Under the terms of Section 63-38-8.1, UCA, funds appropriated to the Labor Commission are nonlapsing up to $50,000 for computer equipment and software.

Tax Commission

- The Tax Commission will carry forward unexpended funds related to implementing Streamlined Sales Tax legislation.

FY 2005 Proposed Legislative Intent

Alcoholic Beverage Control

- Funds for Alcoholic Beverage Control are nonlapsing.

Commerce

- Unused Committee of Consumer Services funds will be transferred to the committee's Professional and Technical Services fund and are nonlapsing.

- Funds for the Division of Public Utilities - Professional and Technical Services are nonlapsing.

- Funds for Real Estate Education are nonlapsing.

Labor Commission

- Fees collected from sponsoring and holding seminars are nonlapsing.

Public Service Commission

- Funds for Administration and for Research and Analysis are non-lapsing.

- Funds for Universal Public Telecommunications Service Support are nonlapsing.

Tax Commission

- The Tax Commission will carry forward unexpended year-end balances for costs directly related to the modernization of the tax and motor vehicle systems and business processes.

- The Tax Commission will carry forward unexpended funds related to implementing Streamlined Sales Tax legislation.

Workforce Services

- Funds appropriated to DWS are nonlapsing.

COMMERCE AND REVENUE

Operating Budget

	Actual FY 2003	Authorized FY 2004	Governor Walker's Recommendations: Supple-mentals	Recommended FY 2004	Base FY 2005	Ongoing and One-time Adj.	Total FY 2005
Plan of Financing							
General Fund	$84,576,900	$91,538,700	$6,410,200	$97,948,900	$90,331,400	$16,582,100	$106,913,500
School Funds	15,479,600	16,772,100	(11,100)	16,761,000	16,712,900	742,500	17,455,400
Transportation Fund	5,857,400	5,857,400	0	5,857,400	5,857,400	0	5,857,400
Federal Funds	219,244,400	225,286,500	496,100	225,782,600	203,844,700	4,617,400	208,462,100
Dedicated Credits	14,559,400	18,404,800	(2,000)	18,402,800	19,334,100	88,300	19,422,400
Restricted and Trust Funds	63,172,200	74,861,000	295,600	75,156,600	78,553,800	3,891,000	82,444,800
Transfers	3,181,800	3,067,300	5,681,000	8,748,300	2,849,100	69,600	2,918,700
Pass-through Funds	37,800	75,200	0	75,200	75,200	0	75,200
Beginning Balances	31,354,100	22,778,500	0	22,778,500	15,469,400	0	15,469,400
Closing Balances	(22,778,500)	(15,469,400)	0	(15,469,400)	(2,801,100)	0	(2,801,100)
Lapsing Funds	(2,624,500)	(602,600)	0	(602,600)	(1,714,900)	0	(1,714,900)
Total Financing	**$412,060,600**	**$442,569,500**	**$12,869,800**	**$455,439,300**	**$428,512,000**	**$25,990,900**	**$454,502,900**
Programs							
Commerce and Revenue							
Alcoholic Beverage Control	$16,676,100	$18,515,900	$0	$18,515,900	$18,465,200	$895,400	$19,360,600
Commerce	16,922,100	20,642,700	187,300	20,830,000	20,315,300	824,700	21,140,000
Financial Institutions	3,968,200	4,476,000	0	4,476,000	4,463,900	155,800	4,619,700
Insurance	5,659,000	6,011,300	55,000	6,066,300	6,017,400	267,600	6,285,000
Health Insurance Pool	17,319,300	24,898,300	0	24,898,300	33,928,400	10,000,000	43,928,400
Labor Commission	8,215,300	8,736,100	0	8,736,100	8,462,600	378,400	8,841,000
Public Service Commission	1,468,400	1,817,500	0	1,817,500	1,637,100	55,000	1,692,100
Speech and Hearing Impaired Fund	1,366,800	1,473,000	0	1,473,000	1,662,900	0	1,662,900
Universal Telecom. Service Fund	8,584,600	8,878,800	0	8,878,800	8,878,800	0	8,878,800
Tax Commission	55,226,800	61,424,100	120,400	61,544,500	63,289,100	3,194,300	66,483,400
Workforce Services	276,654,000	285,695,800	12,507,100	298,202,900	261,391,300	10,219,700	271,611,000
Total Budget	**$412,060,600**	**$442,569,500**	**$12,869,800**	**$455,439,300**	**$428,512,000**	**$25,990,900**	**$454,502,900**
% Change from Authorized FY 2004 to Total FY 2005							**2.7%**
FTE Positions	--	3,637.0	11.0	3,648.0	3,623.0	27.0	3,650.0

COMMERCE AND REVENUE

		General and School Funds	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
ALCOHOLIC BEVERAGE CONTROL FY 2005 OPERATING BUDGET								
	Beginning Base Budget							
B1	FY 2004 appropriated budget	$0	$0	$0	$0	$18,494,600	$0	$18,494,600
B2	Adjustments for FY 2004 extra working day	0	0	0	0	(29,400)	0	(29,400)
	Total Beginning Base Budget - Alcoholic Bev. Control	**0**	**0**	**0**	**0**	**18,465,200**	**0**	**18,465,200**
	Statewide Ongoing Adjustments							
B3	Cost-of-living adjustments of 2%	0	0	0	0	146,800	0	146,800
B4	Internal service fund adjustments	0	0	0	0	9,700	0	9,700
B5	Market comparability adjustments	0	0	0	0	9,700	0	9,700
B6	Retirement rate adjustments	0	0	0	0	102,800	0	102,800
B7	Insurance rate adjustments	0	0	0	0	122,200	0	122,200
	Subtotal Statewide Ongoing Adj. - Alcoholic Beverage Control	*0*	*0*	*0*	*0*	*391,200*	*0*	*391,200*
	Ongoing Adjustments							
B8	Bond Payments - Tooele store and warehouse expansion	0	0	0	0	341,800	0	341,800
B9	Tooele staff - 3 FTEs	0	0	0	0	75,000	0	75,000
B10	Package agency volume increase	0	0	0	0	31,600	0	31,600
B11	Package agency raise of 4%	0	0	0	0	55,800	0	55,800
	Subtotal Ongoing Adjustments - Alcoholic Beverage Control	*0*	*0*	*0*	*0*	*504,200*	*0*	*504,200*
	Total FY 2005 Alcoholic Beverage Control Adjustments	**0**	**0**	**0**	**0**	**895,400**	**0**	**895,400**
Total FY 2005 Alcoholic Beverage Control Operating Budget		**$0**	**$0**	**$0**	**$0**	**$19,360,600**	**$0**	**$19,360,600**
COMMERCE FY 2005 OPERATING BUDGET								
	Beginning Base Budget							
B12	FY 2004 appropriated budget	$0	$0	$204,400	$1,469,000	$18,152,300	$75,200	$19,900,900
B13	Adjustments for one-time FY 2004 appropriations	0	0	0	0	(99,000)	0	(99,000)
B14	Adjustments for FY 2004 extra working day	0	0	0	0	(42,800)	0	(42,800)
B15	Adjustments to funding levels	0	0	13,200	68,000	0	475,000	556,200
	Total Beginning Base Budget - Commerce	**0**	**0**	**217,600**	**1,537,000**	**18,010,500**	**550,200**	**20,315,300**
	Statewide Ongoing Adjustments							
B16	Cost-of-living adjustments of 2%	0	0	5,400	1,400	224,600	0	231,400
B17	Internal service fund adjustments	0	0	200	(500)	(44,600)	0	(44,900)
B18	Market comparability adjustments	0	0	0	0	35,200	0	35,200
B19	Retirement rate adjustments	0	0	3,600	900	137,700	0	142,200
B20	Insurance rate adjustments	0	0	2,500	1,100	145,300	0	148,900
	Subtotal Statewide Ongoing Adjustments - Commerce	*0*	*0*	*11,700*	*2,900*	*498,200*	*0*	*512,800*

COMMERCE AND REVENUE - CONTINUED

		General and School Funds	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
	Ongoing Adjustments							
B21	Telephone and Facsimile Act	0	0	0	0	49,600	0	49,600
B22	DOPL Manager - investigator	0	0	0	0	78,600	0	78,600
B23	Real Estate License Technician	0	0	0	0	45,900	0	45,900
B24	Real Estate current expense	0	0	0	0	25,000	0	25,000
B25	Office Technician for criminal background checks	0	0	0	0	44,500	0	44,500
B26	Real Estate board secretary	0	0	0	0	49,300	0	49,300
B27	Customer Service Analyst	0	0	0	0	100,000	0	100,000
B28	Gas Analyst for the Committee of Consumer Services (CCS)	0	0	0	0	100,000	0	100,000
B29	CCS Professional and Technical Fund reduction	0	0	0	0	(200,000)	0	(200,000)
	Subtotal Ongoing Adjustments - Commerce	*0*	*0*	*0*	*0*	*292,900*	*0*	*292,900*
	One-time Adjustments							
B30	DOPL Manager - investigator (vehicle)	0	0	0	0	19,000	0	19,000
	Subtotal One-time Adjustments - Commerce	*0*	*0*	*0*	*0*	*19,000*	*0*	*19,000*
	Total FY 2005 Commerce Adjustments	**0**	**0**	**11,700**	**2,900**	**810,100**	**0**	**824,700**
	Total FY 2005 Commerce Operating Budget	**$0**	**$0**	**$229,300**	**$1,539,900**	**$18,820,600**	**$650,200**	**$21,140,000**

COMMERCE FY 2004 OPERATING BUDGET ADJUSTMENTS

	Supplemental Adjustments							
B31	Computer system modifications	$0	$0	$0	$0	$224,700	$0	$224,700
B32	CCS office space buildout - Professional and Technical Fund	0	0	0	0	(50,000)	0	(50,000)
B33	CCS office space buildout - Administration	0	0	0	0	50,000	0	50,000
B34	Internal service fund adjustments	0	0	0	(1,200)	(36,200)	0	(37,400)
	Subtotal Supplemental Adjustments - Commerce	*0*	*0*	*0*	*(1,200)*	*188,500*	*0*	*187,300*
	Total FY 2004 Commerce Budget Adjustments	**$0**	**$0**	**$0**	**($1,200)**	**$188,500**	**$0**	**$187,300**

FINANCIAL INSTITUTIONS FY 2005 OPERATING BUDGET

	Beginning Base Budget							
B35	FY 2004 appropriated budget	$0	$0	$0	$0	$4,476,000	$0	$4,476,000
B36	Adjustments for FY 2004 extra working day	0	0	0	0	(12,100)	0	(12,100)
	Total Beginning Base Budget - Financial Institutions	**0**	**0**	**0**	**0**	**4,463,900**	**0**	**4,463,900**

COMMERCE AND REVENUE – CONTINUED

		General and School Funds	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
	Statewide Ongoing Adjustments							
B37	Cost-of-living adjustments of 2%	0	0	0	0	70,400	0	70,400
B38	Internal service fund adjustments	0	0	0	0	1,700	0	1,700
B39	Retirement rate adjustments	0	0	0	0	47,500	0	47,500
B40	Insurance rate adjustments	0	0	0	0	36,200	0	36,200
	Subtotal Statewide Ongoing Adjustments - Financial Inst.	*0*	*0*	*0*	*0*	*155,800*	*0*	*155,800*
	Total FY 2005 Financial Institutions Adjustments	**0**	**0**	**0**	**0**	**155,800**	**0**	**155,800**
	Total FY 2005 Financial Institutions Operating Budget	**$0**	**$0**	**$0**	**$0**	**$4,619,700**	**$0**	**$4,619,700**
	INSURANCE FY 2005 OPERATING BUDGET							
	Beginning Base Budget							
B41	FY 2004 appropriated budget	$4,190,500	$0	$0	$1,665,900	$22,100	($79,000)	$5,799,500
B42	Adjustments for FY 2004 extra working day	(12,600)	0	0	(1,900)	0	0	(14,500)
B43	Adjustments to funding levels	0	0	0	155,600	0	76,800	232,400
	Total Beginning Base Budget - Insurance	**4,177,900**	**0**	**0**	**1,819,600**	**22,100**	**(2,200)**	**6,017,400**
	Statewide Ongoing Adjustments							
B44	Cost-of-living adjustments of 2%	67,600	0	0	12,000	0	0	79,600
B45	Internal service fund adjustments	13,800	0	0	0	0	0	13,800
B46	Market comparability adjustments	14,700	0	0	0	0	0	14,700
B47	Retirement rate adjustments	45,600	0	0	8,200	0	0	53,800
B48	Insurance rate adjustments	43,100	0	0	7,600	0	0	50,700
	Subtotal Statewide Ongoing Adjustments - Insurance	*184,800*	*0*	*0*	*27,800*	*0*	*0*	*212,600*
	Ongoing Adjustments							
B49	Annual software upgrade and maintenance agreement	55,000	0	0	0	0	0	55,000
	Subtotal Ongoing Adjustments - Insurance	*55,000*	*0*	*0*	*0*	*0*	*0*	*55,000*
	Total FY 2005 Insurance Adjustments	**239,800**	**0**	**0**	**27,800**	**0**	**0**	**267,600**
	Total FY 2005 Insurance Operating Budget	**$4,417,700**	**$0**	**$0**	**$1,847,400**	**$22,100**	**($2,200)**	**$6,285,000**
	INSURANCE FY 2004 OPERATING BUDGET ADJUSTMENTS							
	Supplemental Adjustments							
B50	Annual software upgrade and maintenance agreement	$55,000	$0	$0	$0	$0	$0	$55,000
	Subtotal Supplemental Adjustments - Insurance	*55,000*	*0*	*0*	*0*	*0*	*0*	*55,000*
	Total FY 2004 Insurance Budget Adjustments	**$55,000**	**$0**	**$0**	**$0**	**$0**	**$0**	**$55,000**

COMMERCE AND REVENUE – CONTINUED

		General and School Funds	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
	LABOR COMMISSION FY 2005 OPERATING BUDGET							
	Beginning Base Budget							
B51	FY 2004 appropriated budget	$4,437,900	$0	$2,471,200	$0	$1,789,000	$38,000	$8,736,100
B52	Adjustments for FY 2004 extra working day	(12,700)	0	(6,600)	0	(4,300)	0	(23,600)
B53	Adjustments to funding levels	0	0	(155,100)	0	(81,800)	(13,000)	(249,900)
	Total Beginning Base Budget - Labor Commission	**4,425,200**	**0**	**2,309,500**	**0**	**1,702,900**	**25,000**	**8,462,600**
	Statewide Ongoing Adjustments							
B54	Cost-of-living adjustments of 2%	74,000	0	28,000	0	19,000	0	121,000
B55	Internal service fund adjustments	7,300	0	100	0	(1,000)	0	6,400
B56	Market comparability adjustments	0	0	0	0	5,500	0	5,500
B57	Retirement rate adjustments	49,500	0	18,600	0	12,900	0	81,000
B58	Insurance rate adjustments	43,200	0	17,500	0	11,400	0	72,100
	Subtotal Statewide Ongoing Adjustments - Labor Commission	*174,000*	*0*	*64,200*	*0*	*47,800*	*0*	*286,000*
	Ongoing Adjustments							
B59	Administrative Secretary - Industrial Accidents	0	0	0	0	54,400	0	54,400
B60	Workplace Safety funds	0	0	0	0	38,000	0	38,000
	Subtotal Ongoing Adjustments - Labor Commission	*0*	*0*	*0*	*0*	*92,400*	*0*	*92,400*
	Total FY 2005 Labor Commission Adjustments	**174,000**	**0**	**64,200**	**0**	**140,200**	**0**	**378,400**
	Total FY 2005 Labor Commission Operating Budget	**$4,599,200**	**$0**	**$2,373,700**	**$0**	**$1,843,100**	**$25,000**	**$8,841,000**
	LABOR COMMISSION FY 2004 OPERATING BUDGET ADJUSTMENTS							
	Supplemental Adjustments							
B61	Funding change Workplace Safety Fund	$0	$0	$0	$0	$38,000	($38,000)	$0
	Subtotal Supplemental Adjustments - Labor Commission	*0*	*0*	*0*	*0*	*38,000*	*(38,000)*	*0*
	Total FY 2004 Labor Commission Budget Adjustments	**$0**	**$0**	**$0**	**$0**	**$38,000**	**($38,000)**	**$0**
	PUBLIC SERVICE COMMISSION FY 2005 OPERATING BUDGET							
	Beginning Base Budget							
B62	FY 2004 appropriated budget	$1,520,300	$0	$0	$181,600	$0	$63,500	$1,765,400
B63	Adjustments for FY 2004 extra working day	(4,400)	0	0	0	0	0	(4,400)
B64	Adjustments to funding levels	0	0	0	(60,400)	0	(63,500)	(123,900)
	Total Beginning Base Budget - Public Service Commission	**1,515,900**	**0**	**0**	**121,200**	**0**	**0**	**1,637,100**

COMMERCE AND REVENUE – CONTINUED

		General and School Funds	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
	Statewide Ongoing Adjustments							
B65	Cost-of-living adjustments of 2%	0	0	0	0	24,600	0	24,600
B66	Internal service fund adjustments	0	0	0	0	1,900	0	1,900
B67	Retirement rate adjustments	0	0	0	0	16,700	0	16,700
B68	Insurance rate adjustments	0	0	0	0	11,800	0	11,800
	Subtotal Statewide Ongoing Adjustments - PSC	*0*	*0*	*0*	*0*	*55,000*	*0*	*55,000*
	Ongoing Adjustments							
B69	Change funding category	(1,515,900)	0	0	0	1,515,900	0	0
	Subtotal Ongoing Adjustments - Public Service Commission	*(1,515,900)*	*0*	*0*	*0*	*1,515,900*	*0*	*0*
	Total FY 2005 Public Service Commission Adjustments	**(1,515,900)**	**0**	**0**	**0**	**1,570,900**	**0**	**55,000**
	Total FY 2005 Public Service Commission Operating Budget	**$0**	**$0**	**$0**	**$121,200**	**$1,570,900**	**$0**	**$1,692,100**
	TAX COMMISSION FY 2005 OPERATING BUDGET							
	Beginning Base Budget							
B70	FY 2004 appropriated budget	$35,885,100	$5,857,400	$476,600	$7,707,900	$7,630,700	$1,883,300	$59,441,000
B71	Adjustments for one-time FY 2004 appropriations	2,080,900	0	0	0	(659,200)	(1,000,000)	421,700
B72	Adjustments for FY 2004 extra working day	(103,300)	0	0	(14,500)	(16,700)	0	(134,500)
B73	Adjustments to funding levels	0	0	(21,000)	4,169,600	0	(587,700)	3,560,900
	Total Beginning Base Budget - Tax Commission	**37,862,700**	**5,857,400**	**455,600**	**11,863,000**	**6,954,800**	**295,600**	**63,289,100**
	Statewide Ongoing Adjustments							
B74	Cost-of-living adjustments of 2%	607,200	0	0	0	107,600	0	714,800
B75	Internal service fund adjustments	14,400	0	200	1,000	(2,200)	0	13,400
B76	Market comparability adjustments	353,900	0	0	0	71,300	0	425,200
B77	Retirement rate adjustments	409,400	0	0	0	72,600	0	482,000
B78	Insurance rate adjustments	405,000	0	0	0	69,300	0	474,300
	Subtotal Statewide Ongoing Adjustments - Tax Commission	*1,789,900*	*0*	*200*	*1,000*	*318,600*	*0*	*2,109,700*
	Ongoing Adjustments							
B79	Auditors - 4 FTEs	220,700	0	0	0	0	0	220,700
B80	Collection agents - 4 FTEs	153,900	0	0	0	0	0	153,900
B81	Davis County office space for Division of Motor Vehicles	110,000	0	0	0	0	0	110,000
B82	Additional auditors and collection agents - 11 FTEs	600,000	0	0	0	0	0	600,000
	Subtotal Ongoing Adjustments - Tax Commission	*1,084,600*	*0*	*0*	*0*	*0*	*0*	*1,084,600*
	Total FY 2005 Tax Commission Adjustments	**2,874,500**	**0**	**200**	**1,000**	**318,600**	**0**	**3,194,300**
	Total FY 2005 Tax Commission Operating Budget	**$40,737,200**	**$5,857,400**	**$455,800**	**$11,864,000**	**$7,273,400**	**$295,600**	**$66,483,400**

COMMERCE AND REVENUE – CONTINUED

		General and School Funds	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
	TAX COMMISSION FY 2004 OPERATING BUDGET ADJUSTMENTS							
	Supplemental Adjustments							
B83	Internal service fund adjustments	($23,100)	$0	$0	($600)	($5,900)	$0	($29,600)
B84	Additional auditors and collection agents - 11 FTEs	75,000	0	0	0	75,000	0	150,000
	Subtotal Supplemental Adjustments - Tax Commission	*51,900*	*0*	*0*	*(600)*	*69,100*	*0*	*120,400*
	Total FY 2004 Tax Commission Budget Adjustments	**$61,900**	**$0**	**$0**	**($600)**	**$69,100**	**$0**	**$120,400**
	WORKFORCE SERVICES FY 2005 OPERATING BUDGET							
	Beginning Base Budget							
B85	FY 2004 appropriated budget	$55,360,800	$0	$205,387,200	$3,830,200	$2,160,000	$3,506,500	$270,244,700
B86	Adjustments for one-time FY 2004 appropriations	(2,402,100)	0	0	0	0	0	(2,402,100)
B87	Adjustments for FY 2004 extra working day	(100,000)	0	0	0	0	0	(100,000)
B88	Adjustments to funding levels	0	0	(4,525,200)	(1,083,400)	0	(742,700)	(6,351,300)
	Total Beginning Base Budget - Workforce Services	**52,858,700**	**0**	**200,862,000**	**2,746,800**	**2,160,000**	**2,763,800**	**261,391,300**
	Statewide Ongoing Adjustments							
B89	Cost-of-living adjustments of 2%	297,400	0	1,304,000	29,400	0	27,200	1,658,000
B90	Internal service fund adjustments	17,400	0	(18,600)	(11,500)	0	1,500	(11,200)
B91	Market comparability adjustments	13,900	0	40,300	300	0	4,000	58,500
B92	Retirement rate adjustments	192,500	0	801,900	18,300	0	17,500	1,030,200
B93	Insurance rate adjustments	206,700	0	880,600	20,100	0	19,400	1,126,800
	Subtotal Statewide Ongoing Adjustments - Workforce Services	*727,900*	*0*	*3,008,200*	*56,600*	*0*	*69,600*	*3,862,300*
	Ongoing Adjustments							
B94	Food Stamp match rate change	454,800	0	0	0	0	0	454,800
B95	Child Care matching funds	1,000,000	0	2,478,300	0	0	0	3,478,300
	Subtotal Ongoing Adjustments Workforce Services	*1,454,800*	*0*	*2,478,300*	*0*	*0*	*0*	*3,933,100*
	One-time Adjustments							
B96	General Assistance caseload growth	2,424,300	0	0	0	0	0	2,424,300
B97	Food Stamp caseload increase	945,200	0	(945,200)	0	0	0	0
	Subtotal One-time Adjustments - Workforce Services	*3,369,500*	*0*	*(945,200)*	*0*	*0*	*0*	*2,424,300*
	Total FY 2005 Workforce Services Adjustments	**5,552,200**	**0**	**4,541,300**	**56,600**	**0**	**69,600**	**10,219,700**
	Total FY 2005 Workforce Services Operating Budget	**$58,410,900**	**$0**	**$205,403,300**	**$2,803,400**	**$2,160,000**	**$2,833,400**	**$271,611,000**

COMMERCE AND REVENUE – CONTINUED

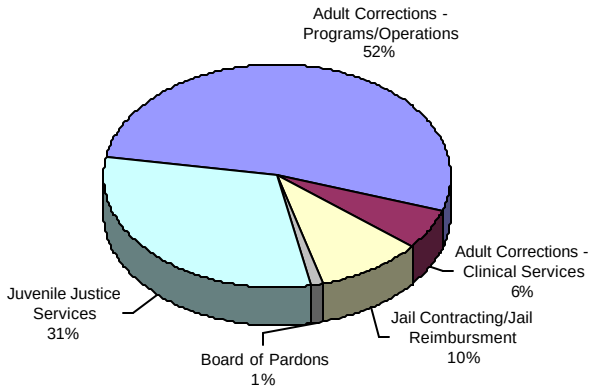
		General and School Funds	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
WORKFORCE SERVICES FY 2004 OPERATING BUDGET ADJUSTMENTS								
	Supplemental Adjustments							
B88	e-REP development project	$6,321,000	$0	$598,700	$0	$0	$5,722,100	$12,641,800
B89	Internal service fund adjustments	(28,800)	0	(102,600)	(200)	0	(3,100)	(134,700)
	Subtotal Supplemental Adjustments - Workforce Services	*6,292,200*	*0*	*496,100*	*(200)*	*0*	*5,719,000*	*12,507,100*
Total FY 2004 Workforce Services Budget Adjustments		**$6,292,200**	**$0**	**$496,100**	**($200)**	**$0**	**$5,719,000**	**$12,507,100**
COMPREHENSIVE HEALTH INSURANCE POOL FY 2005 OPERATING BUDGET								
	Beginning Base Budget							
B100	FY 2004 appropriated budget	$6,916,200	$0	$0	$0	$0	$0	$6,916,200
B101	Adjustments for one-time FY 2004 appropriations	(712,300)	0	0	0	0	0	(712,300)
B102	Adjustments to funding levels	0	0	0	0	17,725,500	9,999,000	27,724,500
	Total Beginning Base Budget - Comp. Health Ins. Pool	**6,203,900**	**0**	**0**	**0**	**17,725,500**	**9,999,000**	**33,928,400**
	Ongoing Adjustments							
B103	General Fund subsidy	10,000,000	0	0	0	0	0	10,000,000
	Subtotal Ongoing Adjustments - Comp. Health Ins. Pool	*10,000,000*	*0*	*0*	*0*	*0*	*0*	*10,000,000*
	Total FY 2005 Comp. Health Ins. Pool Adj.	**10,000,000**	**0**	**0**	**0**	**0**	**0**	**10,000,000**
Total FY 2005 Comp. Health Insurance Pool Operating Budget		**$16,203,900**	**$0**	**$0**	**$0**	**$17,725,500**	**$9,999,000**	**$43,928,400**
SPEECH AND HEARING IMPAIRED FUND FY 2005 OPERATING BUDGET								
	Beginning Base Budget							
B104	FY 2004 appropriated budget	$0	$0	$0	$1,362,300	$0	$270,400	$1,632,700
B105	Adjustments to funding levels	0	0	0	(115,800)	0	146,000	30,200
	Total Beginning Base Budget - Speech/Hearing Impaired	**0**	**0**	**0**	**1,246,500**	**0**	**416,400**	**1,662,900**
Total FY 2005 Speech and Hearing Impaired Operating Budget		**$0**	**$0**	**$0**	**$1,246,500**	**$0**	**$416,400**	**$1,662,900**

COMMERCE AND REVENUE - CONTINUED

	General and School Funds	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
UNIVERSAL TELECOMMUNICATIONS SERVICE SUPPORT FUND FY 2005 OPERATING BUDGET							
Beginning Base Budget							
B106 FY 2004 appropriated budget	$0	$0	$0	$0	$6,459,300	$341,700	$6,801,000
B107 Adjustments to funding levels	0	0	0	0	2,589,600	(511,800)	2,077,800
Total Beginning Base Budget - Universal Telecom	**0**	**0**	**0**	**0**	**9,048,900**	**(170,100)**	**8,878,800**
Total FY 2005 Universal Telecommunications Operating Budget	**$0**	**$0**	**$0**	**$0**	**$9,048,900**	**($170,100)**	**$8,878,800**
COMMERCE AND REVENUE TOTALS							
FY 2005 Operating Beginning Base Budget	$107,044,300	$5,857,400	$203,844,700	$19,334,100	$78,553,800	$13,877,700	$428,512,000
FY 2005 Operating Ongoing and One-time Adjustments	17,324,600	0	4,617,400	88,300	3,891,000	69,600	25,990,900
FY 2005 Operating Recommendation	124,368,900	5,857,400	208,462,100	19,422,400	82,444,800	13,947,300	454,502,900
FY 2004 Operating Adjustments	6,399,100	0	496,100	(2,000)	295,600	5,681,000	12,869,800

CORRECTIONS (ADULT AND JUVENILE)

Where Will My Taxes Go for Corrections?
(Figure Based on Total FY 2005 Funding)



Highlighted Services
(Including the Governor's Recommendations)

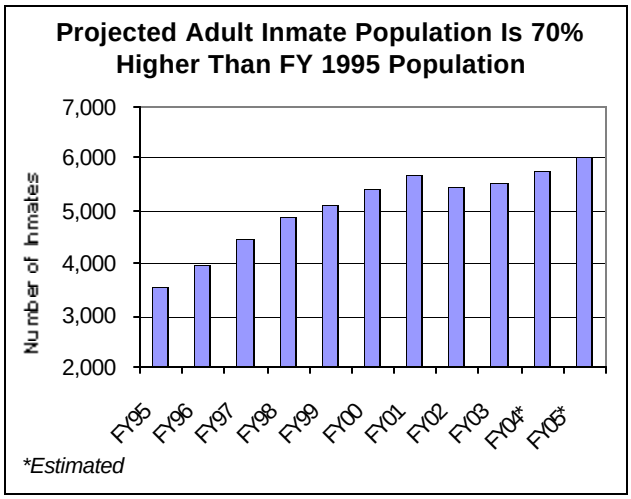
$155 million for Adult Corrections - Programs and Operations
- Incarcerate 6,000 inmates
- Supervise 15,000 offenders under probation or parole

$19 million for Jail Contracting
- House 1,168 inmates in county jails

$11 million for Jail Reimbursement
- Fund a daily average of 828 beds in county jails as a condition of probation

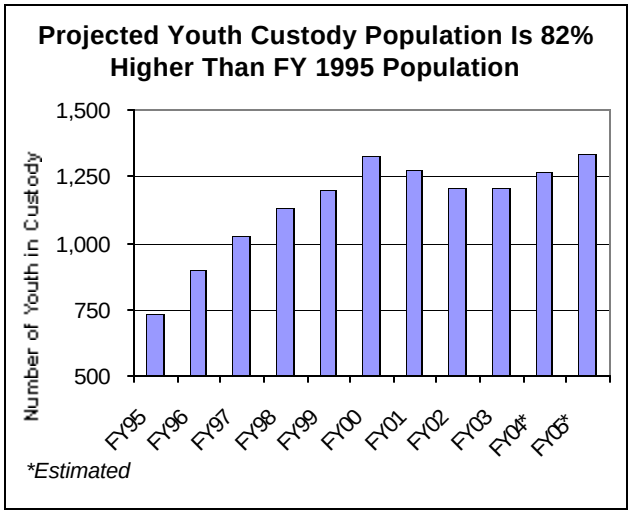
$92 million for Juvenile Justice Services
- Provide services for approximately 1,800 juveniles per day, including 232 juvenile offenders in secure facilities
- Genesis work crews perform 87,500 hours of work, which represents a return of over $450,000 in services to the community

$3 million for the Board of Pardons and Parole
- Five member board conducts 11,600 hearings annually



Governor's Recommendation Highlights
(All Funding Sources)

- $9.4 million - New Oxbow women's prison O&M
- $0.7 million - Add 12 new probation and parole agents
- $1.8 million - Growth in jail reimbursement
- $1.8 million - Full-year operational costs for the Canyonlands youth facility in Blanding and the Dixie Area Detention facility in St. George



BUDGET OVERVIEW

Corrections agencies include the Department of Corrections, the Board of Pardons and Parole, the Youth Parole Authority, and the Division of Juvenile Justice Services (formerly known as the Division of Youth Corrections). The Division of Juvenile Justice Services is a part of the Department of Human Services but is included here for budget purposes. These agencies protect the public, provide rehabilitation programs for young offenders, and provide adult offenders with skills training to enhance their prospects for success after release.

For FY 2004 the legislature appropriated $273,247,000, including $246,032,100 in General Fund, to these agencies. For FY 2005 the governor recommends correction agencies receive $296,654,100 with $270,204,400 from the General Fund. This is a 9.8 percent increase in General Fund. As shown in the pie chart on the previous page, the major component of the corrections budget is the Programs and Operations line item of Adult Corrections, which is projected to provide supervision for 21,000 offenders under its jurisdiction.

Adult Corrections

From the original FY 2002 ongoing General Fund appropriation through FY 2004, a total of $8,818,300, or 4.8 percent, in reductions have been made. These cuts have required actions to eliminate funding for 500 prison beds, eliminate administrative positions, use funds from the Crime Victim Reparations Trust Fund, and shift payment for the Promontory facility lease revenue bond from corrections to the Department of Administrative Services' capital budget.

During this same period, the salaries of adult correctional officers have lagged behind the general job market. The State of Utah must compete with other county and city law enforcement salaries. After state correctional officers are trained by the Department of Corrections, many of the employees transfer to county or city law enforcement where salaries are higher. In addition, it is very difficult to recruit medical staff at the Draper prison facility because state salary rates for medical personnel are not competitive with the private sector.

Board of Pardons and Parole

Since the original FY 2002 ongoing appropriation, a total of $298,400, or 11.5 percent, in reductions have been made. These cuts have required actions to eliminate a receptionist position, reduce psychological assessments of sex offenders, decrease contracts for defense attorneys, and implement across-the-board administrative cuts.

Juvenile Justice Services

Since the original FY 2002 ongoing appropriation a total of $8,820,300, or 12 percent, in reductions have been made. These cuts required lowering overhead costs through actions to consolidate programs; reduce services in residential programs; eliminate contributions for Families, Agencies, and Communities Together (FACT); reduce services in the state supervision program; and eliminate funding for 38 beds. A recent market comparability salary survey showed that youth correctional counselor salaries are also 19 percent below the market rate.

GOVERNOR'S RECOMMENDATIONS

Adult Corrections

General Fund

- Include $9,379,400 in ongoing funds to operate the new 550 bed Oxbow women's prison. The female inmate population is growing at an annual rate of 9.0 percent. The purchase and renovation of the Salt Lake County Oxbow jail will facilitate specific female programming as well as provide additional growth for male inmates at the Draper prison (See the Capital

Budget section for recommendations on the purchase of the Oxbow facility).

- Provide $2,199,700 in ongoing funds to continue to operate the 192 bed Central Utah Correctional Facility pod at Gunnison, which opened in October 2003.

- Add 12 probation and parole agents to supervise felony offenders in the community at a cost of $569,500 in ongoing funds and $105,000 in one-time FY 2005 funding.

- Provide $1,863,100 in ongoing funds to the counties to pay for increased inmate core costs associated with jail contracting and jail reimbursement.

- Provide $1,806,700 in ongoing funds to the counties to pay for costs associated with the increased growth in jail reimbursement.

Juvenile Justice Services

General Fund

- Include $1,815,300 in ongoing funds to pay for full-year operational costs of the Canyonlands (located in Blanding) and Dixie Area Detention (located in St. George) youth facilities. Blanding opened in May 2003, and Dixie will open in the second quarter of 2004.

FY 2004 Proposed Legislative Intent

Juvenile Justice Services

- The division may use nonlapsing funds to purchase two vehicles for use at the Dixie Area Detention center.

FY 2005 Proposed Legislative Intent

Adult Corrections

- The Department of Corrections shall have authority to transfer up to $500,000 in FY 2004 nonlapsing funds from the Programs and Operations line item for use by correctional industries. The funding can only be used to support offender work programs that teach inmates useful skills or provide the state with an important service.

- The department may reallocate resources internally to fund additional probation and parole agents. For every two agents hired, the legislature grants permission to purchase one vehicle.

- Funds for the Department of Corrections - Programs and Operations are nonlapsing.

- Funds for the Department of Corrections - Department Medical Services are nonlapsing.

- Funds for the Department of Corrections - Jail Contracting are nonlapsing.

- Funds for the Department of Corrections - Jail Reimbursement are nonlapsing.

Board of Pardons and Parole

- Funds for the board are nonlapsing.

Juvenile Justice Services

- Funds for the division are nonlapsing.

- Funds for Juvenile Justice Services - Youth Parole Authority are nonlapsing.

CORRECTIONS (ADULT AND JUVENILE)

Operating Budget

			Governor Walker's Recommendations			
	Actual FY 2003	Authorized FY 2004	Recommended FY 2004	Base FY 2005	Ongoing and One-time Adj.	Total FY 2005
Plan of Financing						
General Fund	$242,426,400	$246,032,100	$246,032,100	$245,231,900	$24,972,500	$270,204,400
Federal Funds	2,918,700	2,841,100	2,841,100	2,791,100	57,300	2,848,400
Dedicated Credits	5,253,400	5,670,100	5,670,100	5,764,400	63,400	5,827,800
Restricted and Trust Funds	2,255,300	2,584,400	2,584,400	2,584,400	8,200	2,592,600
Transfers	19,674,500	19,358,800	19,358,800	14,791,700	389,200	15,180,900
Beginning Balances	3,031,300	5,760,800	5,760,800	0	0	0
Closing Balances	(5,760,800)	0	0	0	0	0
Lapsing Funds	(2,381,500)	0	0	0	0	0
Total Financing	**$267,417,300**	**$282,247,300**	**$282,247,300**	**$271,163,500**	**$25,490,600**	**$296,654,100**
Programs						
Adult Corrections						
Administration	$13,071,500	$12,902,100	$12,902,100	$12,857,800	$279,400	$13,137,200
Field Operations	37,064,000	39,271,900	39,271,900	39,083,800	2,075,300	41,159,100
Institutional Operations	82,249,000	90,944,500	90,944,500	86,422,100	14,448,300	100,870,400
Clinical Services	15,660,000	16,851,700	16,851,700	16,323,700	443,300	16,767,000
Jail Contracting	17,926,200	18,246,200	18,246,200	18,086,200	1,245,000	19,331,200
Jail Reimbursement	8,515,900	8,515,900	8,515,900	8,515,900	2,424,800	10,940,700
Subtotal Adult Corrections	*174,486,600*	*186,732,300*	*186,732,300*	*181,289,500*	*20,916,100*	*202,205,600*
Board of Pardons and Parole						
Operations	2,682,900	2,781,100	2,781,100	2,627,200	106,400	2,733,600
Subtotal Board of Pardons and Parole	*2,682,900*	*2,781,100*	*2,781,100*	*2,627,200*	*106,400*	*2,733,600*
Juvenile Justice Services						
Administration	6,957,500	7,500,100	7,500,100	3,194,500	91,500	3,286,000
Early Intervention	8,169,600	8,588,100	8,588,100	8,182,800	275,300	8,458,100
Community Programs	28,476,800	28,515,500	28,515,500	28,565,700	436,400	29,002,100
Correctional Facilities	26,968,900	27,621,400	27,621,400	27,111,400	1,008,000	28,119,400
Rural Programs	19,415,800	20,186,100	20,186,100	19,911,700	2,636,100	22,547,800
Youth Parole Authority	259,200	322,700	322,700	280,700	20,800	301,500
Subtotal Juvenile Justice Services	*90,247,800*	*92,733,900*	*92,733,900*	*87,246,800*	*4,468,100*	*91,714,900*
Total Budget	**$267,417,300**	**$282,247,300**	**$282,247,300**	**$271,163,500**	**$25,490,600**	**$296,654,100**
% Change from Authorized FY 2004 to Total FY 2005						**5.1%**
FTE Positions	--	3,237.3	3,237.3	3,230.1	190.0	3,420.1

CORRECTIONS (ADULT AND JUVENILE)

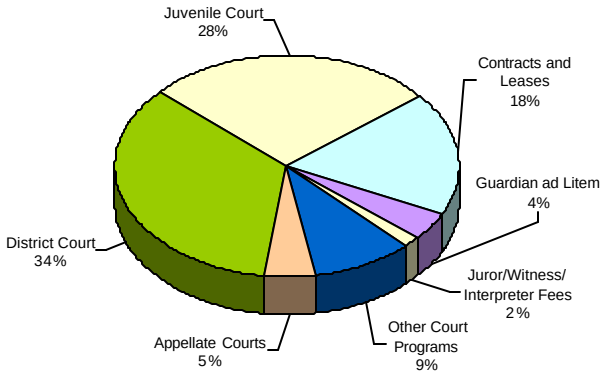
		General Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
ADULT CORRECTIONS FY 2005 OPERATING BUDGET							
	Beginning Base Budget						
C1	FY 2004 appropriated budget	$176,164,900	$1,056,300	$3,148,300	$1,346,700	$982,100	$182,698,300
C2	Adjustments for FY 2004 extra working day	(400,900)	0	(3,400)	0	0	(404,300)
C3	Adjustments for one-time FY 2004 appropriations	(12,900)	0	0	0	0	(12,900)
C4	Adjustments to funding levels	0	(360,000)	(152,300)	0	(479,300)	(991,600)
	Total Beginning Base Budget - Adult Corrections	**175,751,100**	**696,300**	**2,992,600**	**1,346,700**	**502,800**	**181,289,500**
	Statewide Ongoing Adjustments						
C5	Cost-of-living adjustments of 2%	1,985,400	0	0	0	0	1,985,400
C6	Internal service fund adjustments	(80,900)	0	0	0	0	(80,900)
C7	Market comparability adjustments	148,300	0	0	0	0	148,300
C8	Retirement rate adjustments	1,671,300	0	0	0	0	1,671,300
C9	Insurance rate adjustments	1,268,600	0	0	0	0	1,268,600
	Subtotal Statewide Ongoing Adjustments - Adult Corrections	*4,992,700*	*0*	*0*	*0*	*0*	*4,992,700*
	Ongoing Adjustments						
C10	Central Utah Correctional Facility - 192 beds	2,199,700	0	0	0	0	2,199,700
C11	Probation and parole agents - 12 FTEs	569,500	0	0	0	0	569,500
C12	Oxbow Operations - 550 beds	9,379,400	0	0	0	0	9,379,400
C13	County jail contracting core rate increase	1,245,000	0	0	0	0	1,245,000
C14	Jail reimbursement core rate increase	618,100	0	0	0	0	618,100
C15	Jail reimbursement growth	1,806,700	0	0	0	0	1,806,700
	Subtotal Ongoing Adjustments - Adult Corrections	*15,818,400*	*0*	*0*	*0*	*0*	*15,818,400*
	One-time Adjustments						
C16	Capital outlay and equipment for probation and parole agents	105,000	0	0	0	0	105,000
	Subtotal One-time Adjustments - Adult Corrections	*105,000*	*0*	*0*	*0*	*0*	*105,000*
	Total FY 2005 Adult Corrections Adjustments	**20,916,100**	**0**	**0**	**0**	**0**	**20,916,100**
Total FY 2005 Adult Corrections Operating Budget		**$196,667,200**	**$696,300**	**$2,992,600**	**$1,346,700**	**$502,800**	**$202,205,600**
BOARD OF PARDONS AND PAROLE FY 2005 OPERATING BUDGET							
	Beginning Base Budget						
C17	FY 2004 appropriated budget	$2,556,700	$0	$2,200	$77,400	$140,300	$2,776,600
C18	Adjustments for FY 2004 extra working day	(9,100)	0	0	0	0	(9,100)
C19	Adjustments to funding levels	0	0	0	0	(140,300)	(140,300)
	Total Beginning Base Budget - Bd. of Pardons and Parole	**2,547,600**	**0**	**2,200**	**77,400**	**0**	**2,627,200**

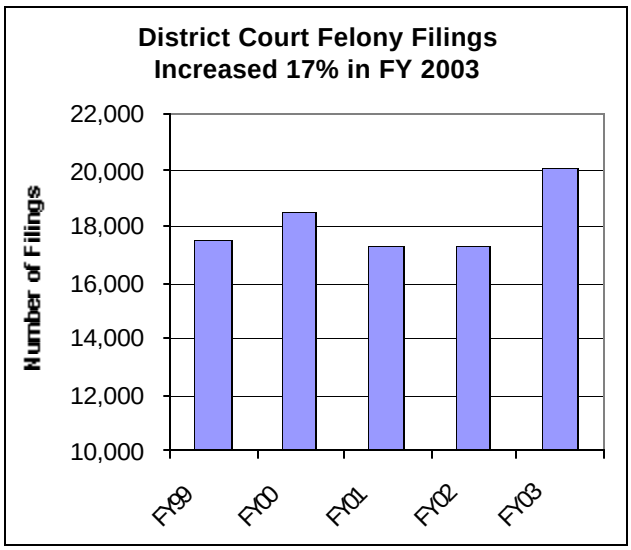
CORRECTIONS (ADULT AND JUVENILE) - CONTINUED

		General Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
	Statewide Ongoing Adjustments						
C20	Cost-of-living adjustments of 2%	37,200	0	0	0	0	37,200
C21	Internal service fund adjustments	21,100	0	0	0	0	21,100
C22	Retirement rate adjustments	29,600	0	0	0	0	29,600
C23	Insurance rate adjustments	18,500	0	0	0	0	18,500
	Subtotal Statewide Ongoing Adj. - Board of Pardons and Parole	*106,400*	*0*	*0*	*0*	*0*	*106,400*
	Total FY 2005 Board of Pardons and Parole Adjustments	**106,400**	**0**	**0**	**0**	**0**	**106,400**
	Total FY 2005 Board of Pardons and Parole Operating Budget	**$2,654,000**	**$0**	**$2,200**	**$77,400**	**$0**	**$2,733,600**
	JUVENILE JUSTICE SERVICES FY 2005 OPERATING BUDGET						
	Beginning Base Budget						
C24	FY 2004 appropriated budget	$67,310,500	$1,898,100	$2,800,100	$1,160,300	$14,603,100	$87,772,100
C25	Adjustments for FY 2004 extra working day	(125,800)	(8,800)	(500)	0	0	(135,100)
C26	Adjustments to funding levels	(251,500)	205,500	(30,000)	0	(314,200)	(390,200)
	Total Beginning Base Budget - Juvenile Justice Services	**66,933,200**	**2,094,800**	**2,769,600**	**1,160,300**	**14,288,900**	**87,246,800**
	Statewide Ongoing Adjustments						
C27	Cost-of-living adjustments of 2%	563,200	15,000	16,800	8,200	86,600	689,800
C28	Internal service fund adjustments	(19,300)	(900)	0	0	(500)	(20,700)
C29	Market comparability adjustments	834,800	19,600	22,200	0	109,200	985,800
C30	Retirement rate adjustments	376,200	9,800	11,200	0	57,200	454,400
C31	Insurance rate adjustments	452,300	12,000	13,200	0	66,000	543,500
	Subtotal Statewide Ongoing Adjustments - Juvenile Justice Services	*2,207,200*	*55,500*	*63,400*	*8,200*	*318,500*	*2,652,800*
	Ongoing Adjustments						
C32	Dixie area detention full-year operating costs	1,117,000	0	0	0	0	1,117,000
C33	Canyonlands full-year operating costs	698,300	0	0	0	0	698,300
C34	Medicaid match rate change	(72,500)	1,800	0	0	70,700	0
	Subtotal Ongoing Adjustments - Juvenile Justice Services	*1,742,800*	*1,800*	*0*	*0*	*70,700*	*1,815,300*
	Total FY 2005 Juvenile Justice Services Adjustments	**3,950,000**	**57,300**	**63,400**	**8,200**	**389,200**	**4,468,100**
	Total FY 2005 Juvenile Justice Services Operating Budget	**$70,883,200**	**$2,152,100**	**$2,833,000**	**$1,168,500**	**$14,678,100**	**$91,714,900**
	CORRECTIONS TOTALS						
	FY 2005 Operating Beginning Base Budget	$245,231,900	$2,791,100	$5,764,400	$2,584,400	$14,791,700	$271,163,500
	FY 2005 Operating Ongoing and One-time Adjustments	24,972,500	57,300	63,400	8,200	389,200	25,490,600
	FY 2005 Operating Recommendation	270,204,400	2,848,400	5,827,800	2,592,600	15,180,900	296,654,100

COURTS

Where Will My Taxes Go for Courts?
(Figure Based on Total FY 2005 Funding)





Highlighted Services
(Including the Governor's Recommendations)

$34 million for District Court
- Handles 264,000 cases, including 21,500 domestic case filings

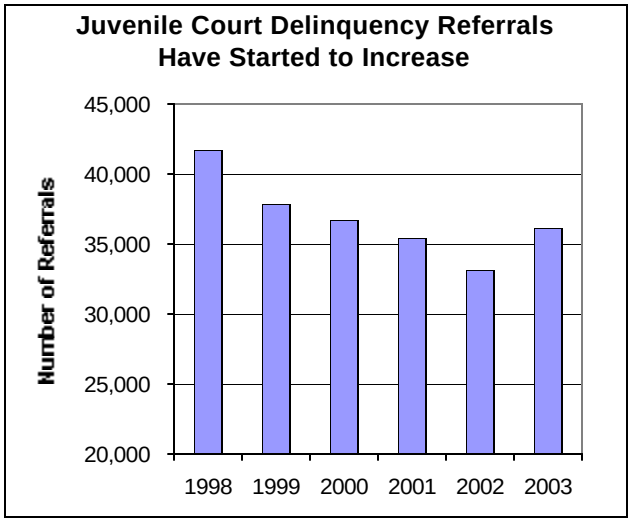
$29 million for Juvenile Court
- Receives 50,000 juvenile court referrals
- Receives 3,900 dependency, neglect, and abuse referrals

$19 million for Contracts and Leases
- Provides funding for 54 lease facilities and courthouses

$5 million for Appellate Courts
- 600 cases are filed in Supreme Court
- 800 cases are filed in Court of Appeals

Governor's Recommendation Highlights
(All Funding Sources)

- $384,300 - State supervision programs in the Juvenile Court
- $157,800 - To continue the appellate mediation program



BUDGET OVERVIEW

The judiciary is a separate and co-equal branch of government that seeks to ensure equity and fairness for all Utah citizens through judicial review of laws and cases.

For FY 2004 the legislature appropriated $101,121,200, including $89,059,600 in General Fund, to courts. For FY 2005 the governor recommends that the courts receive $105,533,700, with $92,931,000 from the General Fund. As shown in the pie chart on the prior page, the two major components of the courts budget are the District and Juvenile courts. In FY 2003 there were 264,200 district court cases. About 20,000 cases or roughly 7.5 percent of the total were felony filings. Felony filings were up 17 percent from FY 2002. For 2003 there will be an estimated 50,500 Juvenile Court referrals, or a 9.0 percent increase.

From the original FY 2002 appropriation through FY 2004, ongoing General Fund has been reduced a total of $6,529,300, or 6.9 percent. These reductions were achieved by cutting programs such as state supervision and drug court, freezing career ladder, and reducing funding for juror and witness fees and Guardian ad Litem programs. Other reductions were obtained by increasing reliance on restricted accounts instead of General Fund and implementing other administrative cost savings.

During this period of budget reductions some employees' salaries, especially those of district court clerks and juvenile probation officers, have lagged significantly behind the general job market. Positions have been eliminated to stay within the appropriated budget levels, which resulted in increased workloads for district court clerks and juvenile probation officers. Also, judicial salaries are now approaching the bottom quartile compared to national rankings, which directly impacts the quality of applicants for judicial office. The stagnation in judicial salaries over the past two years has contributed to a decrease in the proportion of applicants with top peer ratings from 16 percent in 2002 to 6.0 percent in 2003.

GOVERNOR'S RECOMMENDATIONS

General Fund

- Recommend $471,400 in ongoing funds in increased contract and lease costs associated with court facilities.
- Recommend $384,300 in ongoing funds for supervision programs in the Juvenile Court.
- Recommend $157,800 in ongoing funds to continue the appellate mediation program.
- Recommend $150,000 in ongoing funds and $150,000 in FY 2004 supplemental funding for the Juror/Witness/Interpreter Fees program.

Other Funds

- Provide $100,000 in ongoing restricted funds to expand digital recording in the courtroom.

FY 2005 PROPOSED LEGISLATIVE INTENT

- Funds for the Judicial Council are nonlapsing.
- Funds for the Judicial Council/State Court Administrator - Contracts and Leases are nonlapsing.
- Under provisions of Section 67-6-2, UCA, the following salaries are approved for judicial officials for July 1, 2004 to June 30, 2005: District Court Judge, $105,800; other judicial salaries will be calculated in accordance with the statutory formula and rounded to the nearest $50. (These amounts reflect a recommended increase of 2.0 percent).
- Funds for the Judicial Council/State Court Administrator - Jury and Witness Program and the Judicial Council/State Court Administrator - Grand Jury Program are nonlapsing.
- Funds for the Judicial Council/State Court Administrator - Guardian ad Litem Program are nonlapsing.

COURTS

Operating Budget

	Actual FY 2003	Authorized FY 2004[a]	Courts' Request FY 2005[b]	Governor Walker's Recommendations: Base FY 2005	Ongoing and One-time Adj.	Total FY 2005
Plan of Financing						
General Fund	$87,818,600	$89,059,600	$90,626,500	$88,835,900	$4,095,100	$92,931,000
Federal Funds	53,400	52,700	53,300	53,300	0	53,300
Dedicated Credits	1,185,100	890,400	979,200	978,800	43,200	1,022,000
Restricted and Trust Funds	7,666,300	9,287,000	9,070,700	9,292,900	(154,300)	9,138,600
Transfers	1,688,900	2,105,100	2,131,600	2,131,600	34,200	2,165,800
Beginning Balances	1,455,400	860,800	(517,800)	(517,800)	0	(517,800)
Closing Balances	(860,800)	517,800	740,800	740,800	0	740,800
Lapsing Funds	(1,541,800)	0	0	0	0	0
Total Financing	**$97,465,100**	**$102,773,400**	**$103,084,300**	**$101,515,500**	**$4,018,200**	**$105,533,700**
Programs						
Courts						
Supreme Court	$1,856,000	$1,998,000	$1,995,000	$1,995,000	$71,600	$2,066,600
Law Library	531,400	479,100	478,600	478,600	7,900	486,500
Court of Appeals	2,668,800	2,757,200	2,753,600	2,595,800	248,600	2,844,400
District Court	31,830,700	32,933,800	33,075,200	32,798,600	1,151,300	33,949,900
Juvenile Court	25,434,800	27,377,800	28,140,700	27,405,900	1,636,100	29,042,000
Justice Courts	136,800	147,200	146,900	146,900	3,900	150,800
Court Security	2,297,400	2,200,000	2,200,000	2,200,000	0	2,200,000
Administration	2,870,000	3,723,100	3,163,000	3,163,000	132,500	3,295,500
Judicial Education	271,900	336,200	335,400	335,400	10,000	345,400
Data Processing	4,288,100	4,348,000	4,339,800	4,239,800	224,900	4,464,700
Grants	1,648,300	1,653,900	1,648,000	1,648,000	24,200	1,672,200
Grand Jury	0	1,600	800	800	0	800
Contracts/Leases	18,303,700	19,348,600	19,209,000	19,059,400	196,500	19,255,900
Juror/Witness/Interpreter Fees	1,718,100	1,730,000	1,880,000	1,730,000	150,000	1,880,000
Guardian ad Litem	3,609,100	3,738,900	3,718,300	3,718,300	160,700	3,879,000
Total Budget	**$97,465,100**	**$102,773,400**	**$103,084,300**	**$101,515,500**	**$4,018,200**	**$105,533,700**
% Change from Authorized FY 2004 to Total FY 2005						**2.7%**
FTE Positions	–	1,214.2	1,220.8	1,212.8	2.0	1,214.8

(a) In addition to the amounts listed in the authorized FY 2004 column Governor Walker recommends a supplemental appropriation of $150,000 from the General Fund for Juror/Witness/Interpreter fees.

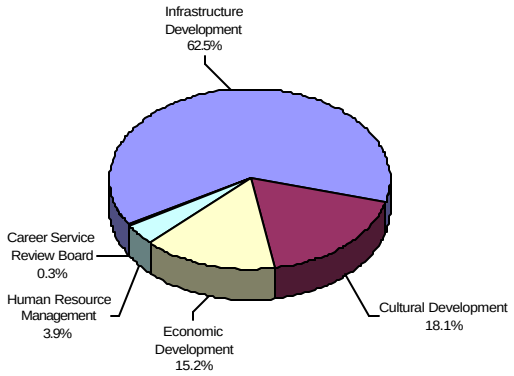
(b) As per statute, the Courts' request is included without changes (the Court's request does not include salary or benefit amounts, which are recommended on a statewide basis).

COURTS

		General Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
COURTS FY 2005 OPERATING BUDGET							
	Beginning Base Budget						
D1	FY 2004 appropriated budget	$89,059,600	$97,900	$1,365,100	$9,287,000	$1,311,600	$101,121,200
D2	Adjustments for FY 2004 extra working day	(223,700)	0	0	(1,300)	0	(225,000)
D3	Adjustments to funding levels	0	(44,600)	(386,300)	7,200	1,043,000	619,300
	Total Beginning Base Budget - Courts	**88,835,900**	**53,300**	**978,800**	**9,292,900**	**2,354,600**	**101,515,500**
	Statewide Ongoing Adjustments						
D4	Cost-of-living adjustments of 2%	1,111,400	0	10,600	19,000	12,800	1,153,800
D5	Internal service fund adjustments	71,800	0	(500)	(1,200)	0	70,100
D6	Market comparability adjustments	449,700	0	17,700	22,300	2,900	492,600
D7	Retirement rate adjustments	571,900	0	6,300	11,800	8,500	598,500
D8	Insurance rate adjustments	726,800	0	8,700	16,000	10,000	761,500
	Subtotal Statewide Ongoing Adjustments - Courts	*2,931,600*	*0*	*42,800*	*67,900*	*34,200*	*3,076,500*
	Ongoing Adjustments						
D9	Contracts and leases	471,400	0	400	(322,200)	0	149,600
D10	State supervision	384,300	0	0	0	0	384,300
D11	Appellate mediation	157,800	0	0	0	0	157,800
D12	Juror/witness/interpreter fees	150,000	0	0	0	0	150,000
D13	Digital recording	0	0	0	100,000	0	100,000
	Subtotal Ongoing Adjustments - Courts	*1,163,500*	*0*	*400*	*(222,200)*	*0*	*941,700*
	Total FY 2005 Courts Adjustments	**4,095,100**	**0**	**43,200**	**(154,300)**	**34,200**	**4,018,200**
Total FY 2005 Courts Operating Budget		**$92,931,000**	**$53,300**	**$1,022,000**	**$9,138,600**	**$2,388,800**	**$105,533,700**
COURTS FY 2004 OPERATING BUDGET ADJUSTMENTS							
	Supplemental Adjustments						
D14	Juror/witness/interpreter fees	$150,000	$0	$0	$0	$0	$150,000
	Subtotal Supplemental Adjustments - Courts	*150,000*	*0*	*0*	*0*	*0*	*150,000*
Total FY 2004 Courts Operating Adjustments		**$150,000**	**$0**	**$0**	**$0**	**$0**	**$150,000**
COURTS TOTALS							
FY 2005 Operating Beginning Base Budget		$88,835,900	$53,300	$978,800	$9,292,900	$2,354,600	$101,515,500
FY 2005 Operating Ongoing and One-time Adjustments		4,095,100	0	43,200	(154,300)	34,200	4,018,200
FY 2005 Operating Recommendation		92,931,000	53,300	1,022,000	9,138,600	2,388,800	105,533,700
FY 2004 Operating Adjustments		150,000	0	0	0	0	150,000

ECONOMIC DEVELOPMENT AND HUMAN RESOURCES

Where Will My Taxes Go for Economic Development & Human Resources?
(Figure Based on Total FY 2005 Funding)

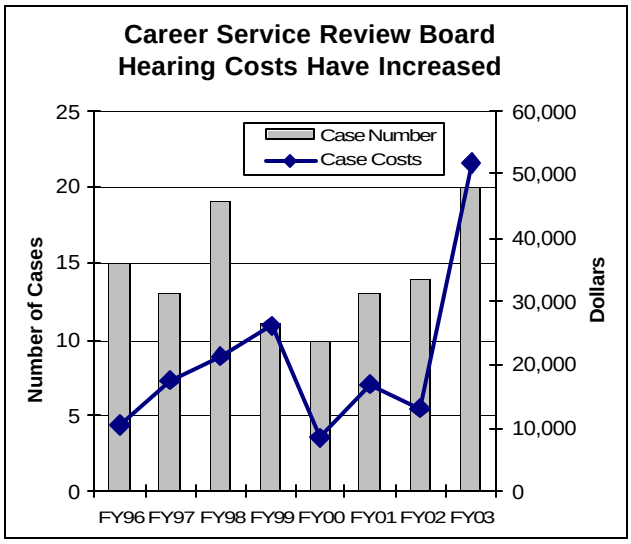


Highlighted Services
(Including the Governor's Recommendations)

$53 million for Infrastructure Development
- Leveraged $340 private and federal funds for every dollar in state funds to weatherize homes for 5,129 people
- Processed 34,086 applications for low income home energy assistance with an average annual utility payment of $250

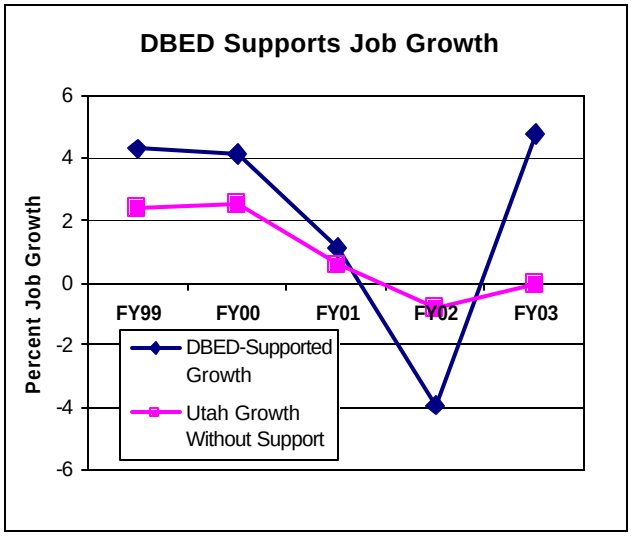
$16 million for Cultural Development
- Conducted Literature Program workshops for 100 at-risk youth at hospitals, homeless shelters, detention centers, and alternative education facilities
- The Regional Library for the Blind circulated 272,103 cassette tapes, Braille books, large print books, and descriptive videos to 14,577 patrons during 2003

$13 million for Economic Development
- Created 685 jobs in 20 rural counties through 43 Smart Site enterprises, which are projected to create a total of 1,900 jobs by 2005
- Created 428 jobs, paying an average salary of $30,592, with assistance from the Industrial Assistance Fund in FY 2003



Governor's Recommendation Highlights
(All Funding Sources)

- $450,000 - Utah Technology Alliance
- $10,000,000 - Project Based Section 8 Housing Assistance
- $250,000 - Smart Sites



BUDGET OVERVIEW

Community and Economic Development

The Department of Community and Economic Development (DCED) endeavors to create quality Utah jobs, foster a productive business climate within the state, and enhance the quality of life for every citizen of the state.

For FY 2004 the legislature appropriated $72,864,100, including $31,955,500 in General Fund, to DCED. For FY 2005 the governor recommends that DCED receive $81,946,700, with $30,277,900 from the General Fund. As shown on the pie chart on the previous page, the majority of DCED's budget pays for infrastructure development to help communities become socially, physically, and culturally self-sufficient.

From the original FY 2002 appropriation through FY 2004, DCED has experienced $4,416,900 in cuts to its programs, or 13.5 percent of its original ongoing FY 2002 budget. The department reduced 24 positions, or 6.0 percent of the total number of full-time equivalent positions.

During this period, some state employees' salaries have lagged significantly behind the general job market. For instance, many employees' salaries need to be increased six steps, or 13.5 percent, to bring them to the minimum of the range that is within 90 percent of market. This means that the salaries are 23.5 percent less than the market's midpoint salary.

Human Resource Management

The Department of Human Resource Management (DHRM) manages state employee classification, compensation, recruitment, selection, and development.

For FY 2004 the legislature appropriated $3,231,200 to DHRM, including $2,888,200 in General Fund. For FY 2005 the governor recommends that DHRM receive $3,343,900, with $2,879,300 from the General Fund.

From the original FY 2002 appropriation through FY 2004, DHRM has experienced $338,900 in cuts to its programs, which is equal to 10.5 percent of its original FY 2002 General Fund base budget. They have reduced three positions from their original number of 40 positions, which is a 7.5 percent reduction.

Career Service Review Board

The Career Service Review Board (CSRB) administers state employee grievances and appeal procedures and mediates disputes between agencies and employees.

For FY 2004 the legislature appropriated $162,700 from the General Fund. For FY 2005 the governor recommends that CSRB receive $217,900 from the General Fund.

From the original FY 2002 appropriation through FY 2004, CSRB has experienced $11,400 in cuts to its program, which is equal to 6.7 percent of its original FY 2002 budget. CSRB only has two positions, so the cuts have been programmatic reductions. However, this budget is driven by caseload, and when state agencies reduce employees, CSRB caseloads grow. Cases are also being appealed more frequently, which increases department costs.

Because of its low rate of pay, CSRB has problems finding companies that will provide hearing officers for case hearings. Most hearings officers are paid anywhere from $50 to $200 per hour. The state pays $37.50 per hour.

GOVERNOR'S RECOMMENDATIONS

Community and Economic Development

General Fund

- Provide $450,000 in ongoing funds for the Utah Technology Alliance. This program has

received one-time funds since it was first implemented in FY 2001. It is designed to accelerate the emergence of Utah as a center for technology and entrepreneurship. There are now four venture capital firms in Utah. Each has approximately $100,000,000 to invest in Utah enterprises.

- Provide $250,000 in one-time funds for developing additional Smart Sites and to collectively market these sites to obtain more contracts and create more jobs in rural Utah. The Smart Sites have created 800 jobs since their inception in FY 2001.

- Provide $5,000 in one-time funds for the Utah Humanities Council in FY 2005.

- Provide $20,000 in FY 2004 supplemental funds for the Commission on Volunteers.

- Provide $5,182,500 in FY 2004 supplemental funds for earned credits in the Industrial Assistance Fund.

Other Funds

- Provide authority to the Division of Community Development to accept $2,500,000 in FY 2004 and $10,000,000 in FY 2005 in federal funds to administer Section 8 project-based housing. The federal Housing and Urban Development program is divesting itself of this program, so the state has applied to administer it. This program provides approximately 4,000 assisted housing units in the state.

- Provide increased dedicated credit authority to the State Library Division to collect $109,200 in FY 2004 and $177,300 in FY 2005 for its services. These services include adding the Jewish Braille Institute Collection to the Multi-State Center West and providing Braille and recorded book services to Georgia and Alaska and additional bookmobile services to Box Elder County.

- Provide authority to the Pamela Atkinson Homeless Trust Fund Board to spend $300,000 in restricted funds in FY 2004 and $100,000 in FY 2005. The board cannot spend these previously appropriated funds unless given authority in the appropriations act.

- Provide authority to allow the Tourism Marketing Performance Fund Board to spend $450,000 in restricted funds in FY 2004. During the 2003 General Session the legislature appropriated $450,000 directly into the Tourism Marketing Performance Fund, but authority needs to be given to the board to spend the funds.

Human Resource Management

All Funds

- Fund health insurance premium increases for the Public Employees Health Plans (PEHP), which will increase 5.0 percent in FY 2005.

- Shift hospital inpatient and outpatient copays by 5.0 percent to minimize premium increases in FY 2005.

- Fund dental insurance premium increases, which will increase 4.3 percent in FY 2005.

- In FY 2005 there will be retirement contribution rate increases of 13.82 percent (weighted average).

- Fund DHRM's market comparability adjustment recommendations and provide a 2.0 percent cost-of-living adjustment for all state employees in FY 2005.

Career Service Review Board

General Fund

- Provide a $50,000 supplemental for FY 2004 and an ongoing $50,000 appropriation for FY 2005. The department has been experiencing increased costs for cases brought to the board.

FY 2005 Proposed Legislative Intent

Community and Economic Development

- Funds appropriated in each line item of DCED are nonlapsing.
- Any remaining net proceeds paid to the state from the liquidation of the Utah Technology Finance Corporation shall be deposited in the Industrial Assistance Fund.
- The Permanent Community Impact Fund Board (PCIFB) shall consider distributing one-time funding of $385,000 equally among the seven associations of governments for planning, studies, and other activities provided by each Association of Governments to member organizations.

Career Service Review Board

- Funds for CSRB are nonlapsing.

Human Resource Management

- Funds for DHRM are nonlapsing.
- Cost-of-living compensation increases for FY 2005 shall become effective beginning the first pay period of FY 2005.

ECONOMIC DEVELOPMENT AND HUMAN RESOURCES

Operating Budget

	Actual FY 2003	Authorized FY 2004	Governor Walker's Recommendations: Supplementals	Recommended FY 2004	Base FY 2005	Ongoing and One-time Adj.	Total FY 2005
Plan of Financing							
General Fund	$45,092,200	$35,006,400	$5,252,500	$40,258,900	$32,115,500	$1,362,200	$33,477,700
Transportation Fund	118,000	118,000	0	118,000	118,000	0	118,000
Federal Funds	30,735,900	38,055,000	2,500,000	40,555,000	38,187,900	10,090,100	48,278,000
Dedicated Credits	16,432,900	17,964,200	109,200	18,073,400	17,755,300	344,300	18,099,600
Restricted and Trust Funds	41,348,600	46,073,700	750,000	46,823,700	46,192,800	3,020,300	49,213,100
Transfers	2,614,000	2,677,900	0	2,677,900	0	2,500	2,500
Other Funds	(11,383,400)	(2,211,400)	(5,182,500)	(7,393,900)	(1,961,400)	0	(1,961,400)
Beginning Balances	2,459,800	4,087,700	0	4,087,700	0	0	0
Closing Balances	(4,087,700)	0	0	0	0	0	0
Lapsing Funds	(412,500)	0	0	0	0	0	0
Total Financing	**$122,917,800**	**$141,771,500**	**$3,429,200**	**$145,200,700**	**$132,408,100**	**$14,819,400**	**$147,227,500**
Programs							
Community and Economic Development							
Administration	$2,351,400	$2,411,900	$0	$2,411,900	$2,368,800	$61,300	$2,430,100
Business Development	8,642,800	10,910,200	0	10,910,200	7,907,700	808,100	8,715,800
Community Development	36,536,900	46,276,300	2,820,000	49,096,300	40,789,000	10,235,900	51,024,900
Indian Affairs	280,500	212,400	0	212,400	204,800	7,000	211,800
Fine Arts	3,050,700	3,561,800	0	3,561,800	3,208,700	49,400	3,258,100
Historical Society	189,900	705,000	0	705,000	512,000	4,300	516,300
Incentive Funds	374,100	346,600	0	346,600	346,600	7,500	354,100
State History	2,548,100	2,462,400	0	2,462,400	2,322,900	74,700	2,397,600
State Library	7,034,300	7,224,700	109,200	7,333,900	7,344,200	387,400	7,731,600
Travel Development	7,117,300	3,950,000	450,000	4,400,000	3,855,600	52,100	3,907,700
Zoos	1,323,700	1,398,700	0	1,398,700	1,398,700	0	1,398,700
Fund Transfers							
Industrial Assistance Fund	7,430,000	0	5,182,500	5,182,500	0	0	0
Olene Walker Housing Loan Fund	2,103,400	1,761,400	0	1,761,400	1,761,400	0	1,761,400
Homeless Trust Fund	100,000	200,000	0	200,000	200,000	0	200,000
Tourism Marketing Performance Fund	1,750,000	250,000	0	250,000	0	0	0
Transfer Appropriations to Other Funds	(11,383,400)	(2,211,400)	(5,182,500)	(7,393,900)	(1,961,400)	0	(1,961,400)
Subtotal Comm./Econ. Devl.	*69,449,700*	*79,460,000*	*3,379,200*	*82,839,200*	*70,259,000*	*11,687,700*	*81,946,700*
Human Resources							
Human Resource Management	3,067,000	3,403,100	0	3,403,100	3,241,300	102,600	3,343,900
Career Service Review Board	201,900	162,800	50,000	212,800	162,200	55,700	217,900
Subtotal Human Resources	*3,268,900*	*3,565,900*	*50,000*	*3,615,900*	*3,403,500*	*158,300*	*3,561,800*
Outside Reporting Agencies							
Retirement Office	50,199,200	58,745,600	0	58,745,600	58,745,600	2,973,400	61,719,000
Subtotal Outside Reporting Agencies	*50,199,200*	*58,745,600*	*0*	*58,745,600*	*58,745,600*	*2,973,400*	*61,719,000*
Total Budget	**$122,917,800**	**$141,771,500**	**$3,429,200**	**$145,200,700**	**$132,408,100**	**$14,819,400**	**$147,227,500**
% Change from Authorized FY 2004 to Total FY 2005							**3.8%**
FTE Positions	--	308.4	6.3	314.7	307.4	6.3	313.7

ECONOMIC DEVELOPMENT AND HUMAN RESOURCES

Capital Budget

			Governor Walker's Recommendations			
	Actual FY 2003	Authorized FY 2004	Supplementals	Recommended FY 2004	Base FY 2005	Total FY 2005
Plan of Financing						
Mineral Lease	$2,024,900	$1,550,300	$177,900	$1,728,200	$1,728,200	$1,728,200
Total Financing	**$2,024,900**	**$1,550,300**	**$177,900**	**$1,728,200**	**$1,728,200**	**$1,728,200**
Projects						
Special Service Districts	$2,024,900	$1,550,300	$177,900	$1,728,200	$1,728,200	$1,728,200
Total Budget	**$2,024,900**	**$1,550,300**	**$177,900**	**$1,728,200**	**$1,728,200**	**$1,728,200**
% Change from Authorized FY 2004 to Total FY 2005						**11.5%**

ECONOMIC DEVELOPMENT AND HUMAN RESOURCES

		General Fund	Federal Funds	Dedicated Credits	Mineral Lease	Restricted Funds	Other Funds	Total Funds
COMMUNITY AND ECONOMIC DEVELOPMENT FY 2005 OPERATING BUDGET								
	Beginning Base Budget							
E1	FY 2004 appropriated budget	$31,955,500	$38,112,000	$3,653,000	$0	$1,207,000	($2,063,400)	$72,864,100
E2	Adjustments for one-time FY 2004 appropriations	(2,838,600)	0	0	0	0	0	(2,838,600)
E3	Adjustments for FY 2004 extra working day	(42,900)	0	0	0	0	0	(42,900)
E4	Adjustments to funding levels	0	75,900	(138,600)	0	119,100	220,000	276,400
	Total Beginning Base Budget - DCED	**29,074,000**	**38,187,900**	**3,514,400**	**0**	**1,326,100**	**(1,843,400)**	**70,259,000**
	Statewide Ongoing Adjustments							
E5	Internal service fund adjustments	(12,000)	(200)	(200)	0	600	0	(11,800)
E6	Insurance rate adjustments	116,900	21,900	16,600	0	7,100	700	163,200
E7	Retirement rate adjustments	135,400	23,700	14,100	0	8,300	300	181,800
E8	Market comparability adjustments	57,200	9,700	34,200	0	0	1,100	102,200
E9	Cost-of-living adjustments of 2%	201,400	35,000	20,800	0	12,400	400	270,000
	Subtotal Statewide Ongoing Adjustments - DCED	*498,900*	*90,100*	*85,500*	*0*	*28,400*	*2,500*	*705,400*
	Ongoing Adjustments							
E10	Utah Technology Alliance	450,000	0	0	0	0	0	450,000
E11	Community Development - Section 8 project based housing	0	10,000,000	0	0	0	0	10,000,000
E12	State Library - increased Braille and talking book services	0	0	108,400	0	0	0	108,400
E13	State Library - increased bookmobile service in Box Elder County	0	0	35,600	0	0	0	35,600
E14	State Library - increased collection in Multi-State Center West	0	0	33,300	0	0	0	33,300
	Subtotal Ongoing Adjustments - DCED	*450,000*	*10,000,000*	*177,300*	*0*	*0*	*0*	*10,627,300*
	One-time Adjustments							
E15	Pamela Atkinson Homeless Trust Fund - Continuum of Care	0	0	0	0	100,000	0	100,000
E16	Business Development - Smart Sites	250,000	0	0	0	0	0	250,000
E17	Fine Arts - Utah Humanities Council	5,000	0	0	0	0	0	5,000
	Subtotal One-time Adjustments - DCED	*255,000*	*0*	*0*	*0*	*100,000*	*0*	*355,000*
	Total FY 2005 DCED Adjustments	**1,203,900**	**10,090,100**	**262,800**	**0**	**128,400**	**2,500**	**11,687,700**
Total FY 2005 DCED Operating Budget		**$30,277,900**	**$48,278,000**	**$3,777,200**	**$0**	**$1,454,500**	**($1,840,900)**	**$81,946,700**
COMMUNITY AND ECONOMIC DEVELOPMENT FY 2004 OPERATING BUDGET ADJUSTMENTS								
	Supplemental Adjustments							
E18	Industrial Assistance Fund - earned credits	$5,182,500	$0	$0	$0	$0	($5,182,500)	$0
E19	Community Development - Section 8 project based housing	0	2,500,000	0	0	0	0	2,500,000

ECONOMIC DEVELOPMENT AND HUMAN RESOURCES - CONTINUED

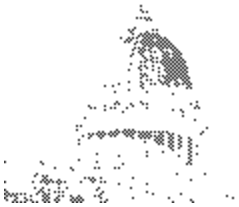
		General Fund	Federal Funds	Dedicated Credits	Mineral Lease	Restricted Funds	Other Funds	Total Funds
E20	State Library - increased Braille and talking book services	0	0	54,200	0	0	0	54,200
E21	State Library - increased bookmobile service in Box Elder County	0	0	22,100	0	0	0	22,100
E22	State Library - increased collection in Multi-State Center West	0	0	32,900	0	0	0	32,900
E23	Community Development - Commission on Volunteers	20,000	0	0	0	0	0	20,000
E24	Pamela Atkinson Homeless Trust Fund spending authority	0	0	0	0	300,000	0	300,000
E25	Tourism Marketing Performance Fund spending authority	0	0	0	0	450,000	0	450,000
	Subtotal Supplemental Adjustments - DCED	*5,202,500*	*2,500,000*	*109,200*	*0*	*750,000*	*(5,182,500)*	*3,379,200*
	Total FY 2004 DCED Budget Adjustments	**$5,202,500**	**$2,500,000**	**$109,200**	**$0**	**$750,000**	**($5,182,500)**	**$3,379,200**
	COMMUNITY AND ECONOMIC DEVELOPMENT FY 2005 CAPITAL BUDGET							
	Base Budget							
E26	FY 2004 appropriated budget	$0	$0	$0	$1,550,300	$0	$0	$1,550,300
E27	Adjustments to funding levels	0	0	0	177,900	0	0	177,900
	Total FY 2005 DCED Capital Base Budget	**0**	**0**	**0**	**1,728,200**	**0**	**0**	**1,728,200**
	Total FY 2005 DCED Capital Budget	**$0**	**$0**	**$0**	**$1,728,200**	**$0**	**$0**	**$1,728,200**
	COMMUNITY AND ECONOMIC DEVELOPMENT FY 2004 CAPITAL BUDGET ADJUSTMENTS							
	Supplemental Adjustments							
E28	Adjustments to funding levels	$0	$0	$0	$177,900	$0	$0	$177,900
	Subtotal Supplemental Capital Adjustments - DCED	*0*	*0*	*0*	*177,900*	*0*	*0*	*177,900*
	Total FY 2004 DCED Capital Budget Adjustments	**$0**	**$0**	**$0**	**$177,900**	**$0**	**$0**	**$177,900**
	HUMAN RESOURCE MANAGEMENT FY 2005 OPERATING BUDGET							
	Beginning Base Budget							
E29	FY 2004 appropriated budget	$2,888,200	$0	$343,000	$0	$0	$0	$3,231,200
E30	Adjustment for FY 2004 extra working day	(8,900)	0	0	0	0	0	(8,900)
E31	Adjustments to funding levels	0	0	19,000	0	0	0	19,000
	Total Beginning Base Budget - DHRM	**2,879,300**	**0**	**362,000**	**0**	**0**	**0**	**3,241,300**

ECONOMIC DEVELOPMENT AND HUMAN RESOURCES – CONTINUED

		General Fund	Federal Funds	Dedicated Credits	Mineral Lease	Restricted Funds	Other Funds	Total Funds
	Statewide Ongoing Adjustments							
B32	Internal service fund adjustments	3,900	0	0	0	0	0	3,900
B33	Insurance rate adjustments	24,400	0	0	0	0	0	24,400
B34	Retirement rate adjustments	29,400	0	0	0	0	0	29,400
B35	Market comparability adjustments	1,500	0	0	0	0	0	1,500
B36	Cost-of-living adjustments of 2%	43,400	0	0	0	0	0	43,400
	Subtotal Statewide Ongoing Adjustments - DHRM	*102,600*	*0*	*0*	*0*	*0*	*0*	*102,600*
	Total FY 2005 DHRM Adjustments	**102,600**	**0**	**0**	**0**	**0**	**0**	**102,600**
	Total FY 2005 DHRM Operating Budget	**$2,981,900**	**$0**	**$362,000**	**$0**	**$0**	**$0**	**$3,343,900**
	CAREER SERVICE REVIEW BOARD FY 2005 OPERATING BUDGET							
	Beginning Base Budget							
B37	FY 2004 appropriated budget	$162,700	$0	$0	$0	$0	$0	$162,700
B38	Adjustment for FY 2004 extra working day	(500)	0	0	0	0	0	(500)
	Total Beginning Base Budget - CSRB	**162,200**	**0**	**0**	**0**	**0**	**0**	**162,200**
	Statewide Ongoing Adjustments							
B39	Insurance rate adjustments	1,400	0	0	0	0	0	1,400
B40	Retirement rate adjustments	1,700	0	0	0	0	0	1,700
B41	Cost-of-living adjustments of 2%	2,600	0	0	0	0	0	2,600
	Subtotal Statewide Ongoing Adjustments - CSRB	*5,700*	*0*	*0*	*0*	*0*	*0*	*5,700*
	Ongoing Adjustments							
B42	Increased hearing expenses	50,000	0	0	0	0	0	50,000
	Subtotal Ongoing Adjustments - CSRB	*50,000*	*0*	*0*	*0*	*0*	*0*	*50,000*
	Total FY 2005 CSRB Adjustments	**55,700**	**0**	**0**	**0**	**0**	**0**	**55,700**
	Total FY 2005 CSRB Operating Budget	**$217,900**	**$0**	**$0**	**$0**	**$0**	**$0**	**$217,900**
	Career Service Review Board FY 2004 OPERATING BUDGET ADJUSTMENTS							
	Supplemental Adjustments							
B43	Increased hearing expenses	$50,000	$0	$0	$0	$0	$0	$50,000
	Subtotal Supplemental Adjustments - CSRB	*50,000*	*0*	*0*	*0*	*0*	*0*	*50,000*
	Total FY 2004 CSRB Budget Adjustments	**$50,000**	**$0**	**$0**	**$0**	**$0**	**$0**	**$50,000**

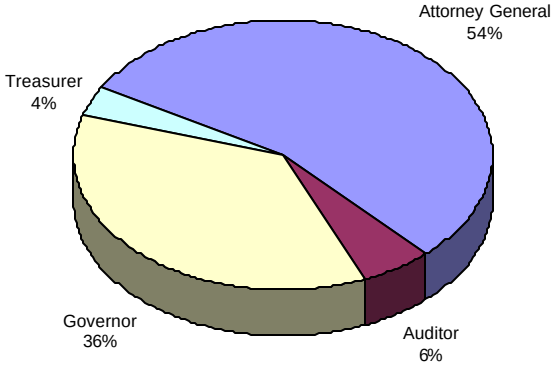
ECONOMIC DEVELOPMENT AND HUMAN RESOURCES - CONTINUED

	General Fund	Federal Funds	Dedicated Credits	Mineral Lease	Restricted Funds	Other Funds	Total Funds
UTAH RETIREMENT BOARD/PUBLIC EMPLOYEES HEALTH PLANS FY 2005 OPERATING BUDGET							
Beginning Base Budget							
B44 FY 2004 budget	$0	$0	$13,878,900	$0	$44,866,700	$0	$58,745,600
Total Beginning Base Budget - Utah Retirement Board	**0**	**0**	**13,878,900**	**0**	**44,866,700**	**0**	**58,745,600**
Ongoing Adjustments							
B45 Investment advisor fees and security handling fees	0	0	0	0	2,770,000	0	2,770,000
B46 Other fees increases	0	0	81,500	0	121,900	0	203,400
Subtotal Ongoing Adjustments - Utah Retirement Board	*0*	*0*	*81,500*	*0*	*2,891,900*	*0*	*2,973,400*
Total FY 2005 Utah Retirement Board Adjustments	**0**	**0**	**81,500**	**0**	**2,891,900**	**0**	**2,973,400**
Total FY 2005 Utah Retirement Board Operating Budget	**$0**	**$0**	**$13,960,400**	**$0**	**$47,758,600**	**$0**	**$61,719,000**
ECONOMIC DEVELOPMENT AND HUMAN RESOURCES TOTALS							
FY 2005 Operating Beginning Base Budget	$32,115,500	$38,187,900	$17,755,300	$0	$46,192,800	($1,843,400)	$132,408,100
FY 2005 Operating Ongoing and One-time Adjustments	1,362,200	10,090,100	344,300	0	3,020,300	2,500	14,819,400
FY 2005 Operating Recommendation	33,477,700	48,278,000	18,099,600	0	49,213,100	(1,840,900)	147,227,500
FY 2004 Operating Adjustments	5,252,500	2,500,000	109,200	0	750,000	(5,182,500)	3,429,200
FY 2005 Capital Base Budget	0	0	0	1,728,200	0	0	1,728,200
FY 2005 Capital Recommendation	0	0	0	1,728,200	0	0	1,728,200
FY 2004 Capital Adjustments	0	0	0	177,900	0	0	177,900



ELECTED OFFICIALS

Where Will My Taxes Go for Elected Officials?
(Figure Based on Total FY 2005 Funding)



Highlighted Services
(Including the Governor's Recommendations)

$35 million for Attorney General's Office
- Brought in over $240 million in state revenue
- Helped establish a procedure for granting state and county rights of roads on federal lands
- Negotiated a settlement eliminating the federal designation of federal lands in Utah as wilderness study areas

$4 million for the State Auditor's Office
- Completed all required financial and federally mandated compliance audits of the state
- Issued 70 audit reports and 30 investigation and special project reports

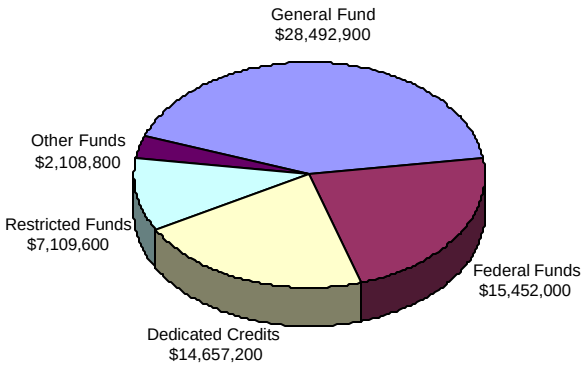
$23 million for the Governor's Office
- Made significant progress in resolving rural road disputes
- Received "2003 Best of Web" award for Utah.gov's innovation and functionality
- Utah ranked as Best Financial Steward in the Nation by *USA Today*

$2 million for the State Treasurer's Office
- Manage $5.5 billion investment fund
- Issued $407 million in State G.O. Bonds with an all-time historic low rate of 2.83%
- Unclaimed property returns to owners are up over 35% from prior year

Governor's Recommendation Highlights
(All Funding Sources)

- $138,300 - Crime Victim Reparations
- $50,000 - Utah Reads (also $100,000 FY 2004 supplemental)
- $152,0000 - Chief Information Officer
- $280,000 - Mid-term elections
- $905,000 - Attorney settlement fees

Elected Officials Receive Funding from a Variety of Sources



BUDGET OVERVIEW

Utah elected officials head the Attorney General's Office, the State Auditor's Office, the Governor's Office, and the State Treasurer's Office.

For FY 2004 elected officials were appropriated a total of $63,523,500, with $28,286,600 from the General Fund. For FY 2005 the governor recommends that elected officials receive $63,594,300, with $28,484,300 from the General Fund. As shown on the pie chart on the previous page, the largest component of elected officials budget is the Attorney General's Office, with 51.5 percent of its budget coming from the General Fund.

From the original FY 2002 appropriation through FY 2004, elected officials have experienced $4,757,300 in cuts to programs. These cuts are 15.4 percent of elected officials original FY 2002 ongoing budget. The cuts have resulted in delayed purchases of equipment and supplies and the elimination of some positions resulting in greater workloads for remaining staff.

GOVERNOR'S RECOMMENDATIONS

Attorney General

General Fund

- Provide an FY 2004 supplemental appropriation of $905,900 to meet attorney settlement fees regarding the UEA/UPEA case (paycheck protection), *David C.* case (foster care), Utah Legal Clinic case, *Bob A* case (child welfare), and the Miners' Hospital settlement.

Governor's Office

General Fund

- Provide an FY 2005 appropriation of $50,000 and an FY 2004 supplemental appropriation of $100,000 to Utah Reads. These monies will enable the program to partner school and community organizations emphasizing children's reading skills.
- Provide an ongoing appropriation of $152,000 for the Chief Information Officer, which would replace dedicated credits as recommended by the legislature in the 2003 General Session.
- Provide a one-time FY 2005 appropriation of $280,000 for the State Elections Office to meet the costs of printing the voter pamphlet.
- Provide an FY 2004 supplemental appropriation of $85,000 for gubernatorial transition items. These funds cover expenses for the transfer of executive power.

Other Funds

- Provide federal funds of $31,000, dedicated credits of $9,000, and restricted funds of $98,300 for Crime Victim Reparations staff and office space. These funds will enable staff to effectively manage grants and programming.

FY 2004 PROPOSED LEGISLATIVE INTENT

Attorney General

- Any increases in funding sources and personnel cost billings to state agencies utilized by the Attorney General's Office shall be reviewed and approved by the legislature in the appropriations process.
- Funding for raises in the Attorney General's Office shall be reviewed and approved by the legislature.

FY 2005 PROPOSED LEGISLATIVE INTENT

Governor's Office

- Funds for the Governor's Office are nonlapsing.

- Funds for the State Elections Office are nonlapsing.

- Funds for the Governor's Emergency Fund are nonlapsing.

- Funds for RS 2477 Rights of Way are nonlapsing.

- Funds expended from the RS 2477 fund are to be used for litigation designed to quiet title to existing rights of way established before 1976 under RS 2477 guidelines. The governor or her designee shall present a report to the legislature during each general session detailing activities funded within this line item.

- The Governor's Office - RS 2477 Rights of Way program shall provide the Department of Natural Resources up to $150,000 from the appropriation the program receives from the Constitutional Defense Restricted Account to pay legal costs associated with public lands issues other than those directly associated with the RS 2477 Rights of Way program. The Department of Natural Resources shall provide consultation to the Office of the Governor on these issues.

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

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

- Funds for the Chief Information Officer are nonlapsing.

State Auditor

- Funds for the State Auditor's Office are nonlapsing.

State Treasurer

- Funds for the State Treasurer's Office are nonlapsing.

Attorney General

- Funds for the Attorney General's Office are nonlapsing.

- Funds for contract attorneys are nonlapsing.

- Funds for the Children's Justice Centers are nonlapsing.

- Funds for the Prosecution Council are nonlapsing.

- Funds for the prevention of domestic violence are nonlapsing.

- Any increases in funding sources and personnel cost billings to state agencies utilized by the Attorney General's Office shall be reviewed and approved by the legislature in the appropriations process.

- Funding for raises in the Attorney General's Office shall be reviewed and approved by the legislature.

ELECTED OFFICIALS

Operating Budget

	Actual FY 2003	Authorized FY 2004[a]	Elected Officials' Request FY 2005[b]	Governor Walker's Recommendations: Base FY 2005	Ongoing and One-time Adj.	Total FY 2005
Plan of Financing						
General Fund	$27,678,900	$28,286,600	$29,439,800	$27,092,700	$1,391,600	$28,484,300
Federal Funds	16,499,900	19,319,600	15,438,300	15,385,900	66,100	15,452,000
Dedicated Credits	15,057,000	14,055,600	15,750,700	14,183,200	474,000	14,657,200
Restricted and Trust Funds	7,202,000	6,902,700	7,112,800	6,894,500	215,100	7,109,600
Transfers	174,000	0	0	0	0	0
Other Funds	0	(4,529,000)	(3,094,000)	(3,093,900)	16,700	(3,077,200)
Beginning Balances	6,753,300	6,879,300	968,400	968,400	0	968,400
Closing Balances	(6,879,300)	(968,400)	0	0	0	0
Lapsing Funds	(138,000)	0	0	0	0	0
Total Financing	**$66,347,800**	**$69,946,400**	**$65,616,000**	**$61,430,800**	**$2,163,500**	**$63,594,300**
Programs						
Elected Officials						
Attorney General	$32,609,700	$34,724,200	$36,943,800	$33,730,900	$1,076,000	$34,806,900
Auditor	3,395,500	3,593,000	3,471,900	3,471,900	127,300	3,599,200
Governor	28,360,600	29,138,500	23,010,600	22,038,200	891,800	22,930,000
Treasurer	1,982,000	2,490,700	2,189,700	2,189,800	68,400	2,258,200
Total Budget	**$66,347,800**	**$69,946,400**	**$65,616,000**	**$61,430,800**	**$2,163,500**	**$63,594,300**
% Change from Authorized FY 2004 to Total FY 2005						**(9.1%)**
FTE Positions	--	552.7	556.7	552.7	4.0	556.7

(a) In addition to the amount listed in the Authorized FY 2004 column, Governor Walker recommends $905,900 from the General Fund to the Attorney General's Office to meet attorney fees for the UEA/UPEA, David C., Utah Legal Clinic, Bob A, and Miner's Hospital settlements. The governor also recommends $100,000 from the General Fund to the Governor's Office for Utah Reads, $85,000 from the General Fund to the Governor's Office for gubernatorial transition items, and a reduction of $18,500 in General Fund from the Attorney General's Office for internal service fund rate adjustments.

(b) As per statute, the Elected Officials' request is included without changes. They do not include compensation increases except for $3,216,100 requested by the Attorney General for attorney compensation increases.

ELECTED OFFICIALS

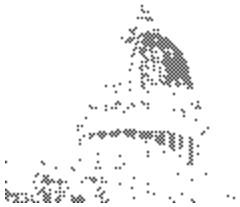
		General Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
	ATTORNEY GENERAL FY 2005 OPERATING BUDGET						
	Beginning Base Budget						
F1	FY 2004 appropriated budget	$18,053,200	$1,240,300	$11,813,800	$1,497,800	$1,038,400	$33,643,500
F2	Adjustments for FY 2004 extra working day	(57,500)	0	(33,500)	(2,400)	(600)	(94,000)
F3	Adjustments for one-time FY 2004 appropriations	(642,200)	0	0	0	0	(642,200)
F4	Adjustments to funding levels	0	(12,000)	1,000,600	0	(205,800)	782,800
F5	Transfer 1 FTE from DNR to Attorney General	40,800	0	0	0	0	40,800
	Total Beginning Base Budget - Attorney General	**17,394,300**	**1,228,300**	**12,780,900**	**1,495,400**	**832,000**	**33,730,900**
	Statewide Ongoing Adjustments						
F6	Cost-of-living adjustments of 2%	248,600	10,600	214,800	18,800	1,800	494,600
F7	Internal service fund adjustments	(700)	0	0	0	0	(700)
F8	Retirement rate adjustments	167,000	8,300	141,700	12,600	600	330,200
F9	Insurance rate adjustments	128,400	6,200	108,500	8,100	700	251,900
	Subtotal Statewide Ongoing Adjustments - Attorney General	*543,300*	*25,100*	*465,000*	*39,500*	*3,100*	*1,076,000*
	Total FY 2005 Attorney General Adjustments	**543,300**	**25,100**	**465,000**	**39,500**	**3,100**	**1,076,000**
	Total FY 2005 Attorney General Operating Budget	**$17,937,600**	**$1,253,400**	**$13,245,900**	**$1,534,900**	**$835,100**	**$34,806,900**
	ATTORNEY GENERAL FY 2004 OPERATING BUDGET ADJUSTMENTS						
	Supplemental Adjustments						
F10	Internal service fund adjustments	($18,500)	$0	$0	$0	$0	($18,500)
F11	UEA/UPEA attorney fees	385,000	0	0	0	0	385,000
F12	*David C.* lawsuit attorney fees	114,900	0	0	0	0	114,900
F13	Utah Legal Clinic attorney fees	23,000	0	0	0	0	23,000
F14	*Bob A.* settlement agreement/Board of Examiners	83,000	0	0	0	0	83,000
F15	Miner's hospital settlement	300,000	0	0	0	0	300,000
	Subtotal Supplemental Adjustments - Attorney General	*887,400*	*0*	*0*	*0*	*0*	*887,400*
	Total FY 2004 Attorney General Budget Adjustments	**$887,400**	**$0**	**$0**	**$0**	**$0**	**$887,400**
	AUDITOR FY 2005 OPERATING BUDGET						
	Beginning Base Budget						
F16	FY 2004 appropriated budget	$2,711,300	$0	$690,000	$0	$0	$3,401,300
F17	Adjustments for FY 2004 extra working day	(11,400)	0	0	0	0	(11,400)
F18	Adjustments to funding levels	0	0	82,000	0	0	82,000
	Total Beginning Base Budget - Auditor	**2,699,900**	**0**	**772,000**	**0**	**0**	**3,471,900**

ELECTED OFFICIALS - CONTINUED

		General Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
	Statewide Ongoing Adjustments						
F19	Cost-of-living adjustments of 2%	54,200	0	0	0	0	54,200
F20	Internal service fund adjustments	6,900	0	0	0	0	6,900
F21	Retirement rate adjustments	36,000	0	0	0	0	36,000
F22	Insurance rate adjustments	30,200	0	0	0	0	30,200
	Subtotal Statewide Ongoing Adjustments - Auditor	*127,300*	*0*	*0*	*0*	*0*	*127,300*
	Total FY 2005 Auditor Adjustments	**127,300**	**0**	**0**	**0**	**0**	**127,300**
	Total FY 2005 Auditor Operating Budget	**$2,827,200**	**$0**	**$772,000**	**$0**	**$0**	**$3,599,200**
	GOVERNOR FY 2005 OPERATING BUDGET						
	Beginning Base Budget						
F23	FY 2004 appropriated budget	$6,698,500	$18,062,000	$297,600	$4,223,300	($4,997,400)	$24,284,000
F24	Adjustments for FY 2004 extra working day	(19,000)	(2,600)	(300)	(3,200)	0	(25,100)
F25	Adjustments for one-time FY 2004 appropriations	(502,000)	0	0	0	152,000	(350,000)
F26	Adjustments to funding levels	0	(3,901,800)	143,700	0	1,887,400	(1,870,700)
	Total Beginning Base Budget - Governor	**6,177,500**	**14,157,600**	**441,000**	**4,220,100**	**(2,958,000)**	**22,038,200**
	Statewide Ongoing Adjustments						
F27	Cost-of-living adjustments of 2%	82,400	3,800	0	26,600	0	112,800
F28	Internal service fund adjustments	12,900	0	0	0	0	12,900
F29	Retirement rate adjustments	58,400	3,200	0	17,200	0	78,800
F30	Insurance benefit adjustments	48,900	3,000	0	15,100	0	67,000
	Subtotal Statewide Ongoing Adjustments - Governor	*202,600*	*10,000*	*0*	*58,900*	*0*	*271,500*
	Ongoing Adjustments						
F31	Crime Victim Reparations staff and space	0	31,000	9,000	98,300	0	138,300
F32	Utah Reads	50,000	0	0	0	0	50,000
F33	Chief Information Officer	152,000	0	0	0	0	152,000
	Subtotal Ongoing Adjustments - Governor	*202,000*	*31,000*	*9,000*	*98,300*	*0*	*340,300*
	One-time Adjustments						
F34	Elections printing costs	280,000	0	0	0	0	280,000
	Subtotal One-time Adjustments - Governor	*280,000*	*0*	*0*	*0*	*0*	*280,000*
	Total FY 2005 Governor Adjustments	**684,600**	**41,000**	**9,000**	**157,200**	**0**	**891,800**
	Total FY 2005 Governor Operating Budget	**$6,862,100**	**$14,198,600**	**$450,000**	**$4,377,300**	**($2,958,000)**	**$22,930,000**

ELECTED OFFICIALS - CONTINUED

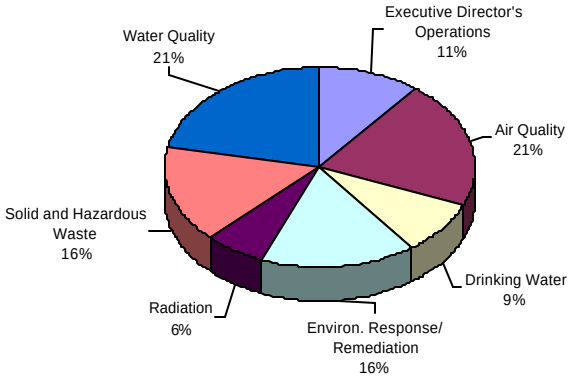
		General Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
GOVERNOR FY 2004 OPERATING BUDGET ADJUSTMENTS							
	Supplemental Adjustments						
F35	Utah Reads	$100,000	$0	$0	$0	$0	$100,000
F36	Gubernatorial transition items	85,000	0	0	0	0	85,000
	Subtotal Supplemental Adjustments - Governor	*185,000*	*0*	*0*	*0*	*0*	*185,000*
Total FY 2004 Governor Budget Adjustments		**$185,000**	**$0**	**$0**	**$0**	**$0**	**$185,000**
TREASURER FY 2005 OPERATING BUDGET							
	Beginning Base Budget						
F37	FY 2004 appropriated budget	$823,600	$0	$189,500	$1,181,600	$0	$2,194,700
F38	Adjustments for FY 2004 extra working day	(2,600)	0	(200)	(2,600)	0	(5,400)
F39	Adjustments to funding levels	0	0	0	0	500	500
	Total Beginning Base Budget - Treasurer	**821,000**	**0**	**189,300**	**1,179,000**	**500**	**2,189,800**
	Statewide Ongoing Adjustments						
F40	Cost-of-living adjustments of 2%	14,400	0	0	0	13,600	28,000
F41	Internal service fund adjustments	2,500	0	0	0	0	2,500
F42	Market comparability adjustments	1,000	0	0	0	0	1,000
F43	Retirement rate adjustments	10,400	0	0	10,000	0	20,400
F44	Insurance rate adjustments	8,100	0	0	8,400	0	16,500
	Subtotal Statewide Ongoing Adjustments - Treasurer	*36,400*	*0*	*0*	*18,400*	*13,600*	*68,400*
	Total FY 2005 Treasurer Adjustments	**36,400**	**0**	**0**	**18,400**	**13,600**	**68,400**
Total FY 2005 Treasurer Operating Budget		**$857,400**	**$0**	**$189,300**	**$1,197,400**	**$14,100**	**$2,258,200**
ELECTED OFFICIALS TOTALS							
FY 2005 Operating Base Budget		$27,092,700	$15,385,900	$14,183,200	$6,894,500	($2,125,500)	$61,430,800
FY 2005 Operating Ongoing and One-time Adjustments		1,391,600	66,100	474,000	215,100	16,700	2,163,500
FY 2005 Operating Recommendation		28,484,300	15,452,000	14,657,200	7,109,600	(2,108,800)	63,594,300
FY 2004 Operating Adjustments		1,072,400	0	0	0	0	1,072,400



ENVIRONMENTAL QUALITY

Where Will My Taxes and Fees Go for Environmental Quality?

(Figure Based on Total FY 2005 Funding)

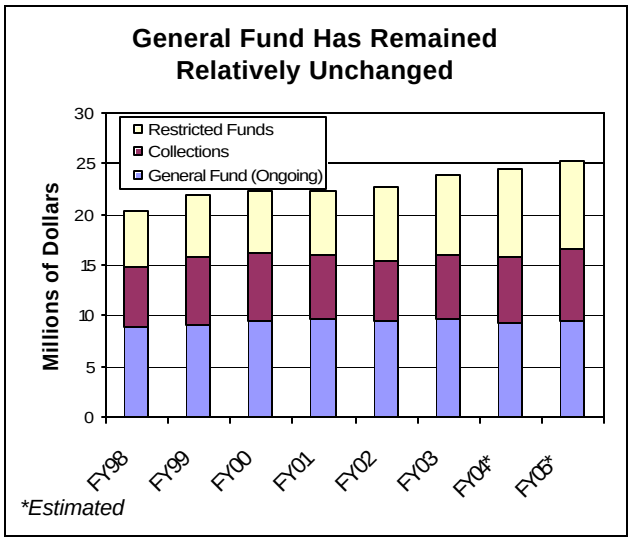


Highlighted Services

(Including the Governor's Recommendations)

$43 million for Environmental Quality

- Protects public health and the environment from the harmful effects of air pollution
- Oversees the state's public drinking water systems and protects the public against water-borne health risks, altogether a total of 1,850 water sources
- Monitors approximately 220 licensees and 2,500 facilities, from dentist offices to hospitals, that have registered X-ray units
- Ensures proper management of solid and hazardous waste
- Aids in protecting surface and ground water quality of more than 16,000 miles of rivers and streams, 3,000 lakes and reservoirs, and approximately 510,000 acres of wetlands
- Implements waste cleanup plans and coordinates the agency's response to spills and accidents that threaten the environment

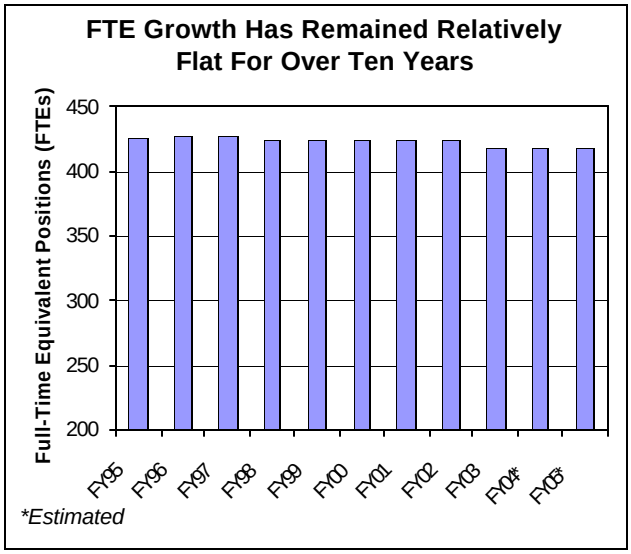


Funding increases have been in restricted funds and collections.

Governor's Recommendation Highlights

(All Funding Sources)

- $500,000 - High-level nuclear waste opposition
- $87,200 - Cost recovery attorney



BUDGET OVERVIEW

The Utah Department of Environmental Quality's (DEQ) mission is to safeguard human health and quality of life by protecting and enhancing the environment.

For FY 2004 the legislature appropriated $40,789,000, including $9,238,800 in General Fund, to DEQ. For FY 2005 the governor recommends that DEQ receive $42,500,300, with $9,562,600 from the General Fund. As shown on the pie chart on the previous page, DEQ has six major divisions.

From the original FY 2002 appropriation through FY 2004, DEQ has experienced $1,666,800 in ongoing General Fund cuts to its programs. These cuts are 16.7 percent of DEQ's original ongoing General Fund budget for FY 2002. DEQ has been able to absorb most of these cuts by increasing fees where appropriate and reducing administrative costs such as travel and training. However, activities of some programs, including the used oil program and air monitoring program, have been reduced.

DEQ has always had a difficult time hiring certain positions due to the specialty of the job and the limited number of individuals qualified for specialty positions. State wages lag significantly behind the private sector making it even more difficult to hire qualified individuals or retain those who have been trained by the department.

GOVERNOR'S RECOMMENDATIONS

General Fund

- Increase funding for the high-level nuclear waste opposition office by $500,000 in FY 2004. These funds are necessary to continue establishing the state's position against high-level nuclear waste coming to Utah.

- To help restore the integrity of the General Fund, the governor recommends allocating to the General Fund the sales tax designated for the waste water loan program and the drinking water loan program.

FY 2004 PROPOSED LEGISLATIVE INTENT

- Funds appropriated for the purpose of addressing high-level nuclear waste are nonlapsing.

FY 2005 PROPOSED LEGISLATIVE INTENT

- Any unexpended groundwater permit administration fees are nonlapsing and authorized for use in the program in the following fiscal year to reduce the fees charged.

- Any unexpended funds in the air operating permit program are nonlapsing and authorized for use in the program in the following fiscal year to reduce emission fees charged.

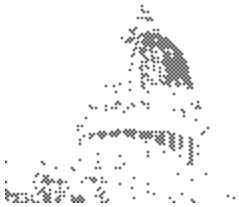
ENVIRONMENTAL QUALITY

Operating Budget

	Actual FY 2003	Authorized FY 2004	Governor Walker's Recommendations: Supple-mentals	Recommended FY 2004	Base FY 2005	Ongoing and One-time Adj.	Total FY 2005
Plan of Financing							
General Fund	$9,539,100	$9,238,800	$500,000	$9,738,800	$9,203,800	$358,800	$9,562,600
Federal Funds	13,841,400	16,778,800	0	16,778,800	15,758,000	378,800	16,136,800
Dedicated Credits	6,755,100	6,828,300	0	6,828,300	6,738,300	187,600	6,925,900
Restricted and Trust Funds	8,694,600	8,682,000	0	8,682,000	8,577,000	348,600	8,925,600
Transfers	196,300	230,500	0	230,500	195,000	6,300	201,300
Beginning Balances	1,841,300	1,731,000	0	1,731,000	760,800	0	760,800
Closing Balances	(1,731,000)	(760,800)	0	(760,800)	(12,700)	0	(12,700)
Lapsing Funds	(1,649,700)	0	0	0	0	0	0
Total Financing	**$37,487,100**	**$42,728,600**	**$500,000**	**$43,228,600**	**$41,220,200**	**$1,280,100**	**$42,500,300**
Programs							
Environmental Quality							
Executive Director's Operations	$4,702,200	$5,016,700	$500,000	$5,516,700	$4,414,100	$114,300	$4,528,400
Air Quality	8,230,900	8,908,000	0	8,908,000	8,535,600	281,400	8,817,000
Drinking Water	3,485,300	3,673,500	0	3,673,500	3,535,700	115,700	3,651,400
Environ. Response/Remediation	6,126,800	6,578,700	0	6,578,700	6,561,700	295,100	6,856,800
Radiation	2,023,800	2,671,800	0	2,671,800	2,632,300	83,800	2,716,100
Solid and Hazardous Waste	5,557,700	6,474,900	0	6,474,900	6,464,000	186,800	6,650,800
Water Quality	7,360,400	9,405,000	0	9,405,000	9,076,800	203,000	9,279,800
Total Budget	**$37,487,100**	**$42,728,600**	**$500,000**	**$43,228,600**	**$41,220,200**	**$1,280,100**	**$42,500,300**
% Change from Authorized FY 2004 to Total FY 2005							**(0.5%)**
FTE Positions	--	418.1	0.0	418.1	418.1	0.0	418.1

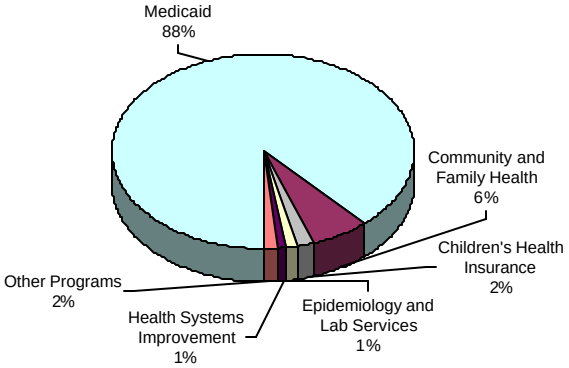
ENVIRONMENTAL QUALITY

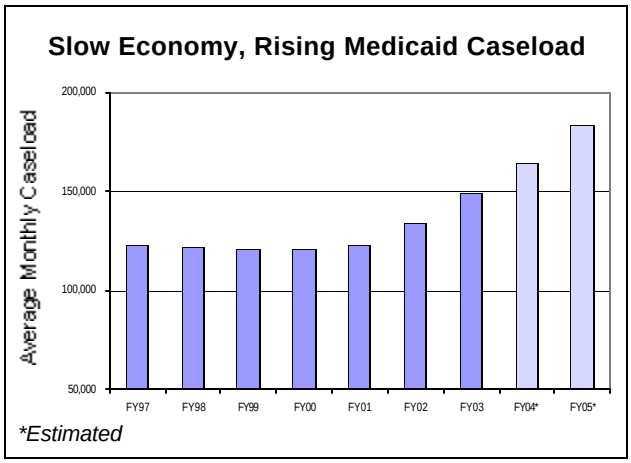
		General Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
ENVIRONMENTAL QUALITY FY 2005 OPERATING BUDGET							
	Beginning Base Budget						
G1	FY 2004 appropriated budget	$9,238,800	$15,059,300	$6,680,800	$8,682,000	$1,128,100	$40,789,000
G2	Adjustments for one-time FY 2004 appropriations	0	0	0	(87,200)	0	(87,200)
G3	Adjustments for FY 2004 extra working day	(35,000)	0	0	(17,800)	0	(52,800)
G4	Adjustments to funding levels	0	698,700	57,500	0	(185,000)	571,200
	Total Beginning Base Budget - Environmental Quality	**9,203,800**	**15,758,000**	**6,738,300**	**8,577,000**	**943,100**	**41,220,200**
	Statewide Ongoing Adjustments						
G5	Cost-of-living adjustments of 2%	151,400	158,400	81,000	111,000	2,600	504,400
G6	Internal service fund adjustments	4,000	4,100	2,100	2,800	0	13,000
G7	Market comparability adjustments	20,600	24,400	6,100	11,000	400	62,500
G8	Retirement rate adjustments	101,300	106,000	54,300	74,500	1,800	337,900
G9	Insurance rate adjustments	81,500	85,900	44,100	62,100	1,500	275,100
	Subtotal Statewide Ongoing Adjustments - Environmental Quality	*358,800*	*378,800*	*187,600*	*261,400*	*6,300*	*1,192,900*
	Ongoing Adjustments						
G10	Remediation - underground storage tank recovery attorney costs	0	0	0	87,200	0	87,200
	Subtotal Ongoing Adjustments - Environmental Quality	*0*	*0*	*0*	*87,200*	*0*	*87,200*
	Total FY 2005 Environmental Quality Adjustments	**358,800**	**378,800**	**187,600**	**348,600**	**6,300**	**1,280,100**
Total FY 2005 Environmental Quality Operating Budget		**$9,562,600**	**$16,136,800**	**$6,925,900**	**$8,925,600**	**$949,400**	**$42,500,300**
ENVIRONMENTAL QUALITY FY 2004 OPERATING BUDGET ADJUSTMENTS							
	Supplemental Adjustments						
G11	High-level nuclear waste opposition office	$500,000	$0	$0	$0	$0	$500,000
	Subtotal Supplemental Adjustments - Environmental Quality	*500,000*	*0*	*0*	*0*	*0*	*500,000*
Total FY 2004 Environmental Quality Budget Adjustments		**$500,000**	**$0**	**$0**	**$0**	**$0**	**$500,000**
ENVIRONMENTAL QUALITY TOTALS							
FY 2005 Operating Beginning Base Budget		$9,203,800	$15,758,000	$6,738,300	$8,577,000	$943,100	$41,220,200
FY 2005 Operating Ongoing and One-time Adjustments		358,800	378,800	187,600	348,600	6,300	1,280,100
FY 2005 Operating Recommendation		9,562,600	16,136,800	6,925,900	8,925,600	949,400	42,500,300
FY 2004 Operating Adjustments		500,000	0	0	0	0	500,000



HEALTH

Where Will My Taxes Go for Health?
(Figure Based on Total FY 2005 Funding)





Caseload growth is projected to average 10 percent a year from FY 2001 to FY 2005.

Highlighted Services
(Including the Governor's Recommendations)

$1.5 billion for Medicaid
- Health care for 180,000 individuals
- Primary health care for 25,000 individuals

$98 million for Community and Family Health
- Tobacco cessation services for 6,000 smokers
- 118,000 vaccine doses for children and adults
- Cancer screening for 8,000 women

$37 million for Children's Health Insurance (CHIP)
- Health and dental care for 29,000 children

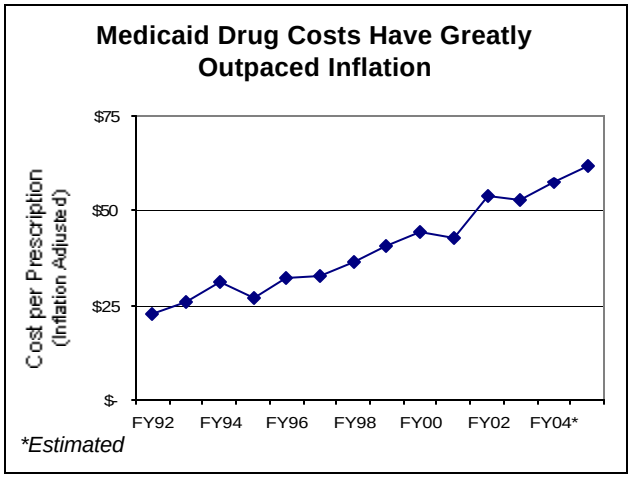
$15 million for Epidemiology and Lab Services
- Detection and investigation of communicable diseases, including *E. coli* and influenza
- Enhanced capacity to rapidly detect and respond to bioterrorism events

$14 million for Health Systems Improvement
- Basic health and safety inspections in 682 health care and 2,700 child care facilities
- Statewide efforts to reduce the estimated 327 deaths/year due to medical errors in hospitals

$29 million for other services, such as local health department funding

Governor's Recommendation Highlights
(All Funding Sources)

Medicaid
- $69.3 million - Caseload growth
- $35.9 million - Inflation increases
- Revenues of $4.2 million - Nursing care facilities match
- Savings of $2.3 million - Program initiatives



Because Medicaid's prices on existing drugs can only rise as fast as inflation, the use of new drugs drives the cost per prescription higher.

BUDGET OVERVIEW

The Department of Health (Health) seeks to protect the public's health by preventing avoidable disease and injury, assuring access to quality health care, promoting healthy lifestyles, and monitoring health trends and events. Health manages the state's Medicaid program, which provides health care for low-income or disabled individuals and pays for 28 percent of the nearly 50,000 annual births in the state. The department also manages other health care programs and provides an array of public health services.

For FY 2004 the legislature appropriated $1,462,964,400, including $263,764,700 in General Fund, to Health. For FY 2005 the governor recommends that Health receive $1,664,275,400, with $287,452,200 from the General Fund. As shown on the pie chart on the previous page, the majority of Health's budget pays for the Medicaid program, which receives nearly three-fourths of its funding from federal funds.

From the original FY 2002 appropriation through FY 2004, Health has experienced $26,221,600 in General Fund cuts to its programs, which represent 11.4 percent of Health's original, ongoing appropriation for FY 2002. These cuts have eliminated optional Medicaid services such as adult dental and vision coverage. Health has had to eliminate 15 positions for employees who administer the Medicaid program, while Medicaid caseload is estimated to grow 46.4 percent from FY 2001 to FY 2005. In addition, 25 local public health nurse positions were cut when funding for the Families, Agencies, and Communities Together program (FACT) was eliminated.

State employees have not received a salary increase for the last two years. As a result, some employees' salaries have lagged significantly behind the general job market. For instance, during a recent process to fill a financial audit position, Health identified eight qualified candidates for the position. However, those applicants' current salaries were on average $13,600 more than what Health's audit position offered. Other divisions report that low salaries for nurses often limit their hiring to candidates with little experience. These inexperienced hires do not possess the specialty skills that would be helpful in dealing with mental retardation or pediatric cases.

GOVERNOR'S RECOMMENDATIONS

General Fund

- Fund Medicaid utilization, caseload growth, and the federal match rate change with $14,701,800 in General Fund and $54,613,600 in other funds. As the economy improves and unemployment declines, FY 2005 caseload growth likely will not be as rapid as it was in FY 2003. Utah also received a favorable match rate change in FY 2005, which will require fewer state funds to draw down federal funds. A discussion of the FY 2004 federal fiscal relief can be found on page 12 of the Governor’s Budget Overview.

- Reduce Medicaid's ongoing funding by $486,000 and increase federal funds by $36,000 as a result of cost saving efforts. A portion of these savings will be achieved through the application of the federal match to inpatient physician services for the Primary Care Network. These services previously had been paid only from the General Fund. Health will achieve additional savings by increasing efforts to collect payments from private insurers that provide coverage to some Medicaid clients.

- Provide $407,600 in General Fund and $1,049,800 in other funds to give certain Medicaid programs, including federally qualified health centers and Medicare Crossover, mandated increases for inflation.

- Provide $3,446,600 in General Fund and $8,877,100 in federal funds to provide a Medicaid reimbursement increase for nursing care facilities. The cost of this increase and the

nursing care facilities' portion of the pharmacy inflation will be offset by a $4,200,000 match provided by the nursing care facilities.

- Increase Medicaid funding by $4,531,200 in General Fund and $15,721,100 in other funds to cover 12 percent pharmacy inflation. In October 2003 the Executive Appropriations Committee of the legislature voted not to support a pharmacy initiative that would require prior approval on some drugs in selected drug classes. However, this initiative has been well supported by the Medicaid client community and is projected to save $421,400 in General Fund for FY 2005. The governor recommends that Health proceed with the initiative in order to reduce pharmacy inflation from 12 to 11 percent.

Other Funds

- Change state statute to direct 70 percent of FY 2005 and FY 2006 tobacco settlement payments to the Tobacco Settlement Restricted Account. This change is required to maintain the $2,000,000 allocation from the account that funds immunization, cancer control, and health promotion programs. Without this funding, the state may lose over $5,000,000 in corresponding federal funds and would have to eliminate the programs.

FY 2004 Proposed Legislative Intent

- Funds for electronic Resource Eligibility Program (e-REP) enhancements are nonlapsing.

FY 2005 Proposed Legislative Intent

- The Office of the Medical Examiner will charge scheduled fees, except that no fees will be charged for state criminal cases.
- Fees collected for the purpose of plan reviews by the Bureau of Licensing are nonlapsing.
- Funds for the Primary Care Health Grants are nonlapsing.
- Funds for alcohol, tobacco, and other drug prevention, reduction, cessation, and control programs are nonlapsing.
- Civil money penalties collected for child care and health care provider violations are nonlapsing.
- The Early Intervention program will have a sliding fee schedule for children's services.
- Funds for e-REP enhancements are nonlapsing.
- The Medicaid program will continue to reimburse nursing care facilities based on the Resource Utilization Group System (RUGS). In addition, the program will maintain a property payments rule that phases out over a three year period ending December 31, 2005. The payments will be based on varying individual nursing care facility property costs.

HEALTH

Operating Budget

	Actual FY 2003	Authorized FY 2004	Governor Walker's Recommendations: Supple-mentals	Recommended FY 2004	Base FY 2005	Ongoing and One-time Adj.	Total FY 2005
Plan of Financing							
General Fund	$233,460,500	$263,764,700	($32,270,000)	$231,494,700	$263,677,400	$23,774,800	$287,452,200
Federal Funds	907,792,300	1,041,160,500	32,654,100	1,073,814,600	1,053,595,000	80,012,200	1,133,607,200
Dedicated Credits	85,923,300	101,082,400	(1,000)	101,081,400	106,570,800	2,498,200	109,069,000
Restricted and Trust Funds	16,483,700	16,687,000	0	16,687,000	16,682,700	112,500	16,795,200
Transfers	107,449,900	110,826,300	(1,800)	110,824,500	116,009,700	56,400	116,066,100
Beginning Balances	2,040,000	3,802,300	0	3,802,300	2,383,700	0	2,383,700
Closing Balances	(3,802,300)	(2,383,700)	0	(2,383,700)	(1,098,000)	0	(1,098,000)
Lapsing Funds	(6,249,800)	0	0	0	0	0	0
Total Financing	**$1,343,097,600**	**$1,534,939,500**	**$381,300**	**$1,535,320,800**	**$1,557,821,300**	**$106,454,100**	**$1,664,275,400**
Programs							
Health							
Executive Director's Operations	$17,404,800	$27,755,800	($78,700)	$27,677,100	$26,461,100	$500,800	$26,961,900
Health Systems Improvement	13,115,900	13,666,100	(2,500)	13,663,600	13,561,800	364,100	13,925,900
Epidemiology and Lab Services	14,701,100	15,060,500	0	15,060,500	14,625,400	431,300	15,056,700
Community and Family Health	93,137,000	98,440,200	(400)	98,439,800	97,627,600	686,800	98,314,400
Health Care Financing	72,941,700	72,237,200	462,900	72,700,100	70,790,900	1,405,800	72,196,700
Medical Assistance	1,100,162,600	1,269,054,200	0	1,269,054,200	1,296,050,000	103,045,100	1,399,095,100
Children's Health Insurance	29,548,800	36,712,900	0	36,712,900	36,691,900	20,200	36,712,100
Local Health Departments	2,085,700	2,012,600	0	2,012,600	2,012,600	0	2,012,600
Total Budget	**$1,343,097,600**	**$1,534,939,500**	**$381,300**	**$1,535,320,800**	**$1,557,821,300**	**$106,454,100**	**$1,664,275,400**
% Change from Authorized FY 2004 to Total FY 2005							**8.4%**
FTE Positions	–	1,307.6	0.0	1,307.6	1,300.5	0.0	1,300.5

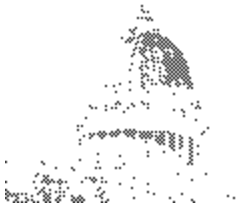
HEALTH

		General Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
	HEALTH FY 2005 OPERATING BUDGET						
	Beginning Base Budget						
H1	FY 2004 appropriated budget	$263,764,700	$983,353,700	$107,144,400	$16,687,000	$92,014,600	$1,462,964,400
H2	Adjustments for one-time FY 2004 appropriations	(5,600)	0	0	0	0	(5,600)
H3	Adjustments for FY 2004 extra working day	(81,700)	(101,600)	(22,000)	(4,300)	(14,800)	(224,400)
H4	Adjustments to funding levels	0	70,342,900	(551,600)	0	25,295,600	95,086,900
	Total Beginning Base Budget - Health	**263,677,400**	**1,053,595,000**	**106,570,800**	**16,682,700**	**117,295,400**	**1,557,821,300**
	Statewide Ongoing Adjustments						
H5	Cost-of-living adjustments of 2%	429,600	575,800	151,600	41,200	22,600	1,220,800
H6	Internal service fund adjustments	(182,000)	(202,400)	4,500	2,100	800	(377,000)
H7	Market comparability adjustments	140,900	90,300	75,800	14,200	3,600	324,800
H8	Retirement rate adjustments	277,400	382,800	91,300	27,800	14,900	794,200
H9	Insurance rate adjustments	269,700	371,800	97,300	27,200	14,500	780,500
	Subtotal Statewide Ongoing Adjustments - Health	*935,600*	*1,218,300*	*420,500*	*112,500*	*56,400*	*2,743,300*
	Ongoing Adjustments						
H10	Medicaid caseload/utilization - growth at 9.3%	18,357,900	49,267,100	944,900	0	0	68,569,900
H11	Medicaid caseload/utilization - ICF/MR, portability growth at 3.0%	208,500	537,000	0	0	0	745,500
H12	Medicaid savings - change in federal match rate	(3,864,600)	3,864,600	0	0	0	0
H13	Medicaid savings - collections from third party payers	(125,800)	(324,200)	0	0	0	(450,000)
H14	Medicaid savings - apply federal match to PCN inpatient physicians	(360,200)	360,200	0	0	0	0
H15	Medicaid inflation - pharmacy	4,952,600	15,945,100	1,238,200	0	0	22,135,900
H16	Medicaid savings - pharmacy program initiative	(421,400)	(1,356,800)	(105,400)	0	0	(1,883,600)
H17	Medicaid inflation - mandatory groups (FQHC, etc.)	407,600	1,049,800	0	0	0	1,457,400
H18	Medicaid inflation - nursing care facilities	3,446,600	8,877,100	0	0	0	12,323,700
	Subtotal Ongoing Adjustments - Health	*22,601,200*	*78,219,900*	*2,077,700*	*0*	*0*	*102,898,800*
	One-time Adjustments						
H19	Medicaid administration - eREP eligibility system interface	238,000	574,000	0	0	0	812,000
	Subtotal One-time Adjustments - Health	*238,000*	*574,000*	*0*	*0*	*0*	*812,000*
	Total FY 2005 Health Adjustments	**23,774,800**	**80,012,200**	**2,498,200**	**112,500**	**56,400**	**106,454,100**
	Total FY 2005 Health Operating Budget	**$287,452,200**	**$1,133,607,200**	**$109,069,000**	**$16,795,200**	**$117,351,800**	**$1,664,275,400**

HEALTH - CONTINUED

		General Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
HEALTH FY 2004 OPERATING BUDGET ADJUSTMENTS							
	Supplemental Adjustments						
H20	Internal service fund adjustments	($115,400)	($112,500)	($1,000)	$0	($1,800)	($230,700)
H21	Medicaid savings - federal FMAP relief adjustment	(32,376,600)	32,376,600	0	0	0	0
H22	Medicaid administration - eREP eligibility system interface	222,000	390,000	0	0	0	612,000
	Subtotal Supplemental Adjustments - Health	*(32,270,000)*	*32,654,100*	*(1,000)*	*0*	*(1,800)*	*381,300*
Total FY 2004 Health Budget Adjustments		**($32,270,000)**	**$32,654,100**	**($1,000)**	**$0**	**($1,800)**	**$381,300**

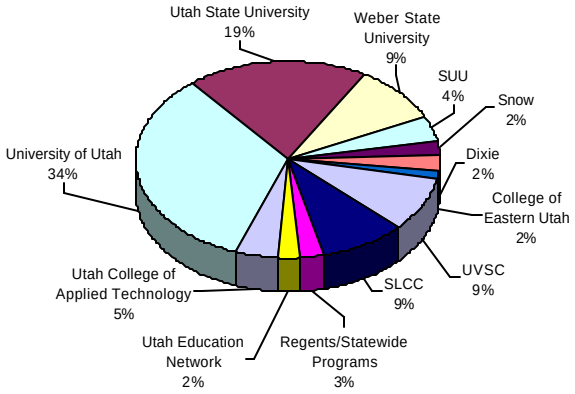
HEALTH TOTALS						
FY 2005 Operating Base Budget	$263,677,400	$1,053,595,000	$106,570,800	$16,682,700	$117,295,400	$1,557,821,300
FY 2005 Operating Ongoing and One-time Adjustments	23,774,800	80,012,200	2,498,200	112,500	56,400	106,454,100
FY 2005 Operating Recommendation	287,452,200	1,133,607,200	109,069,000	16,795,200	117,351,800	1,664,275,400
FY 2004 Operating Adjustments	(32,270,000)	32,654,100	(1,000)	0	(1,800)	381,300



HIGHER EDUCATION

Where Will My Taxes Go for Higher Education?

(Figure Based on Total FY 2005 Funding)



Highlighted Services

(Including the Governor's Recommendations)

$901 million for the Utah System of Higher Education

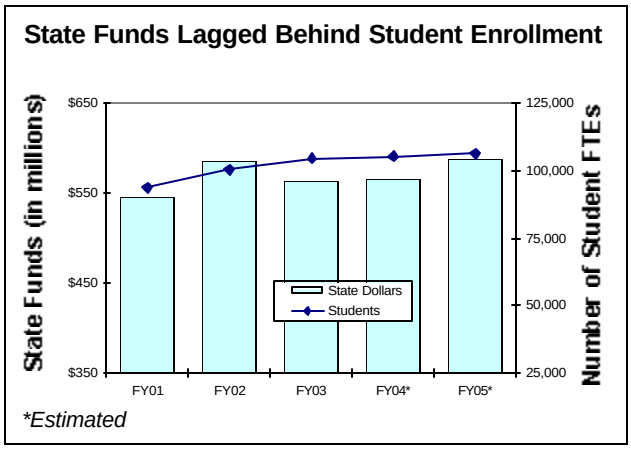
- About 128,000 students attend Utah's nine traditional colleges and universities
- Faculty and staff bring about $425 million in external research and development grants

$44 million for the Utah College of Applied Technology

- UCAT's nine campuses train over 50,000 adults and 13,000 secondary students in over 100 skill areas
- UCAT provides over 250,000 hours of Custom Fit training to employees of business and industry

$20 million for the Utah Education Network

- Nearly 6,200 high school and college students take classes through the EDNET videoconferencing system
- Traffic more than doubles every 18 months on UEN's Wide Area Network, which provides over 200 mission-critical network applications for Utah school and colleges



Governor Walker proposes to narrow the gap.

Governor's Recommendation Highlights

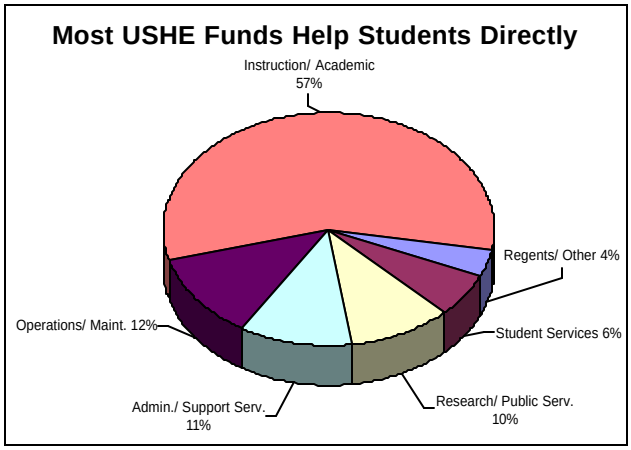
(All Funding Sources)

$39.0 million in total new funds

- A 4.0% increase over FY 2004
- $26 million for benefits and compensation

$24.9 million in new state tax funds, including:

- $2.5 million - USHE enrollment growth
- $1.5 million - USHE Operations & Maintenance
- $1.5 million - Engineering initiative
- $0.3 million - New Century scholarships
- $0.5 million - UCAT facilities leases



BUDGET OVERVIEW

Higher education includes nine colleges and universities in the Utah System of Higher Education (USHE), nine applied technology campuses in the Utah College of Applied Technology, the Utah Education Network, and the Medical Education Council. These agencies provide academic, professional, and applied technology learning opportunities designed to advance the intellectual, cultural, social, and economic well-being of the state and its people.

For FY 2004 higher education received appropriations totaling $927,993,700, including $618,121,000 in state funds (General Fund and school funds). For FY 2005 the governor recommends that higher education receive a total of $965,261,000, with $642,826,600 from state funds. As shown in a pie chart on the preceding page, over 90 percent of the total would be appropriated to USHE.

Higher education has suffered from reductions associated with downturns in the state and national economies. State fund reductions from the original FY 2002 appropriation through FY 2004 total $56,401,900, or 8.4 percent. These reductions make it harder for colleges and universities to recruit and retain the high-quality teaching and research faculty that are key to the social and economic well-being of the state. Data in the 2003-2004 Almanac issue of the *Chronicle of Higher Education* show Utah to be 32nd in the nation in average salary paid to professors. The nearby states of Nevada, Arizona, and Colorado are in the top 20.

Tuition has been increased to offset reductions in state funds. From the 2000-01 to 2003-04 school year, Dixie College tuition for resident undergraduates increased 19.1 percent, and the increase for six other higher education institutions was between 23.6 and 30.8 percent. At SUU and UVSC resident undergraduate tuition increased 44.6 and 54.8 percent, respectively.

GOVERNOR'S RECOMMENDATIONS

Utah System of Higher Education

General Fund

- Appropriate ongoing funds of $28,411,800, including $19,113,100 in General Fund and school funds, for direct instruction, benefit adjustments, and a compensation adjustment.

- Provide $1,500,000 ongoing funds to fund at least 76 percent of the total costs needed for operations and maintenance of each new and upgraded facility in FY 2005.

- Continue the state's engineering initiative with an appropriation of a $500,000 one-time supplemental for FY 2004 and $1,000,000 in ongoing funds for FY 2005.

- Provide $750,000 ongoing funds to the regents for board initiatives, including additional nursing faculty, with funds to be matched by recipient institutions with other ongoing state funds.

- Appropriate $250,000 in ongoing funds to meet obligations to students who qualify for New Century scholarships.

Other Funds

- Appropriate $1,100,000 ongoing dedicated credits to reflect additional tuition generated by an estimated increase of 560 full-time equivalent students at state colleges and universities.

- Allocate $12,609,500 in dedicated credits from a first-tier tuition increase of 4.5 percent to (1) increase by $1,267,000 the need-based student aid provided by the institutions; (2) partially match increased state funds for compensation, benefits, and student instruction; and (3) meet other system needs.

Utah College of Applied Technology

General Fund

- Appropriate $500,000 in ongoing funds to provide Salt Lake/Tooele, Mountainland, and Southeast applied technology centers with about 57 percent of their respective requests for funds to lease facilities.

- Provide ongoing funds of $1,178,800, including $1,048,100 in General Fund, for benefit adjustments and the equivalent of a 2.0 percent increase in compensation.

Utah Education Network

General Fund

- Provide ongoing funds of $205,400, including $155,500 in General Fund, for benefit adjustments and the equivalent of a 2.0 percent increase in compensation.

FY 2005 Proposed Legislative Intent

- Funds appropriated to the Utah State Board of Regents shall be used in part to develop a program for self-supporting remedial classes at colleges and universities other than UCAT.

HIGHER EDUCATION

Operating Budget

	Actual FY 2003	Authorized FY 2004	Governor Walker's Recommendations: Supple-mentals	Recommended FY 2004	Base FY 2005	Ongoing and One-time Adj	Total FY 2005
Plan of Financing							
General Fund	$614,965,600	$523,121,000	$16,379,000	$539,500,000	$522,928,000	$89,131,300	$612,059,300
School Funds	1,953,700	95,000,000	(16,379,000)	78,621,000	95,000,000	(64,232,700)	30,767,300
Federal Funds	9,109,400	9,411,900	0	9,411,900	8,903,700	152,000	9,055,700
Dedicated Credits	265,146,800	291,154,200	0	291,154,200	290,220,500	13,892,500	304,113,000
Mineral Lease	911,200	777,700	0	777,700	777,700	0	777,700
Restricted and Trust Funds	8,284,500	8,284,500	0	8,284,500	8,284,500	0	8,284,500
Transfers	140,400	244,400	0	244,400	140,000	0	140,000
Other Funds	0	0	0	0	0	63,500	63,500
Beginning Balances	47,304,300	61,501,100	0	61,501,100	61,501,100	0	61,501,100
Closing Balances	(61,501,100)	(61,501,100)	0	(61,501,100)	(61,501,100)	0	(61,501,100)
Total Financing	**$886,314,800**	**$927,993,700**	**$0**	**$927,993,700**	**$926,254,400**	**$39,006,600**	**$965,261,000**
Programs							
Higher Education							
University of Utah	$298,253,300	$313,565,800	$0	$313,565,800	$313,661,300	$9,652,200	$323,313,500
Utah State University	170,442,500	180,723,300	0	180,723,300	180,661,200	5,133,600	185,794,800
Weber State University	86,164,500	87,654,900	0	87,654,900	87,662,400	2,672,400	90,334,800
Southern Utah University	36,358,200	39,439,300	0	39,439,300	39,489,300	1,083,900	40,573,200
Snow College	19,241,800	21,386,900	0	21,386,900	21,386,900	863,600	22,250,500
Dixie State College of Utah	20,825,700	23,231,500	0	23,231,500	23,266,500	645,500	23,912,000
College of Eastern Utah	14,145,500	15,203,100	0	15,203,100	15,203,100	523,700	15,726,800
Utah Valley State College	76,826,800	82,831,400	0	82,831,400	82,901,400	3,567,200	86,468,600
Salt Lake Community College	81,214,800	82,933,300	0	82,933,300	82,963,300	2,079,900	85,043,200
Regents/Statewide Programs	19,856,700	17,526,200	0	17,526,200	17,026,200	10,900,000	27,926,200
Subtotal Higher Education	*823,329,800*	*864,495,700*	*0*	*864,495,700*	*864,221,600*	*37,122,000*	*901,343,600*
Utah Education Network							
Operations	19,647,800	20,357,700	0	20,357,700	20,103,600	204,600	20,308,200
Subtotal Utah Education Network	*19,647,800*	*20,357,700*	*0*	*20,357,700*	*20,103,600*	*204,600*	*20,308,200*
Utah College of Applied Technology							
Operations	42,821,100	42,558,400	0	42,558,400	41,922,600	1,680,000	43,602,600
Subtotal College of Applied Tech.	*42,821,100*	*42,558,400*	*0*	*42,558,400*	*41,922,600*	*1,680,000*	*43,602,600*
Medical Education Council							
Operations	516,100	581,900	0	581,900	6,600	0	6,600
Subtotal Medical Ed. Council	*516,100*	*581,900*	*0*	*581,900*	*6,600*	*0*	*6,600*
Total Budget	**$886,314,800**	**$927,993,700**	**$0**	**$927,993,700**	**$926,254,400**	**$39,006,600**	**$965,261,000**
% Change from Authorized FY 2004 to Total FY 2005							**4.0%**

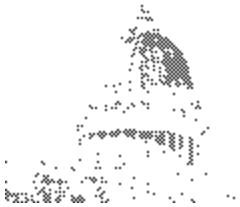
Note: FY 2003 actual data for SBR, CEU, Snow, SUU, and UVSC were not received in time for inclusion, although preliminary FY 2003 actual data were received from UVSC. For other than General Fund and school funds, therefore, FY 2003 numbers provided for these institutions are generally estimates based on appropriations. Also, FY 2003 actual data for Southeast ATC were not received in time for inclusion. For other ATCs, the data received were not complete. As a result, FY 2003 UCAT numbers for other than General Fund and school funds are sometimes estimates.

HIGHER EDUCATION

		General Fund	School Funds	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
	UTAH SYSTEM OF HIGHER EDUCATION FY 2005 OPERATING BUDGET							
	Beginning Base Budget							
111	FY 2004 appropriated budget	$470,520,900	$95,000,000	$4,203,700	$285,604,800	$8,284,500	$881,800	$864,495,700
112	Adjustments for one-time FY 2004 appropriations	(170,000)	0	0	0	0	(104,100)	(274,100)
	Total Beginning Base Budget - USHE	**470,350,900**	**95,000,000**	**4,203,700**	**285,604,800**	**8,284,500**	**777,700**	**864,221,600**
	Statewide Ongoing Adjustments							
113	Internal service fund adjustments	52,100	29,300	500	48,500	0	0	130,400
114	Benefit rate adjustments	6,895,000	1,556,000	47,600	4,053,000	0	0	12,551,600
115	Salary adjustment of 2.0%	6,750,100	1,412,000	58,800	3,889,300	0	0	12,110,200
	Subtotal Statewide Ongoing Adjustments - USHE	*13,697,200*	*2,997,300*	*106,900*	*7,990,800*	*0*	*0*	*24,792,200*
	Ongoing Adjustments							
116	Student support (direct instruction)	2,500,000	0	0	1,250,000	0	0	3,750,000
117	Need based student aid from 0.5% 1st tier tuition increase	0	0	0	1,267,800	0	0	1,267,800
118	Unallocated portion of 4.0% 1st tier tuition increase	0	0	0	2,149,400	0	0	2,149,400
119	Increased tuition from about 560 FTE new enrollment	0	0	0	1,100,000	0	0	1,100,000
110	Operation and maintenance for new facilities	1,500,000	0	0	0	0	0	1,500,000
111	Intitiatives: engineering ($1.0 million), library, nursing, technology	1,750,000	0	0	0	0	0	1,750,000
112	CCJJ grant to UofU for evaluation of projects	0	0	0	0	0	34,500	34,500
113	New Century Scholarship program growth	250,000	0	0	0	0	0	250,000
114	Funding source adjustments	67,230,000	(67,230,000)	0	0	0	0	0
	Subtotal Ongoing Adjustments - USHE	*73,230,000*	*(67,230,000)*	*0*	*5,767,200*	*0*	*34,500*	*11,801,700*
	One-time Adjustments							
115	CCJJ grant to USU for completion of project	0	0	0	0	0	28,100	28,100
116	Engineering initiative	500,000	0	0	0	0	0	500,000
	Subtotal One-time Adjustments - USHE	*500,000*	*0*	*0*	*0*	*0*	*28,100*	*528,100*
	Total FY 2005 USHE Adjustments	**87,427,200**	**(64,232,700)**	**106,900**	**13,758,000**	**0**	**62,600**	**37,122,000**
	Total FY 2005 USHE Operating Budget	**$557,778,100**	**$30,767,300**	**$4,310,600**	**$299,362,800**	**$8,284,500**	**$840,300**	**$901,343,600**
	UTAH SYSTEM OF HIGHER EDUCATION FY 2004 OPERATING BUDGET ADJUSTMENTS							
	Supplemental Adjustments							
117	Funding source adjustments	$16,379,000	($16,379,000)	$0	$0	$0	$0	$0
	Subtotal Supplemental Adjustments - USHE	*16,379,000*	*(16,379,000)*	*0*	*0*	*0*	*0*	*0*
	Total FY 2004 USHE Budget Adjustments	**$16,379,000**	**($16,379,000)**	**$0**	**$0**	**$0**	**$0**	**$0**
	UTAH EDUCATION NETWORK FY 2005 OPERATING BUDGET							
	Beginning Base Budget							
118	FY 2004 appropriated budget	$14,918,600	$0	$4,928,200	$370,600	$0	$140,300	$20,357,700
119	Adjustments for FY 2004 extra working day	(23,000)	0	0	0	0	0	(23,000)
120	Adjustments to funding levels	0	0	(228,200)	(2,600)	0	(300)	(231,100)
	Total Beginning Base Budget - Utah Education Network	**14,895,600**	**0**	**4,700,000**	**368,000**	**0**	**140,000**	**20,103,600**

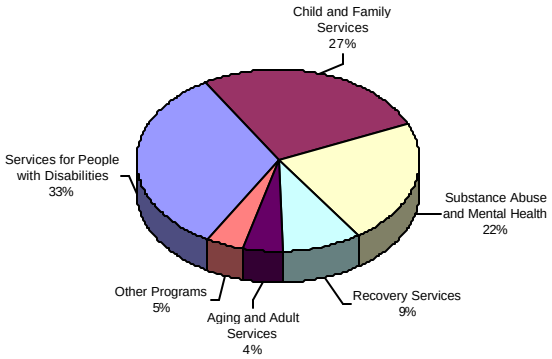
HIGHER EDUCATION - CONTINUED

	General Fund	School Funds	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
Statewide Ongoing Adjustments							
121 Benefit rate adjustments	88,200	0	27,800	2,200	0	900	119,100
122 Internal service fund adjustments	(500)	0	0	(300)	0	0	(800)
123 Salary adjustment of 2.0%	67,300	0	17,300	1,700	0	0	86,300
Subtotal Statewide Ongoing Adjustments - Utah Education Network	*155,000*	*0*	*45,100*	*3,600*	*0*	*900*	*204,600*
Total FY 2005 Utah Education Network Adjustments	**155,000**	**0**	**45,100**	**3,600**	**0**	**900**	**204,600**
Total FY 2005 Utah Education Network Operating Budget	**$15,050,600**	**$0**	**$4,745,100**	**$371,600**	**$0**	**$140,900**	**$20,308,200**
UTAH COLLEGE OF APPLIED TECHNOLOGY FY 2005 OPERATING BUDGET							
Beginning Base Budget							
124 FY 2004 appropriated budget	$37,674,900	$0	$0	$4,883,500	$0	$0	$42,558,400
125 Adjustments to funding levels	0	0	0	(635,800)	0	0	(635,800)
Total Beginning Base Budget - UCAT	**37,674,900**	**0**	**0**	**4,247,700**	**0**	**0**	**41,922,600**
Statewide Ongoing Adjustments							
126 Benefit rate adjustments	582,800	0	0	70,900	0	0	653,700
127 Salary adjustment of 2.0%	465,300	0	0	59,800	0	0	525,100
128 Internal service fund adjustments	1,000	0	0	200	0	0	1,200
Subtotal Statewide Ongoing Adjustments - UCAT	*1,049,100*	*0*	*0*	*130,900*	*0*	*0*	*1,180,000*
Ongoing Adjustments							
129 Leases at Salt Lake/Tooele, Mountainlands, and Southeast ATCs	500,000	0	0	0	0	0	500,000
Subtotal Ongoing Adjustments - UCAT	*500,000*	*0*	*0*	*0*	*0*	*0*	*500,000*
Total FY 2005 UCAT Adjustments	**1,549,100**	**0**	**0**	**130,900**	**0**	**0**	**1,680,000**
Total FY 2005 UCAT Operating Budget	**$39,224,000**	**$0**	**$0**	**$4,378,600**	**$0**	**$0**	**$43,602,600**
MEDICAL EDUCATION COUNCIL							
Beginning Base Budget							
130 FY 2004 appropriated budget	$6,600	$0	$280,000	$295,300	$0	$0	$581,900
131 Adjustments to funding levels	0	0	(280,000)	(295,300)	0	0	(575,300)
Total Beginning Base Budget - MEC	**6,600**	**0**	**0**	**0**	**0**	**0**	**6,600**
Total FY 2005 Medical Education Council Operating Budget	**$6,600**	**$0**	**$0**	**$0**	**$0**	**$0**	**$6,600**
HIGHER EDUCATION TOTALS							
FY 2005 Operating Base Budget	$522,928,000	$95,000,000	$8,903,700	$290,220,500	$8,284,500	$917,700	$926,254,400
FY 2005 Operating Ongoing and One-time Adjustments	89,131,300	(64,232,700)	152,000	13,892,500	0	63,500	39,006,600
FY 2005 Operating Recommendation	612,059,300	30,767,300	9,055,700	304,113,000	8,284,500	981,200	965,261,000
FY 2004 Operating Adjustments	16,379,000	(16,379,000)	0	0	0	0	0



HUMAN SERVICES

Where Will My Taxes Go for Human Services?
(Figure Based on Total FY 2005 Funding)



Highlighted Services

(Including the Governor's Recommendations)

$162 million for Services for People with Disabilities

- Provided in-home and self-directed support services for 2,092 disabled individuals, and day services and supported employment for 2,500 disabled individuals
- Provided residential services at the State Developmental Center for 229 disabled individuals and in the community for 1,423 individuals

$132 million for Child and Family Services

- Investigated 19,632 reported incidents of abuse and neglect
- Served 3,678 children in foster care settings
- Provided in-home services for 18,559 children and families

$107 million for Substance Abuse and Mental Health

- Provided treatment to 788 individuals with severe mental illness at the Utah State Hospital
- Treated 46,051 individuals for mental illnesses and 21,878 individuals for substance abuse through local authority mental health centers and local authority substance abuse programs

$89 million for other programs

Governor's Recommendation Highlights

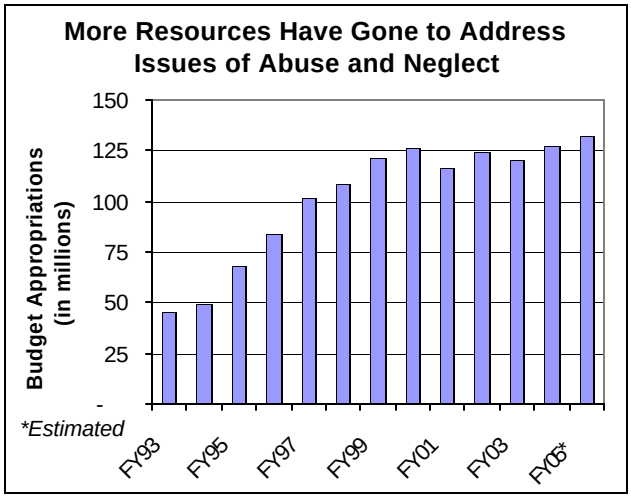
(All Funding Sources)

Services for People with Disabilities

- $4.2 million - Replace one-time funding and provide for emergency services, non-waiver services, waiver mandates, and waiting list

Child and Family Services

- $2.3 million - Caseload growth for out-of-home care and adoption subsidies



The DCFS budget has grown from $45.1 million (FY 1993) to $132.4 million recommended (FY 2005).

BUDGET OVERVIEW

The Department of Human Services (Human Services), as represented here, includes all divisions and offices in the department except the Division of Juvenile Justice Services, which is included for appropriation summary purposes in the Corrections (Adult and Juvenile) section. Through its various divisions and offices the department helps individuals and families resolve personal problems.

For FY 2004 the legislature appropriated a total of $457,096,100, including $199,642,500 in General Fund, to Human Services. For FY 2005 the governor recommends that Human Services receive $490,149,800, with $206,516,300 from the General Fund. As shown in the pie chart on the previous page, the three major components of Human Services' budget are the Division of Services for People with Disabilities (DSPD), the Division of Child and Family Services (DCFS), and the Division of Substance Abuse and Mental Health (DSAMH). DSPD provides a wide range of services and assistance for citizens with disabilities. DCFS oversees abuse and neglect investigations, foster care, and domestic violence programs. DSAMH operates the Utah State Hospital for the severely mentally ill and oversees local mental health centers and substance abuse treatment and prevention services.

From the original FY 2002 appropriation, Human Services has experienced $22,205,100 in ongoing cuts to its programs. These cuts are 10.3 percent of Human Services' ongoing budget for FY 2002. Some of the major reductions have eliminated the entire Families, Agencies, and Communities Together (FACT) program, which targeted early intervention services to children at serious risk of failure in the public school system, as well as youth requiring multiple services from multiple agencies. These cuts also removed $1,000,000 from funding for drug courts, eliminated one geriatric unit and one forensic unit at the Utah State Hospital, reduced case management staff in both the Office of Recovery Services (ORS) and DSPD, and eliminated adult day care services in Aging and Adult Services. In addition, significant reductions were made in Human Services' administrative functions and in funds passed through to local mental health and substance abuse authorities.

During this period, some employees' salaries have lagged significantly behind the general job market. For a number of months the State Hospital had between ten and fifteen vacant nursing positions. This lack of nursing staff became a crisis in meeting the health care needs of patients, and the State Hospital received special permission to selectively increase these salaries in order to hire nurses. No additional appropriation was provided to cover this cost, so funding for other areas in the hospital was reduced.

Staff in ORS currently carry very high caseloads with a 212 average caseload per child support agent. Vacancies in these positions have increased. However, ORS cannot leave caseloads unattended, and other staff are asked to take on these additional cases until the vacant positions are filled and the new employees trained. In this area, failure to work cases means that children do not get the benefit of their child support.

GOVERNOR'S RECOMMENDATIONS

General Fund

- Fund $703,900 in ongoing funds ($265,800 of General Fund and $438,100 of federal Medicaid funds) for operating costs of the new Rampton II building, which replaced the old Hyde Building at the Utah State Hospital.

- Replace $350,000 in one-time funding with ongoing funds to maintain DSPD non-waiver services for 65 individuals with disabilities, who would otherwise lose those services.

- Replace $663,500 in one-time funding with ongoing funds for DSPD Emergency Services and Multiple Crisis. This General Fund will be matched by $1,683,100 of federal Medicaid

funds to provide $2,346,600 in total services for 48 individuals.

- Replace $539,300 in one-time funding with ongoing funds to pay for services required by 83 individuals currently being served in the DSPD Home- and Community-based Waiver. This General Fund will be matched by $1,388,700 of federal Medicaid funds to provide $1,928,000 in total services.

- Replace $419,600 in one-time funding with ongoing funds. This General Fund will be matched by $1,080,400 of federal Medicaid funds to provide $1,500,000 in total additional services to 350 individuals with disabilities currently on the waiting list.

- Provide $578,500 in ongoing funds ($336,700 of General Fund, $182,800 of federal Medicaid funds, and $59,000 of other federal funds) to pay for DCFS out-of-home care for an estimated 53 additional youth.

- Provide $1,700,100 in ongoing funds ($628,000 of General Fund and $1,072,100 in federal funds) to pay for a DCFS adoption assistance caseload increase of 224.

- In FY 2005 direct $748,700 one-time to pay for court monitor costs in connection with the *David C.* child welfare lawsuit.

Other Funds

- Increase the spending authority by $50,000 for the Domestic Violence Restricted Fund.

- Increase the spending authority by $50,000 for the Children's Trust Fund.

FY 2004 Proposed Legislative Intent

- If funds are available, the Foster Care Citizen Review Board is authorized to not lapse funds at the end of FY 2004. These funds are to be used solely for one-time volunteer recruitment or database costs.

- Funds appropriated to Drug Courts/Drug Board from the Tobacco Settlement Restricted Account for FY 2004 are nonlapsing.

- If funds are available, DSAMH is authorized to not lapse up to $80,000 at the end of FY 2004. These funds are for the purchase of computer equipment and software, capital equipment and improvements, and equipment and supplies.

- If funds are available, DCFS is authorized to not lapse up to $50,000 at the end of FY 2004. These funds are for the purchase of computer equipment and software.

- If funds are available, DCFS is authorized to purchase up to six additional vehicles.

FY 2005 Proposed Legislative Intent

- Funds appropriated to the Office of Technology for e-REP enhancements are nonlapsing.

- Funds appropriated to the Office of Recovery Services for e-REP enhancements are nonlapsing.

- Funds appropriated for FY 2005 for the Adoption Assistance program in DCFS are nonlapsing at the end of FY 2005 and are to be used for adoption assistance programs.

- Funds appropriated to DCFS for Adoption Assistance may be used to hire up to six positions to provide post-adoption support. This support will provide adoptive parents with information, services, and counseling in an effort to prevent adoptive placements from failing. The division will track Adoption Assistance funds transferred as well as estimated savings resulting from this effort and report back to the Health and Human Services Appropriations Subcommittee during the 2005 General Session to determine the value of continuing this post-adoption support.

HUMAN SERVICES

Operating Budget

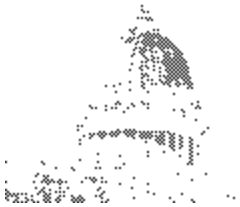
	Actual FY 2003	Authorized FY 2004	Governor Walker's Recommendations: Supple-mentals	Recommended FY 2004	Base FY 2005	Ongoing and One-time Adj.	Total FY 2005
Plan of Financing							
General Fund	$200,509,600	$199,642,500	$146,700	$199,789,200	$199,524,400	$6,991,900	$206,516,300
Federal Funds	107,495,100	119,187,300	145,100	119,332,400	118,919,800	5,322,400	124,242,200
Dedicated Credits	8,237,300	11,570,300	24,600	11,594,900	11,536,500	546,900	12,083,400
Restricted and Trust Funds	4,047,200	4,282,200	0	4,282,200	3,847,200	109,700	3,956,900
Transfers	136,673,800	134,536,200	144,800	134,681,000	136,042,900	7,377,000	143,419,900
Beginning Balances	2,176,400	4,152,600	0	4,152,600	3,112,700	0	3,112,700
Closing Balances	(4,152,600)	(3,112,700)	0	(3,112,700)	(1,209,200)	0	(1,209,200)
Lapsing Funds	(1,857,600)	0	0	0	0	(1,972,400)	(1,972,400)
Total Financing	**$453,129,200**	**$470,258,400**	**$461,200**	**$470,719,600**	**$471,774,300**	**$18,375,500**	**$490,149,800**
Programs							
Human Services							
Executive Director's Operations	$17,620,500	$19,379,700	($1,400)	$19,378,300	$19,318,600	$1,197,000	$20,515,600
Drug Courts/Drug Board	1,647,200	1,647,200	0	1,647,200	1,647,200	0	1,647,200
Substance Abuse and Mental Health	104,658,900	105,142,500	234,400	105,376,900	104,799,200	2,580,000	107,379,200
Services for People w/ Disabilities	147,084,200	152,898,400	0	152,898,400	156,019,100	5,726,500	161,745,600
Recovery Services	41,608,300	42,072,500	228,200	42,300,700	42,302,000	3,287,600	45,589,600
Child and Family Services	120,429,900	128,059,700	0	128,059,700	126,911,600	5,431,800	132,343,400
Aging and Adult Services	20,080,200	21,058,400	0	21,058,400	20,776,600	152,600	20,929,200
Total Budget	**$453,129,200**	**$470,258,400**	**$461,200**	**$470,719,600**	**$471,774,300**	**$18,375,500**	**$490,149,800**
% Change from Authorized FY 2004 to Total FY 2005							**4.2%**
FTE Positions	--	3,621.6	6.3	3,627.9	3,621.8	19.0	3,640.8

HUMAN SERVICES

		General Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
	HUMAN SERVICES FY 2005 OPERATING BUDGET						
	Beginning Base Budget						
J1	FY 2004 appropriated budget	$199,642,500	$115,673,300	$12,406,000	$4,282,200	$125,092,100	$457,096,100
J2	Adjustments for one-time FY 2004 appropriations	(112,900)	0	0	0	0	(112,900)
J3	Adjustments for FY 2004 extra working day	(256,700)	0	0	0	0	(256,700)
J4	Program transfers (Juvenile Justice Services)	251,500	0	0	0	0	251,500
J5	Adjustments to funding levels	0	3,246,500	(869,500)	(435,000)	12,854,300	14,796,300
	Total Beginning Base Budget - Human Services	**199,524,400**	**118,919,800**	**11,536,500**	**3,847,200**	**137,946,400**	**471,774,300**
	Statewide Ongoing Adjustments						
J6	Cost-of-living adjustments of 2%	1,375,300	775,500	136,300	4,100	672,200	2,963,400
J7	Internal service fund adjustments	20,100	34,900	13,200	0	7,100	75,300
J8	Market comparability adjustments	405,200	842,500	194,100	0	24,000	1,465,800
J9	Retirement rate adjustments	1,009,800	587,300	100,900	3,000	494,100	2,195,100
J10	Insurance rate adjustments	774,600	416,400	76,400	2,600	411,800	1,681,800
	Subtotal Statewide Ongoing Adjustments - Human Services	*3,585,000*	*2,656,600*	*520,900*	*9,700*	*1,609,200*	*8,381,400*
	Ongoing Adjustments						
J11	State Hospital - operating costs for the opening of Rampton II	265,800	0	0	0	438,100	703,900
J12	Mental Health - increase in PASRR required evaluations	87,600	0	0	0	225,600	313,200
J13	Mental Health - increase in required competency evaluations	154,000	0	0	0	0	154,000
J14	People with Disabilities - replace one-time funding - emergency services	663,500	0	0	0	1,019,600	1,683,100
J15	People with Disabilities - replace one-time funding - non-waiver services	350,000	0	0	0	(350,000)	0
J16	People with Disabilities - replace one-time funding - waiver mandates	539,300	0	0	0	849,400	1,388,700
J17	People with Disabilities - replace one-time funding - waiting list	419,600	0	0	0	660,800	1,080,400
J18	Recovery Services - rent increases	41,300	150,800	0	0	300	192,400
J19	Recovery Services - cost of service fee increases	59,500	157,800	26,000	0	700	244,000
J20	Child and Family Services - out-of-home care caseload increase	336,700	59,000	0	0	182,800	578,500
J21	Child and Family Services - adoption subsidy caseload increase	628,000	1,072,100	0	0	0	1,700,100
J22	Child and Family Services - rent increases	169,800	35,300	0	0	0	205,100
J23	Child and Family Services - incr. auth. for Domestic Violence Rest. Fund	0	0	0	50,000	0	50,000
J24	Child and Family Services - incr. auth. for Children's Trust Account	0	0	0	50,000	0	50,000
J25	Department - savings due to federal match rate change	(817,600)	49,500	0	0	768,100	0
	Subtotal Ongoing Adjustments - Human Services	*2,897,500*	*1,524,500*	*26,000*	*100,000*	*3,795,400*	*8,343,400*

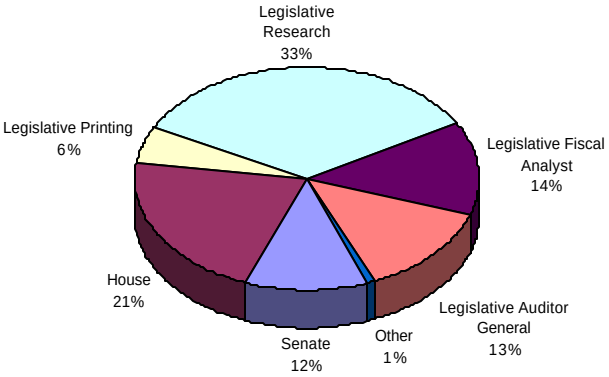
HUMAN SERVICES - CONTINUED

		General Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
	One-time Adjustments						
J26	Office of Technology - required costs associated with eRep	463,900	196,400	0	0	0	660,300
J27	Recovery Services - required costs associated with eRep	45,500	196,200	0	0	0	241,700
J28	Child and Family Services - *David C.* court-ordered costs	0	748,700	0	0	0	748,700
	Subtotal One-time Adjustments - Human Services	*509,400*	*1,141,300*	*0*	*0*	*0*	*1,650,700*
	Total FY 2005 Human Services Adjustments	**6,991,900**	**5,322,400**	**546,900**	**109,700**	**5,404,600**	**18,375,500**
	Total FY 2005 Human Services Operating Budget	**$206,516,300**	**$124,242,200**	**$12,083,400**	**$3,956,900**	**$143,351,000**	**$490,149,800**
	HUMAN SERVICES FY 2004 OPERATING BUDGET ADJUSTMENTS						
	Supplemental Adjustments						
J29	State Hospital - operating costs for the opening of Rampton II	$90,200	$0	$0	$0	$144,200	$234,400
J30	Recovery Services - cost of service fee increases	59,500	157,800	26,000	0	700	244,000
J31	Department - internal service fund adjustments	(3,000)	(12,700)	(1,400)	0	(100)	(17,200)
	Subtotal Supplemental Adjustments - Human Services	*146,700*	*145,100*	*24,600*	*0*	*144,800*	*461,200*
	Total FY 2004 Human Services Budget Adjustments	**$146,700**	**$145,100**	**$24,600**	**$0**	**$144,800**	**$461,200**
	HUMAN SERVICES TOTALS						
	FY 2005 Operating Beginning Base Budget	$199,524,400	$118,919,800	$11,536,500	$3,847,200	$137,946,400	$471,774,300
	FY 2005 Operating Ongoing and One-time Adjustments	6,991,900	5,322,400	546,900	109,700	5,404,600	18,375,500
	FY 2005 Operating Recommendation	206,516,300	124,242,200	12,083,400	3,956,900	143,351,000	490,149,800
	FY 2004 Operating Adjustments	146,700	145,100	24,600	0	144,800	461,200



LEGISLATURE

Where Will My Taxes Go for Legislature?
(Figure Based on Total FY 2005 Funding)



HIGHLIGHTED SERVICES

$5 million for House and Senate

$5 million for Legislative Research and General Counsel

$2 million for Legislative Fiscal Analyst

$2 million for Legislative Auditor General

$1 million for Legislative Printing

$55,000 for Constitutional Revision Commission

$50,000 for Tax Review Commission

BUDGET OVERVIEW

Legislature consists of the House of Representatives, the Senate, and the offices of Legislative Research and General Counsel and the Legislative Fiscal Analyst, Legislative Auditor General, Legislative Printing, and the Tax Review and Constitutional Revision commissions. 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 approximately 30,670 constituents. Each senator represents approximately 79,310 constituents.

For FY 2004 the legislature was appropriated a total of $14,512,900, with $14,022,000 (about 97 percent) from the General Fund. For FY 2005 the governor recommends that legislature receive $14,600,200, with $13,978,000 from the General Fund.

LEGISLATURE

Operating Budget

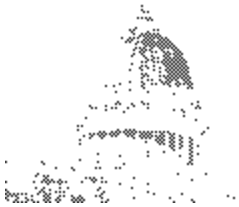
	Actual FY 2003	Authorized FY 2004	Legislature's Request FY 2005(a)	Governor Walker's Recommendations: Base FY 2005	Ongoing and One-time Adj.	Total FY 2005
Plan of Financing						
General Fund	$13,562,900	$14,022,000	$13,776,000	$13,776,000	$202,000	$13,978,000
Dedicated Credits	234,200	320,500	320,500	320,500	0	320,500
Beginning Balances	3,086,600	2,711,300	2,711,300	2,711,300	0	2,711,300
Closing Balances	(2,711,300)	(2,711,300)	(2,711,300)	(2,711,300)	0	(2,711,300)
Lapsing Funds	0	276,300	301,700	301,700	0	301,700
Total Financing	**$14,172,400**	**$14,618,800**	**$14,398,200**	**$14,398,200**	**$202,000**	**$14,600,200**
Programs						
Legislature						
Senate	$1,661,400	$1,684,500	$1,656,900	$1,656,950	$24,900	$1,681,850
House of Representatives	2,908,400	3,072,400	3,036,300	3,036,250	52,200	3,088,450
Legislative Printing	725,500	801,400	801,100	801,100	3,800	804,900
Legislative Research	4,991,800	4,931,500	4,895,000	4,895,000	69,600	4,964,600
Tax Review Commission	52,400	50,000	50,000	50,000	0	50,000
Legislative Fiscal Analyst	1,865,500	2,078,000	1,965,600	1,965,600	24,300	1,989,900
Legislative Auditor General	1,915,700	1,946,000	1,938,300	1,938,300	27,200	1,965,500
Constitutional Revision Commission	51,700	55,000	55,000	55,000	0	55,000
Total Budget	**$14,172,400**	**$14,618,800**	**$14,398,200**	**$14,398,200**	**$202,000**	**$14,600,200**
% Change from Authorized FY 2004 to Total FY 2005						**(0.1%)**
FTE Positions		114.0	114.0	114.0	0.0	114.0

(a) As per statute, the legislature's request is included without changes. The governor recommends a cost-of-living adjustment of 2.0 percent for non-elected staff.

LEGISLATURE

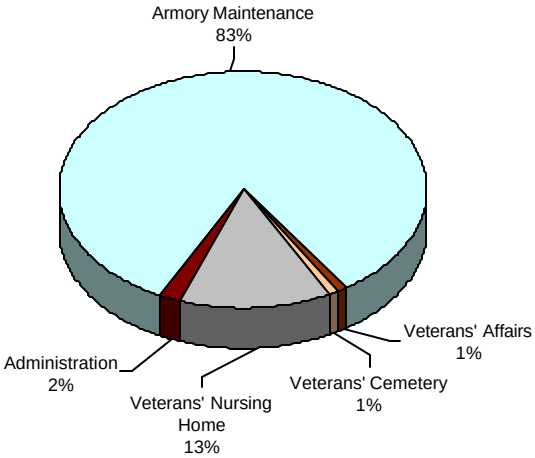
		General Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
LEGISLATURE FY 2005 OPERATING BUDGET							
	Beginning Base Budget						
K1	FY 2004 appropriated budget	$14,022,000	$0	$320,500	$0	$170,400	$14,512,900
K2	Adjustments for FY 2004 extra working day	(23,800)	0	0	0	0	(23,800)
K3	Adjustments for one-time FY 2004 appropriations	(210,100)	0	0	0	0	(210,100)
K4	Adjustments to funding levels	(12,100)	0	0	0	131,300	119,200
	Total Beginning Base Budget - Legislature	**13,776,000**	**0**	**320,500**	**0**	**301,700**	**14,398,200**
	Statewide Ongoing Adjustments						
K5	Cost-of-living adjustments of 2%	75,800	0	0	0	0	75,800
K6	Internal service fund adjustments	8,600	0	0	0	0	8,600
K7	Retirement rate adjustments	74,900	0	0	0	0	74,900
K8	Insurance rate adjustments	42,700	0	0	0	0	42,700
	Subtotal Statewide Ongoing Adjustments - Legislature	*202,000*	*0*	*0*	*0*	*0*	*202,000*
	Total FY 2005 Legislature Adjustments	**202,000**	**0**	**0**	**0**	**0**	**202,000**
Total FY 2005 Legislature Operating Budget		**$13,978,000**	**$0**	**$320,500**	**$0**	**$301,700**	**$14,600,200**

LEGISLATURE TOTALS						
FY 2005 Operating Base Budget	$13,776,000	$0	$320,500	$0	$301,700	$14,398,200
FY 2005 Operating Ongoing and One-time Adjustments	202,000	0	0	0	0	202,000
FY 2005 Operating Recommendation	13,978,000	0	320,500	0	301,700	14,600,200



NATIONAL GUARD

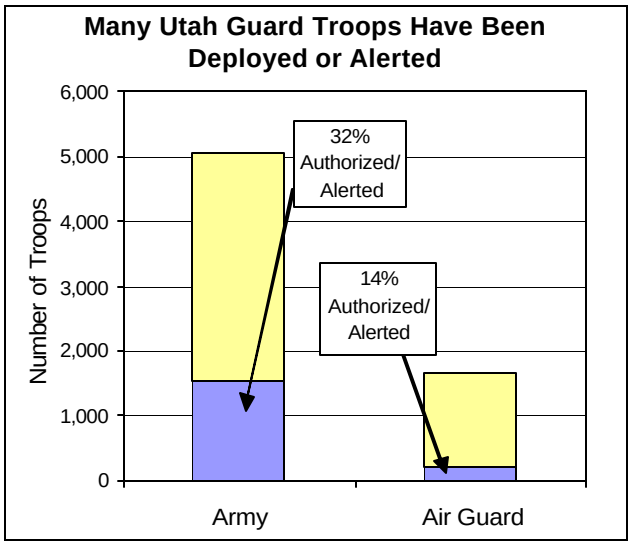
Where Will My Taxes Go for National Guard?
(Figure Based on Total FY 2005 Funding)



Highlighted Services
(Including the Governor's Recommendations)

$27 million for the National Guard

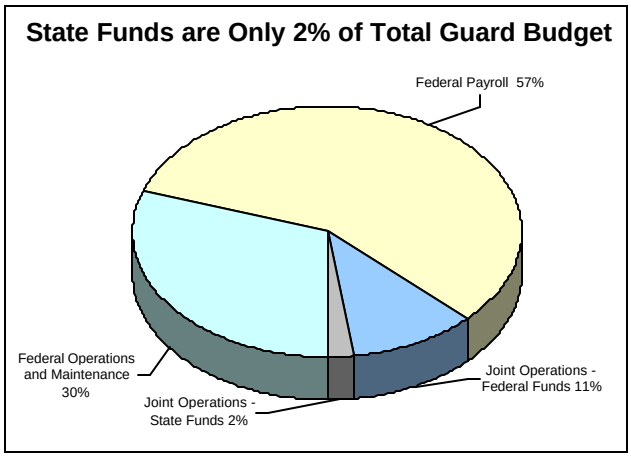
- Includes the Air Guard base and Camp Williams training facility
- 96 percent of the Guard's total budget flows back into the state economy
- Last year received 347 formal requests for community support
- Has 6,700 active members, with over 1,750 deployed or alerted
- Operates 19 armories throughout the state



No other state has deployed a greater percentage of its forces in the global war on terrorism.

Governor's Recommendation Highlights
(All Funding Sources)

- $747,900 - Armory maintenance (also $297,900 FY 2004 supplemental)
- $18,800 - Air Guard maintenance
- $6,300 - Airport lease increase



The state budget only contains the joint operations portion of the total National Guard budget.

BUDGET OVERVIEW

The National Guard's mission is to provide trained and disciplined forces for domestic emergencies, to participate in community programs that add value to America, and to maintain properly trained and equipped units for prompt mobilization in case of war or natural emergencies.

For FY 2004 the legislature appropriated $25,759,500, including $3,981,200 in General Fund, to the National Guard. For FY 2005 the governor recommends that the National Guard receive $27,470,400 with $4,832,800 from the General Fund. As shown on a pie chart on the previous page, the major component of the National Guard's budget is for armory maintenance, which is used for troop training and troop facilities.

Beginning in FY 2002, the National Guard has experienced $424,500 in General Fund cuts to its programs. These cuts are 10.4 percent of the original FY 2002 National Guard's ongoing General Fund appropriation. These cuts have severely impacted the armory maintenance program causing many of the armories to not meet state building and maintenance standards. As a result, the Department of Facilities and Construction Management (DFCM) has taken over maintenance of armories outside the Wasatch Front area.

GOVERNOR'S RECOMMENDATIONS

General Fund

- Increase funding for armory maintenance by a supplemental of $297,900 in FY 2004 and $747,900 in ongoing General Fund for FY 2005. These funds will be transferred to DFCM to pay the costs of maintaining armories. Inadequate funding has cost the state more in the long run than if maintenance had been funded at appropriate levels.

FY 2004 PROPOSED LEGISLATIVE INTENT

- If funds are available, Armory Maintenance is authorized to not lapse up to $50,000 in FY 2004. These funds are for the purchase of computer equipment and software, capital equipment and improvements, and equipment and supplies.

- If funds are available, Veterans' Cemetery is authorized to not lapse up to $50,000 in FY 2004. These funds are for the purchase of computer equipment and software, capital equipment and improvements, and equipment and supplies.

FY 2005 PROPOSED LEGISLATIVE INTENT

- Funds for the Veterans' Nursing Home are nonlapsing.

- Funds for the Veterans' Affairs program are nonlapsing.

- Funds for the Veterans' Cemetery are nonlapsing.

NATIONAL GUARD

Operating Budget

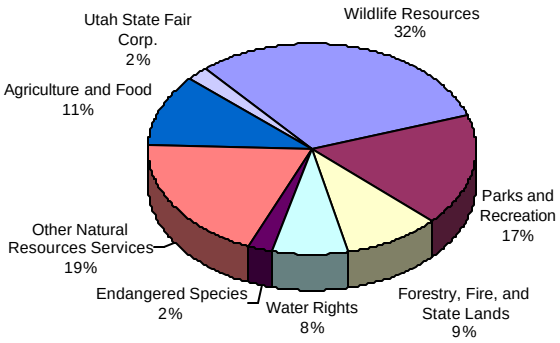
	Actual FY 2003	Authorized FY 2004	Governor Walker's Recommendations: Supplementals	Recommended FY 2004	Base FY 2005	Ongoing and One-time Adj.	Total FY 2005
Plan of Financing							
General Fund	$4,086,200	$3,981,200	$297,900	$4,279,100	$3,973,200	$859,600	$4,832,800
Federal Funds	19,172,300	20,059,000	0	20,059,000	20,247,200	365,900	20,613,100
Dedicated Credits	1,843,300	1,928,100	0	1,928,100	1,939,300	0	1,939,300
Transfers	68,400	202,700	0	202,700	84,200	1,000	85,200
Beginning Balances	44,200	91,900	0	91,900	0	0	0
Closing Balances	(91,900)	0	0	0	0	0	0
Total Financing	**$25,122,500**	**$26,262,900**	**$297,900**	**$26,560,800**	**$26,243,900**	**$1,226,500**	**$27,470,400**
Programs							
National Guard							
Administration	$532,300	$526,200	$0	$526,200	$524,400	$20,100	$544,500
Armory Maintenance	20,593,600	21,626,500	297,900	21,924,400	21,646,700	1,195,600	22,842,300
Veterans' Affairs	177,000	200,100	0	200,100	185,000	2,500	187,500
Veterans' Cemetery	249,300	271,400	0	271,400	254,600	5,700	260,300
Veterans' Nursing Home	3,570,300	3,638,700	0	3,638,700	3,633,200	2,600	3,635,800
Total Budget	**$25,122,500**	**$26,262,900**	**$297,900**	**$26,560,800**	**$26,243,900**	**$1,226,500**	**$27,470,400**
% Change from Authorized FY 2004 to Total FY 2005							**4.6%**
FTE Positions	--	139.0	0.0	139.0	139.0	0.0	139.0

NATIONAL GUARD

		General Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
	NATIONAL GUARD FY 2005 OPERATING BUDGET						
	Beginning Base Budget						
N1	FY 2004 appropriated budget	$3,981,200	$19,677,700	$1,897,900	$0	$202,700	$25,759,500
N2	Adjustments for FY 2004 extra working day	(8,000)	(3,700)	0	0	0	(11,700)
N3	Adjustments to funding levels	0	573,200	41,400	0	(118,500)	496,100
	Total Beginning Base Budget - National Guard	**3,973,200**	**20,247,200**	**1,939,300**	**0**	**84,200**	**26,243,900**
	Statewide Ongoing Adjustments						
N4	Cost-of-living adjustments of 2%	36,600	144,600	0	0	800	182,000
N5	Internal service fund adjustments	2,600	(7,300)	0	0	0	(4,700)
N6	Market comparability adjustments	0	9,000	0	0	0	9,000
N7	Retirement rate adjustments	22,500	60,000	0	0	0	82,500
N8	Insurance rate adjustments	24,900	84,700	0	0	200	109,800
	Subtotal Statewide Ongoing Adjustments - National Guard	*86,600*	*291,000*	*0*	*0*	*1,000*	*378,600*
	Ongoing Adjustments						
N9	Increase for maintenance provided by DFCM	747,900	0	0	0	0	747,900
N10	Increase for maintenance at Air Guard facilities	18,800	56,200	0	0	0	75,000
N11	Increase for airport lease agreement	6,300	18,700	0	0	0	25,000
	Subtotal Ongoing Adjustments - National Guard	*773,000*	*74,900*	*0*	*0*	*0*	*847,900*
	Total FY 2005 National Guard Adjustments	**859,600**	**365,900**	**0**	**0**	**1,000**	**1,226,500**
	Total FY 2005 National Guard Operating Budget	**$4,832,800**	**$20,613,100**	**$1,939,300**	**$0**	**$85,200**	**$27,470,400**
	NATIONAL GUARD FY 2004 OPERATING BUDGET ADJUSTMENTS						
	Supplemental Adjustments						
N12	Increase for maintenance provided by DFCM	$297,900	$0	$0	$0	$0	$297,900
	Subtotal Supplemental Adjustments - National Guard	*297,900*	*0*	*0*	*0*	*0*	*297,900*
	Total FY 2004 National Guard Budget Adjustments	**$297,900**	**$0**	**$0**	**$0**	**$0**	**$297,900**
	NATIONAL GUARD TOTALS						
	FY 2005 Operating Base Budget	$3,973,200	$20,247,200	$1,939,300	$0	$84,200	$26,243,900
	FY 2005 Operating Ongoing and One-time Adjustments	859,600	365,900	0	0	1,000	1,226,500
	FY 2005 Operating Recommendation	4,832,800	20,613,100	1,939,300	0	85,200	27,470,400
	FY 2004 Operating Adjustments	297,900	0	0	0	0	297,900

NATURAL RESOURCES

Where Will My Taxes and Fees Go for Natural Resources?
(Figure Based on Total FY 2005 Funding)



Highlighted Services
(Including the Governor's Recommendations)

$44 million for Wildlife Resources
- Owns and operates 10 state fish hatcheries

$25 million for Parks and Recreation
- Manages 41 state parks with 8 million visitors each year

$14 million for Forestry, Fire, and State Lands
- Protected approximately $224 million in assets from 869 fires in 2003

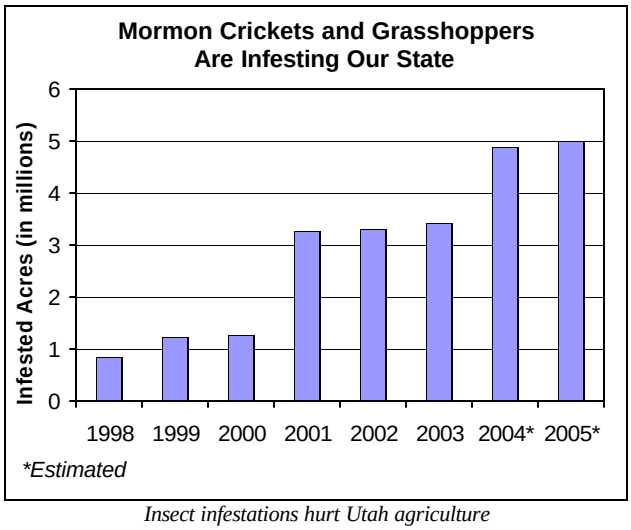
$11 million for Water Resources and Rights
- Funded 37 water development projects and upgraded 22 dams in 2003

$4 million for Endangered Species
- Helps 10 listed endangered species and 12 sensitive species each year through approximately 30 projects

$28 million for other Natural Resources services

$16 million for Agriculture and Food
- Protects the food supply from the farm to the consumer

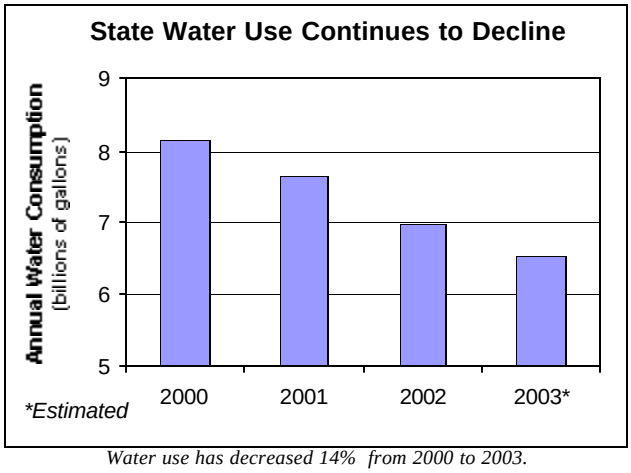
$3 million for the Utah State Fair Corporation
- Attended by 277,162 people in 2003



Insect infestations hurt Utah agriculture by causing crop loss and economic damage.

Governor's Recommendation Highlights
(All Funding Sources)

- $200,000 - Mormon Cricket eradication efforts
- $200,000 - Utah State Fair ongoing operations
- $1,000,000 - Trust Lands capital development
- $265,000 - Fire suppression enhancement



Water use has decreased 14% from 2000 to 2003.

BUDGET OVERVIEW

Natural resources consists of the Department of Natural Resources (DNR), the Department of Agriculture and Food (Agriculture), the School and Institutional Trust Lands Administration (SITLA), and the Utah State Fair Corporation. Their primary mission is to conserve, protect, and develop Utah's natural resources and agriculture and to effectively manage school and institutional trust lands.

For FY 2004 natural resources agencies were appropriated a total of $136,247,900, with $40,597,800 (29.8 percent) from the General Fund. For FY 2005 the governor recommends natural resources agencies receive $144,680,600 total funds, of which $42,033,500 are General Fund (29 percent). As shown on the pie chart on the preceding page, the three major components of the natural resources budget are Agriculture and the DNR divisions of Parks and Recreation (Parks) and Wildlife Resources (DWR). Federal and restricted funds make up 55 percent of the natural resources budget.

From the original FY 2002 appropriation through FY 2004, the General Fund budget for natural resources has experienced cuts totaling $5,760,200. These cuts represent 13 percent of the original FY 2002 ongoing General Fund appropriation. In addition to General Fund budget reductions, many divisions have lower revenues due to a decrease in demand for licenses and fee services. As a result of this lost revenue, departments will not be able to offer services such as the Market News, which provides an unbiased agricultural commodity price report allowing sellers to make informed market decisions. Agencies are limited in performing the optimal quantity of meat inspections, grain inspections, and groundwater studies. Budget reductions have led to unfilled vacancies, putting additional pressure on agencies to provide the same amount of services with fewer employees.

Compensation discrepancies between the general job market and natural resources agencies have become a major issue. Engineers, biologists, environmental health scientists, geologists, and support staff are just a few of the most underpaid. For example, Agriculture veterinarians are paid 33 percent below market. Inadequate compensation has had severe repercussions in these agencies including high turnover, inability to attract and hire qualified candidates, and rising training costs.

GOVERNOR'S RECOMMENDATIONS

General Fund

- Enhance the eradication of Mormon Crickets and grasshoppers by providing a $200,000 FY 2004 supplemental. The Mormon Cricket and grasshopper population is estimated to be 4.9 million in 2005 (see graph on prior page). This supplemental will be used to eliminate Mormon Crickets and grasshoppers on state lands, as well as fund a 50-50 baiting and spraying cost-share program with private landowners.

- Fund a $200,000 FY 2004 supplemental and $200,000 in ongoing money for FY 2005 to ensure production of the 2004 Utah State Fair.

- Recommend allocating to the General Fund the sales tax designated for the water resources loan program.

Other Funds

- Provide ongoing dedicated credit funding of $97,000 for Lone Peak Brush Disposal Crew and $168,000 for Initial Attack Wildland Fire Crew to prevent and contain wildland fires. This appropriation will fund 10.8 seasonal positions.

- From fees collected as dedicated credits, authorize $10,100 in FY 2004 and $40,300 ongoing to fund one Agriculture egg inspector.

- Allocate $240,000 of FY 2004 supplemental restricted funds and $1,237,200 of ongoing restricted funds generated by the Soldier Hollow golf course, as well as $115,000

ongoing dedicated credits, to be used for startup and continuing costs for the course.

- Recommend a restricted fund appropriation of $412,800 to Endangered Species Mitigation Fund (ESMF) due to an increase in Brine Shrimp royalties. This appropriation would partially replace previously cut general funds and increase the number of endangered species projects that can be funded. The ESMF funds projects to recover listed endangered species in Utah as well as removing threats to other species that are near being listed as endangered.

- Recommend a restricted fund supplemental of $431,000 in FY 2004 and an increase of $432,000 in ongoing restricted funds from the Exxon Oil Overcharge and the Stripper Well—Petroleum Violation Escrow funds for DNR administrative services.

- Use $200,000 FY 2004 supplemental restricted funds to fund an off-highway vehicle safety advertising campaign and to facilitate cooperative efforts between park rangers and local law enforcement.

- Recommend $25,000 ongoing restricted funding beginning in FY 2005 for the Utah Lake Comprehensive Management Plan for planning, arbitration, and litigation costs. Recommend $18,000 FY 2004 one-time restricted fund money to improve the ramp at Little Valley Harbor to facilitate monitoring and maintaining the Great Salt Lake.

- Provide $40,000 one-time restricted fund money in FY 2005 for the 2005 brand book renewal process. The brand book is a master catalogue kept at Agriculture showing ownership of brands and earmarks.

- Fund a $1,000,000 FY 2004 restricted fund supplemental and a $1,000,000 ongoing appropriation increase to SITLA's capital budget. This money will be used to continue to develop and increase value of state trust lands.

- Recommend $40,000 ongoing restricted funding to SITLA for contract auditing services. Auditors will make certain the agency is receiving entitled royalties from SITLA energy development projects.

FY 2004 Proposed Legislative Intent

Natural Resources

- If available, funds in the divisions of Administration; Oil, Gas, and Mining; Parks and Recreation; Water Rights; and Water Resources are nonlapsing. Funds may be used for the purchase of office and computer equipment needing replacement and special projects and studies.

Agriculture and Food

- If available, funds in Agriculture and Food are nonlapsing. Funds may be used for the purchase of office and computer equipment needing replacement and special projects and studies.

FY 2005 Proposed Legislative Intent

Natural Resources

- Funds for the Bear Lake Regional Commission shall be expended only as a one-to-one match with the funds from the state of Idaho.

- DNR is allowed the option of transferring any lapsing unrestricted balances from appropriations in any other FY 2004 line item in the department to the FY 2005 Building Operations line item.

- If available, the Utah Geological Survey may pay up to $200,000 in contributed capital to the Natural Resources Warehouse Internal Service Fund in order to pay down their existing debt on the Core Sample Library.

- Funds for the Minerals Reclamation program are nonlapsing.

- Up to $250,000 will be spent on the Community Fisheries program. This funding is nonlapsing.

- Up to $500,000 will be spent on the Blue Ribbon Fisheries program. This funding is nonlapsing.

- DWR will transfer $189,700 General Fund to Agriculture. Of this transfer, $89,700 will be used to match funds from local governments in the Predatory Animal Control program, and $100,000 will be used to supplement the amount required by Section 4-23-9(2)(a), UCA.

- DWR will spend a minimum of $265,000 to improve deer herds according to management plan objectives.

- Up to $500,000 of the DWR budget may be used for big game depredation expense. Half of these funds will be from the General Fund Restricted - Wildlife Resources Account and half from General Fund. These funds are nonlapsing.

- DWR will spend a minimum of $70,000 from the Wildlife Habitat Account as stated in Section 23-19-43(5)(a), UCA, on control of predators.

- The General Fund Restricted - Wildlife Habitat Account is nonlapsing.

- Contributed Research funds are nonlapsing.

- Cooperative Environmental Studies funds are nonlapsing.

- Donations to DWR received through the Wolf Tax check-off box on the Utah State Tax Return shall be nonlapsing and spent by the DWR as follows: 1) The division shall fully and expeditiously compensate livestock owners, up to the amount of funds available, for all wolf depredation damage realized during the fiscal year. Up to $20,000 shall carry forward to the next fiscal year if not spent during the current year for this purpose. 2) Donations in excess of $20,000 and not otherwise expended or carried forward as required above, shall be available for wolf management expenditures.

- The DWR capital budget is nonlapsing.

- Any appropriation of a management fee to the This Is The Place foundation will not exceed $700,000.

- Park's capital budget is nonlapsing.

- Mineral Lease funds are nonlapsing.

- Cooperative Water Conservation program funds are nonlapsing.

- Funds appropriated to Water Rights are nonlapsing up to a maximum of $150,000. These funds are to be used for water resource investigations, special projects, computer equipment, computer software, and employee training and incentives.

- Prior-year federal funds in the Dam Safety program are nonlapsing.

Agriculture and Food

- Funds for the Grain Inspection program are nonlapsing.

- The Auction Market Veterinarian collection is nonlapsing.

- Funds collected in the Organic Certification program are nonlapsing.

- Funds for the Agricultural Inspection program are nonlapsing.

- Funds for grants to charitable organizations specified under Section 57-18-3, UCA, or held by Agriculture, will be used for purchase of conservation easements for agricultural protection. These funds are nonlapsing.

- DWR will transfer $189,700 General Fund to Agriculture. Of this transfer, $89,700 will be used to match funds from local governments in the Predatory Animal Control program, and $100,000 will be used to supplement the amount required by Section 4-23-9(2)(a), UCA. These funds are nonlapsing.

- Funds for Predatory Animal Control are nonlapsing.

- Collections for the Ag Tag license plate are nonlapsing.

- The Soil Conservation Districts will submit annual reports documenting supervisory expenses to the Office of the Legislative Fiscal Analyst, the Governor's Office of Planning and Budget, and the Soil Conservation Commission. These documents will be reviewed and reported to the governor and the legislature.

- Funding approved for Soil Conservation District elections is nonlapsing and will be spent only during even-numbered years when elections take place.

Utah State Fair Corporation

- Funds for the Utah State Fair Corporation are nonlapsing.

NATURAL RESOURCES

Operating Budget

	Actual FY 2003	Authorized FY 2004	Governor Walker's Recommendations: Supplementals	Recommended FY 2004	Base FY 2005	Ongoing and One-time Adj.	Total FY 2005
Plan of Financing							
General Fund	$51,795,100	$40,597,800	$397,700	$40,995,500	$40,576,900	$1,456,600	$42,033,500
Federal Funds	28,417,800	28,797,800	2,100	28,799,900	27,686,200	530,600	28,216,800
Dedicated Credits	19,597,100	12,330,700	20,000	12,350,700	11,675,200	580,900	12,256,100
Mineral Lease	912,500	779,200	0	779,200	779,200	0	779,200
Restricted and Trust Funds	48,855,500	56,881,300	882,000	57,763,300	56,578,000	3,547,300	60,125,300
Transfers	3,191,900	804,100	0	804,100	803,500	11,600	815,100
Pass-through Funds	48,200	0	0	0	0	0	0
Beginning Balances	7,123,400	6,725,200	0	6,725,200	1,032,400	0	1,032,400
Closing Balances	(6,725,200)	(1,032,400)	0	(1,032,400)	(577,800)	0	(577,800)
Lapsing Funds	(8,629,700)	(2,600,400)	0	(2,600,400)	0	0	0
Total Financing	**$144,586,600**	**$143,283,300**	**$1,301,800**	**$144,585,100**	**$138,553,600**	**$6,127,000**	**$144,680,600**
Programs							
Natural Resources							
Administration	$2,914,800	$3,054,700	$423,300	$3,478,000	$3,014,500	$515,900	$3,530,400
Endangered Species	2,338,400	3,137,200	0	3,137,200	3,137,200	429,200	3,566,400
Building Operations	1,660,700	1,660,700	0	1,660,700	1,660,700	0	1,660,700
Energy Services	2,916,100	3,521,800	0	3,521,800	3,074,000	32,900	3,106,900
Forestry, Fire, and State Lands	21,631,700	15,971,400	(200)	15,971,200	13,154,500	498,600	13,653,100
Oil, Gas, and Mining	7,068,700	7,398,200	0	7,398,200	7,185,800	211,800	7,397,600
Wildlife Resources	32,710,300	35,267,400	5,700	35,273,100	37,815,600	832,400	38,648,000
Contributed Research	829,000	336,700	0	336,700	336,700	1,600	338,300
Cooperative Studies	5,625,700	5,377,600	0	5,377,600	5,372,100	58,500	5,430,600
Parks and Recreation	22,158,300	23,756,200	457,200	24,213,400	23,206,800	1,957,100	25,163,900
Geological Survey	4,325,300	4,771,100	0	4,771,100	4,228,300	270,000	4,498,300
Water Resources	4,452,200	4,823,000	0	4,823,000	4,488,600	147,900	4,636,500
Water Rights	5,952,700	6,177,000	5,700	6,182,700	6,102,600	203,000	6,305,600
Subtotal Natural Resources	*114,583,900*	*115,253,000*	*891,700*	*116,144,700*	*112,777,400*	*5,158,900*	*117,936,300*
Agriculture and Food							
Administration	16,918,300	16,935,900	210,100	17,146,000	15,264,400	561,700	15,826,100
Subtotal Agriculture and Food	*16,918,300*	*16,935,900*	*210,100*	*17,146,000*	*15,264,400*	*561,700*	*15,826,100*
Utah State Fair Corporation							
Administration	3,633,800	3,732,300	200,000	3,932,300	3,183,000	200,000	3,383,000
Subtotal Utah State Fair Corp.	*3,633,800*	*3,732,300*	*200,000*	*3,932,300*	*3,183,000*	*200,000*	*3,383,000*
Trust Lands Administration							
Administration	6,228,600	7,342,100	0	7,342,100	7,328,800	206,400	7,535,200
Subtotal Trust Lands Admin.	*6,228,600*	*7,342,100*	*0*	*7,342,100*	*7,328,800*	*206,400*	*7,535,200*
Wildland Fire Suppression Fund							
Restricted Funds	3,200,000	0	0	0	0	0	0
Subtotal Wildland Fire Supp.	*3,200,000*	*0*	*0*	*0*	*0*	*0*	*0*
Total Budget	**$144,586,600**	**$143,283,300**	**$1,301,800**	**$144,585,100**	**$138,553,600**	**$6,127,000**	**$144,680,600**
% Change from Authorized FY 2004 to Total FY 2005							**1.0%**
FTE Positions	--	1,554.5	2.5	1,557.0	1,546.7	1.0	1,547.7

NATURAL RESOURCES

Capital Budget

	Actual FY 2003	Authorized FY 2004	Governor Walker's Recommendations: Supplementals	Recommended FY 2004	Base FY 2005	Ongoing and One-time Adj.	Total FY 2005
Plan of Financing							
General Fund	$2,446,500	$2,476,500	$0	$2,476,500	$2,476,500	$0	$2,476,500
Federal Funds	12,069,200	3,711,000	0	3,711,000	2,861,000	0	2,861,000
Dedicated Credits	1,021,900	25,000	0	25,000	25,000	0	25,000
Restricted and Trust Funds	7,763,400	4,880,000	1,000,000	5,880,000	4,880,000	1,000,000	5,880,000
Transfers	4,320,300	(1,582,300)	0	(1,582,300)	(1,582,300)	0	(1,582,300)
Beginning Balances	13,366,700	12,388,800	0	12,388,800	0	0	0
Closing Balances	(12,388,800)	0	0	0	0	0	0
Lapsing Funds	(1,706,400)	0	0	0	0	0	0
Total Financing	**$26,892,800**	**$21,899,000**	**$1,000,000**	**$22,899,000**	**$8,660,200**	**$1,000,000**	**$9,660,200**
Projects							
Natural Resources							
Wildlife Resources							
Fisheries	$12,677,900	$3,316,000	$0	$3,316,000	$3,316,000	$0	$3,316,000
Game Management	658,700	1,000,000	0	1,000,000	0	0	0
Parks and Recreation							
Park Renovation	404,400	517,000	0	517,000	0	0	0
Acquisition and Development	7,770,500	6,781,900	0	6,781,900	239,200	0	239,200
Boating Access Grants	1,024,100	2,926,400	0	2,926,400	700,000	0	700,000
Off-Highway Vehicle Grants	286,700	2,756,800	0	2,756,800	175,000	0	175,000
Riverway Enhancement and Trails	1,070,500	1,600,900	0	1,600,900	1,230,000	0	1,230,000
Water Resources							
Revolving Construction Fund	539,100	539,100	0	539,100	539,100	0	539,100
Conservation/Development Fund	1,043,200	1,043,200	0	1,043,200	1,043,200	0	1,043,200
Transfer Appropriations to Loan Funds	(1,582,300)	(1,582,300)	0	(1,582,300)	(1,582,300)	0	(1,582,300)
Subtotal Natural Resources	*23,892,800*	*18,899,000*	*0*	*18,899,000*	*5,660,200*	*0*	*5,660,200*
Trust Lands Administration							
Development and Improvement	3,000,000	3,000,000	1,000,000	4,000,000	3,000,000	1,000,000	4,000,000
Subtotal Trust Lands Administration	*3,000,000*	*3,000,000*	*1,000,000*	*4,000,000*	*3,000,000*	*1,000,000*	*4,000,000*
Total Budget	**$26,892,800**	**$21,899,000**	**$1,000,000**	**$22,899,000**	**$8,660,200**	**$1,000,000**	**$9,660,200**
% Change from Authorized FY 2004 to Total FY 2005							**(55.9%)**

NATURAL RESOURCES

		General Fund	Federal Funds	Dedicated Credits	Mineral Lease	Restricted Funds	Other Funds	Total Funds
NATURAL RESOURCES FY 2005 OPERATING BUDGET								
	Beginning Base Budget							
M1	FY 2004 appropriated budget	$30,198,600	$22,092,900	$7,538,500	$779,200	$47,864,400	$556,800	$109,030,400
M2	Adjustments for one-time FY 2004 appropriations	410,000	0	0	0	(200,000)	0	210,000
M3	Adjustments for FY 2004 extra working day	(77,800)	(36,600)	(20,000)	(2,600)	(73,100)	0	(210,100)
M4	Transfer 1 FTE from DNR to Attorney General	(40,800)	0	0	0	0	0	(40,800)
M5	Adjustments to funding levels	0	3,511,300	288,500	2,600	(14,500)	0	3,787,900
	Total Beginning Base Budget - Natural Resources	**30,490,000**	**25,567,600**	**7,807,000**	**779,200**	**47,576,800**	**556,800**	**112,777,400**
	Statewide Ongoing Adjustments							
M6	Cost-of-living adjustments of 2%	358,100	194,200	48,800	0	474,500	0	1,075,600
M7	Internal service fund adjustments	(500)	6,400	10,100	0	22,700	0	38,700
M8	Market comparability adjustments	117,000	35,200	24,700	0	33,900	0	210,800
M9	Retirement rate adjustments	237,400	118,600	23,500	0	315,500	0	695,000
M10	Insurance rate adjustments	205,200	117,200	26,300	0	285,100	0	633,800
	Subtotal Statewide Ongoing Adjustments - Natural Resources	*917,200*	*471,600*	*133,400*	*0*	*1,131,700*	*0*	*2,653,900*
	Ongoing Adjustments							
M11	Soldier Hollow golf course funding	0	0	115,000	0	1,237,200	0	1,352,200
M12	Utah Lake comprehensive management plan	0	0	0	0	25,000	0	25,000
M13	PVE energy funding requirement	0	0	0	0	432,000	0	432,000
M14	Lone Peak brush disposal crew	0	0	97,000	0	0	0	97,000
M15	Lone Peak initial attack wildland fire crew	0	0	168,000	0	0	0	168,000
M16	Endangered Species Mitigation Fund	0	0	0	0	412,800	0	412,800
	Subtotal Ongoing Adjustments - Natural Resources	*0*	*0*	*380,000*	*0*	*2,107,000*	*0*	*2,487,000*
	One-time Adjustments							
M17	Great Salt Lake ramp improvement	0	0	0	0	18,000	0	18,000
	Subtotal One-time Adjustments - Natural Resources	*0*	*0*	*0*	*0*	*18,000*	*0*	*18,000*
	Total FY 2005 Natural Resources Adjustments	**917,200**	**471,600**	**513,400**	**0**	**3,256,700**	**0**	**5,158,900**
Total FY 2005 Natural Resources Operating Budget		**$31,407,200**	**$26,039,200**	**$8,320,400**	**$779,200**	**$50,833,500**	**$556,800**	**$117,936,300**
NATURAL RESOURCES FY 2004 OPERATING BUDGET ADJUSTMENTS								
	Supplemental Adjustments							
M18	Internal service fund adjustments	($2,300)	$2,100	$9,900	$0	$11,000	$0	$20,700
M19	PVE energy funding requirement	0	0	0	0	431,000	0	431,000
M20	Soldier Hollow golf course startup	0	0	0	0	240,000	0	240,000
M21	OHV rider management	0	0	0	0	200,000	0	200,000
	Subtotal Supplemental Adjustments - Natural Resources	*(2,300)*	*2,100*	*9,900*	*0*	*882,000*	*0*	*891,700*
Total FY 2004 Natural Resources Budget Adjustments		**($2,300)**	**$2,100**	**$9,900**	**$0**	**$882,000**	**$0**	**$891,700**

NATURAL RESOURCES – CONTINUED

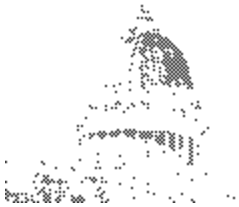
		General Fund	Federal Funds	Dedicated Credits	Mineral Lease	Restricted Funds	Other Funds	Total Funds
	NATURAL RESOURCES FY 2005 CAPITAL BUDGET							
	Base Budget							
M22	FY 2004 appropriated budget (excluding appropriations for loans)	$2,476,500	$3,711,000	$25,000	$0	$1,880,000	($1,582,300)	$6,510,200
M23	Adjustments to funding levels	0	(850,000)	0	0	0	0	(850,000)
	Total FY 2005 Natural Resources Capital Base Budget	**2,476,500**	**2,861,000**	**25,000**	**0**	**1,880,000**	**(1,582,300)**	**5,660,200**
	Total FY 2005 Natural Resources Capital Budget	**$2,476,500**	**$2,861,000**	**$25,000**	**$0**	**$1,880,000**	**($1,582,300)**	**$5,660,200**
	AGRICULTURE AND FOOD FY 2005 OPERATING BUDGET							
	Beginning Base Budget							
M24	FY 2004 appropriated budget	$9,955,900	$2,122,400	$1,568,600	$0	$1,674,800	$262,700	$15,584,400
M25	Adjustments for one-time FY 2004 appropriations	(290,000)	0	0	0	0	0	(290,000)
M26	Adjustments for FY 2004 extra working day	(22,300)	(3,400)	(1,500)	0	(2,400)	0	(29,600)
M27	Adjustments to funding levels	0	(400)	(537,100)	0	0	537,100	(400)
	Total Beginning Base Budget - Agriculture and Food	**9,643,600**	**2,118,600**	**1,030,000**	**0**	**1,672,400**	**799,800**	**15,264,400**
	Statewide Ongoing Adjustments							
M28	Cost-of-living adjustments of 2%	116,200	21,600	9,800	0	13,200	3,000	163,800
M29	Internal service fund adjustments	20,500	7,600	600	0	8,700	4,700	42,100
M30	Market comparability adjustments	44,600	0	2,500	0	3,400	0	50,500
M31	Retirement rate adjustments	76,000	13,800	6,200	0	7,500	2,000	105,500
M32	Insurance rate adjustments	82,100	16,000	8,100	0	11,400	1,900	119,500
	Subtotal Statewide Ongoing Adjustments - Ag and Food	*339,400*	*59,000*	*27,200*	*0*	*44,200*	*11,600*	*481,400*
	Ongoing Adjustments							
M33	Agricultural egg inspector	0	0	40,300	0	0	0	40,300
	Subtotal Ongoing Adjustments - Ag. and Food	*0*	*0*	*40,300*	*0*	*0*	*0*	*40,300*
	One-time Adjustments							
M34	Brand book renewal	0	0	0	0	40,000	0	40,000
	Subtotal One-time Adjustments - Ag. and Food	*0*	*0*	*0*	*0*	*40,000*	*0*	*40,000*
	Total FY 2005 Agriculture and Food Adjustments	**339,400**	**59,000**	**67,500**	**0**	**84,200**	**11,600**	**561,700**
	Total FY 2005 Agriculture and Food Operating Budget	**$9,983,000**	**$2,177,600**	**$1,097,500**	**$0**	**$1,756,600**	**$811,400**	**$15,826,100**
	AGRICULTURE AND FOOD FY 2004 OPERATING BUDGET ADJUSTMENTS							
	Supplemental Adjustments							
M35	Agricultural egg inspector	$0	$0	$10,100	$0	$0	$0	$10,100
M36	Mormon Cricket and grasshopper eradication	200,000	0	0	0	0	0	200,000
	Subtotal Supplemental Adjustments - Agriculture and Food	*200,000*	*0*	*10,100*	*0*	*0*	*0*	*210,100*
	Total FY 2004 Agriculture and Food Budget Adjustments	**$200,000**	**$0**	**$10,100**	**$0**	**$0**	**$0**	**$210,100**

NATURAL RESOURCES – CONTINUED

		General Fund	Federal Funds	Dedicated Credits	Mineral Lease	Restricted Funds	Other Funds	Total Funds
	TRUST LANDS ADMINISTRATION FY 2005 OPERATING BUDGET							
	Beginning Base Budget							
M37	FY 2004 appropriated budget	$0	$0	$0	$0	$7,342,100	$0	$7,342,100
M38	Adjustments for FY 2004 extra working day	0	0	0	0	(13,300)	0	(13,300)
	Total Beginning Base Budget - Trust Lands Administration	**0**	**0**	**0**	**0**	**7,328,800**	**0**	**7,328,800**
	Statewide Ongoing Adjustments							
M39	Cost-of-living adjustments of 2%	0	0	0	0	68,600	0	68,600
M40	Market comparability adjustments	0	0	0	0	7,200	0	7,200
M41	Retirement rate adjustments	0	0	0	0	48,400	0	48,400
M42	Insurance rate adjustments	0	0	0	0	42,200	0	42,200
	Subtotal Statewide Ongoing Adjustments - Trust Lands	*0*	*0*	*0*	*0*	*166,400*	*0*	*166,400*
	Ongoing Adjustments							
M43	Royalty auditing	0	0	0	0	40,000	0	40,000
	Subtotal Ongoing Adjustments - Trust Lands	*0*	*0*	*0*	*0*	*40,000*	*0*	*40,000*
	Total FY 2005 Trust Lands Administration Adjustments	**0**	**0**	**0**	**0**	**206,400**	**0**	**206,400**
	Total FY 2005 Trust Lands Administration Operating Budget	**$0**	**$0**	**$0**	**$0**	**$7,535,200**	**$0**	**$7,535,200**
	TRUST LANDS ADMINISTRATION FY 2005 CAPITAL BUDGET							
	Base Budget							
M44	FY 2004 appropriated budget	$0	$0	$0	$0	$3,000,000	$0	$3,000,000
	Total FY 2005 Trust Lands Admin. Capital Base Budget	**0**	**0**	**0**	**0**	**3,000,000**	**0**	**3,000,000**
	Ongoing Adjustments							
M45	Development operations - capital improvement	0	0	0	0	1,000,000	0	1,000,000
	Subtotal Ongoing Capital Adjustments - Trust Lands	*0*	*0*	*0*	*0*	*1,000,000*	*0*	*1,000,000*
	Total FY 2005 Trust Lands Admin. Capital Adjustments	**0**	**0**	**0**	**0**	**1,000,000**	**0**	**1,000,000**
	Total FY 2005 Trust Lands Administration Capital Budget	**$0**	**$0**	**$0**	**$0**	**$4,000,000**	**$0**	**$4,000,000**
	TRUST LANDS ADMINISTRATION FY 2004 CAPITAL BUDGET SUPPLEMENTALS							
M46	Development operations - capital improvement	$0	$0	$0	$0	$1,000,000	$0	$1,000,000
	Subtotal Supplemental Trust Lands Admin. Cap. Adj.	*0*	*0*	*0*	*0*	*1,000,000*	*0*	*1,000,000*
	Total FY 2004 Trust Lands Administration Capital Supplementals	**$0**	**$0**	**$0**	**$0**	**$1,000,000**	**$0**	**$1,000,000**

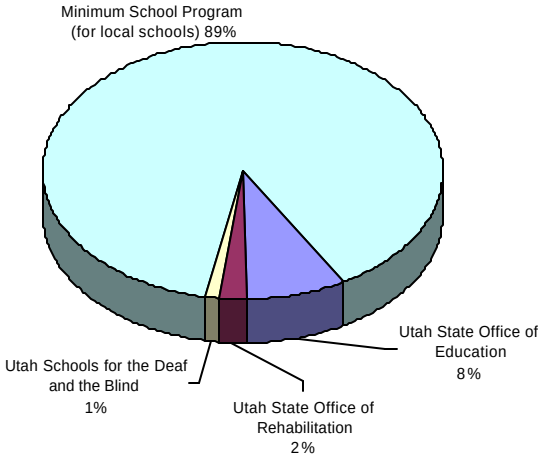
NATURAL RESOURCES – CONTINUED

	General Fund	Federal Funds	Dedicated Credits	Mineral Lease	Restricted Funds	Other Funds	Total Funds
UTAH STATE FAIR CORPORATION FY 2005 OPERATING BUDGET							
Beginning Base Budget							
M47 FY 2004 appropriated budget	$443,300	$0	$2,838,200	$0	$0	($98,500)	$3,183,000
Total Beginning Base Budget - Utah State Fair Corp.	**443,300**	**0**	**2,838,200**	**0**	**0**	**(98,500)**	**3,183,000**
Ongoing Adjustments							
M48 State Fair operations	200,000	0	0	0	0	0	200,000
Subtotal Ongoing Adjustments - Utah State Fair Corp.	*200,000*	*0*	*0*	*0*	*0*	*0*	*200,000*
Total FY 2005 Utah State Fair Corporation Adjustments	**200,000**	**0**	**0**	**0**	**0**	**0**	**200,000**
Total FY 2005 State Fair Corporation Operating Budget	**$643,300**	**$0**	**$2,838,200**	**$0**	**$0**	**($98,500)**	**$3,383,000**
UTAH STATE FAIR CORPORATION FY 2004 OPERATING BUDGET ADJUSTMENTS							
Supplemental Adjustments							
M49 State Fair operations	$200,000	$0	$0	$0	$0	$0	$200,000
Subtotal Supplemental Adjustments - Utah State Fair Corp.	*200,000*	*0*	*0*	*0*	*0*	*0*	*200,000*
Total FY 2004 Utah State Fair Corporation Budget Adjustments	**$200,000**	**$0**	**$0**	**$0**	**$0**	**$0**	**$200,000**
NATURAL RESOURCES TOTALS							
FY 2005 Operating Base Budget	$40,576,900	$27,686,200	$11,675,200	$779,200	$56,578,000	$1,258,100	$138,553,600
FY 2005 Operating Ongoing and One-time Adjustments	1,456,600	530,600	580,900	0	3,547,300	11,600	6,127,000
FY 2005 Operating Recommendation	42,033,500	28,216,800	12,256,100	779,200	60,125,300	1,269,700	144,680,600
FY 2004 Operating Adjustments	397,700	2,100	20,000	0	882,000	0	1,301,800
FY 2005 Capital Base Budget	2,476,500	2,861,000	25,000	0	4,880,000	(1,582,300)	8,660,200
FY 2005 Capital Ongoing and One-time Adjustments	0	0	0	0	1,000,000	0	1,000,000
FY 2005 Capital Recommendation	2,476,500	2,861,000	25,000	0	5,880,000	(1,582,300)	9,660,200
FY 2004 Capital Adjustments	0	0	0	0	1,000,000	0	1,000,000



PUBLIC EDUCATION

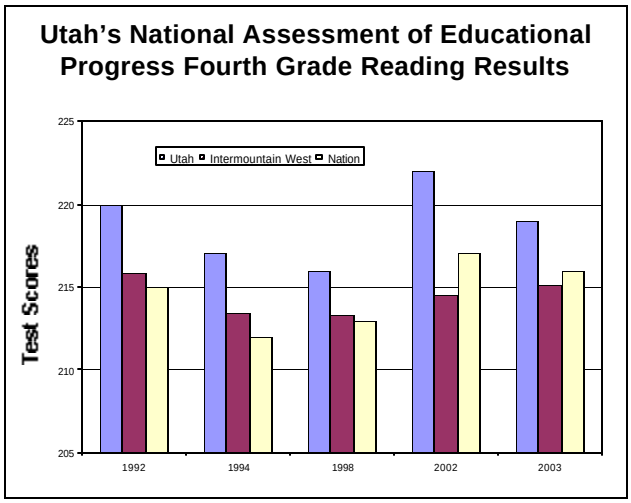
Where Will My Taxes Go for Public Education?
(Figure Based on Total FY 2005 Funding)



Highlighted Services
(Including the Governor's Recommendations)

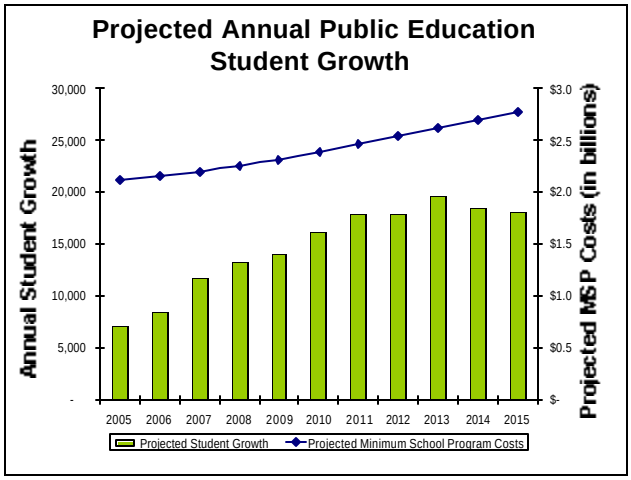
$2.1 billion for the Minimum School Program
- 486,938 students in K-12
- Provides 40 school districts funding based on enrollment, student, district, and taxpayer characteristics

$22 million (state funds) for the Utah State Office of Education
- Provides implementation support for school districts concerning federal and state mandates
- Acts as the fiduciary agent in the disbursement of federal funding to local school districts



Governor's Recommendation Highlights
(All Funding Sources)

- $36 million - WPU increase of 2.54%
- $21.2 million - Retirement and Social Security growth and rate adjustments
- $25 million - Performance Plus Reading Achievement (also $5.0 million in one-time funds)
- $2.6 million - Charter school growth (also $0.9 million FY 2004 supplemental)
- $24.2 million - Enrollment growth



BUDGET OVERVIEW

Public Education consists of the Utah State Office of Education, Utah Schools for the Deaf and the Blind, Utah State Office of Rehabilitation, and 40 school districts that comprise 800 schools filled with 486,938 students. The Utah State Board of Education provides policy and fiscal oversight for the agencies and school districts.

For FY 2004 the legislature appropriated $2,352,422,400 of total funding to all agencies within public education. Of that amount $254,900 is General Fund and $1,677,746,900 is Uniform School Fund. The governor recommends $2,505,160,900 as the total appropriation for FY 2005, including $254,900 from the General Fund and $1,786,657,500 from the Uniform School Fund.

From the original FY 2002 appropriation through FY 2004, the legislature has cut $60,530,800 from the agencies' and school districts' budgets. This represents a 3.6 percent budget reduction overall from the original FY 2002 ongoing budget. Consequentially, programs and services have been either eliminated altogether or reduced. Examples include the Families, Agencies, and Communities Together (FACT) program, which brought several agencies together to identify and help at-risk children. Resources for quality teaching were reduced by $5,000,000 during FY 2003. The capital outlay program was cut a total of $11,069,100 in ongoing funding. The Fine Arts and Sciences program was reduced $493,200. Though directed in statute to provide increases in funding according to enrollment growth, the legislature has not provided any recent funding for class size reduction.

Increases to the value of the Weighted Pupil Unit (WPU) have not kept pace with inflation, much less the rising costs of insurance. Teacher salaries continue to lag behind those of other professionals. Administrative, staff, and teacher positions have been cut in order to balance rising costs with limited fiscal resources. According to Education State Rankings 2002-2003, Utah has the highest pupil-teacher ratios (22 students per teacher), is tied for last in the nation with three other states for the lowest percent of staff working in district administration (0.3 percent), and pays $44 per student in administration costs, which is the lowest in the nation (national average is $137 per pupil). To further illustrate Utah's characteristically strong fiscal management, construction of schools in this state is on average $36 per square foot less than the average costs of construction of recent state buildings. Utah also ranks 41st ($563 per pupil) in the nation, spending 59 percent of the national average ($953 per pupil) on capital expenditures.

The Stanford Achievement Test, ninth edition, is a nationally normed test to compare the achievement of students against their peers. The subtests include curriculum areas such as math, language, science, and social studies, among others. Generally, Utah students perform either at the 50th percentile or slightly above average. Based upon Fall 2002 results, Utah students need to improve language skills such as grammar and listening. On the language subtest, fifth graders performed at the 50th percentile while eighth and eleventh graders performed at the 47th percentile. Reading results showed Utah fifth graders performing better than 49 percent of their peers nationwide while eighth and eleventh graders fared at the 51st and 55th percentiles respectively. Overall, the state's students performed best on the math subtest scoring at the 49th, 56th, and 68th percentiles in the fifth, eighth, and eleventh grades.

Given the fiscal environment of Utah schools, ranked 51st in the nation (including the District of Columbia) in per pupil spending, Utah test scores speak to the quality of education in the state. Per pupil expenditures are at all-time highs for the state, but still fall approximately $500 short of the next closest state. As a state, improvement is needed in some areas such as in some student subgroups; nevertheless, Utah's System of Public Education is not broken. Utah school districts and students perform well despite the systemic fiscal constraints.

GOVERNOR'S RECOMMENDATIONS

Utah State Office of Education

Uniform School Fund

- Current charter school enrollment is expected to increase, placing additional demands on the office's staff. The governor recommends an increase of $100,000 in ongoing funds for a charter school specialist.

Minimum School Program (MSP)

Uniform School Fund

- A projected increase of 7,160 students is to be fully funded at $24,192,200 in ongoing funds. This state cost will be defrayed by property tax growth, accounting for $6,126,600 of the total cost. The net cost to the state will be $18,065,600.

- In response to additional growth, the governor recommends $843,700 ongoing funds for the Pupil Transportation program.

- Public education retirement rates will increase approximately 14.4 percent, which equates to $21,150,800 in ongoing funds. Additionally, the governor recommends that the retirement and Social Security programs be compensated for the additional growth. This amounts to $2,176,700 in the retirement fund and $1,314,400 for Social Security.

- The governor recommends $2,256,200 to cover charter school growth.

- Due to the expansion of the charter school program, a supplemental of $900,000 is provided for FY 2004 to offset charter school operational costs.

- To fund current Adult Education needs, $2,604,200 is recommended in ongoing funds.

- Increased numbers of students in the Youth-in-Custody program necessitates an additional $1,100,000 in ongoing funds.

- The governor recommends that the state match to the Board and Voted Leeways program continue at the FY 2004 level.

- School Permanent Trust Fund interest is expected to increase $200,000 for FY 2005. Total revenues for the trust fund need to be adjusted downward $1,250,000 and $1,050,000 for FY 2004 and 2005 respectively, due to less than projected growth. The new total revenue amounts for FY 2004 and 2005 are $8,800,000 and $9,000,000.

- One-time funds of $5,000,000 for FY 2005 are recommended to reimburse teachers for the purchase of classroom supplies.

- The governor recommends that an FY 2004 supplemental of $5,000,000 and an ongoing FY 2005 allocation of $25,000,800 be provided for Performance Plus to establish a first through third grade reading program. The express purpose of this program is to identify and intervene on behalf of those students whose reading skills are not at grade level. Distribution of funds should provide an equitable base for every district but, more importantly, direct most support to districts with higher proportions of children not reading at grade level.

- Charter school enrollment growth is projected to increase 1,370 students. This growth will cost $2,256,200.

- The governor recommends that the value of the WPU be increased by 2.54 percent from $2,150 to $2,206, or $36,009,600.

PUBLIC EDUCATION

Operating Budget

	Actual FY 2003	Authorized FY 2004	Governor Walker's Recommendations: Supple-mentals	Recommended FY 2004	Base FY 2005	Ongoing and One-time Adj.	Total FY 2005
Plan of Financing							
General Fund	$254,900	$254,900	$0	$254,900	$254,900	$0	$254,900
School Funds	1,648,198,000	1,677,747,000	4,650,000	1,682,397,000	1,670,827,400	115,830,100	1,786,657,500
Federal Funds	287,708,900	288,981,300	0	288,981,300	288,938,300	401,600	289,339,900
Dedicated Credits	22,511,500	23,467,300	0	23,467,300	23,817,700	21,200	23,838,900
Mineral Lease	933,800	803,900	0	803,900	803,900	0	803,900
Restricted and Trust Funds	532,200	560,800	0	560,800	560,800	2,100	562,900
Transfers	8,048,700	6,391,800	0	6,391,800	3,285,000	47,000	3,332,000
Beginning Balances	5,924,900	36,480,500	0	36,480,500	4,710,500	0	4,710,500
Closing Balances	(36,480,500)	(4,710,500)	0	(4,710,500)	(4,060,700)	0	(4,060,700)
Lapsing Funds	(162,200)	0	0	0	0	0	0
Local Property Tax	369,419,000	386,837,800	0	386,837,800	386,837,800	12,883,300	399,721,100
Total Financing	**$2,306,889,200**	**$2,416,814,800**	**$4,650,000**	**$2,421,464,800**	**$2,375,975,600**	**$129,185,300**	**$2,505,160,900**
Programs							
Public Education							
State Office of Education	$197,632,600	$196,952,400	$0	$196,952,400	$195,189,300	$594,300	$195,783,600
State Office of Rehabilitation	48,754,300	49,703,700	0	49,703,700	49,634,800	751,200	50,386,000
Schools for Deaf and Blind	21,474,600	22,294,600	0	22,294,600	23,311,200	496,900	23,808,100
USDB - Institutional Council	50,000	0	0	0	0	0	0
Science and the Arts	2,946,700	2,979,000	0	2,979,000	2,979,000	0	2,979,000
Education Contracts	3,824,500	3,854,800	0	3,854,800	3,854,800	0	3,854,800
Nutrition Programs	107,802,300	107,880,100	0	107,880,100	107,875,200	(200)	107,875,000
Minimum School Program	1,911,096,200	2,019,435,800	5,900,000	2,025,335,800	1,983,131,100	128,404,600	2,111,535,700
Trust Fund Interest to Schools	9,800,000	10,050,000	(1,250,000)	8,800,000	10,050,000	(1,050,000)	9,000,000
Indirect Cost Pool	3,508,000	3,664,400	0	3,664,400	(49,800)	(11,500)	(61,300)
Total Budget	**$2,306,889,200**	**$2,416,814,800**	**$4,650,000**	**$2,421,464,800**	**$2,375,975,600**	**$129,185,300**	**$2,505,160,900**
% Change from Authorized FY 2004 to Total FY 2005							**3.7%**
FTE Positions	--	1,051.4	0.0	1,051.4	1,054.3	1.0	1,055.3

PUBLIC EDUCATION

Capital Budget

	Actual FY 2003	Authorized FY 2004	Governor Walker's Recommendations: Recommended FY 2004	Governor Walker's Recommendations: Base FY 2005	Governor Walker's Recommendations: Total FY 2005
Plan of Financing					
School Funds	$28,358,000	$27,788,900	$27,788,900	$27,288,900	$27,288,900
Total Financing	**$28,358,000**	**$27,788,900**	**$27,788,900**	**$27,288,900**	**$27,288,900**
Projects					
Capital Outlay Program	$28,358,000	$24,358,000	$24,358,000	$24,358,000	$24,358,000
Center for Deaf expansion	0	2,930,900	2,930,900	2,930,900	2,930,900
USDB - Connor St. replacement	0	500,000	500,000	0	0
Total Budget	**$28,358,000**	**$27,788,900**	**$27,788,900**	**$27,288,900**	**$27,288,900**
% Change from Authorized FY 2004 to Total FY 2005					**(1.8%)**

MINIMUM SCHOOL PROGRAM FY 2005

	Appropriation H.B. 3 FY 2004		Governor Recommends FY 2005		Difference FY 2004 - FY 2005	
	FY 2004 WPUs	$2,150	FY 2005 WPUs	$2,206	$ Amount	WPU Percent 2.54%
Plan of Financing						
Local Revenue						
1. Basic Levy		$212,110,700		$217,590,700	$5,400,000	2.50%
2. Voted Leeway		136,088,300		142,327,200	6,238,900	4.58%
3. Board Leeway		38,638,800		39,803,200	1,164,400	3.01%
Total Local Contribution		**$386,837,800**		**$399,721,100**	**$12,883,300**	**3.33%**
State Revenue						
1. Uniform School Fund		$1,596,293,300		$1,706,814,600	$110,521,300	6.92%
2. Uniform School Fund School Building Aid		27,288,900		27,288,900	0	0.00%
3. Uniform School Fund One-time		5,000,000		5,000,000	0	0.00%
4. Permanent Trust Fund Interest to Local Schools		10,050,000		9,000,000	(1,050,000)	(10.45%)
Total State Revenue		**$1,638,632,200**		**$1,748,103,500**	**$109,471,300**	**6.68%**
Total Revenue		**$2,025,470,000**		**$2,147,824,600**	**$122,354,600**	**6.04%**
Programs						
A. Regular Basic School Programs						
1. Kindergarten	20,433	$43,930,900	22,481	$49,593,100	$5,662,200	12.89%
2. Grades 1-12	432,649	930,195,300	438,623	967,602,300	37,407,000	4.02%
3. Necessarily Existent Small Schools	7,532	16,193,800	7,667	16,913,400	719,600	4.44%
4. Professional Staff	41,548	89,328,200	42,814	94,447,700	5,119,500	5.73%
5. Administrative Costs	1,655	3,558,200	1,662	3,666,400	108,200	3.04%
Total Regular Basic School Programs	**503,817**	**$1,083,206,400**	**513,247**	**$1,132,222,900**	**$49,016,500**	**4.53%**
B. Restricted Basic School Programs						
1. Special Education--Regular Program						
a. Special Education Add-On WPUs	53,489	$115,001,300	53,892	$118,885,800	$3,884,500	3.38%
b. Self-Contained Regular WPUs	12,417	26,696,500	12,579	27,749,300	1,052,800	3.94%
2. Special Education Pre-School	6,269	13,478,400	6,665	14,703,000	1,224,600	9.09%
3. Extended Year Program for Severely Disabled	321	690,200	351	774,300	84,100	12.18%
4. Special Education--State Programs	1,358	2,919,700	1,378	3,039,900	120,200	4.12%
5. Applied Technology Education						
a. Applied Technology Education--District	23,348	50,198,200	23,698	52,277,800	2,079,600	4.14%
b. Applied Technology--District Set Aside	995	2,139,300	1,010	2,228,100	88,800	4.15%
6. Class Size Reduction	29,757	63,977,600	30,203	66,627,800	2,650,200	4.14%
7. Performance Plus	0	0	11,333	25,000,600	25,000,600	100.00%
Total Restricted Basic School Programs	**127,954**	**$275,101,200**	**141,109**	**$311,286,600**	**$36,185,400**	**13.15%**
Total Basic School Program	**631,771**	**$1,358,307,600**	**654,356**	**$1,443,509,500**	**$85,201,900**	**6.27%**

C. Related to Basic Program				
1. Social Security	$87,626,900	$88,941,300	$1,314,400	1.50%
2. Retirement	145,113,100	168,440,600	23,327,500	16.08%
3. Pupil transportation to and from school	56,245,600	57,089,300	843,700	1.50%
4. Transportation Levy Guarantee	500,000	500,000	0	0.00%
5. Local Discretionary Block Grant	21,824,400	21,824,400	0	0.00%
6. Interventions for Student Success Block Grant	15,308,700	15,308,700	0	0.00%
7. Quality Teaching Block Grant	57,426,600	57,426,600	0	0.00%
8. Math/Science Recruitment and Retention	600,000	600,000	0	0.00%
Total Related to Basic Program	**$384,645,300**	**$410,130,900**	**$25,485,600**	**6.63%**
D. Categorical Programs				
1. Highly Impacted Schools	$5,123,200	$5,123,200	$0	0.00%
2. At-Risk Programs	24,778,500	25,878,500	1,100,000	4.44%
3. Adult Education	5,826,900	8,431,100	2,604,200	44.69%
4. Accelerated Learning Programs	8,695,100	8,695,100	0	0.00%
5. Electronic High School	400,000	400,000	0	0.00%
6. Permanent Trust Fund Interest to Local Schools	10,050,000	9,000,000	(1,050,000)	(10.45%)
7. Charter Schools State Match	2,377,200	4,633,400	2,256,200	94.91%
8. Reading Clinic	375,000	375,000	0	0.00%
Total Categorical Programs	**$57,625,900**	**$62,536,300**	**$4,910,400**	**8.52%**
E. Board and Voted Leeway Programs				
1. Voted Leeway Program	$149,234,500	$155,098,900	$5,864,400	3.93%
2. Board Leeway Program	43,367,800	44,260,100	892,300	2.06%
Total Board and Voted Leeway Programs	**$192,602,300**	**$199,359,000**	**$6,756,700**	**3.51%**
F. School Building Aid Program				
1. Capital Outlay Equalization Program	$24,358,000	$24,358,000	$0	0.00%
2. Enrollment Growth Program	2,930,900	2,930,900	0	0.00%
Total School Building Aid Program	**$27,288,900**	**$27,288,900**	**$0**	**0.00%**
G. One-time Appropriations				
1. Classroom Supplies	$5,000,000	$5,000,000	$0	0.00%
Total School Building Aid Program	**$5,000,000**	**$5,000,000**	**$0**	**0.00%**
Total Minimum School Program	**$2,025,470,000**	**$2,147,824,600**	**$122,354,600**	**6.04%**

PUBLIC EDUCATION

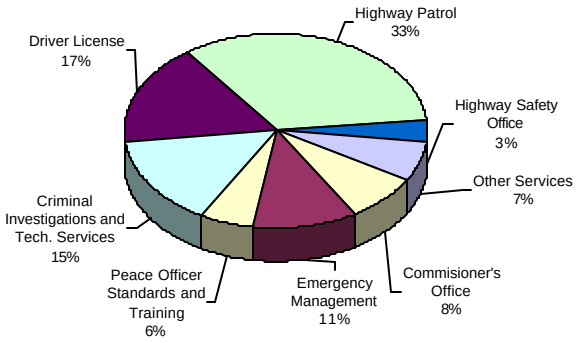
		General Fund	School Funds	Federal Funds	Dedicated Credits	Other Funds	Property Tax Funds	Total Funds
	PUBLIC EDUCATION FY 2005 OPERATING BUDGET							
	Beginning Base Budget							
N1	FY 2004 appropriated budget	$254,900	$1,677,746,900	$259,930,900	$26,578,400	$923,000	$386,837,800	$2,352,271,900
N2	Adjustments for one-time FY 2004 appropriations	0	(6,919,500)	(36,200)	(4,400)	(5,700)	0	(6,965,800)
N3	Adjustments to funding levels	0	0	29,043,600	(2,756,300)	4,382,200	0	30,669,500
	Total Beginning Base Budget - Public Education	**254,900**	**1,670,827,400**	**288,938,300**	**23,817,700**	**5,299,500**	**386,837,800**	**2,375,975,600**
	Statewide Ongoing Adjustments							
N4	Internal service fund adjustments	0	(1,500)	(200)	(18,200)	1,700	0	(18,200)
N5	Cost-of-living adjustments	0	491,600	184,600	13,000	16,600	0	705,800
N6	Market comparability adjustments	0	68,600	16,600	2,500	2,100	0	89,800
N7	Retirement rate adjustments	0	383,900	107,900	12,000	14,300	0	518,100
N8	Insurance rate adjustments	0	316,200	92,700	11,900	14,400	0	435,200
	Subtotal Statewide Ongoing Adjustments - Public Education	*0*	*1,258,800*	*401,600*	*21,200*	*49,100*	*0*	*1,730,700*
	Ongoing Adjustments							
N9	USOE - charter school specialist	0	100,000	0	0	0	0	100,000
N10	MSP - Pupil Transportation	0	843,700	0	0	0	0	843,700
N11	MSP - enrollment growth	0	24,192,200	0	0	0	0	24,192,200
N12	MSP - WPU increase of 2.54%	0	36,009,100	0	0	0	0	36,009,100
N13	MSP - Retirement and Social Security	0	24,641,900	0	0	0	0	24,641,900
N14	MSP - charter school growth	0	2,256,200	0	0	0	0	2,256,200
N15	MSP - Adult Education	0	2,604,200	0	0	0	0	2,604,200
N16	MSP - Performance Plus reading achievement grades 1 - 3	0	25,000,600	0	0	0	0	25,000,600
N17	MSP - Permanent Trust Fund interest to local schools	0	(1,050,000)	0	0	0	0	(1,050,000)
N18	MSP - Basic Levy property tax offset	0	(5,480,000)	0	0	0	5,480,000	0
N19	MSP - Board and Voted Leeways property tax offset	0	(646,600)	0	0	0	7,403,300	6,756,700
N20	MSP - Youth-in-Custody	0	1,100,000	0	0	0	0	1,100,000
	Subtotal Ongoing Adjustments - Public Education	*0*	*109,571,300*	*0*	*0*	*0*	*12,883,300*	*122,454,600*

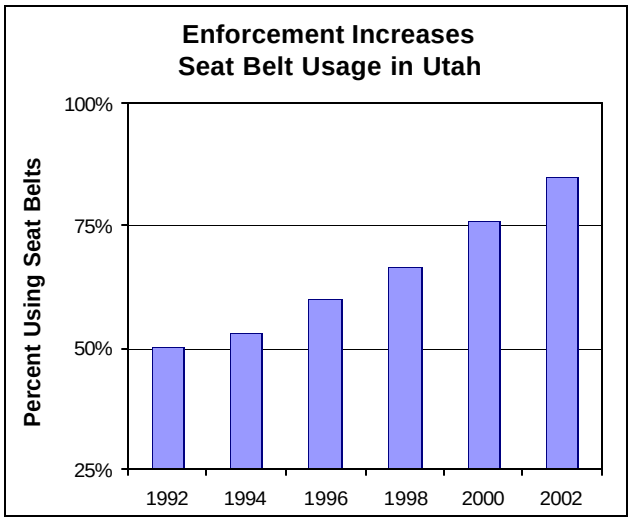
PUBLIC EDUCATION – CONTINUED

	General Fund	School Funds	Federal Funds	Dedicated Credits	Other Funds	Property Tax Funds	Total Funds
PUBLIC EDUCATION FY 2004 OPERATING BUDGET ADJUSTMENTS							
Supplemental Adjustments							
N22 MSP - charter school growth	$0	$900,000	$0	$0	$0	$0	$900,000
N23 MSP - Permanent Trust Fund interest to local schools	0	(1,250,000)	0	0	0	0	(1,250,000)
N24 MSP - Performance Plus	0	5,000,000	0	0	0	0	5,000,000
Subtotal Supplemental Adjustments - Public Education	*0*	*4,650,000*	*0*	*0*	*0*	*0*	*4,650,000*
Total FY 2004 Public Education Budget Adjustments	**$0**	**$4,650,000**	**$0**	**$0**	**$0**	**$0**	**$4,650,000**
PUBLIC EDUCATION FY 2005 CAPITAL BUDGET							
Base Budget							
N25 FY 2004 appropriated budget	$0	$27,788,900	$0	$0	$0	$0	$27,788,900
N26 Adjustments for one-time FY 2004 appropriations	0	(500,000)	0	0	0	0	(500,000)
Total FY 2005 Public Education Capital Base Budget	**0**	**27,288,900**	**0**	**0**	**0**	**0**	**27,288,900**
Total FY 2005 Public Education Capital Budget	**$0**	**$27,288,900**	**$0**	**$0**	**$0**	**$0**	**$27,288,900**
PUBLIC EDUCATION TOTALS							
FY 2005 Operating Base Budget	$254,900	$1,670,827,400	$288,938,300	$23,817,700	$5,299,500	$386,837,800	$2,375,975,600
FY 2005 Operating Ongoing and One-time Adjustments	0	115,830,100	401,600	21,200	49,100	12,883,300	129,185,300
FY 2005 Operating Recommendation	254,900	1,786,657,500	289,339,900	23,838,900	5,348,600	399,721,100	2,505,160,900
FY 2004 Operating Adjustments	0	4,650,000	0	0	0	0	4,650,000
FY 2005 Capital Base Budget	0	27,288,900	0	0	0	0	27,288,900
FY 2005 Capital Recommendation	0	27,288,900	0	0	0	0	27,288,900

PUBLIC SAFETY

Where Will My Taxes Go for Public Safety?
(Figure Based on Total FY 2005 Funding)





Highlighted Services
(Including the Governor's Recommendations)

$9 million for Commissioner's Office

$13 million for Emergency Management
- Trained 861 first responders

$6 million for Peace Officer Standards and Training
- Inservice Training taught 2,427 officers

$16 million for Criminal Investigations and Technical Services
- 64,000 background checks on gun buyers
- 8,374 crime lab cases

$19 million for Driver License
- 381,000 licenses issued

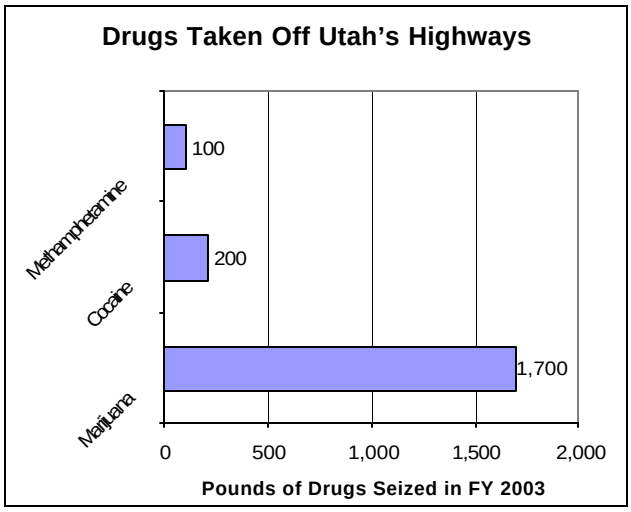
$37 million for Highway Patrol
- 1,500 DUI arrests
- 1,500 drug arrests
- Seized $400,000 in drug-related cash
- Crashes down 6% and fatalities down 2.5%

$4 million for Highway Safety Office
- Issued 4,200 child safety seats to needy families

$8 million for other services

Governor's Recommendation Highlights
(All Funding Sources)

- $107,900 for a Criminalist and a Questioned Documents Examiner
- $760,200 for building leases
- $3,599,400 increase in Federal Funds
- $1,338,500 increase in Dedicated Credits



BUDGET OVERVIEW

The Department of Public Safety (DPS) provides quality services to ensure a safe society and to protect the rights of Utah's citizens. For FY 2004 DPS was appropriated a total of $101,903,800, with $43,567,900 from the General Fund. For FY 2005 the governor recommends that DPS receive $111,718,700, with $46,232,100 from the General Fund. As shown on the pie chart on the previous page, the largest component of DPS's budget is the Utah Highway Patrol. About 72 percent of that program's budget comes from the General Fund.

From the original FY 2002 appropriation through FY 2004, DPS has experienced $2,743,200 in cuts to its programs. These cuts are 5.9 percent of DPS's budget from the original FY 2002 ongoing budget. As a result of these cuts, equipment purchases have been delayed or cancelled, training has decreased, and some programs have not been fully staffed.

Troopers' wages have lagged significantly behind the wages of officers working for cities and counties. At the same time city and county employees have received wage increases, escalating the discrepancies in wages.

GOVERNOR'S RECOMMENDATIONS

General Fund

- Provide Criminal Investigations and Technical Services with $107,900 for a criminalist and a questioned documents examiner. These two positions will contribute to more timely and successful prosecution of cases.
- Provide $412,800 for building leases. Provide an FY 2004 supplemental of $347,400 for building leases. These funds will cover unfunded increases in leases.
- Provide an FY 2004 supplemental appropriation of $500,000 for in-car technology and equipment. In-car technology enables troopers to reduce their obligated time by 40 percent.

FY 2005 PROPOSED LEGISLATIVE INTENT

- Funds appropriated to DPS are nonlapsing.
- DPS may expand the fleet if funding is provided through federal aid or other sources for special programs or projects. Fleet vehicles obtained under this intent language will not be eligible for replacement using General Fund borrowing capacity held by the State Division of Fleet Operations. Any expansion vehicles obtained during the interim under this intent language shall be reported to the legislative fiscal analyst.
- Funds appropriated to equip police vehicles are nonlapsing.
- DPS is authorized to advance officers to the Senior Trooper III level from existing appropriations and/or savings.
- Receipts above the appropriated dedicated credit amount of reimbursable flight time for DPS aircraft are nonlapsing and are to be used for major aircraft maintenance.

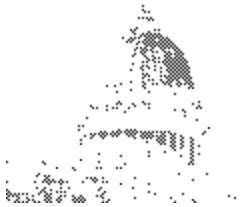
PUBLIC SAFETY

Operating Budget

	Actual FY 2003	Authorized FY 2004	Governor Walker's Recommendations: Supple-mentals	Recommended FY 2004	Base FY 2005	Ongoing and One-time Adj.	Total FY 2005
Plan of Financing							
General Fund	$42,720,000	$43,567,900	$847,400	$44,415,300	$43,433,500	$2,798,600	$46,232,100
Transportation Fund	5,495,500	5,495,500	0	5,495,500	5,495,500	0	5,495,500
Federal Funds	18,260,700	21,555,300	0	21,555,300	21,821,000	190,200	22,011,200
Dedicated Credits	5,247,500	5,080,100	0	5,080,100	5,976,600	118,400	6,095,000
Restricted and Trust Funds	28,073,800	29,391,600	0	29,391,600	29,350,000	809,000	30,159,000
Transfers	1,663,800	2,410,400	0	2,410,400	2,378,400	29,300	2,407,700
Other Funds	0	0	0	0	0	18,400	18,400
Pass-through Funds	24,200	660,000	0	660,000	660,000	0	660,000
Beginning Balances	5,340,900	2,675,700	0	2,675,700	1,067,100	0	1,067,100
Closing Balances	(2,675,700)	(1,067,100)	0	(1,067,100)	(624,000)	0	(624,000)
Lapsing Funds	(2,034,900)	(1,803,300)	0	(1,803,300)	(1,803,300)	0	(1,803,300)
Total Financing	**$102,115,800**	**$107,966,100**	**$847,400**	**$108,813,500**	**$107,754,800**	**$3,963,900**	**$111,718,700**
Programs							
Public Safety							
Commissioner's Office	$5,007,900	$8,725,200	$50,000	$8,775,200	$8,559,600	$420,200	$8,979,800
Emergency Management	11,319,500	12,355,300	0	12,355,300	12,342,400	226,900	12,569,300
Peace Officer Standards and Training	4,871,800	6,438,100	0	6,438,100	6,363,900	129,600	6,493,500
Criminal Investigations and Tech. Svcs.	14,660,700	15,826,500	195,000	16,021,500	15,730,800	690,600	16,421,400
Liquor Law Enforcement	929,200	1,315,000	0	1,315,000	1,311,000	45,800	1,356,800
Driver License	18,704,400	19,112,100	0	19,112,100	18,151,900	667,800	18,819,700
Highway Patrol	36,145,700	34,480,900	602,400	35,083,300	35,650,000	1,600,600	37,250,600
Highway Safety Office	4,214,800	3,555,200	0	3,555,200	3,553,900	48,500	3,602,400
Management Information Systems	1,620,400	1,495,400	0	1,495,400	1,491,500	61,600	1,553,100
Fire Marshal	4,641,400	4,662,400	0	4,662,400	4,599,800	72,300	4,672,100
Total Budget	**$102,115,800**	**$107,966,100**	**$847,400**	**$108,813,500**	**$107,754,800**	**$3,963,900**	**$111,718,700**
% Change from Authorized FY 2004 to Total FY 2005							**3.5%**
FTE Positions	--	1,082.3	0.0	1,082.3	1,082.3	2.0	1,084.3

PUBLIC SAFETY

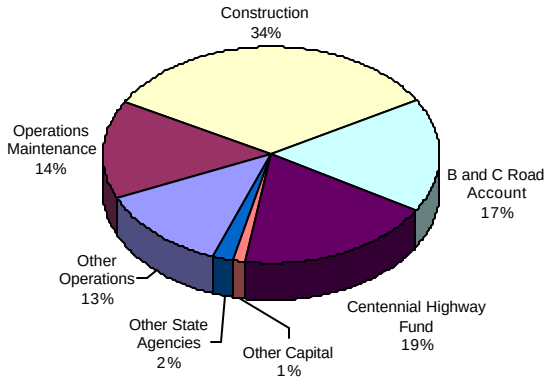
		General Fund	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
PUBLIC SAFETY FY 2005 OPERATING BUDGET								
	Beginning Base Budget							
O1	FY 2004 appropriated budget	$43,567,900	$5,495,500	$18,411,800	$4,756,500	$29,391,600	$280,500	$101,903,800
O2	Adjustments for FY 2004 extra working day	(132,500)	0	(14,500)	(6,500)	(41,600)	0	(195,100)
O3	Adjustments for one-time FY 2004 appropriations	(3,500)	0	0	0	0	0	(3,500)
O4	Adjustments to funding levels	1,600	0	3,423,700	1,226,600	0	1,397,700	6,049,600
	Total Beginning Base Budget - Public Safety	**43,433,500**	**5,495,500**	**21,821,000**	**5,976,600**	**29,350,000**	**1,678,200**	**107,754,800**
	Statewide Ongoing Adjustments							
O5	Cost-of-living adjustments of 2%	485,800	0	98,600	55,800	197,800	20,800	858,800
O6	Internal service fund adjustments	536,500	0	0	0	164,100	0	700,600
O7	Market comparability adjustments	50,200	0	9,700	8,900	78,000	18,400	165,200
O8	Retirement rate adjustments	636,800	0	36,600	18,200	137,300	3,400	832,300
O9	Insurance rate adjustments	568,600	0	45,300	35,500	231,800	5,100	886,300
	Subtotal Statewide Ongoing Adjustments - Public Safety	*2,277,900*	*0*	*190,200*	*118,400*	*809,000*	*47,700*	*3,443,200*
	Ongoing Adjustments							
O10	Criminalist and document examiner	107,900	0	0	0	0	0	107,900
O11	Building leases	412,800	0	0	0	0	0	412,800
	Subtotal Ongoing Adjustments - Public Safety	*520,700*	*0*	*0*	*0*	*0*	*0*	*520,700*
	Total FY 2005 Public Safety Adjustments	**2,798,600**	**0**	**190,200**	**118,400**	**809,000**	**47,700**	**3,963,900**
Total FY 2005 Public Safety Operating Budget		**$46,232,100**	**$5,495,500**	**$22,011,200**	**$6,095,000**	**$30,159,000**	**$1,725,900**	**$111,718,700**
PUBLIC SAFETY FY 2004 OPERATING BUDGET ADJUSTMENTS								
	Supplemental Adjustments							
O12	In-car technology and equipment	$500,000	$0	$0	$0	$0	$0	$500,000
O13	Building leases	347,400	0	0	0	0	0	347,400
	Subtotal Supplemental Adjustments - Public Safety	*847,400*	*0*	*0*	*0*	*0*	*0*	*847,400*
Total FY 2004 Public Safety Budget Adjustments		**$847,400**	**$0**	**$0**	**$0**	**$0**	**$0**	**$847,400**
PUBLIC SAFETY TOTALS								
FY 2005 Operating Base Budget		$43,433,500	$5,495,500	$21,821,000	$5,976,600	$29,350,000	$1,678,200	$107,754,800
FY 2005 Operating Ongoing and One-time Adjustments		2,798,600	0	190,200	118,400	809,000	47,700	3,963,900
FY 2005 Operating Recommendation		46,232,100	5,495,500	22,011,200	6,095,000	30,159,000	1,725,900	111,718,700
FY 2004 Operating Adjustments		847,400	0	0	0	0	0	847,400



TRANSPORTATION

Where Will My Federal and State Fuel Taxes Go for Transportation?

(Figure Based on FY 2005 Funding)

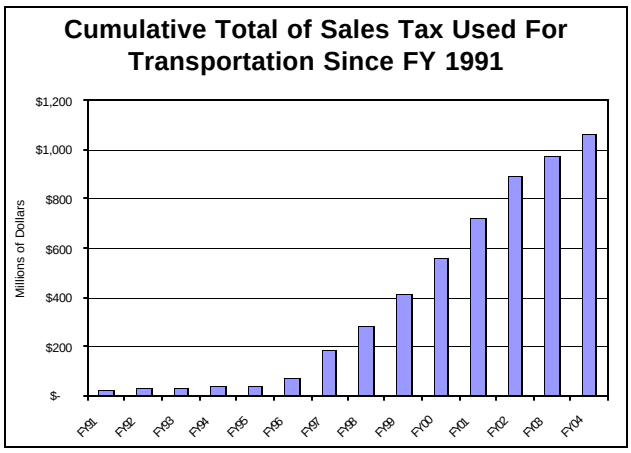


Highlighted Services

(Including the Governor's Recommendations)

$534 million for Transportation

- Maintains over 6,000 miles of state highways
- 70 percent of all travel miles are on state roads
- Deploys about 130 snowplows along the Wasatch Front during a major snow storm
- Maximizes transportation efficiency through intelligent transportation systems
- Designs and oversees construction of highways
- First state to offer 511, a free travel information phone number
- Oversees 51 airports

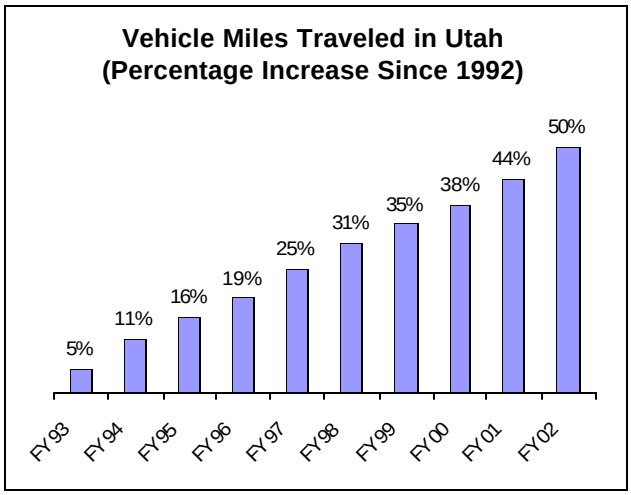


Includes General Fund appropriations, 1/64th cent Olympic sales tax, and 1/16th cent sales tax for class B and class C roads.

Governor's Recommendation Highlights

(All Funding Sources)

- $5.0 million in savings through efficiencies
- $1.0 million for additional lane miles maintenance
- $59.6 million reduction in General Fund for Centennial Highway Fund offset by a $15 million one-time FY 2005 increase



BUDGET OVERVIEW

The mission of the Utah Department of Transportation (UDOT) is to provide quality transportation today and better transportation tomorrow by taking care of current roads, making the highway system work better, improving safety, and increasing road capacity.

For FY 2004 the legislature appropriated $223,728,300, including $156,915,500 in Transportation Fund, to the UDOT operations budget. For FY 2005 the governor recommends that UDOT operations receive $221,704,200, with $154,877,200 from the Transportation Fund.

As shown on the pie chart on the previous page, about one-third of state fuel taxes and federal transportation dollars (collected federal taxes redistributed back to the state) are used for operations and maintenance. Funding appropriated to the Construction program or Centennial Highway Fund are used for state highway construction. Funds in the class B and class C roads account are passed to local and county governments for their highway needs.

As shown on the bar chart on the previous page, annual vehicle miles traveled on Utah highways increased by over 50 percent between FY 1992 and FY 2002, from 16.3 billion to 24.4 billion miles. This increase has placed a tremendous strain on an already congested highway system. Unfortunately, Transportation Fund revenues are projected to grow only 1.7 percent for FY 2004 and 1.5 percent for FY 2005. This growth will be used to cover employee benefit increases and other necessary operational expenses, leaving few additional dollars available to increase funding for highway construction.

Since FY 1997 highway construction has been supplemented with large amounts of sales tax dollars. This is illustrated by the bar chart on the previous page, which shows cumulative sales tax dollars used for transportation since FY 1991. Sales taxes used for transportation have reduced the funding available for public education, higher education, and other areas. Governor Walker recommends that these sales tax dollars be allocated to the General Fund.

GOVERNOR'S RECOMMENDATIONS

Transportation Fund

- The department established a large number of quality improvement teams to evaluate every function within the department to find efficiencies. As a result of this effort, the department reduced its operating budget by $2,221,700 in FY 2004 and $5,000,000 in FY 2005 and reduced full-time equivalent positions (FTEs) by 100, although most of these positions were currently vacant. These operational savings will be used for new road construction.

- Increase ongoing funding in Maintenance Management by $964,900 for increased costs associated with 482 additional lane miles on state highways.

- Fund a $300,000 supplemental for FY 2004 and a one-time increase of $325,000 in FY 2005 for research, testing, and equipment that will improve pavement efficiency. Increasing pavement efficiency is estimated to save the state millions of dollars annually by constructing more economical and longer lasting pavements.

General Fund

- To restore the integrity of the General Fund, the governor recommends eliminating the ongoing appropriation to the Centennial Highway Fund of $59,594,700 offset by a one-time increase of $15,000,000.

- To restore the integrity of the General Fund, the governor recommends allocating to the General Fund the state's portion of the sales tax originally used for Olympic facilities and currently going to the Centennial Highway Fund of $5,100,000.

- To restore the integrity of the General Fund, the governor recommends allocating $18,743,000 of the 1/16th cent sales tax designated for roads back to the General Fund. This will reduce funding to the class B and class C roads account by $17,618,400, the State Park Access Highway Improvement Program by $562,300, and the Transportation Corridor Preservation Loan Fund by $562,300. The Transportation Corridor Preservation Loan Fund will continue to receive $3,500,000 annually from the rental car tax.

- The governor recommends issuing $102,000,000 of general obligation bonds for the Centennial Highway Fund.

FY 2004 Proposed Legislative Intent

- Funds for Support Services, Engineering Services, Maintenance Management, Region Management, Equipment Management, and Aeronautics are nonlapsing.

FY 2005 Proposed Legislative Intent

- Funds for Support Services, Engineering Services, Maintenance Management, Region Management, Equipment Management, and Aeronautics are nonlapsing.

- Any and all collections or cash income from the sale or salvage of land and buildings are to be lapsed to the Transportation Fund.

- Any surplus 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.

- The number of FTEs for field crews may be adjusted to accommodate the increase or decrease in the federal construction program. No portion of the money appropriated by this item shall be used either directly or indirectly to enhance or increase appropriations made to the department for other purposes.

TRANSPORTATION

Operating Budget

	Actual FY 2003	Authorized FY 2004	Governor Walker's Recommendations: Supple-mentals	Recommended FY 2004	Base FY 2005	Ongoing and One-time Adj.	Total FY 2005
Plan of Financing							
General Fund	$720,800	$150,100	$0	$150,100	$150,100	($62,000)	$88,100
Transportation Fund	155,945,300	157,344,000	(1,927,400)	155,416,600	155,855,200	(978,000)	154,877,200
Federal Funds	41,971,200	39,849,200	0	39,849,200	39,799,800	390,300	40,190,100
Dedicated Credits	23,009,400	15,617,400	0	15,617,400	15,602,100	223,600	15,825,700
Restricted and Trust Funds	7,946,900	10,767,600	(67,400)	10,700,200	10,265,000	458,100	10,723,100
Transfers	146,200	0	0	0	0	0	0
Beginning Balances	499,400	841,600	0	841,600	0	0	0
Closing Balances	(841,600)	0	0	0	0	0	0
Lapsing Funds	(7,922,000)	0	0	0	0	0	0
Total Financing	**$221,475,600**	**$224,569,900**	**($1,994,800)**	**$222,575,100**	**$221,672,200**	**$32,000**	**$221,704,200**
Programs							
Transportation							
Support Services	$21,231,500	$25,211,000	($5,700)	$25,205,300	$25,012,700	($719,200)	$24,293,500
Engineering Services	24,946,000	24,591,100	(615,700)	23,975,400	24,217,800	245,300	24,463,100
Maintenance Management	81,660,000	83,312,200	(39,800)	83,272,400	82,772,800	643,400	83,416,200
Region District Management	24,399,300	22,963,600	(424,600)	22,539,000	22,827,700	74,600	22,902,300
Equipment Management	23,873,200	17,875,800	(390,100)	17,485,700	17,760,800	(207,500)	17,553,300
Aeronautics	25,684,600	31,070,800	(67,400)	31,003,400	30,568,200	458,100	31,026,300
Construction Management	19,681,000	19,545,400	(451,500)	19,093,900	18,512,200	(462,700)	18,049,500
Total Budget	**$221,475,600**	**$224,569,900**	**($1,994,800)**	**$222,575,100**	**$221,672,200**	**$32,000**	**$221,704,200**
% Change from Authorized FY 2004 to Total FY 2005							**(1.3%)**
FTE Positions	--	1,825.0	(100.0)	1,725.0	1,825.0	(100.0)	1,725.0

TRANSPORTATION

Capital Budget

	Actual FY 2003	Authorized FY 2004	Governor Walker's Recommendations: Supple-mentals	Recommended FY 2004	Base FY 2005	Ongoing and One-time Adj.	Total FY 2005	FY 2005 Bond
Plan of Financing								
General Fund	$59,594,700	$59,594,700	$0	$59,594,700	$59,594,700	($44,594,700)	$15,000,000	$0
Transportation Fund	229,556,100	234,595,700	2,221,700	236,817,400	221,518,900	9,389,000	230,907,900	0
Federal Funds	210,677,800	153,523,700	0	153,523,700	153,523,700	0	153,523,700	0
Dedicated Credits	10,874,000	2,872,000	0	2,872,000	1,550,000	0	1,550,000	0
Mineral Lease	18,742,900	16,320,700	0	16,320,700	16,320,700	0	16,320,700	0
Restricted and Trust Funds	49,632,400	42,294,000	0	42,294,000	18,722,000	0	18,722,000	0
FY 2005 G.O. Bond	0	0	0	0	0	0	0	102,000,000
Transfers	86,681,300	(97,724,900)	(1,796,800)	(99,521,700)	(97,724,900)	(27,646,300)	(125,371,200)	0
Other Funds	56,600	0	0	0	0	0	0	0
Beginning Balances	1,738,200	1,607,100	0	1,607,100	0	0	0	0
Closing Balances	(1,607,100)	0	0	0	0	0	0	0
Lapsing Funds	(33,553,500)	0	0	0	0	0	0	0
Total Financing	**$632,393,400**	**$413,083,000**	**$424,900**	**$413,507,900**	**$373,505,100**	**($62,852,000)**	**$310,653,100**	**$102,000,000**
Projects								
Construction	$210,070,400	$186,981,500	$2,221,700	$189,203,200	$171,767,300	$5,000,000	$176,767,300	$0
Sidewalk Construction	375,700	2,107,100	0	2,107,100	500,000	0	500,000	0
B and C Road Account	114,361,500	115,330,900	0	115,330,900	96,757,300	0	96,757,300	0
Maintenance Sheds	0	0	0	0	0	4,389,000	4,389,000	0
Centennial Highway Fund	288,587,500	92,342,800	(1,796,800)	90,546,000	88,159,800	(72,241,000)	15,918,800	102,000,000
Mineral Lease Programs	18,998,300	16,320,700	0	16,320,700	16,320,700	0	16,320,700	0
Total Budget	**$632,393,400**	**$413,083,000**	**$424,900**	**$413,507,900**	**$373,505,100**	**($62,852,000)**	**$310,653,100**	**$102,000,000**

% Change from Authorized FY 2004 to Total FY 2005 **(24.8%)**

TRANSPORTATION

		General Fund	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
TRANSPORTATION FY 2005 OPERATING BUDGET								
	Beginning Base Budget							
P1	FY 2004 appropriated budget	$150,100	$156,915,500	$40,277,700	$15,617,400	$10,767,600	$0	$223,728,300
P2	Adjustments for one-time FY 2004 appropriations	0	(243,000)	0	0	(500,000)	0	(743,000)
P3	Adjustments for FY 2004 extra working day	0	(363,700)	(70,900)	(16,300)	(2,500)	0	(453,400)
P4	Adjustments to funding levels	0	(453,600)	(407,000)	1,000	(100)	0	(859,700)
	Total Beginning Base Budget - Transportation	**150,100**	**155,855,200**	**39,799,800**	**15,602,100**	**10,265,000**	**0**	**221,672,200**
	Statewide Ongoing Adjustments							
P5	Cost-of-living adjustments of 2%	0	1,503,600	192,800	82,400	13,400	0	1,792,200
P6	Internal service fund adjustments	0	(153,700)	0	0	1,100	0	(152,600)
P7	Market comparability adjustments	0	56,300	36,100	900	0	0	93,300
P8	Retirement rate adjustments	0	984,100	125,600	53,700	8,500	0	1,171,900
P9	Insurance rate adjustments	0	342,700	35,800	24,600	2,500	0	405,600
	Subtotal Statewide Ongoing Adjustments - Transportation	*0*	*2,733,000*	*390,300*	*161,600*	*25,500*	*0*	*3,310,400*
	Ongoing Adjustments							
P10	Support Services - performance and efficiency savings	0	(882,900)	0	0	0	0	(882,900)
P11	Engineering Services - performance and efficiency savings	0	(744,000)	0	0	0	0	(744,000)
P12	Maintenance Management - performance and efficiency savings	0	(1,386,700)	0	0	0	0	(1,386,700)
P13	Region Management - performance and efficiency savings	0	(567,400)	0	0	0	0	(567,400)
P14	Equipment Management - performance and efficiency savings	0	(432,600)	0	0	0	0	(432,600)
P15	Construction Management - performance and efficiency savings	0	(986,400)	0	0	0	0	(986,400)
P16	Aeronautics - performance and efficiency savings	0	0	0	0	(67,400)	0	(67,400)
P17	Maintenance Management - increase for additional lane miles	0	964,000	0	0	0	0	964,000
P18	Engineering Services - decrease General Fund due to fee increase	(62,000)	0	0	62,000	0	0	0
P19	Aeronautics - airport construction	0	0	0	0	500,000	0	500,000
	Subtotal Ongoing Adjustments - Transportation	*(62,000)*	*(4,036,000)*	*0*	*62,000*	*432,600*	*0*	*(3,603,400)*
	One-time Adjustments							
P20	Engineering Services - materials lab equipment capital outlay	0	325,000	0	0	0	0	325,000
	Subtotal One-time Adjustments - Transportation	*0*	*325,000*	*0*	*0*	*0*	*0*	*325,000*
	Total FY 2005 Transportation Adjustments	**(62,000)**	**(978,000)**	**390,300**	**223,600**	**458,100**	**0**	**32,000**
Total FY 2005 Transportation Operating Budget		**$88,100**	**$154,877,200**	**$40,190,100**	**$15,825,700**	**$10,723,100**	**$0**	**$221,704,200**
TRANSPORTATION FY 2004 OPERATING BUDGET ADJUSTMENTS								
	Supplemental Adjustments							
P21	Engineering Services - performance and efficiency savings	$0	($915,700)	$0	$0	$0	$0	($915,700)
P22	Maintenance Management - performance and efficiency savings	0	(39,800)	0	0	0	0	(39,800)
P23	Region Management - performance and efficiency savings	0	(424,600)	0	0	0	0	(424,600)
P24	Equipment Management - performance and efficiency savings	0	(390,100)	0	0	0	0	(390,100)
P25	Construction Management - performance and efficiency savings	0	(451,500)	0	0	0	0	(451,500)
P26	Aeronautics - performance and efficiency savings	0	0	0	0	(67,400)	0	(67,400)

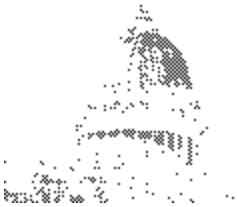
TRANSPORTATION – CONTINUED

		General Fund	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
P27	Engineering Services - materials lab equipment capital outlay	0	300,000	0	0	0	0	300,000
P28	Internal service fund adjustments	0	(5,700)	0	0	0	0	(5,700)
	Subtotal Supplemental Adjustments - Transportation	*0*	*(1,927,400)*	*0*	*0*	*(67,400)*	*0*	*(1,994,800)*
	Total FY 2004 Transportation Budget Adjustments	**$0**	**($1,927,400)**	**$0**	**$0**	**($67,400)**	**$0**	**($1,994,800)**
	TRANSPORTATION FY 2005 CAPITAL BUDGET							
	Base Budget							
P29	FY 2004 appropriated budget	$59,594,700	$229,024,200	$160,731,200	$2,872,000	$18,743,000	($76,531,700)	$394,433,400
P30	Adjustments to funding levels	0	(7,505,300)	(7,207,500)	(1,322,000)	(21,000)	(4,872,500)	(20,928,300)
	Total FY 2005 Transportation Capital Base Budget	**59,594,700**	**221,518,900**	**153,523,700**	**1,550,000**	**18,722,000**	**(81,404,200)**	**373,505,100**
	Ongoing Adjustments							
P31	Centennial Highway Fund	(59,594,700)	0	0	0	0	0	(59,594,700)
P32	Centennial Highway Fund - debt service transfer	0	0	0	0	0	(27,646,300)	(27,646,300)
P33	Construction - efficiency savings transfer to construction	0	5,000,000	0	0	0	0	5,000,000
	Subtotal Ongoing Capital Adjustments - Transportation	*(59,594,700)*	*5,000,000*	*0*	*0*	*0*	*(27,646,300)*	*(82,241,000)*
	One-time Adjustments							
P34	Centennial Highway Fund	15,000,000	0	0	0	0	0	15,000,000
P35	Vernal maintenance complex	0	2,473,000	0	0	0	0	2,473,000
P36	Heber maintenance complex	0	1,916,000	0	0	0	0	1,916,000
	Subtotal One-time Capital Adjustments - Transportation	*15,000,000*	*4,389,000*	*0*	*0*	*0*	*0*	*19,389,000*
	Total FY 2005 Transportation Capital Adjustments	**(44,594,700)**	**9,389,000**	**0**	**0**	**0**	**(27,646,300)**	**(62,852,000)**
	Total FY 2005 Transportation Capital Budget	**$15,000,000**	**$230,907,900**	**$153,523,700**	**$1,550,000**	**$18,722,000**	**($109,050,500)**	**$310,653,100**
	TRANSPORTATION FY 2004 CAPITAL BUDGET SUPPLEMENTALS							
P37	Centennial Highway Fund - debt service transfer	$0	$0	$0	$0	$0	($1,796,800)	($1,796,800)
P38	Construction - efficiency savings transfer to construction	0	2,221,700	0	0	0	0	2,221,700
	Total FY 2004 Transportation Capital Supplementals	**$0**	**$2,221,700**	**$0**	**$0**	**$0**	**($1,796,800)**	**$424,900**
	TRANSPORTATION TOTALS							
	FY 2005 Operating Base Budget	$150,100	$155,855,200	$39,799,800	$15,602,100	$10,265,000	$0	$221,672,200
	FY 2005 Operating Ongoing and One-time Adjustments	(62,000)	(978,000)	390,300	223,600	458,100	0	32,000
	FY 2005 Operating Recommendation	88,100	154,877,200	40,190,100	15,825,700	10,723,100	0	221,704,200
	FY 2004 Operating Adjustments	0	(1,927,400)	0	0	(67,400)	0	(1,994,800)
	FY 2005 Capital Base Budget	59,594,700	221,518,900	153,523,700	1,550,000	18,722,000	(81,404,200)	373,505,100
	FY 2005 Capital Ongoing and One-time Adjustments	(44,594,700)	9,389,000	0	0	0	(27,646,300)	(62,852,000)
	FY 2005 Capital Recommendation	15,000,000	230,907,900	153,523,700	1,550,000	18,722,000	(109,050,500)	310,653,100
	FY 2004 Capital Adjustments	0	2,221,700	0	0	0	(1,796,800)	424,900

State of Utah

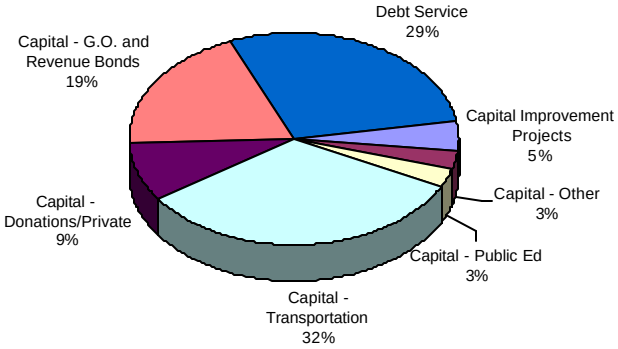
Capital Budget Summary and Debt Service

- Capital budget overview
- Bonding limit
- Capital table showing three-year comparisons
- Capital facility projects recommended for FY 2005
- Debt service table showing three-year comparisons
- Bonds outstanding

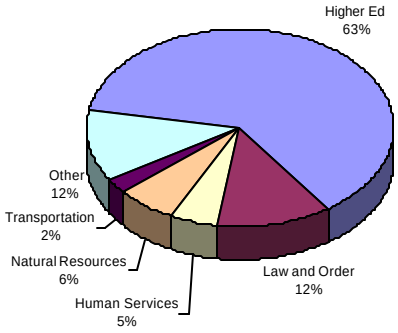


CAPITAL BUDGET AND DEBT SERVICE

Where Will My Taxes Go for Capital Budget and Debt Service?
(Figure Based on Total FY 2005 Funding)



Allocation of Capital Improvement Funds
(Five Year Average)



Law and order includes Corrections, Courts, National Guard, and Public Safety.

Highlighted Services
(Including the Governor's Recommendations)

$44 million for Capital Improvement Projects

- The state owns approximately 38.7 million square feet of facility space worth over $4 billion
- Facility condition assessments conducted by independent professionals have identified over $1 billion in repairs to buildings that need to be addressed over the next ten years

$311 million for Transportation Capital

- Major construction or reconstruction of state highways
- 482 additional miles were added to the state highway system in FY 2003

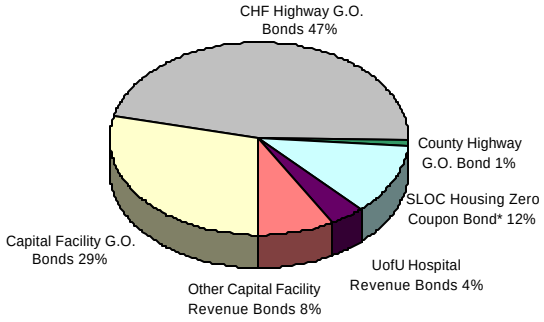
$269 million for Debt Service

- The state has a triple "A" rating on general obligation bonds from Moody's Investors Service, Standard and Poor's Corporation, and Fitch Ratings; and a double "A" rating on revenue bonds from Moody's Investors Service and Standard and Poor's Corporation

Governor's Recommendation Highlights
(All Funding Sources)

- $14.5 million federal and restricted funds - National Guard Total Army School System barracks and Logan employment center
- $59.6 million - Eliminate ongoing General Fund to Centennial Highway Fund
- $163.2 million general obligation bonds - Oxbow Prison, Capitol renovation, and highways
- $16.9 million State Building Ownership Authority revenue bonds - 6 state facilities
- $33.8 million - Debt service budget increase (also $5.5 million FY 2004 supplemental)

FY 2005 Debt Service Expense



**Paid from an escrow account funded by SLOC.*

BUDGET OVERVIEW

The capital budget includes acquisition, development, construction, and improvement of fixed public assets.

CAPITAL FACILITIES BUDGET

Capital developments include any of the following: 1) a re-modeling, site, or utility project costing $1,500,000 or more; 2) a new facility with a construction cost of $250,000 or more; or 3) a purchase of real property where an appropriation is requested to fund the purchase.

Capital improvements are major remodeling, alterations, replacement, repairs, or improvements of fixed capital assets costing less than $1,500,000. State law requires annual capital improvement funding to be at least 1.1 percent of the estimated replacement cost of all state facilities. If an operating deficit exists then the requirement for annual capital improvement funding is 0.9 percent of the estimated replacement cost of all state facilities. For FY 2005, this amount is $53,750,000 at 1.1 percent and $43,977,000 at 0.9 percent. The Utah State Building Board allocates capital improvement funds to priority projects.

DEBT SERVICE BUDGET

The Utah Constitution Article XIV, Section 1 limits general obligation debt to 1.5 percent of the total fair market value of taxable property. As of December 1, 2003, the state's total outstanding general obligation debt is $1,596,480,100 which is below the constitutional debt limit by $965,159,000.

Section 63-38c-402, UCA, 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. Considering $984,062,900 of transportation bonds are exempt from this limit, the state's net outstanding general obligation debt is below the appropriation debt limit by $248,734,700.

Because of the state's sound debt administration, the state continues to enjoy a triple "A" rating on general obligation bonds from Moody's Investors Service, Standard and Poor's Corporation, and Fitch Ratings; and a double "A" rating on revenue bonds from Moody's Investors Service and Standard and Poor's Corporation. These are the highest credit ratings available and save the state millions of dollars of interest on general obligation and revenue bonds.

GOVERNOR'S RECOMMENDATIONS

Governor Walker recommends a total FY 2005 capital budget of $407,827,400 and debt service budget of $269,328,900. Please see the capital facilities table that follows for the list of the projects recommended by the governor.

Department of Administrative Services Capital Facility Projects Budget

General Fund/School Funds

- Recommend a $1,851,700 ongoing General Fund reduction to the Department of Administrative Service's (DAS) capital budget for capital development projects. Funding for capital development projects will come from one-time funds or from issuing bonds.

- Recommend capital improvement funding at 0.9 percent of the estimated replacement cost of all state facilities.

Other Funds

- Recommend general obligation bonds of $61,203,000. This includes $50,000,000 of the $185,000,000 needed to complete the restoration of the Capitol. The remaining $11,203,000 is to purchase the Oxbow Jail and neighboring

homes and to perform a limited amount of remodeling to convert the jail to a 550 bed women's prison. The purchase is conditional upon support of the government and the community of the city of South Salt Lake.

- Recommend State Building Ownership Authority (SBOA) revenue bonds of $16,859,000 for capital facility projects. Please see the capital table that follows for a list of the projects recommended by the governor.

Transportation Capital Budget

General Fund

- To restore the integrity of the General Fund, the governor recommends eliminating the ongoing appropriation to the Centennial Highway Fund of $59,594,700 offset by a one-time increase of $15,000,000.

Other Funds

- Recommends issuing $102,000,000 of general obligation bonds for the Centennial Highway Fund.

Debt Service Budget

General Fund/School Funds

- Recommend a $4,887,900 one-time and a $1,530,600 FY 2004 supplemental state funds increase to the debt service budget. The increase is due to additional bonds authorized during the 2003 General Session.

Other Funds

- Recommend a $27,646,300 ongoing and $1,796,800 FY 2004 supplemental Centennial Highway Fund (CHF) increase to the debt service budget. The increase is from additional principal payments being made on outstanding CHF bonds.

- Recommend a $2,190,300 ongoing and $2,220,700 FY 2004 supplemental increase from the Public Transportation System Tax Highway Fund to the debt service budget. The increase is due to additional bonds authorized during the 2003 General Session for Salt Lake County projects.

CAPITAL BUDGET

All Sources of Funding

				Governor Walker's Recommendations				
	Actual FY 2003	Authorized FY 2004	Supple-mentals	Recommended FY 2004	Base FY 2005	Ongoing and One-time Adj.	Total FY 2005	FY 2005 Bond
Plan of Financing								
General Fund	$97,547,900	$85,455,900	$0	$85,455,900	$89,655,900	($46,446,400)	$43,209,500	$0
School Funds	33,258,000	44,788,900	0	44,788,900	44,288,900	0	44,288,900	0
Transportation Fund	229,556,100	234,595,700	2,221,700	236,817,400	221,518,900	10,633,000	232,151,900	0
Federal Funds	230,647,300	157,234,700	0	157,234,700	156,384,700	11,719,000	168,103,700	0
Dedicated Credits	11,895,900	7,097,000	0	7,097,000	1,575,000	0	1,575,000	0
Mineral Lease	20,767,800	17,871,000	177,900	18,048,900	18,048,900	0	18,048,900	0
Restricted and Trust Funds	58,195,800	47,174,000	1,000,000	48,174,000	23,602,000	3,801,000	27,403,000	0
FY 2005 G.O. Bond	0	0	0	0	0	0	0	163,203,000
FY 2005 Revenue Bond	0	0	0	0	0	0	0	16,859,000
Transfers	91,001,600	(99,307,200)	(1,796,800)	(101,104,000)	(99,307,200)	(27,646,300)	(126,953,500)	0
Other Funds	56,600	0	0	0	0	0	0	0
Beginning Balances	15,104,900	13,995,900	0	13,995,900	0	0	0	0
Closing Balances	(13,995,900)	0	0	0	0	0	0	0
Lapsing Funds	(35,259,900)	0	0	0	0	0	0	0
Total Financing	**$738,776,100**	**$508,905,900**	**$1,602,800**	**$510,508,700**	**$455,767,100**	**($47,939,700)**	**$407,827,400**	**$180,062,000**
Departments								
Administrative Services	$49,107,000	$44,584,700	$0	$44,584,700	$44,584,700	$13,912,300	$58,497,000	$78,062,000
Econ. Dev./Human Res.	2,024,900	1,550,300	177,900	1,728,200	1,728,200	0	1,728,200	0
Natural Resources	26,892,800	21,899,000	1,000,000	22,899,000	8,660,200	1,000,000	9,660,200	0
Public Education	28,358,000	27,788,900	0	27,788,900	27,288,900	0	27,288,900	0
Transportation	632,393,400	413,083,000	424,900	413,507,900	373,505,100	(62,852,000)	310,653,100	102,000,000
Total Budget	**$738,776,100**	**$508,905,900**	**$1,602,800**	**$510,508,700**	**$455,767,100**	**($47,939,700)**	**$407,827,400**	**$180,062,000**
% Change from Authorized FY 2004 to Total FY 2005							**(19.9%)**	

This table shows summary capital project costs from all departments and includes roads, General Fund appropriations to loan programs, state parks improvements, the Public Education capital outlay program, and economic development. The table on the following page shows only facility related projects including the cost of each facility development or acquisition. For more detail on other type projects, refer to the capital tables in the individual department sections.

CAPITAL FACILITIES BUDGET - FY 2005 Governor Walker's Recommendations

All Sources of Funding

	General Fund	School Fund	Trans-portation	Federal Funds	Restricted/ Trust	Total Appropriated	Donations / Private	GO Bonds	SBOA Revenue Bonds	Total Project		
CAPITAL FACILITY PROJECTS												
Administrative Services												
1 Statewide capital improvements	$25,733,000	$17,000,000	$1,244,000	$0	$0	$43,977,000	$0	$0	$0	$43,977,000		1
2 CPB - Capitol restoration	0	0	0	0	0	0	0	50,000,000	0	50,000,000		2
3 Corrections - Oxbow Jail - 550 beds	0	0	0	0	0	0	0	11,203,000	0	11,203,000	(a)	3
4 DFCM - Ogden regional center	0	0	0	0	0	0	0	0	8,914,000	8,914,000		4
5 DABC - replace N. Ogden store	0	0	0	0	0	0	0	0	1,430,000	1,430,000		5
6 DABC - replace Mt. Olympus store	0	0	0	0	0	0	0	0	1,950,000	1,950,000		6
7 DABC - new Park City store	0	0	0	0	0	0	0	0	2,830,000	2,830,000		7
8 DABC - replace Ogden store	0	0	0	0	0	0	0	0	1,160,000	1,160,000		8
9 DABC - expand Provo store	0	0	0	0	0	0	0	0	575,000	575,000		9
10 Nat. Grd. - TASS barracks	0	0	0	11,719,000	0	11,719,000	0	0	0	11,719,000		10
11 DWS - Logan employment center	0	0	0	0	2,801,000	2,801,000	0	0	0	2,801,000	(b)	11
Total Administrative Services	**25,733,000**	**17,000,000**	**1,244,000**	**11,719,000**	**2,801,000**	**58,497,000**	**0**	**61,203,000**	**16,859,000**	**136,559,000**		
Higher Education												
12 UofU - Dept. of Chemistry Gauss Haus	0	0	0	0	0	0	7,600,000	0	0	7,600,000	(c)	12
13 UofU - Health Academic facility	0	0	0	0	0	0	15,000,000	0	0	15,000,000	(d)	13
14 UofU - Geology & Geophysics building	0	0	0	0	0	0	21,400,000	0	0	21,400,000	(e)	14
15 USU - living/learning community	0	0	0	0	0	0	35,500,000	0	0	35,500,000	(f)	15
16 USU - child care facility	0	0	0	0	0	0	2,000,000	0	0	2,000,000	(g)	16
17 Davis ATC - entrepreneurial building	0	0	0	0	0	0	1,835,000	0	0	1,835,000	(e)	17
Total Higher Education	**0**	**0**	**0**	**0**	**0**	**0**	**83,335,000**	**0**	**0**	**83,335,000**		
Transportation												
18 Vernal maintenance complex	0	0	2,473,000	0	0	2,473,000	0	0	0	2,473,000		18
19 Heber maintenance complex	0	0	1,916,000	0	0	1,916,000	0	0	0	1,916,000		19
Total Transportation	**0**	**0**	**4,389,000**	**0**	**0**	**4,389,000**	**0**	**0**	**0**	**4,389,000**		
TOTAL CAP. FACILITY PROJECTS	**$25,733,000**	**$17,000,000**	**$5,633,000**	**$11,719,000**	**$2,801,000**	**$62,886,000**	**$83,335,000**	**$61,203,000**	**$16,859,000**	**$224,283,000**		

(a) The bond amount includes $7,000,000 to purchase Oxbow Jail, $3,474,000 for improvements, and $729,000 to purchase additional property around the jail.

(b) Special Administrative Expense Fund

(c) Federal funds and university research funds. Scope increase of $1,500,000 over a prior year authorization.

(d) Private donations and institutional funds.

(e) Private donations.

(f) Board of Regents revenue bonds.

(g) Federal grants and private donations.

DEBT SERVICE

All Sources of Funding

Plan of Financing	Actual FY 2003	Authorized FY 2004	Governor Walker's Recommendations: Supplementals	Recommended FY 2004	Base FY 2005	Ongoing and One-time Adj.	Total FY 2005
General Fund	$54,833,700	$56,833,700	$0	$56,833,700	$56,833,700	$921,000	$57,754,700
School Funds	11,466,700	17,164,300	1,530,600	18,694,900	17,164,300	3,966,900	21,131,200
Dedicated Credits	26,227,500	30,392,900	0	30,392,900	63,802,500	(921,000)	62,881,500
Restricted and Trust Funds	84,618,200	97,724,900	4,017,500	101,742,400	97,724,900	29,836,600	127,561,500
Transfers	4,997,000	0	0	0	0	0	0
Beginning Balances	22,882,100	16,004,400	0	16,004,400	7,126,000	0	7,126,000
Closing Balances	(16,004,400)	(7,126,000)	0	(7,126,000)	(7,126,000)	0	(7,126,000)
Total Financing	**$189,020,800**	**$210,994,200**	**$5,548,100**	**$216,542,300**	**$235,525,400**	**$33,803,500**	**$269,328,900**
Programs							
Debt Service							
G.O. Bond Principal	$97,550,000	$111,810,000	$0	$111,810,000	$111,810,000	$24,475,000	$136,285,000
G.O. Bond Interest	61,567,200	68,237,600	5,783,800	74,021,400	59,360,200	9,563,200	68,923,400
G.O. Bond Fees	2,489,200	330,700	(235,700)	95,000	329,700	(234,700)	95,000
Revenue Bond Principal	12,103,300	12,688,300	0	12,688,300	40,999,600	0	40,999,600
Revenue Bond Interest	15,144,900	17,752,800	0	17,752,800	22,851,100	0	22,851,100
Revenue Bond Fees	166,200	174,800	0	174,800	174,800	0	174,800
Total Budget	**$189,020,800**	**$210,994,200**	**$5,548,100**	**$216,542,300**	**$235,525,400**	**$33,803,500**	**$269,328,900**
% Change from Authorized FY 2004 to Total FY 2005							**27.6%**

GENERAL OBLIGATION BONDS OUTSTANDING

As of December 1, 2003

Bond Series or Bond Authorization	Original Amount	Final Maturity Date	Outstanding Principal as of 1-Dec-03	Amount Exempt From Statutory Debt Limit	Unissued Bond Authorizations [a]
Capital Facility Projects					
1999E Series	$38,000,000	July 1, 2004	$38,000,000		
2001A Series	15,000,000	July 1, 2004	15,000,000		
2001B Series	13,750,000	July 1, 2005	13,750,000		
2002A Series	129,640,000	July 1, 2007	129,640,000		
2003A Series	138,020,000	July 1, 2010	138,020,000		
2002 Authorization HB 252 (Adair) - U of U and USU engineering buildings					$21,250,000
2003 Authorization SB 2 (Evans B.) - various projects					7,318,500
Capital Facility Projects Subtotal			**$334,410,000**	**$0**	
Highway Projects					
1997E Series	$135,000,000	July 1, 2007	$34,950,000	$34,950,000	
1997F Series	205,000,000	July 1, 2007	64,300,000	64,300,000	
1998A Series	210,000,000	July 1, 2008	84,075,000	84,075,000	
2001B Series (Refunding - $208M)	334,250,000	July 1, 2014	334,250,000	334,250,000	
2002A Series	151,560,000	July 1, 2015	137,400,000		
2002B Series (Refunding)	253,100,000	July 1, 2012	253,100,000	253,100,000	
2003A Series (Refunding $128.7M)	95,285,000	July 1, 2016	269,385,000	174,100,000	
2000 Authorization SB 273 (Steele) - Interstate 80 interchange at 5600 West					6,000,000 [b]
2003 Authorization HB 260 (Harper) - Salt Lake County 1/4 of 0.25 percent					26,398,200 [b]
Highway Projects Subtotal			**$1,177,460,000**	**$944,775,000**	
Total General Obligation Bonds Outstanding			**$1,511,870,000**	**$944,775,000**	
Plus Unamortized Premiums			**97,836,100**	**52,513,900**	
Less Deferred Amount on Refunding			**(13,226,000)**	**(13,226,000)**	
Total General Obligation Bonds Payable			**$1,596,480,100**	**$984,062,900**	
Debt Per Capita [c]			**$669**		

(a) Bonds authorized but not yet issued.

(b) These bond authorizations are exempt from statutory debt limit calculations.

(c) Based on 2003 population estimate of 2,385,358.

Constitutional Debt Limit, Utah Constitution Article XIV, Section 1

Total Fair Market Value (FMV) of Taxable Property	$ 170,775,938,393
Constitutional Debt Limit (1.5%)	$ 2,561,639,100
Less: Outstanding General Obligation Debt	(1,596,480,100)
Additional Constitutional Debt Incurring Capacity of the State	$ 965,159,000

Limits general obligation debt to 1.5 percent of the total FMV of taxable property. The FMV of taxable property is based on the Utah Property Tax 2002 Annual Statistical Report

State Appropriations and Tax Limitation Statutory Debt Limit, Title 63, Chapter 38c, Section 402

Fiscal Year Ending June 30, 2004 Appropriation Limit	$ 4,305,759,400
Statutory General Obligation Debt Limit (20%)	$ 861,151,900
Less: Outstanding General Obligation Debt	(1,596,480,100)
Plus: Statutorily Exempt General Obligation Highway Bonds	984,062,900
Remaining Statutory G.O. Debt Incurring Capacity	$ 248,734,700

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.

STATE BUILDING OWNERSHIP AUTHORITY REVENUE BONDS OUTSTANDING

As of December 1, 2003

Bond Series or Bond Authorization	Original Amount	Final Maturity Date	Outstanding Principal as of 1-Dec-03	Amount Exempt From Statutory Debt Limit	Unissued Bond Authorizations [a]
1992AB Series	$27,580,000	August 15, 2011	$15,190,000		
1993A Series	6,230,000	January 1, 2013	3,965,000		
1993B Series	8,160,000	January 1, 2014	5,430,000		
1994A Series	30,915,000	May 15, 2005	3,700,000		
1995A Series	93,000,000	May 15, 2007	15,435,000		
1996AB Series	61,600,000	May 15, 2013	20,005,000		
1997A Series	4,150,000	May 15, 2018	3,510,000		
1998A Series	25,710,000	May 15, 2020	16,565,000	$3,795,000	
1998B Series	23,091,500	May 15, 2005	28,978,000		
1998C Series (Refunding)	105,100,000	May 15, 2019	104,910,000		
1999A Series	9,455,000	May 15, 2021	8,835,000		
2001A Series	69,850,000	May 15, 2021	69,850,000		
2001B Series	25,780,000	May 15, 2024	25,750,000		
2001C Series	30,300,000	May 15, 2022	30,300,000		
1999 Authorization SB 2 (Evans B.) - Human Services Brigham City office					$2,510,000
2000 Authorization SB 235 (Suazo) - State Fair Park multipurpose building					10,500,000
2002 Authorization HB 2 (Adair) - DABC Tooele liquor store					1,836,000
2003 Authorization SB 2 (Evans B.) - various projects					15,341,000
Total State Building Ownership Authority Revenue Bonds Outstanding			**$352,423,000**	**$3,795,000**	
Plus Unamortized Premiums			**3,337,700**	**0**	
Total State Building Ownership Authority Revenue Bonds Payable			**$355,760,700**	**$3,795,000**	
Debt Per Capita[b]			**$149**		

(a) Bonds authorized but not yet issued.

(b) Based on 2003 population estimate of 2,385,358.

State Building Ownership Authority (SBOA) Statutory Debt Limit, Title 63B, Chapter 1, Section 306

Total Fair Market Value (FMV) of Taxable Property	$ 170,775,938,393
Statutory Debt Limit (1.5%)	$ 2,561,639,100
Less: General Obligation Debt	(1,596,480,100)
Less: SBOA Lease Revenue Bonds	(355,760,700)
Plus: Statutorily Exempt General Obligation Highway Bonds	984,062,900
Plus: Statutorily Exempt SBOA Lease Revenue Bonds	3,795,000
SBOA's Additional Debt Incurring Capacity	$ 1,597,256,200

Limits general obligation and SBOA debt to 1.5 percent of the total FMV of taxable property. The FMV of taxable property is based on the Utah Property Tax 2002 Annual Statistical Report.