



# Budget Implementation Report

GOPB Report to the Legislature  
November 18th, 2009

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This report is in response to a request from the Legislature for an in-depth budget review as per UCA 63J-1-701. The Legislature requested an in-depth study of how state entities implemented the FY 2009 and FY 2010 budget reductions and the effect of losing one-time backfill in FY 2011. For the purposes of this report, the term “backfill” applies to any money that was appropriated to a state entity for the purpose of minimizing the impact of budget cuts. One-time appropriations to an ongoing program were not counted as backfill, unless that one-time source was ARRA, since the program did not necessarily receive a base budget cut and funding would revert to its original ongoing funding source in FY 2011.

This report identifies the amount of General/Education Funds reduced from state entities, the amount of money appropriated to the entities for the purposes of mitigating the reductions in FY 2010, and the agencies’ FY 2011 backfill requests. Innovative ways that agencies have reduced their budgets, and in many cases, maintained services for the public are highlighted. This report also describes critical areas where backfill has been requested. The Governor’s plan on how to mitigate programmatic cuts in critical areas for FY 2011 will be forthcoming in the Governor’s Budget Recommendation which will be released in December of this year.

The report is organized into an executive summary, a statewide overview, descriptions of critical areas and reasons for FY 2010 backfill, best practices exhibited by agencies, and summaries for each agency. The appendix includes, listed by subcommittee, narratives and a comprehensive list of budget reductions and one-time backfills submitted by the agencies and edited by GOPB.

## Executive Summary

In response to the economic downturn experienced in Utah, both the Legislature and the Governor approved budget reductions in the 2008 Second Special Session. The economic outlook and, therefore, revenue forecasts continued to decline and additional reductions were made in the 2009 General Session. In February 2009, the federal government passed H.R. 1, the American Recovery and Reinvestment Act of 2009 (ARRA) and Utah was able to offset a portion of the total reductions through appropriation of these one-time funds.

The ongoing General and Education Fund cuts impacting the FY 2011 base totaled \$824,686,600. Of that amount, the Legislature appropriated \$465,325,800 in one-time backfill in FY 2010. The backfill appropriations were spread between General/Education funds and federal funds. Agencies have managed these reductions through a variety of means and in many cases have found innovative ways to keep programs functioning at an appropriate level of quality and service.

To date, the cuts have resulted in a reduction of 1990.7 FTE positions. Agencies have identified another 941.7 FTE positions that will be lost as a result of elimination of one-time funding if no additional backfill is provided in FY 2011. With no new backfill, higher education could see the highest loss of FTE positions, estimated to be 1,590 FTE positions between FY 2009 and FY 2011. While the FTE reductions for FY 2011 are not as severe in Health and Human Services, these are areas where FY 2011 funding is particularly critical.



## Statewide Overview

Agencies, excluding higher and public education, received General and Education Fund budget reductions in FY 2009 and FY 2010 totaling \$190,554,000 with a reduction in 899.7 FTE positions. These cuts were backfilled with \$67,533,900 of General and Education Fund or 35 percent of the cut in FY 2010 (see Figure 1).

Of the backfill received, 61 percent of General and Education Fund backfill or \$40,961,400 has been requested for the FY 2011 budget year. Of the 22 agencies with backfill in FY 2010, 13 are requesting backfill in FY 2011.

Agencies have reported that without additional backfill money in FY 2011, additional FTE reductions are inevitable. They have estimated that these FTE reductions could total approximately 148.7. The highest cut would be seen in Juvenile Justice Services, where they anticipate an additional 57 FTE positions will be lost in FY 2011 without backfill funding.

Higher and Public Education received budget reductions in FY 2009 and FY 2010 totaling \$634,132,600. They received General, Educational, and Federal Funds one-time backfill of \$361,014,100 or 57 percent of the cut (see Figure 2).

Of these backfill funds received for higher and public education, nearly 100 percent of General and Education Fund backfill or \$360,527,000 is requested for the FY 2011 budget year. Of the 5 agencies with backfill in FY 2010, all but Utah State Office of Rehabilitation and the Medical Education Council are requesting backfill in FY 2011.

The institutions of public and higher education have reported that additional FTE reductions would occur without additional backfill money in FY 2011. They have estimated that FTE reductions could be as high as 793 of which as many as 726 faculty and staff positions lost in colleges and universities, including UCAT.

If the 2011 FTE reductions are added to the reductions instituted to date by educational institutions and state agencies, total FTE reductions could near 3,000 as a result of the budget cuts.

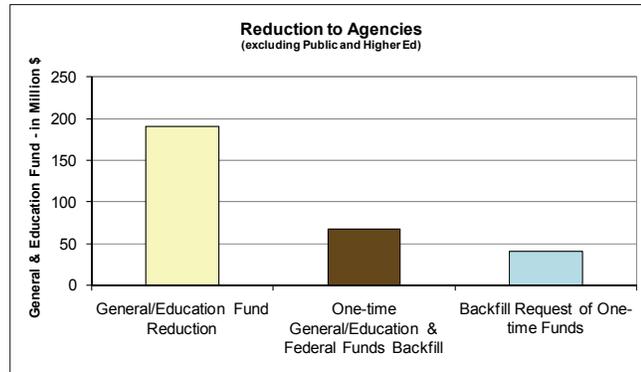


Figure 1. Reduction to Agencies. All state agencies are included in these figures except those that are related to higher and public education.

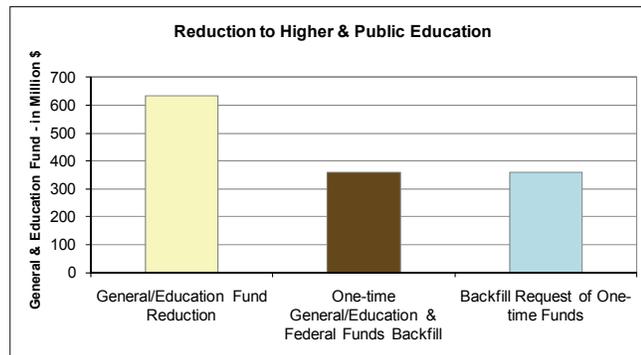
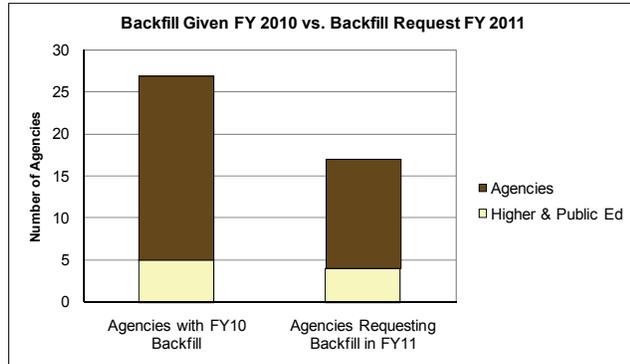


Figure 2. Reduction to Higher & Public Education. Included in these figures are those entities reporting to the higher education and public education subcommittees.



The Legislature appropriated one-time backfill for 27 state entities, including public and higher education, in FY 2010. Of these entities, 17 have requested some or all of restoration of the backfill for FY 2011 (see Figure 3). This figure shows the total count of the agencies and Higher/Public Educations who have received General/Education Fund backfill and the number of requests that have been received for the FY 2011 budget.

Not only is the number of agencies requesting backfill in FY 2011 smaller than those receiving backfill in FY 2010, the amount of backfill they are requesting is less than the backfill received in FY 2010.



**Figure 3.** Count of agencies receiving backfill in FY 2010 vs. FY 2011 requests

This is a time where demand for public services is growing to record levels. Many agencies such as Workforce Services, public education, and higher education are seeing record levels of demand. The impacts of these budget reductions are especially felt in areas where agencies are being asked not to maintain the same levels of service with lower revenue, but actually to increase services with lower revenue. Many agencies are being asked by the Legislature, the Governor, and the public to effectually do more with less.

Figure 4 on the following page illustrates the budget reductions, backfill amounts received in FY 2010, the FTE impacts of budget reductions, and the backfill requests for FY 2011. The FY 2011 backfill numbers presented in this figure are requests from agencies for continuation of programs that were previously backfilled in FY 2010. New programs or requests for restorations above FY 2010 levels are not included in this number. This figure is a summary of the information provided by the agencies which can be found in the appendix of this report.



## Statewide

### FY 2010 Operating Budget Reductions and One-time Addbacks

Agency	Funding Source			Reduction in FTE (YTD) <sup>(a)</sup>	Reduction in FTE 2011	2011 Backfill Request <sup>(b)</sup>
	General/ Education Fund	One-time General/ Education Fund	Federal Funds			
<b>Capital Facilities and Government Operations</b>						
Administrative Services	(12,607,700)	6,715,200	-	17.0	2.0	6,580,000
DHRM	(699,800)	80,000	-	1.0	-	-
CSRB	(12,200)	-	-	-	-	-
Capitol Preservation Board	(729,100)	466,400	-	1.0	7.0	445,700
Technology Services	(415,100)	148,600	-	2.0	-	148,600
<b>Commerce and Workforce Services</b>						
Alcoholic Beverage Control	-	-	-	-	-	-
Commerce	(175,000)	-	-	11.0	-	-
Financial Institutions	-	-	-	4.0	-	-
Insurance	(3,443,100)	230,000	-	4.0	8.0	230,000
Labor	(1,147,700)	-	-	5.0	-	-
Workforce Services	(8,908,300)	3,200,000	-	108.0	-	-
USOR	(4,270,000)	-	-	8.0	-	-
<b>Economic Development and Revenue</b>						
Community and Culture	(4,593,200)	1,207,000	-	10.5	1.5	85,000
GOED	(2,894,300)	533,500	-	4.5	-	-
USTAR	(4,118,800)	-	3,000,000	8.0	-	-
Tax Commission	(3,056,000)	-	-	32.5	-	-
<b>Executive Offices and Criminal Justice</b>						
Governor's Office/CCJJ	(1,385,700)	879,200	-	3.0	-	-
State Auditor's Office	(670,000)	427,100	-	5.0	-	-
Treasurer	(178,700)	115,500	-	-	-	-
Attorney General	(4,680,700)	2,835,900	-	26.0	24.0	2,835,900
Corrections	(15,711,700)	948,000	-	142.0	11.0	948,000
Public Safety	(7,798,400)	-	-	57.0	-	-
Board of Pardons and Parole	(86,900)	-	-	1.2	-	-
Courts	(6,173,600)	55,000	-	64.5	19.0	55,000
Juvenile Justice Services	(11,890,600)	4,829,200	-	59.0	57.0	4,529,200
<b>Health and Human Services</b>						
Health	(50,522,300)	32,228,000	33,777,800	35.0	12.0	31,113,200
Human Services	(33,769,400)	10,989,300	-	212.0	-	7,122,400
<b>Higher Education</b>						
Higher Education	(130,182,900)	61,156,600	-	940.0	650.0	61,156,600
UCAT	(9,868,000)	4,735,500	-	91.0	76.0	4,592,700
Utah Education Network	(3,790,700)	1,540,700	-	12.0	3.0	1,253,900
Medical Education Council	(120,600)	57,500	-	1.0	-	-
<b>Natural Resources</b>						
Natural Resources	(7,583,200)	473,600	-	53.5	6.8	369,000
Agriculture and Food	(2,390,600)	98,000	-	16.0	-	-
State Fair	(119,100)	63,500	-	2.0	0.4	63,500
PLPCO	(403,000)	-	-	-	-	-
<b>Public Education</b>						
Public Education	(475,025,100)	180,729,600	112,794,200	12.0	64.0	293,523,800
USDB	(2,708,200)	-	-	27.0	-	-
USOE	(8,167,100)	-	-	-	-	-
<b>Transportation, Environmental Quality, and National Guard</b>						
Environmental Quality	(3,172,000)	-	-	12.0	-	-
National Guard	(1,001,400)	858,500	-	3.0	-	588,400
Veterans' Affairs	(216,400)	152,400	-	-	-	150,000
<b>Total</b>	<b>\$ (824,686,600)</b>	<b>\$ 315,753,800</b>	<b>\$ 149,572,000</b>	<b>1,990.7</b>	<b>941.7</b>	<b>\$ 415,790,900</b>

Figure 4. Statewide ongoing reductions with one-time backfill.

(a) Reduction in FTE's are current total of lost positions through eliminated positions, attrition, reduction in force.

(b) FY 2011 Backfill Request shows the total of backfill and restoration requests from agency.



## Critical Areas in FY 2011

**Public Education** estimates that without replacement dollars in FY 2011, school districts and charter schools will have significant impacts greater than those already absorbed in FY 2010. Preliminary school survey data indicate class size has increased by 3.6 on average in elementary and .5 in secondary schools. Public education categorized budget reduction strategies as personnel reductions (see Figure 5) and other reductions (see Figure 6). In FY 2011 without backfill, class sizes will continue to increase, personnel will be reduced impacting classrooms, and significant program reductions will be made. Even with replacement of backfill dollars in FY 2011, there are other budget challenges including an estimated 2 percent growth in new students, or an increase of 11,044.

**Higher Education** estimates that approximately 100 FTE positions would be lost for every additional one percent reduction in their budget. The schools realized a cut of approximately 8.5 percent in FY 2010. Without backfill dollars, that cut grows to approximately 16.5 percent. This impact could result in a “soft cap” meaning that access would be limited simply because there are not enough course offerings.

**Health** received over \$96 million of federal ARRA funds for FY 2010. Most of this money was used to mitigate budget reductions to other agencies by replacing General Fund appropriations one-time with federal money; therefore, this General Fund replacement automatically reverts back to the Department of Health in FY 2011. A small portion of these federal dollars were used to fund Medicaid caseload increases and partial backfill for reductions to Medicaid provider reimbursement rates. If these areas do not receive additional replacement funding, provider reimbursement rates will be further reduced. This will limit access to healthcare for Medicaid recipients, and Medicaid caseload growth will go unfunded. Lack of funding for caseload growth and provider rates that are too low places Utah’s federal match rate in jeopardy due to possible violations of federal requirements.

**Human Services’** backfill funded programs in mental health, nursing home alternatives, adult protective services, substance abuse treatment and local senior centers. Without backfill funding in FY 2011, impact would be felt by both clients and the local providers of those services.

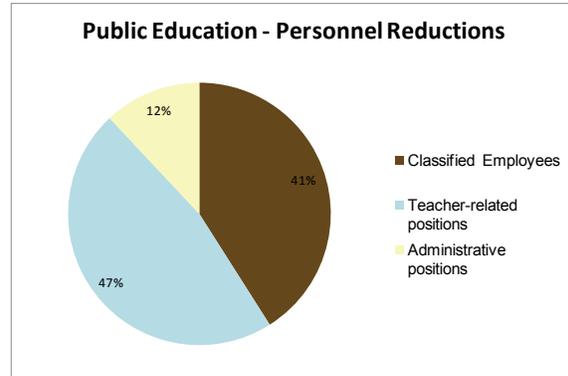


Figure 5. Public Education Personnel Reduction Distribution

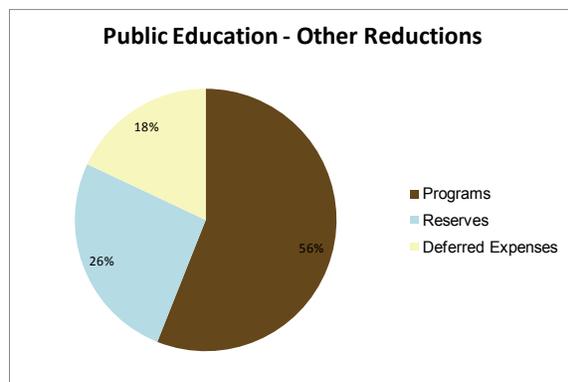


Figure 6. Public Education Other Reduction Distribution



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## **Best Practices**

Agencies were successful in finding innovative ways to implement the budget reductions in FY 2010. The following are the “best practices” that show the ability of the agencies to find efficient and more optimal ways of delivering services. We expect these types of process innovations to continue in FY 2011 and beyond.

### *Balanced Scorecard*

Internally monitoring programs as an agency is vital to successful management and helpful to express value to stakeholders. When the budget reductions process was initialized in the September Special Session of 2008 and in the General Session of 2009, many agencies were able to define what programs needed further scrutiny and could be eliminated using Balanced Scorecard metrics.

#### Example:

Governor's Office of Economic Development—2 Programs (Technology Parks and Talent Access Program) were reviewed and after careful consideration were eliminated realizing \$333,900 in savings to the General Fund.

### *Centralization*

Some agencies have realized administrative efficiencies through centralizing certain operations or functions.

#### Example:

Workforce Services—In an effort to meet targeted budget reductions and in an ongoing effort to implement innovations in work design, manage more efficiently, and improve how services are delivered to customers, the Department of Workforce Services has centralized all eligibility functions into one statewide Eligibility Services Division (ESD). Prior to the reorganization, each region performed its own eligibility services, each with different team approaches and methods. The new division uses consistent and standardized eligibility processes throughout the State and facilitates an easier transition to the new eREP system.

The result of centralizing eligibility services has been a statewide increase in customer service, a reduction in staff of 97 FTE due to streamlining, and reduced General Fund by about \$1.6 million.

### *Utilizing Technology Solutions*

By using technology to maintain a constant level of service, ongoing costs can be more often replaced with upfront cost and lower ongoing costs.

#### Example:

Courts—Record meetings that would otherwise require a court reporter creating a transcript. Courts are recording and using outside transcription services when requested.

The impact of recording the meetings and transcribing only those recordings that are requested has allowed the courts to reduce 18 FTE positions and \$1,150,000 General Fund.



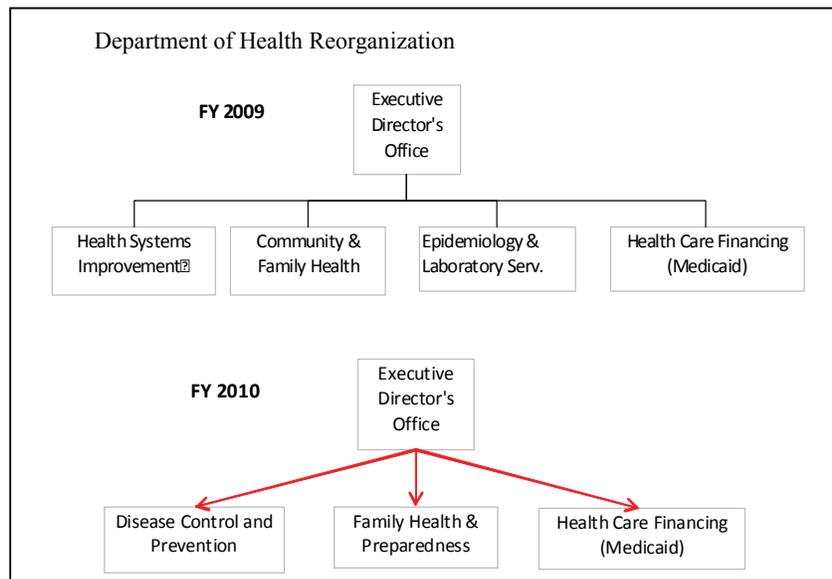
## Best Practices—continued

### *Early Retirement*

In many cases, budget reductions involved proactively reducing the amount of administration by utilizing incentives for early retirement and not replacing the employee. By not replacing an employee, consolidation occurred, resulting in savings to the agency and would not reduce the number of services offered.

Examples:

Department of Health— Realized \$404,000 in savings without cutting any services by early retirement of high-level administrative positions and restructured to align services.



**Figure 7.** Department of Health Reorganization. This figure shows the organizational structure of the Department of Health in FY 2009, before the reorganization, and in FY 2010, after the reorganization.

Department of Corrections—Realized savings and maintained a safe prison environment by keeping the staff line at current levels and reducing the number of high level prison administrators through one-time retirement incentives.



## **Agency Summaries**

The following is a summary of each agency, listed by subcommittee, of the budget reductions taken. The data is presented as real dollar amounts and percentages of General/Education Fund. The backfill amounts, both as real dollars and percentages of the cut, are also presented. The FTE reductions year-to-date are given. The amount of backfill requested for FY 2011 is included and compared to the amount of backfill received in FY 2010. Any additional FTE reductions that would be realized as a result of no backfill given for FY 2011 are included. The narrative paragraph describes the budget cut impact to date and the impact to the agency of backfill in not provided in FY 2011.

## **Capital Facilities and Government Operations**

### **Department of Administrative Services (Includes Jail Reimbursement)**

- \$12,607,700 cut in FY 2009 – FY 2010
- 76% cut in FY 2009 – FY 2010 or 21% cut without Jail Reimbursement
- \$6,715,200 (or 53% of cut) Backfill amount in FY 2010
- 17 FTE reductions in FY 2009 - 2010
- \$6,580,000 (or 98% of backfill) Backfill amount requested for FY 2011
- 2 FTE reductions in FY 2011 if backfill is not restored

In FY 2010, Archives received \$80,000 in backfill to prevent the loss of two State Records Center FTEs. In order to get to the FY 2011 base, Archives will have to lose two FTEs. A core service will be lost and the Records Center will be restricted to services by an appointment only basis. In addition, the Jail Reimbursement Program was moved from the Department of Corrections to the Department of Administrative Services during the 2009 Legislative Session. In FY 2010, the Jail Reimbursement Program received \$6,500,000 in backfill. The impact of no additional backfill for FY 2011 will be felt in county budgets and may affect state sentencing policies.

### **Department of Human Resource Management**

- \$699,800 cut in FY 2009 – FY 2010
- 18% cut in FY 2009 – FY 2010
- \$80,000 (or 11% of cut) Backfill amount in FY 2010
- 1 FTE reduction in FY 2009 - 2010
- \$0 (or 0% of backfill) Backfill amount requested for FY 2011
- 0 FTE reductions in FY 2011 if backfill is not restored

Position reductions in FY 2009 and FY 2010 have increased the workload for the remaining staff. The elimination of the one-time backfill in FY 2010 will not affect the FY 2011 base because the backfill was used to fund projects from start to completion in FY 2010.



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### **Career Service Review Board**

- \$12,200 cut in FY 2009 – FY 2010
- 5% cut in FY 2009 – FY 2010
- \$0 (or 0% of cut) Backfill amount in FY 2010
- 0 FTE reductions in FY 2009 - 2010
- \$0 (or 0% of backfill) Backfill amount requested for FY 2011
- 0 FTE reductions in FY 2011 if backfill is not restored

Due to cuts in FY 2009 and FY 2010 there will continue to be no training for Hearing Officers or the Career Service Review Board Administrator. In addition, the change in transcript productions costs will continue to be paid entirely by the appealing party instead of being split equally between the Career Service Review Board and the appealing party. Agency is currently operating at the FY 2011 base budget.

### **Capitol Preservation Board**

- \$729,100 cut in FY 2009 – FY 2010
- 18% cut in FY 2009 – FY 2010
- \$466,400 (or 64% of cut) Backfill amount in FY 2010
- 1 FTE reduction in FY 2009 - 2010
- \$445,700 (or 96% of backfill) Backfill amount requested for FY 2011
- Approximately 6.5-7.5 FTE reductions in FY 2011 if backfill is not restored

In order to get to the FY 2011 base, there will be further reductions in staff, custodial services, and maintenance of the building grounds and systems. If the \$445,700 is not provided, approximately 6.5-7.5 FTEs will be cut from the DFCM maintenance and grounds, which may detrimentally affect the ability of staff to meet the safety and maintenance requirements for The State Capitol, its facilities and grounds.

### **Technology Services**

- \$415,100 cut in FY 2009 – FY 2010
- 18% cut in FY 2009 – FY 2010
- \$148,600 (or 36% of cut) Backfill amount in FY 2010
- 2 FTE reductions in FY 2009 - 2010
- \$148,600 (or 100% of backfill) Backfill amount requested for FY 2011
- 0 FTE reductions in FY 2011 if backfill is not restored

The Department of Technology Services (DTS) is requesting a backfill for Omnilink, a fixed cost. Without this funding, services will need to be reduced, possibly affecting statewide interoperability for law enforcement. The FY 2010 cuts to DTS have forced them to find efficiencies and do more with less.



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## Commerce and Workforce Services

### **Workforce Services**

- \$8,908,300 cut in FY 2009 – FY 2010
- 14% cut in FY 2009 – FY 2010
- \$3,200,000 (or 36% of cut) Backfill amount in FY 2010
- 108 FTE reductions in FY 2009 - 2010
- \$0 (or 0% of backfill) Backfill amount requested for FY 2011
- 0 FTE reductions in FY 2011 if backfill is not restored

Workforce Services has centralized eligibility services to realize ongoing administrative efficiencies as well as maximized use of community partnerships and TANF funds. Some ARRA funding will be available to cover other programs such as Child Care while other programs such as the Z funds and (Working Towards Employment) WTE have been eliminated. General Assistance case management and length of time benefits have been reduced ongoing.

### **Insurance Department**

- \$3,443,100 cut in FY 2009 – FY 2010
- 19% cut in FY 2009 – FY 2010
- \$230,000 (or 6% of cut) Backfill amount in FY 2010
- 4 FTE reductions in FY 2009 - 2010
- \$230,000 (or 100% of backfill) Backfill amount requested for FY 2011
- 8 FTE reductions in FY 2011 if backfill is not restored

Insurance will have to implement a reduction in force of eight employee positions to get to the FY 2011 base. This will have an impact on the number of examinations and the timeliness of those examinations the Insurance Department can perform. In addition, Insurance will assess the Fraud, Captive, and Bail Bond dedicated credits to save one position.

### **Labor Commission**

- \$1,147,700 cut in FY 2009 – FY 2010
- 16% cut in FY 2009 – FY 2010
- \$0 (or 0% of cut) Backfill amount in FY 2010
- 5 FTE reductions in FY 2009 - 2010
- \$0 (or 0% of backfill) Backfill amount requested for FY 2011
- 0 FTE reductions in FY 2011 if backfill is not restored

The Labor Commission lost five positions through attrition and will continue to hold positions open until some funds are restored. For now, the Commission is able to cover its increased workload through reallocating funds and duties.



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## Economic Development and Revenue

### **Department of Community and Culture**

- \$4,593,200 cut in FY 2009 – FY 2010
- 19% cut in FY 2009 – FY 2010
- \$1,207,000 (or 26% of cut) Backfill amount in FY 2010
- 10.5 FTE reductions in FY 2009 - 2010
- \$85,000 (or 2% of backfill) Backfill amount requested for FY 2011
- 1.5 FTE reductions in FY 2011 if backfill is not restored

The agency received backfill limited to programs within Arts and Museums, Emergency Food Network, Earned Income Tax Credit and Huntsman Cancer Institute. Most of the FY 2011 budget implementation will impact pass-through funding for services and has a limited amount of positions tied to it. Backfill funding requested by the agency for FY 2011 is for positions related to Arts and Museums.

### **Governor's Office of Economic Development**

- \$2,894,300 cut in FY 2009 – FY 2010
- 18% cut in FY 2009 – FY 2010
- \$533,500 (or 18% of cut) Backfill amount in FY 2010
- 4.5 FTE reductions in FY 2009 - 2010
- \$0 (or 0% of backfill) Backfill amount requested for FY 2011
- 0 FTE reductions in FY 2011 if backfill is not restored

Backfill was given to Sports Commission, Manufacturing Extension Partnership, and Pete Suazo Utah Athletic Commission. The impact to these groups will be realized in the amount of services they will be able offer to clients as a result of implementing the FY 2011 budget. There are no personnel backfill requests.

### **USTAR**

- \$4,118,800 cut in FY 2009 – FY 2010
- 21% cut in FY 2009 – FY 2010
- \$0 (or 0% of cut) Backfill amount in FY 2010
- 8 FTE reductions in FY 2009 - 2010
- \$0 (or 0% of backfill) Backfill amount requested for FY 2011
- 0 FTE reductions in FY 2011 if backfill is not restored

USTAR's loss of two technology outreach centers and university research funding has been postponed due to available ARRA funds currently being used to support these functions. There will be no impact to the agency due to FY 2011 budget implementation.



## **Tax Commission**

- \$3,056,000 cut in FY 2009 – FY 2010
- 6% cut in FY 2009 – FY 2010
- \$0 (or 0% of cut) Backfill amount in FY 2010
- 32.5 FTE reductions in FY 2009 - 2010
- \$0 (or 0% of backfill) Backfill amount requested for FY 2011
- 0 FTE reductions in FY 2011 if backfill is not restored

The Tax Commission received a lower percentage of cuts due to an on-going restoration of programming, auditing, collection and enforcement. There are no backfill requests and no impact to the agency by implementing the FY 2011 budget.

## **Executive Offices and Criminal Justice**

### **Governor/CCJJ**

- \$1,385,700 cut in FY 2009 – FY 2010
- 15% cut in FY 2009 – FY 2010
- \$879,200 (or 63% of cut) Backfill amount in FY 2010
- 3 FTE reductions in FY 2009 - 2010
- \$0 (or 0% of backfill) Backfill amount requested for FY 2011
- 0 FTE reductions in FY 2011 if backfill is not restored

The Governor's office will be at the FY 2011 base through turnover savings, internal efficiencies, and reorganization due to new leadership.

### **State Auditor**

- \$670,000 cut in FY 2009 – FY 2010
- 16% cut in FY 2009 – FY 2010
- \$427,100 (or 64% of cut) Backfill amount in FY 2010
- 5 FTE reductions in FY 2009 - 2010
- \$0 (or 0% of backfill) Backfill amount requested for FY 2011
- 0 FTE reductions in FY 2011 if backfill is not restored

Through attrition, the State Auditor's Office will be at the FY 2011 base by July 01, 2010.



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## State Treasurer

- \$178,700 cut in FY 2009 – FY 2010
- 16% cut in FY 2009 – FY 2010
- \$115,500 (or 66% of cut) Backfill amount in FY 2010
- 0 FTE reductions in FY 2009 - 2010
- \$0 (or 0% of backfill) Backfill amount requested for FY 2011
- 0 FTE reductions in FY 2011 if backfill is not restored

Anticipated turnover savings will allow the State Treasurer's Office to be at the FY 2011 base by July 01, 2010.

## Attorney General

- \$4,680,700 cut in FY 2009 – FY 2010
- 16% cut in FY 2009 – FY 2010
- \$2,835,900 (or 61% of cut) Backfill amount in FY 2010
- 26 FTE reductions in FY 2009 - 2010
- \$2,835,900 (or 100% of backfill) Backfill amount requested for FY 2011
- 24 FTE reductions in FY 2011 if backfill is not restored

The Attorney General's Office has increased efficiencies in many areas and reduced staff through attrition. In order to get to the FY 2011 base they may have to review statute to get to the core duties of the office and reduce additional staff and services offered.

## Department of Corrections (Excludes Jail Reimbursement)

- \$15,711,100 cut in FY 2009 – FY 2010
- 6% cut in FY 2009 – FY 2010
- \$948,000 (or 3% of cut) Backfill amount in FY 2010
- 142 FTE reductions in FY 2009 - 2010
- \$948,000 (or 100% of backfill) Backfill amount requested for FY 2011
- 11 FTE reductions in FY 2011 if backfill is not restored

The Department of Corrections will lose 11 agents in the Drug Offender Reform Act (DORA) by implementing the FY 2011 base budget. If no backfill is granted and the DORA program ends, offenders will still require supervision. This reduction in agents will increase the workload on other agents and will reduce oversight of some probationers and parolees.



## **Courts**

- \$6,173,600 cut in FY 2009 – FY 2010
- 5% cut in FY 2009 – FY 2010
- \$55,000 (or 1% of cut) Backfill amount in FY 2010
- 64.5 FTE reductions in FY 2009 - 2010
- \$55,000 (or 100% of backfill) Backfill amount requested for FY 2011
- 1 FTE reductions in FY 2011 if backfill is not restored

The courts were able to find internal funding for 21 clerk positions in FY 2010 by using \$585,000 in federal ARRA funding, \$260,000 in nonlapsing balances, and \$55,000 one-time General Fund. In order to implement the FY 2011 Budget, 18 of these clerk positions will be lost. Since funding was found internally the amount of backfill request is not sufficient to cover the entire cost of positions. There is potential that the loss of these positions will cause a backlog in the courts.

## **Public Safety**

- \$7,798,400 cut in FY 2009 – FY 2010
- 11% cut in FY 2009 – FY 2010
- \$0 (or 0% of cut) Backfill amount in FY 2010
- 57 FTE reductions in FY 2009 - 2010
- \$0 (or 0% of backfill) Backfill amount requested for FY 2011
- 0 FTE reductions in FY 2011 if backfill is not restored

The Department of Public Safety (DPS) took all of their cuts in FY 2010 and therefore will be at the FY 2011 base by July 1, 2010. DPS is efficient in their spending, doing more with less by consolidating management positions and duties through attrition. The fact that the Legislature has allowed the department carryover authority has benefited the agency as they provide for the safety and security of the citizens of the state.

## **Board of Pardons and Parole**

- \$86,900 cut in FY 2009 – FY 2010
- 2% cut in FY 2009 – FY 2010
- \$0 (or 0% of cut) Backfill amount in FY 2010
- 1.2 FTE reductions in FY 2009 - 2010
- \$0 (or 0% of backfill) Backfill amount requested for FY 2011
- 0 FTE reductions in FY 2011 if backfill is not restored

There will be no further impact on the Board of Pardons and Parole in FY 2011. However, the 1.2 FTE reductions in FY 2010 eliminated two part-time hearing officers. One of the hearing officers was assigned to the Drug Board. These reductions have increased the workload on other employees.



## **Juvenile Justice Services**

- \$11,890,600 cut in FY 2009 – FY 2010
- 13% cut in FY 2009 – FY 2010
- \$4,829,200 (or 40% of cut) Backfill amount in FY 2010
- 59 FTE reductions in FY 2009 - 2010
- 4,529,200 (or 94% of backfill) Backfill amount requested for FY 2011
- 57 FTE reductions in FY 2011 if backfill is not restored

The Division will be required to double bunk female offenders in secure facilities. In addition, most of the receiving and youth services centers will be closed. This will eliminate many drop off location for local law enforcement agencies for youth who are ungovernable or runaways and cannot be detained in a detention facility. This will also result in elimination of early intervention services.

## **Health and Human Services**

### **Department of Health**

- \$50,522,300 cut in FY 2009 – FY 2010
- 13% cut in FY 2009 – FY 2010
- \$32,228,000 (or 64% of cut) Backfill amount in FY 2010
- 35 FTE reductions in FY 2009 - 2010
- \$31,113,200 (or 97% of backfill) Backfill amount requested for FY 2011
- 12 FTE reductions in FY 2011 if backfill is not restored

In order to get to the FY2011 base budget, the Dept. of Health will largely reduce reimbursement rates for Medicaid providers. Some of the clinics for children with special health care needs will be closed, but most of these children will still be able to receive the needed care at Primary Children's Medical Center. The department has proactively reorganized from four divisions into three divisions by eliminating high-level administrative positions after some individuals retired.

### **Department of Human Services**

- \$33,769,400 cut in FY 2009 – FY 2010
- 11% cut in FY 2009 – FY 2010
- \$10,989,300 (or 36% of cut) Backfill amount in FY 2010
- 212 FTE reductions in FY 2009 - 2010
- \$7,122,400 (or 57% of backfill) Backfill amount requested for FY 2011
- 0 FTE reductions in FY 2011 if backfill is not restored

Should these programs not be funded per backfill requests, services will be reduced or eliminated in each area, the state may see clients currently receiving basic levels of care, coming into institutionalized care at a higher cost to the state. Since these funds are pass-through, no FTE reductions will be realized at the agency level.



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## Higher Education

### **Utah System of Higher Education**

- \$130,182,900 cut in FY 2009 – FY 2010
- 17% cut in FY 2009 – FY 2010
- \$61,156,600 (or 47% of cut) Backfill amount in FY 2010
- 940 FTE reductions in FY 2009 - 2010
- \$61,156,600 (or 100% of backfill) Backfill amount requested for FY 2011
- 650 FTE reductions in FY 2011 if backfill is not restored

The main cost driver at colleges and universities is personnel. In order to manage the cuts, 940 FTEs have been eliminated, with 24 percent of these being involuntary. Many schools used the one-time backfill money to hire adjunct professors to deal with increasing demands. When this backfill money is eliminated, class sections will be reduced which will make higher education less accessible.

### **Utah College of Applied Technology**

- \$9,868,000 cut in FY 2009 – FY 2010
- 18% cut in FY 2009 – FY 2010
- \$4,735,500 (or 48% of cut) Backfill amount in FY 2010
- 91 FTE reductions in FY 2009 - 2010
- \$4,592,700 (or 97% of backfill) Backfill amount requested for FY 2011
- 76 FTE reductions in FY 2011 if backfill is not restored

Budget cuts have forced UCAT to focus on programs that are high demand. If the campuses do not receive additional backfill money in FY 2011, additional faculty positions will be eliminated which could result in entire programs being closed.

### **Utah Education Network**

- \$3,790,700 cut in FY 2009 – FY 2010
- 18% cut in FY 2009 – FY 2010
- \$1,540,700 (or 40% of cut) Backfill amount in FY 2010
- 12 FTE reductions in FY 2009 - 2010
- \$1,253,900 (or 81% of backfill) Backfill amount requested for FY 2011
- 3 FTE reductions in FY 2011 if backfill is not restored

Many state agencies have used UEN resources as solutions for their respective budget cuts. As agencies look to video conferencing as a solution to eliminate travel, UEN is tasked with providing the technological resources for these agencies. Without additional backfill money, the quality of the network and responsiveness to problems with the network will diminish.



### **Medical Education Council**

- \$120,600 cut in FY 2009 – FY 2010
- 17% cut in FY 2009 – FY 2010
- \$57,500 (or 47% of cut) Backfill amount in FY 2010
- 1 FTE reductions in FY 2009 - 2010
- \$0 (or 0% of backfill) Backfill amount requested for FY 2011
- 0 FTE reductions in FY 2011 if backfill is not restored

The Medical Education Council has eliminated the deputy director position in order to deal with the budget cuts. Without additional backfill money, another staff position will be eliminated. The Medical Education Council currently has 6 FTEs

## **Natural Resources**

### **Natural Resources**

- \$7,583,200 cut in FY 2009 – FY 2010
- 15% cut in FY 2009 – FY 2010
- \$473,600 (or 7% of cut) Backfill amount in FY 2010
- 53.5 FTE reductions in FY 2009 - 2010
- \$369,000 (or 77% of backfill) Backfill amount requested for FY 2011
- 6.8 FTE reductions in FY 2011 if backfill is not restored

Failure to restore the requested portion of backfill to Division of Water Rights will result in a reduction of 6.8 FTEs which will impact the division's ability to process water rights titles and certificates and make the existing backlog worse.

### **Agriculture and Food**

- \$2,390,600 cut in FY 2009 – FY 2010
- 17% cut in FY 2009 – FY 2010
- \$98,000 (or 4% of cut) Backfill amount in FY 2010
- 16 FTE reductions in FY 2009 - 2010
- \$0 (or 0% of backfill) Backfill amount requested for FY 2011
- 0 FTE reductions in FY 2011 if backfill is not restored

Backfill amounts in FY 2010 included operating costs for the Department of Agriculture and Food's Resource Conservation Program and a pass through amount to the Utah Association of Conservation Districts (UACD). Not restoring backfill in FY 2011 will reduce the scope of the Resource Conservation Program through a reduction in current expense and travel expense and will eliminate the pass-through to UACD.



### **Utah State Fair Corporation**

- \$119,100 cut in FY 2009 – FY 2010
- 15% cut in FY 2009 – FY 2010
- \$63,500 (or 53% of cut) Backfill amount in FY 2010
- 2 FTE reductions in FY 2009 - 2010
- \$63,500 (or 100% of backfill) Backfill amount requested for FY 2011
- 0.4 FTE reductions in FY 2011 if backfill is not restored

Utah State Fair Corporation receives its General Fund funding as a pass through from UDAF. Cuts to date eliminated popular programs such as the Youth Music Program and the State Fair Queen Program. Fairpark employees are not state employees. Not restoring the backfill will further result in a 20% reduction to part time status for 2 full-time maintenance employees.

### **Public Lands Policy Coordinating Office**

- \$403,000 cut in FY 2009 – FY 2010
- 55% cut in FY 2009 – FY 2010
- \$0 (or 0% of cut) Backfill amount in FY 2010
- 0 FTE reductions in FY 2009 - 2010
- \$0 (or 0% of backfill) Backfill amount requested for FY 2011
- 0 FTE reductions in FY 2011 if backfill is not restored

Public Lands Policy Coordinating Office received a substantial reduction in General Fund but \$283,800 or 70% of that cut was offset by an increase in Restricted Funds appropriation. The net cut of \$119,200 resulted in a reduction of 1 attorney assigned from the Office of the Attorney General.

## **Public Education**

### **Public Education**

- \$475,025,100 cut in FY 2009 – FY 2010
- 16% cut in FY 2009 – FY 2010
- \$180,729,600 Education Fund (or 37% of cut) Backfill amount in FY 2010
- \$112,794,200 Federal Funds (or 23% of cut) Backfill amount in FY 2010
- 39 FTE reductions in FY 2009 - 2010 (agencies only - not MSP)
- \$293,523,800 (or 100% of backfill) Backfill amount requested for FY 2011
- 64 FTE reductions in FY 2011 if backfill is not restored (agencies only - not MSP)

School Districts generally have reduced support personnel, contract days, programs, utilized reserves, deferred expenditures, adjusted compensation and benefits, and increased class sizes. Without replacement of funds in FY 2011, class sizes will continue to increase, personnel will be reduced impacting classrooms, and significant program reductions will be made. Reductions in the USOE agencies will decrease services, information timeliness, staff reassignments and increased workloads.



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## **Transportation, Environmental Quality, and National Guard**

### **Environmental Quality**

- \$3,172,000 cut in FY 2009 – FY 2010
- 24% cut in FY 2009 – FY 2010
- \$0 (or 0% of cut) Backfill amount in FY 2010
- 12 FTE reductions in FY 2009 - 2010
- \$0 (or 0% of backfill) Backfill amount requested for FY 2011
- 0 FTE reductions in FY 2011 if backfill is not restored

Environmental Quality reduced travel, IT expenses, and consulting services department-wide. In addition, DEQ has reduced seventeen positions among various divisions. Due to the increased workloads for the remaining employees, there will be delays in issuing permits, response time to customers, and reduced frequency of inspections.

### **Utah National Guard**

- \$1,001,400 cut in FY 2009 – FY 2010
- 13% cut in FY 2009 – FY 2010
- \$858,500 (or 86% of cut) Backfill amount in FY 2010
- 3 FTE reductions in FY 2009 - 2010
- \$588,400 (or 59% of backfill) Backfill amount requested for FY 2011
- 0 FTE reductions in FY 2011 if backfill is not restored

The budget cuts for Utah National Guard impacts the tuition assistance and maintenance. An incentive for enlisting soldiers is the promise to assist with education when not deployed. Due to the budget cuts, Utah National Guard has been unable to assist all the soldiers to fund education. In addition, the facility maintenance is being impacted. Due to the budget cuts and utilities price increases, UNG is reducing the equipment and grounds maintenance to help with the shortfall.

### **Veterans' Affairs**

- \$216,400 cut in FY 2009 – FY 2010
- 24% cut in FY 2009 – FY 2010
- \$152,400 (or 70% of cut) Backfill amount in FY 2010
- 0 FTE reductions in FY 2009 - 2010
- \$150,000 (or 69% of backfill) Backfill amount requested for FY 2011
- 0 FTE reductions in FY 2011 if backfill is not restored

Veterans' Affairs will reduce the media campaigns in their outreach program. The outreach program helps veterans file complex federal VA forms, answer questions, and assists in accessing proper health care. Due to the budget cuts, many returning veterans will not learn about the health and monetary benefits to which they are entitled.