

State of Utah

Budget Recommendations

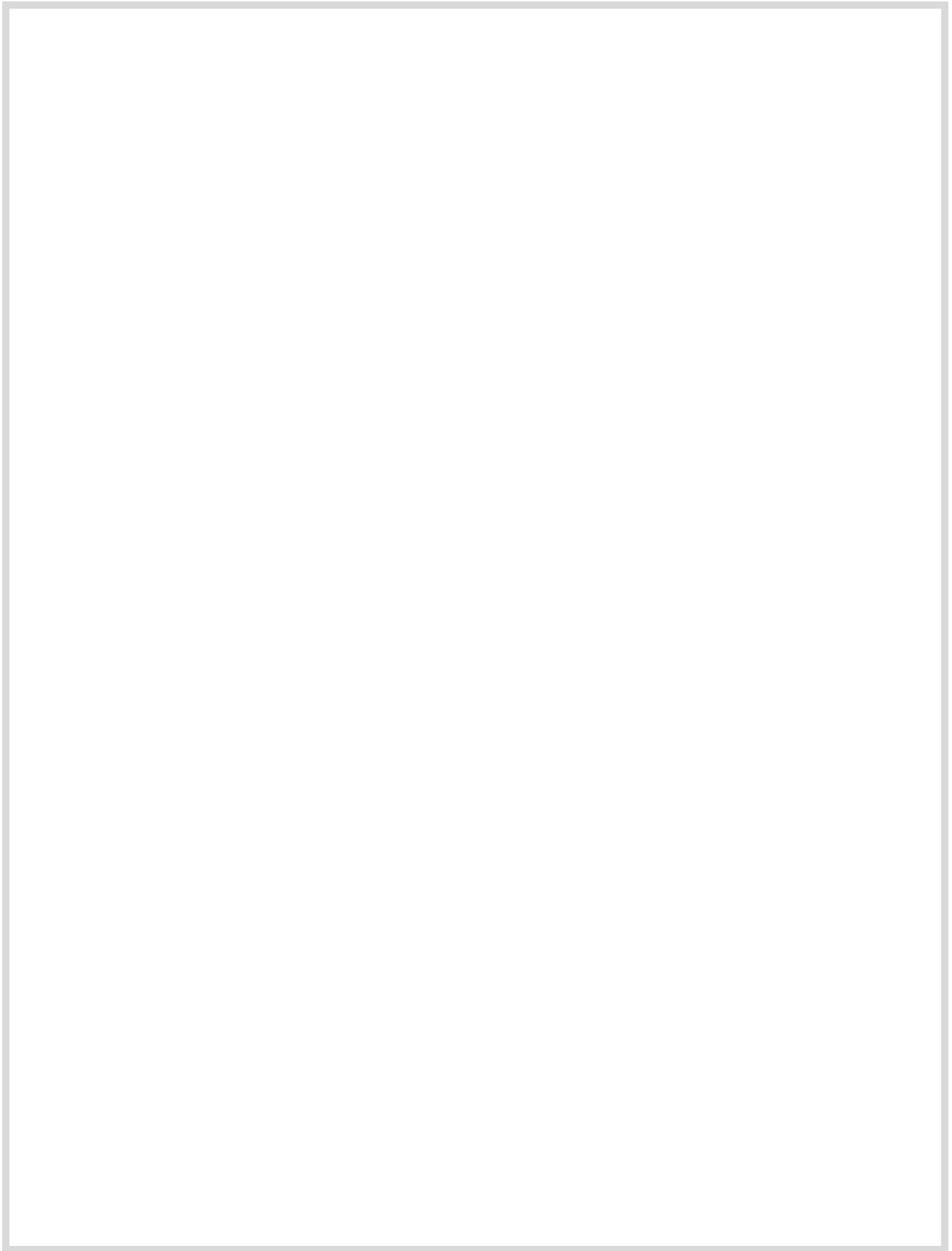
Fiscal Year 2003

Fiscal Year 2002 Supplementals

Governor Michael O. Leavitt



Utah!
Where life's constant





MICHAEL O. LEAVITT
GOVERNOR

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

OLENE S. WALKER
LIEUTENANT GOVERNOR

December 14, 2001

My Fellow Utahns:

My budget recommendations for fiscal year 2003 focus on the need to align state agency budgets with the slowing economy while protecting education and public safety.

The current economic downturn largely impacted by the tragic events of September 11, 2001 has had a dramatic impact on our nation. State government is not immune from these impacts. Twice, I have ordered spending reductions during FY 2002 to ensure a balanced budget. I have directed state agencies to first apply these reductions to administrative functions and less critical areas to minimize the impact on services. Our agencies are to be commended for their response.

I am not recommending tax increases to balance the state's budget.

A well-educated workforce is the foundation to Utah's economic future. I have held the Minimum School Program (K-12) harmless during these budget reductions and will continue to make education a high priority. We will use the Olympic Winter Games to showcase our state's well-educated workforce and tech-savvy population.

For FY 2003, I recommend reallocation of funding to provide for mandated items such as Medicaid growth and enrollment growth in public and higher education. My recommendations match ongoing revenues with ongoing expenditures.

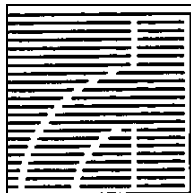
To balance the budget for FY 2002, I recommend a combination of one-time and ongoing revenue sources and budget reductions be considered. The one-time sources include savings from the Interstate 15 project, carryforward balances, a federal stimulus package, and some of the rainy day fund if necessary. Without the use of one-time revenue sources, deeper spending cuts would be needed in critical state programs and perhaps in public education.

I thank each of you for your part in continuing to make Utah a place to raise a family, enjoy our recreational opportunities, and start and grow business.

Sincerely,

A stylized, handwritten signature of Michael O. Leavitt in black ink.

Michael O. Leavitt
Governor



The Government Finance Officers Association
of the United States and Canada

presents this

CERTIFICATE OF RECOGNITION FOR BUDGET PREPARATION

to

**Governor's Office of Planning and Budget
State of Utah, Utah**

The Certificate of Recognition for Budget Preparation is presented by the Government Finance Officers Association to those individuals who have been instrumental in their government unit achieving a Distinguished Budget Presentation Award. The Distinguished Budget Presentation Award, which is the highest award in governmental budgeting, is presented to those government units whose budgets are judged to adhere to program standards.

Executive Director

Jeffrey A. Emer

Date

October 19, 2001

The Government Finance Officers Association of the United States and Canada (GFOA) presented the Distinguished Budget Presentation Award to the Governor's Office of Planning and Budget for its annual budget for the fiscal year beginning July 1, 2001 (state fiscal year 2002).

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, an operations guide, a financial plan, and a communications device.

AGENCY GUIDE

Agency

Administrative Services
 Agriculture and Food
 Alcoholic Beverage Control
 Attorney General
 Auditor

Board of Pardons

Capitol Preservation Board
 Career Service Review Board
 Commerce
 Community and Economic Development
 Corrections - Adult
 Courts

Environmental Quality

Financial Institutions

Governor/Lt. Governor

Health
 Higher Education
 Human Resource Management
 Human Services

Insurance

Labor Commission
 Legislature

Medical Education Council

National Guard
 Natural Resources

Public Education
 Public Safety
 Public Service Commission

Retirement

Tax Commission
 Transportation
 Treasurer
 Trust Lands Administration

Utah College of Applied Technology
 Utah Education Network
 Utah State Fair Corporation
 Utah Technology Finance Corporation

Workforce Services

Youth Corrections

See Department Section

Administrative Services
 Natural Resources
 Commerce and Revenue
 Elected Officials
 Elected Officials

Corrections (Adult and Youth)

Administrative Services
 Economic Development and Human Resources
 Commerce and Revenue
 Economic Development and Human Resources
 Corrections (Adult and Youth)
 Courts

Environmental Quality

Commerce and Revenue

Elected Officials

Health
 Higher Education
 Economic Development and Human Resources
 Human Services

Commerce and Revenue

Commerce and Revenue
 Legislature

Higher Education

National Guard
 Natural Resources

Public Education
 Public Safety
 Commerce and Revenue

Economic Development and Human Resources

Commerce and Revenue
 Transportation
 Elected Officials
 Natural Resources

Higher Education
 Higher Education
 Economic Development and Human Resources
 Economic Development and Human Resources

Commerce and Revenue

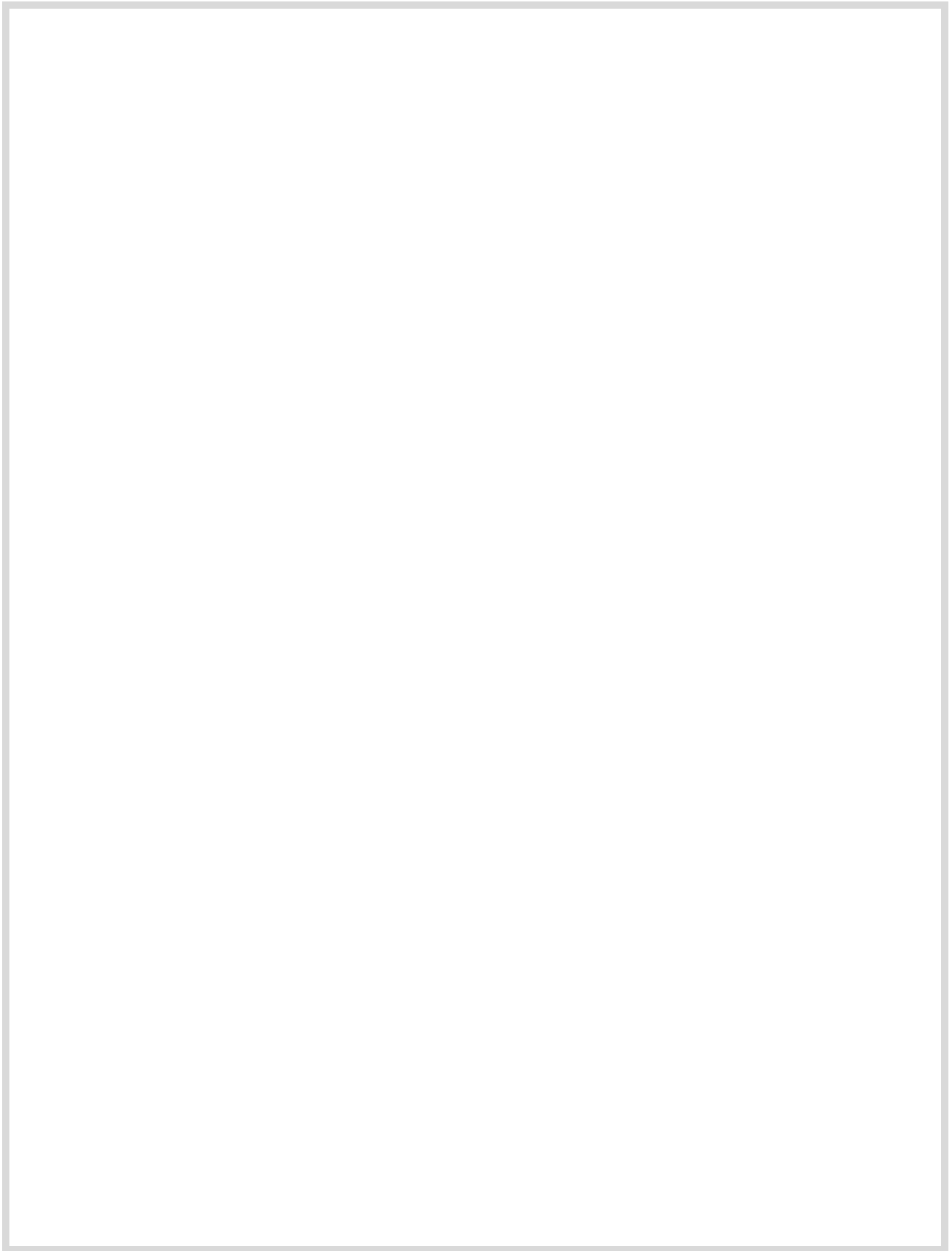
Corrections (Adult and Youth)

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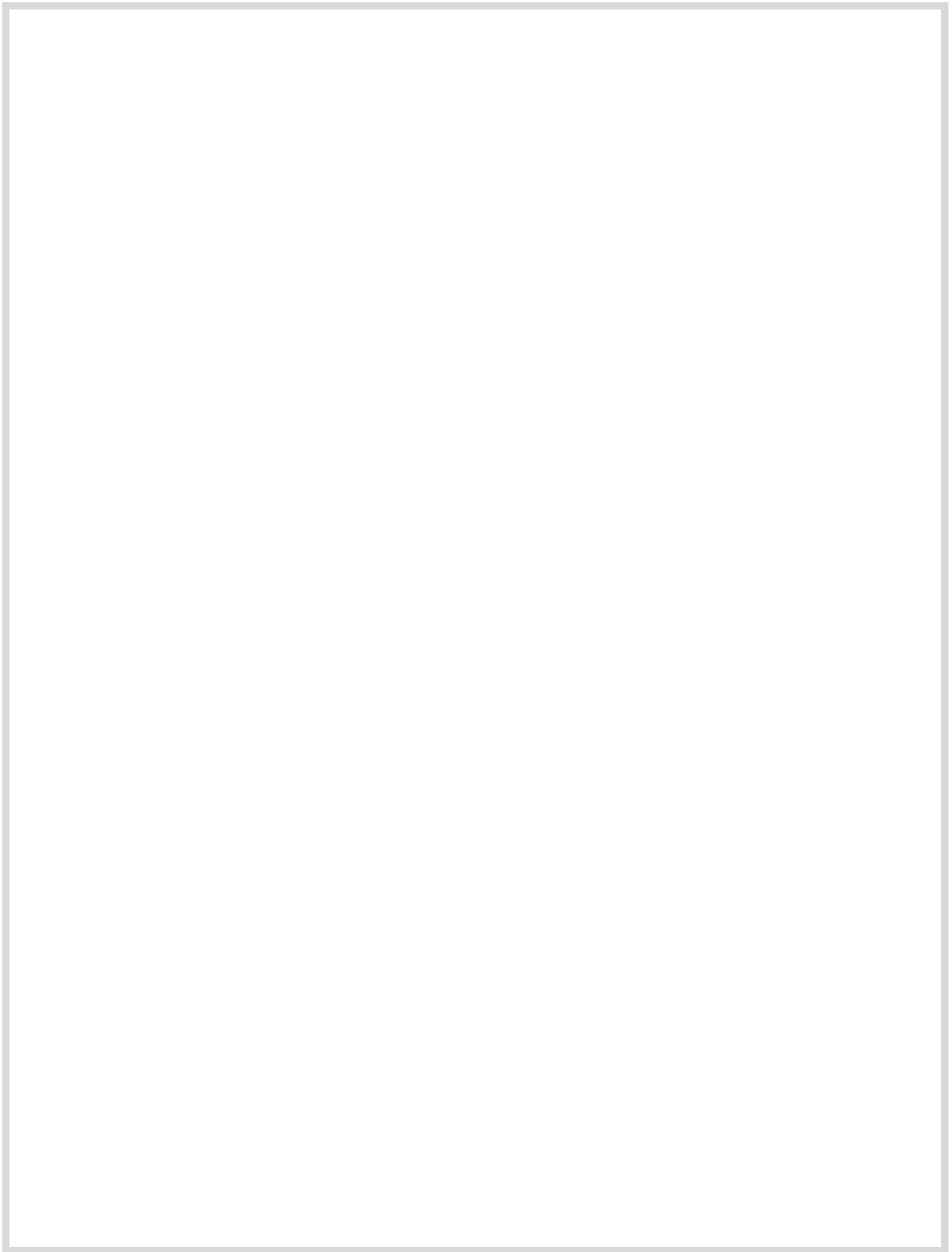
This book is available in alternate formats upon request. Please contact Ron Haymond (801)538-1553



State of Utah

State Summary

- Governor's budget overview
- Utah economic and revenue forecasts
- Statewide summary tables





GOVERNOR'S BUDGET OVERVIEW

OVERVIEW

The State of Utah experienced a decade of very strong economic growth during the 1990s under Governor Leavitt's leadership. This growth greatly impacted the state's budgeting and tax policies. Utah committed record funding to public education, transportation, and infrastructure, and at the same time provided unprecedented tax cuts. For example, public education's Minimum School Program budget will exceed \$2.0 billion next year, while tax cuts during the 1990s have saved taxpayers over \$1.1 billion.

The U.S. and Utah economies are very different today, with an economic slowdown accelerated by the tragic events of September 11, 2001. For FY 2002, revenue collections for the state will be slightly below those of FY 2001, with only modest growth forecast for FY 2003. For the first time in over a decade, Utah is facing a different type of budget challenge.

As revenue collections have declined, Governor Leavitt has been proactive in tightening the belt of state government – ordering three rounds of budget reductions to date. First, in March 2001 the governor ordered FY 2001 budget hold backs of \$51.6 million for new building projects and \$5.0 million for park renovations.

The governor's decision proved prudent, as the fiscal year would have ended with a budget shortfall without these budget reductions. The state actually ended FY 2001 with a \$12.3 million surplus that will be used to help balance the FY 2002 budget.

Governor Leavitt is not recommending a tax increase to balance the budget for FY 2002 and FY 2003. His budget recommendations focus on budget reductions for state agencies. In June 2001, the governor ordered state agencies to reduce their budgets for FY 2002, directing them to focus cuts on administrative costs and less essential services. He did not require

operating reductions from the Minimum School Program, which is exempt by law from such action. However, at the governor's request, the Utah State Board of Education voluntarily held back the new \$10 million appropriation to its Capital Outlay Program. This will not affect the amount of state funds distributed to local school districts for operations.

The initial reductions for FY 2002 totaled \$52.3 million. Other sources identified to cover the projected shortfall included: \$20 million from the student growth reserve account, \$5.4 million in projected excess revenue left unappropriated by the legislature, and the FY 2001 surplus of \$12.3 million. These sources combined with initial reductions resulted in a cushion of \$90 million – more than enough to cover the projected shortfall at that time.

However, another round of reductions was ordered by Governor Leavitt following the terrorist attacks of September 11, 2001. Following these

events, state revenue collections were projected to decline even further, leading to an estimated FY 2002 shortfall of \$198 million. In this round of reductions, an additional \$24.3 million in budget cuts was instituted for FY 2002, and another \$18.6 million in savings was identified by recommending the replacement of appropriated funds with bond proceeds for two new higher education facilities. The governor also recommends the use of \$14.5 million in carryforward funds and \$12.8 million from other miscellaneous sources.

In preserving options for the legislature, Governor Leavitt has identified other potential sources of revenue to fill the budget gap as well, including \$32 million from savings on the Interstate 15 construction project, funds from a possible federal stimulus package, and the state rainy day fund as a last resort.

In total, state funds appropriations have been reduced 2.2 percent for FY 2002. With the exception of the Minimum School Program, the executive branch and the Courts have reduced operating budgets an average of 3.2 percent. This includes 2.6 percent in ongoing expenditures and 0.6 percent in one-time expenditures.

With the initial FY 2002 reductions, most agencies were able to maintain services at normal levels. However, with

the second round of reductions, some state services have been reduced or eliminated. In addition to operating reductions, \$16.5 million in capital items have been cut in FY 2002, including the \$10 million increase for the Minimum School Program's capital outlay budget.

Despite modest revenue growth of \$139 million above the reduced FY 2002 level, FY 2003 revenue is still projected to be \$59 million below the authorized FY 2002 budget (see Figure 1 on the following page). Therefore, the governor recommends a 2.9 percent reduction in state spending in FY 2003, including \$92.2 million in ongoing budget cuts.

The recommended cuts are necessary in order to provide funds for enrollment growth in public and higher education and for mandated increases such as Medicaid. Total cuts for FY 2003 represent on average 4.5 percent of agency operating budgets.

Throughout the budget reduction process both preceding and subsequent to the events of September 11, 2001, the governor has had to make difficult decisions to reduce state spending. Governor Leavitt stands firm in his belief that our school children should not feel the impact of these actions. In order to recover from this economic climate, the state must have a strong workforce; in order to

have that strong workforce, the programs directly affecting the classroom students should be held harmless.

COMPENSATION

As a result of the budget climate, the governor is not recommending a pay increase for state employees this year, although he does recommend a 1.35 percent increase for state employees, teachers, and higher education employees to help cover the increased cost of health and dental benefits.

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 2002 and FY 2003 are within the limit.

FUNDS AVAILABLE

The following table and figure show a summary of the funding sources and uses for both FY 2002 and FY 2003 and explain the impacts of the revenue estimates.

**Summary of Recommendations to the Legislature
(In Millions)**

FY 2002		FY 2003	
Available Revenue		Available Revenue	
Reestimate	(\$198.0)	Estimate (from FY 2002 Authorized)	(\$58.7)
Surplus from FY 2001	12.3	Boom Buffer (FY 2002 Ongoing Revenue Exceeded Ongoing Expenditures by \$21.2 M Less \$4.0 M Base Adjustments)	17.2
Reserves from FY 2001	5.4	Sales Tax Currently Restricted	21.6
Reserve for Student Growth	20.0	Other	1.0
Carryforward Balances	14.5	Total Sources	(\$18.9)
I-15 Savings/Federal Stimulus/Rainy Day Fund	47.7		
Other	12.8		
Total Sources	(\$85.3)		
Uses of Revenue		Uses of Revenue	
Supplementals	\$9.1	Ongoing Increases	\$129.5
Switch Funding to Tobacco Restricted	(2.0)	One-time Increases	4.6
Switch Funding to Medicaid Restricted	(1.5)	Reduction in Ongoing Capital Base	(40.0)
AR&I Reduced to Statutory Minimum	(4.4)	Ongoing Decreases	(20.8)
Bond for Capital Facilities	(18.6)	Budget Cuts - Ongoing	(92.2)
Budget Cuts (\$46.4 million ongoing)	(76.6)	Total Uses	(\$18.9)
Other Adjustments	8.7		
Total Uses	(\$85.3)		

Figure 1

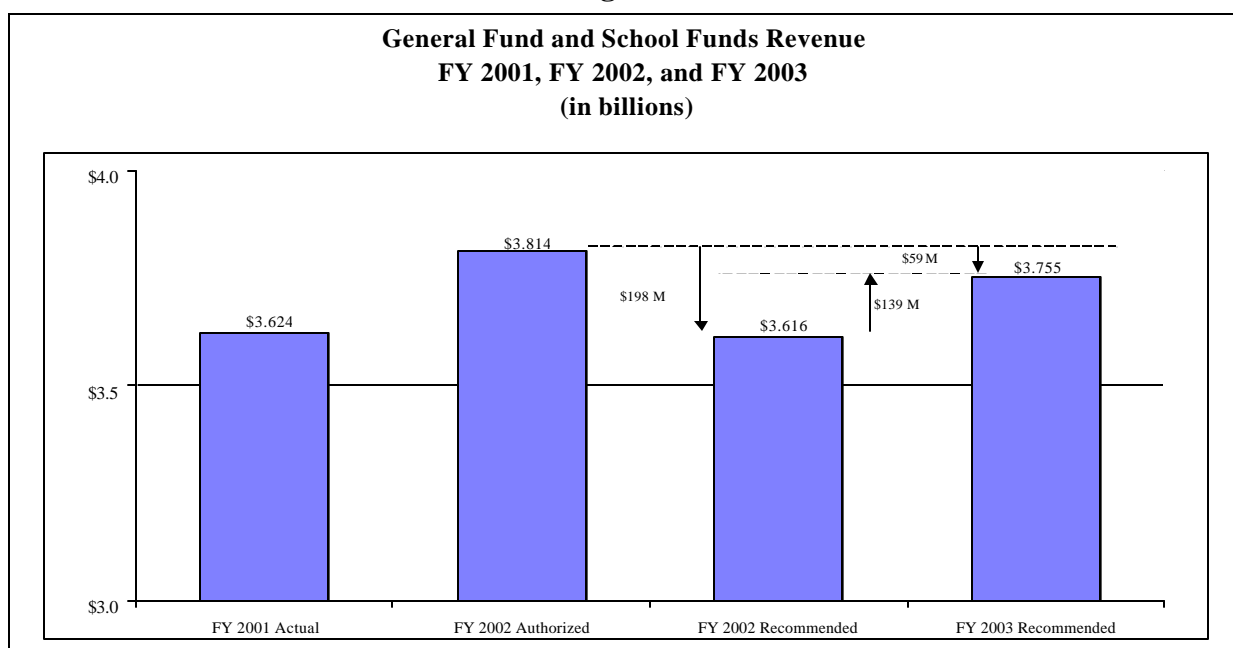


Figure 1 shows actual revenue collections for the last fiscal year, FY 2001.

The FY 2002 Authorized bar represents the \$3.814 billion revenue estimate the legislature used in the 2001 General Session to set the current year's budget. Now that we are in FY 2002, the governor has reestimated revenue collections at \$3.616 billion, or \$198

million less than appropriated to fund programs. Thus, these recommendations identify spending cuts and other revenue sources to make up for the shortfall.

For FY 2003, the governor estimates revenues of \$3.755 billion, or \$139 million over the new lower FY 2002 estimate. This projects the beginning of an economic recovery.

Yet, the FY 2003 estimate is \$59 million below authorized budgets set in FY 2002. Thus, the recommendations include ongoing budget cuts and other revenue sources to meet the relatively lower revenues (and to re-prioritize funding to mandated programs).

It should be noted that the FY 2003 revenues show modest growth above the FY 2001 level.

UTAH ECONOMIC AND REVENUE FORECASTS

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 Governor's Office of Planning and Budget (GOPB), the Office of the Legislative Fiscal Analyst, Wells Fargo Bank, Federal Reserve Bank of San Francisco, Utah Foundation, University of Utah, Utah State

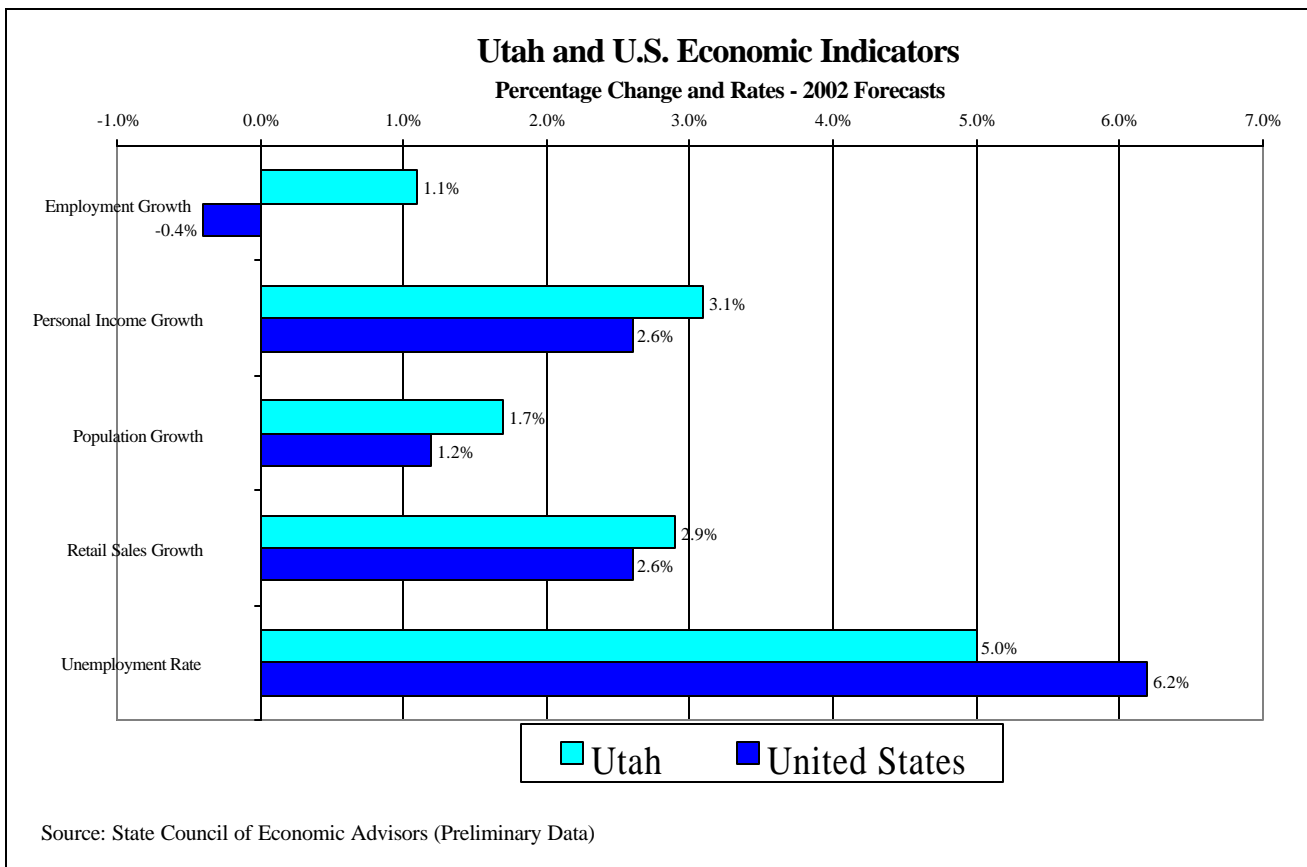
University, Brigham Young University, and various state agencies. Detailed information concerning Utah's economy and its outlook may be found in the 2002 Economic Report to the Governor (available January 2002).

Utah's economy continues to grow at a faster pace than the national economy. Figure 2 shows projected growth in economic indicators for Utah and the United States. It also shows estimated unemployment rates.

Employment — Utah employment is projected to grow 0.9 percent in 2001, 1.1 percent in 2002, and 2.0 percent in 2003. Meanwhile, the national employment growth rate should decrease by 0.4 percent in 2002. The state's 2002 unemployment rate is projected at 5.0 percent, compared to 6.2 percent nationally.

Personal Income — Utahns' personal income growth will be similar to the national average. State personal income grew 6.7

Figure 2



percent in 2000 and is projected to increase 4.1 percent in 2001 and 3.1 percent in 2002. Nationally, personal income will grow 5.0 percent in 2001 and 2.6 percent in 2002.

Population — The current state population is estimated at 2.3 million and is forecasted to grow by 1.7 percent in 2002, while the U.S. population will grow at a rate of 1.2 percent. Utah is expected to experience net in-migration of about 3,000 people in 2002 and net in-migration of about 7,600 people in 2003.

Retail Sales — The retail sales growth rate is expected to increase slightly from 2.5 percent in 2001 to 2.9 percent in 2002. Nationally, the growth rate will decrease from 2.8 percent in 2001 to 2.6 percent in 2002.

Utah's economy slowed during 2001, especially after the September 11th terrorist attacks. Utah's slowdown is part of a national and global recession, but current expectations are that the recession will be relatively short and growth will resume at a moderate rate during the second half of 2002. Service industries will remain the largest source of new jobs in the state.

Recently, the *National Commission on Entrepreneurship* ranked cities based upon the number of firms with annual employment growth above 15

percent. The Salt Lake City area was ranked second among cities with a population of one to three million, and the Provo and St. George areas were ranked first and second for cities with populations between 150,000 and 300,000.

The Progressive Policy Institute ranked Salt Lake City 9th among the 50 largest metropolitan areas for its ability to adapt well to the new technological economy. Salt Lake ranked high for "internet backbone," adults with internet access, academic research and development, and employment gains from job churning.

According to a study conducted by the *ING Financial Services*, the Salt Lake/Ogden area was ranked as the 24th best area in the nation to earn and save. Education attainment and low crime rates were important influences in this ranking.

According to the U.S. Census Bureau, Utah ranked 15th in the nation in 2000 for persons who have earned at least a four-year college degree. The National Center for Public Policy and Higher Education ranked Utah colleges as the most affordable among the states. It also gave Utah an "A" for how well it prepares its youth for a college education.

Governing magazine ranked Utah government as one of the three best managed states. The

grades in the individual areas examined were: financial management (A), capital management (A minus), human resources (B minus), managing for results (B plus), and information technology (A).

REVENUE FORECASTS

Revenue estimates are developed by forecasting important economic indicators. Forecasts of changes in interest rates, personal income growth, the unemployment rate, residential and nonresidential construction permits, and other important indicators provide underlying assumptions used in estimating available revenue. Participants in this process include experts in the areas of construction, energy, retail sales, income taxes, job growth, and demographics.

The economic indicators and data on actual tax collections are used in simulation and econometric models by the State Tax Commission and GOPB to estimate future tax collections and investment income. Also considered are federal tax changes adopted by Congress, state tax changes, and any large unique collections. Table 4 shows actual revenue collections for FY 2001, and forecasted collections for FY 2002 and FY 2003.

State tax collections are deposited into three major funds: General Fund, Uniform

School Fund, and the Transportation Fund.

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

These revenue sources are estimated based upon federal grant commitments, recent history, state law, and forecasted trends.

Figure 3 illustrates the funding sources for the total

state budget. Table 6 shows the appropriations of these resources.

GENERAL FUND/SCHOOL FUNDS

Figure 4 shows the contribution of the various taxes to the General and Uniform School Fund. Table 5 shows the appropriation of these collections.

The General Fund is the primary funding source for most state government operations and includes all revenue not

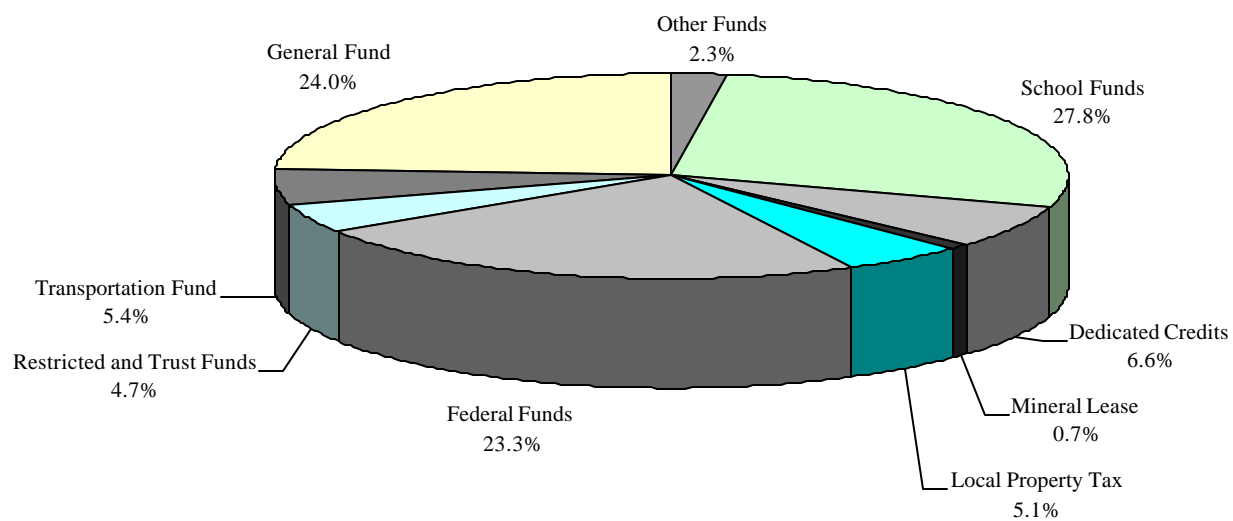
accounted for in other funds. All revenue not specifically restricted by statute or the state constitution is deposited into the General Fund. Its major revenue sources are sales, insurance premium, beer, cigarette, and tobacco taxes.

The Uniform School Fund was established in the state constitution and is restricted to the support of education. The major revenue sources of the Uniform School Fund are individual income and corporate franchise taxes.

Figure 3

STATE BUDGET REVENUE SOURCES

All Sources of Funding - \$7.28 Billion
FY 2003



In the 1996 general election, voters approved a constitutional amendment that explicitly allows the use of income tax revenue for higher education. The amendment allows the use of income tax revenue for higher education purposes with the remaining amount being deposited in the Uniform School Fund.

In FY 2001 the economy slowed and revenue dipped below estimates adopted by the governor and the legislature during the 2001 General Session. Certain revenues did

not meet estimates with collections \$82 million lower than expected for insurance premium, individual income, and corporate franchise taxes. On the other hand, early monitoring of FY 2001 revenues indicated higher than expected collections for interest income as well as for sales, oil and gas severance, and property taxes. Combined, the net revenue shortfall was projected to be around \$60 million.

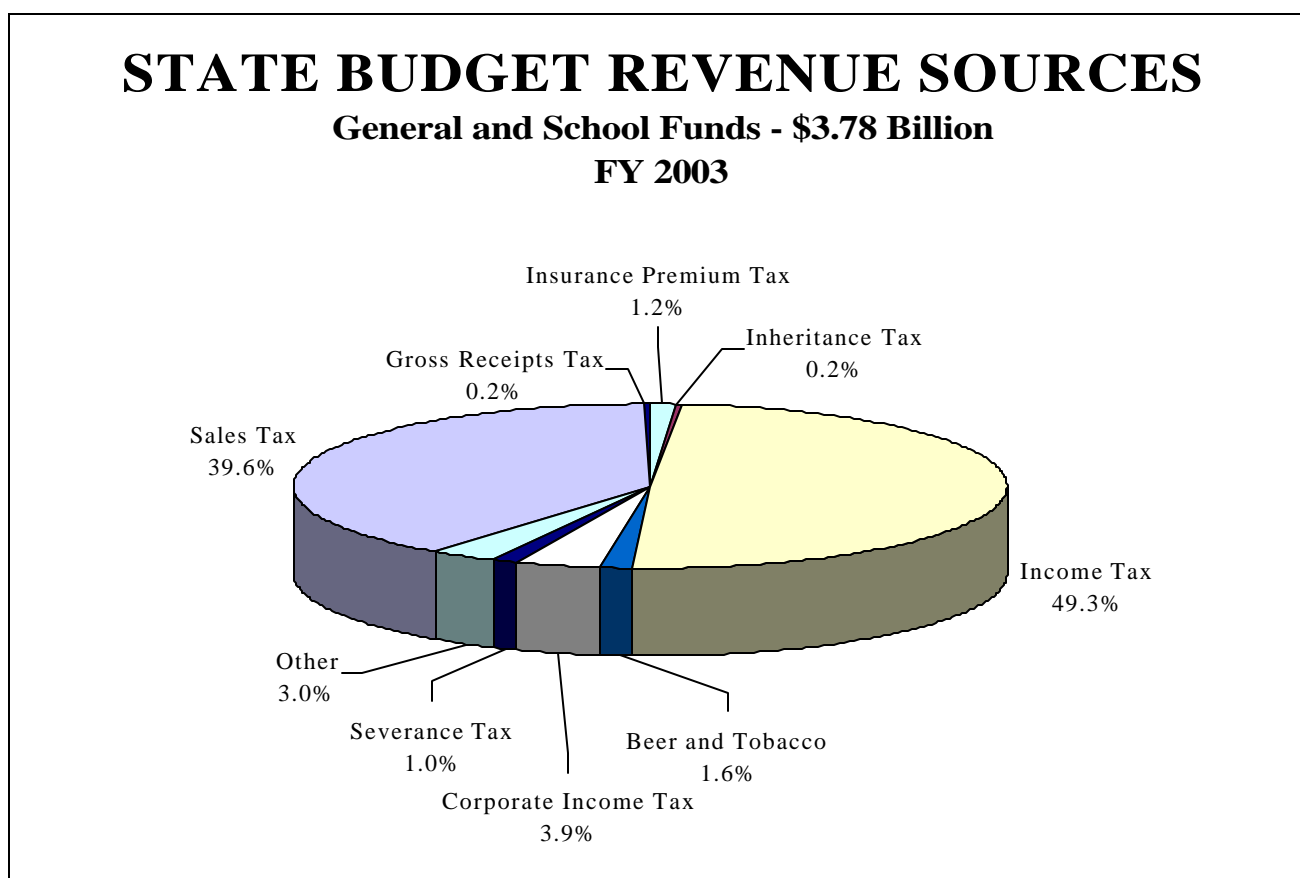
To address this problem, Governor Leavitt held back \$56.6 million from state parks renovation and the construction

of five higher education capital projects.

The net result was a modest surplus of \$12.3 million. Of this amount, \$11.6 million was in the General Fund and \$700,000 in school funds. This is 0.3 percent of the \$3.8 billion state funds budget and 0.17 percent of the \$6.9 billion total budget.

For FY 2003, the General Fund is forecasted to increase 2.6 percent from revised FY 2002 estimates, with sales tax receipts increasing 3.3 percent. School funds should grow

Figure 4



5.0 percent, with individual income tax receipts increasing 5.1 percent.

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.

TRANSPORTATION FUND

The Transportation Fund was established in the state constitution to fund construction, improvement, repair, and maintenance of state roads. Its principal revenue source is the motor fuel tax. Fiscal year 2003 collections are estimated to increase 1.2 percent over revised FY 2002 estimates. Table 4 shows actual and forecasted Transportation Fund collections.

FEDERAL FUNDS

Federal funds account for 23.3 percent of the total budget. Federal dollars help finance programs that benefit the state and meet a perceived national need. To qualify for most federal aid, states must comply with federal

regulations and match the federal contribution with state funds. The match rate varies by program. Federal funds appropriated by the legislature are estimates. State agencies may spend what they actually receive in federal revenue but may not exceed the state amount appropriated to match the federal funds. The Medicaid program within the Department of Health receives about 43.1 percent of the state's federal revenue.

PROPERTY TAX

Property tax shown in the state budget represents the contribution of local school districts to the state's Minimum School Program. The Basic School Levy is set annually by the legislature and represents the maximum amount of property tax that can be raised for the program. Using the rate set by the legislature, Governor Leavitt's budget recommendations allow for additional property tax revenue from the basic levy of \$9.8 million for FY 2003 based on the assessed value of new growth.

Also, the Board and Voted Leeways are increasing \$7.1 million due to increases in school district levies and in assessed property valuation as estimated by the Common Data Committee. This committee includes representatives from

the Governor's Office of Planning and Budget, State Tax Commission, State Office of Education, and Office of the Legislative Fiscal Analyst.

DEDICATED CREDITS

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

RESTRICTED AND TRUST FUNDS

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

MINERAL LEASE FUNDS

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

RAINY DAY FUND

The budgeted funds are appropriated to the expected level of revenues and beginning fund balances. By using a prudent revenue estimate, a year-end surplus is anticipated.

For additional budget stabilization, the state maintains a Rainy Day Fund. It can only be used to cover operating deficits or retroactive tax refunds. In addition to interest earnings, 25 percent of any General Fund surplus at fiscal year end is transferred to the fund. The balance at the end of FY 2001 was \$120.3 million. The ceiling of the fund is 8.0 percent of the

particular year's General Fund appropriation total, which was \$137.6 million at FY 2001 year end.

DEMOGRAPHICS

Utah's July 1, 2001 population was estimated to be 2.3 million. According to Census 2000, Utah's population increased 29.6 percent from 1990 to 2000, growing more than twice as fast as the U.S. population. Utah was the fourth fastest growing state in the nation. Compared to the rest of the country, Utah's population growth is characterized by a high birth rate and low death rate. Utah also continues to have a distinctive demographic profile. There are more persons per household, and residents, on average, are younger, live longer, and have higher fertility rates.

The majority of the state's population growth over the past decade is due to Utah's high birth rate. Since 1990, 64 percent of the state's population growth has been the result of natural increase (births minus deaths). Migration also plays an important role in understanding Utah's demographic make-up. Over time, net migration in Utah fluctuates through cycles of net

in-migration and net out-migration. Throughout the 1990s, Utah has experienced a period of sustained net in-migration. Net in-migration occurs when the number of people moving into the state exceeds the number of people who move out.

Utah's population is the youngest in the nation, with a median age of 27.1 in 2000, compared to 35.3 nationally. Utah also has the highest share of its population in the pre-school age group (9.4 percent), and the second highest share of its total population in the school age group (22.8 percent). At the same time, the state has one of the smallest shares of people in the working age (18-64) and retirement age (65 and older) groups.

The state's population has continued to become more racially and ethnically diverse. The Hispanic population in Utah increased 138 percent from 1990 to 2000. Hispanics, the largest minority group in the state, now make up 9.0 percent of the state's total population. Asians, the second largest minority group in 2000, accounted for 1.7 percent of the population, followed by Native Americans (1.3 percent), African Americans (0.8 percent), and Native Hawaiians or other Pacific Islanders (0.7 percent). ■

Table 1

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

	Actual FY 2001	Authorized FY 2002	Governor Leavitt's Recommendations				
			Supple- mentals & Budget Cuts (a)	Recom- mended FY 2002 (b)	Base FY 2003 (c)	Ongoing, One-time & Budget Cuts (d)	Recom- mended FY 2003 (e)
Sources of Funding							
Beginning Balance	\$113,435	\$0	\$12,340	\$12,340	\$0	\$0	\$0
(f) General Fund Estimates	1,709,789	1,753,529	(64,329)	1,689,200	1,753,529	(21,029)	1,732,500
(f) School Funds Estimates	1,914,423	2,060,244	(133,644)	1,926,600	2,060,244	(37,644)	2,022,600
Subtotal GF/SF Estimates	3,624,212	3,813,773	(197,973)	3,615,800	3,813,773	(58,673)	3,755,100
Transfers	6,685	(795)	0	(795)	0	0	0
Mineral Lease	0	1,795	1,733	3,528	0	870	870
Asbestos Litigation Settlement	1,400	0	0	0	0	0	0
PEHP Long-term Disability Rebate	2,774	0	0	0	0	0	0
Tobacco Settlement Interest	424	430	0	430	0	0	0
Additional Fee Collections	338	400	97	497	0	97	97
Nursing Facility Assessment Fund Balance	0	0	255	255	0	0	0
Bridgestone/Firestone Settlement	0	0	475	475	0	0	0
UTFC Sale Proceeds	0	0	4,000	4,000	0	0	0
Lansing Balances	25,994	0	20,406	20,406	0	0	0
Reserved Revenue Sources	(4,335)	0	0	0	0	0	0
Other	(3,149)	0	0	0	0	0	0
Reserve for Student Population Growth	0	(20,000)	20,000	0	0	0	0
Transfer to Rainy Day Fund	(3,981)	0	0	0	0	0	0
IAF Reserve from Prior Fiscal Year	1,901	0	329	329	0	0	0
IAF Reserve for Following Fiscal Year	(329)	0	0	0	0	0	0
Reserve from Prior Fiscal Year	57,898	99,561	0	99,561	0	0	0
Reserve for Following Fiscal Year	(99,561)	0	0	0	0	0	0
Partial Designated Sales Tax 1/16% Water	0	0	0	0	0	14,577	14,577
Partial Designated Sales Tax 1/16% Roads	0	0	0	0	0	7,000	7,000
Potential Revenue Sources to Balance - I-15 Savings, Federal Stimulus Package, and/or Rainy Day Fund	0	0	47,677	47,677	0	0	0
Total Sources of Funding	\$3,723,706	\$3,895,164	(\$90,661)	\$3,804,503	\$3,813,773	(\$36,129)	\$3,777,644
Appropriations (See Table 5)							
Operations Budget	\$3,300,532	\$3,532,658	(\$56,056)	\$3,476,602	\$3,451,021	\$21,127	\$3,472,148
Capital Budget	374,025	288,823	(29,222)	259,601	277,263	(40,067)	237,196
Debt Service	93,376	68,300	0	68,300	68,300	0	68,300
Subtotal Appropriations	3,767,933	3,889,781	(85,278)	3,804,503	3,796,584	(18,940)	3,777,644
Other							
(g) Administrative Hold Backs	(56,567)	--	--	--	--	--	--
Total Appropriations	\$3,711,366	\$3,889,781	(\$85,278)	\$3,804,503	\$3,796,584	(\$18,940)	\$3,777,644
Ending Balance	\$12,340	\$5,383	(\$5,383)	\$0	\$17,189	(\$17,189)	\$0
% Change from Authorized FY 2002				(2.2%)			(2.9%)

(a) The Supplementals & Budget Cuts column represents recommended changes to the FY 2002 budget based upon updated revenue projections.

(b) The Recommended FY 2002 column is based upon updated revenue projections and includes recommended supplemental appropriations and budget cuts.

(c) The Base FY 2003 column represents FY 2002 appropriations reduced for one-time items and other small base adjustments.

(d) The Ongoing, One-time & Budget Cuts column represents recommended changes to the FY 2003 base budget.

(e) The Recommended FY 2003 column is based upon updated revenue projections and includes recommended ongoing and one-time increases and budget cuts.

(f) See Table 4.

(g) Governor Leavitt enacted \$56.6 million in budget reductions for FY 2001. For FY 2002 and FY 2003, his budget cuts are incorporated within the operating and capital budgets.

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

Table 2

STATE FISCAL PLAN
General Fund
(In Thousands of Dollars)

Governor Leavitt's Recommendations							
	Actual FY 2001	Authorized FY 2002	Supple- mentals & Budget Cuts (a)	Recom- mended FY 2002 (b)	Base FY 2003 (c)	Ongoing, One-time & Budget Cuts (d)	Recom- mended FY 2003 (e)
Sources of Funding							
	\$25,376	\$0	\$11,614	\$11,614	\$0	\$0	\$0
(f) General Fund Estimates	1,709,789	1,753,529	(64,329)	1,689,200	1,753,529	(21,029)	1,732,500
Transfers	6,685	(795)	0	(795)	0	0	0
Mineral Lease	0	1,795	1,733	3,528	0	870	870
Asbestos Litigation Settlement	1,400	0	0	0	0	0	0
PEHP Long-term Disability Rebate	2,774	0	0	0	0	0	0
Tobacco Settlement Interest	424	430	0	430	0	0	0
Additional Fee Collections	338	400	97	497	0	97	97
Nursing Facility Assessment Fund Balance	0	0	255	255	0	0	0
Bridgestone/Firestone Settlement	0	0	475	475	0	0	0
UTFC Sale Proceeds	0	0	4,000	4,000	0	0	0
Lapsing Balances	5,407	0	0	0	0	0	0
Other	(3,182)	0	0	0	0	0	0
Transfer to Rainy Day Fund	(3,981)	0	0	0	0	0	0
IAF Reserve from Prior Fiscal Year	1,901	0	329	329	0	0	0
IAF Reserve for Following Fiscal Year	(329)	0	0	0	0	0	0
Reserve from Prior Fiscal Year	46,429	66,831	0	66,831	0	0	0
Reserve for Following Fiscal Year	(66,831)	0	0	0	0	0	0
Partial Designated Sales Tax 1/16% Water	0	0	0	0	0	14,577	14,577
Partial Designated Sales Tax 1/16% Roads	0	0	0	0	0	7,000	7,000
Potential Revenue Sources to Balance -							
I-15 Savings, Federal Stimulus Package, and/or Rainy Day Fund	0	0	47,677	47,677	0	0	0
Total Sources of Funding	\$1,726,200	\$1,822,190	\$1,851	\$1,824,041	\$1,753,529	\$1,515	\$1,755,044
Appropriations							
Operations Budget	\$1,446,625	\$1,557,346	\$13,435	\$1,570,781	\$1,522,606	\$9,207	\$1,531,813
Capital Budget	199,737	216,167	(6,537)	209,630	214,607	(35,006)	179,601
Debt Service	73,224	43,630	0	43,630	43,630	0	43,630
Subtotal Appropriations	1,719,586	1,817,143	6,898	1,824,041	1,780,843	(25,799)	1,755,044
Other							
(g) Administrative Hold Backs	(5,000)	--	--	--	--	--	--
Total Appropriations	\$1,714,586	\$1,817,143	\$6,898	\$1,824,041	\$1,780,843	(\$25,799)	\$1,755,044
Ending Balance	\$11,614	\$5,047	(\$5,047)	\$0	(\$27,314)	\$27,314	\$0
% Change from Authorized FY 2002				0.4%	(3.4%)		

(a) The Supplementals & Budget Cuts column represents recommended changes to the FY 2002 budget based upon updated revenue projections.

(b) The Recommended FY 2002 column is based upon updated revenue projections and includes recommended supplemental appropriations and budget cuts.

(c) The Base FY 2003 column represents FY 2002 appropriations reduced for one-time items and other small base adjustments.

(d) The Ongoing One-time & Budget Cuts column represents recommended changes to the FY 2003 base budget.

(e) The Recommended FY 2003 column is based upon updated revenue projections and includes recommended ongoing and one-time increases and budget cuts.

(f) See Table 4.

(g) Governor Leavitt enacted \$56.6 million in budget reductions for FY 2001, \$5.0 million of which was General Fund. For FY 2002 and FY 2003, his budget cuts are incorporated within the operating and capital budgets.

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)**

	Actual FY 2001	Authorized FY 2002	Governor Leavitt's Recommendations				
			Supple- mentals & Budget Cuts (a)	Recom- mended FY 2002 (b)	Base FY 2003 (c)	Ongoing, One-time & Budget Cuts (d)	Recom- mended FY 2003 (e)
Sources of Funding							
Beginning Balance	\$88,059	\$0	\$726	\$726	\$0	\$0	\$0
(f) School Funds Estimates	1,914,423	2,060,244	(133,644)	1,926,600	2,060,244	(37,644)	2,022,600
Lapsing Balances	20,587	0	20,406	20,406	0	0	0
Reserved Revenue Sources	(4,335)	0	0	0	0	0	0
Other	33	0	0	0	0	0	0
Reserve for Student Population Growth	0	(20,000)	20,000	0	0	0	0
Reserve from Prior Fiscal Year	11,469	32,730	0	32,730	0	0	0
Reserve for Following Fiscal Year	(32,730)	0	0	0	0	0	0
Total Sources of Funding	\$1,997,506	\$2,072,974	(\$92,512)	\$1,980,462	\$2,060,244	(\$37,644)	\$2,022,600
Appropriations							
Operations Budget	\$1,853,907	\$1,975,312	(\$69,491)	\$1,905,821	\$1,928,415	\$11,920	\$1,940,335
Capital Budget	174,288	72,656	(22,685)	49,971	62,656	(5,061)	57,595
Debt Service	20,152	24,670	0	24,670	24,670	0	24,670
<i>Subtotal Appropriations</i>	<i>2,048,347</i>	<i>2,072,638</i>	<i>(92,176)</i>	<i>1,980,462</i>	<i>2,015,741</i>	<i>6,859</i>	<i>2,022,600</i>
Other							
(g) Administrative Hold Backs	(51,567)	--	--	--	--	--	--
Total Appropriations	\$1,996,780	\$2,072,638	(\$92,176)	\$1,980,462	\$2,015,741	\$6,859	\$2,022,600
Ending Balance	\$726	\$336	(\$336)	\$0	\$44,503	(\$44,503)	\$0
% Change from Authorized FY 2002				(4.4%)			(2.4%)

* Includes Uniform School Fund and Income Tax Revenue for Higher Education.

(a) The Supplementals & Budget Cuts column represents recommended changes to the FY 2002 budget based upon updated revenue projections.

(b) The Recommended FY 2002 column is based upon updated revenue projections and includes recommended supplemental appropriations and budget cuts.

(c) The Base FY 2003 column represents FY 2002 appropriations reduced for one-time items and other small base adjustments.

(d) The Ongoing, One-time & Budget Cuts column represents recommended changes to the FY 2003 base budget.

(e) The Recommended FY 2003 column is based upon updated revenue projections and includes recommended ongoing and one-time increases and budget cuts.

(f) See Table 4.

(g) Governor Leavitt enacted \$56.6 million in budget reductions for FY 2001, \$51.6 million of which was school funds. For FY 2002 and FY 2003, his budget cuts are incorporated within the operating and capital budgets.

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)

	Actual FY 2001	Authorized FY 2002	Governor Leavitt's Recommendations					
			Dollar Change A02-R02	Recom- mended FY 2002	Dollar Change A02-R03	Recom- mended FY 2003	Percent Change A02-R02	Percent Change A02-R03
			(a)	(b)	(c)	(d)	(e)	(f)
General Fund (GF)								
Sales and Use Tax	\$1,431,419	\$1,497,852	(\$57,852)	\$1,440,000	(\$10,852)	\$1,487,000	(3.9%)	(0.7%)
Liquor Profits	30,253	32,000	500	32,500	1,000	33,000	1.6	3.1
Insurance Premiums	45,997	59,013	(14,613)	44,400	(12,913)	46,100	(24.8)	(21.9)
Beer, Cigarette, and Tobacco	57,909	61,000	(2,000)	59,000	(2,500)	58,500	(3.3)	(4.1)
Oil and Gas Severance Tax	39,358	30,000	6,000	36,000	2,000	32,000	20.0	6.7
Metal Severance Tax	6,204	6,000	(200)	5,800	(1,500)	4,500	(3.3)	(25.0)
Inheritance Tax	30,017	13,000	(1,000)	12,000	(4,000)	9,000	(7.7)	(30.8)
Investment Income	28,078	20,000	(4,000)	16,000	(3,000)	17,000	(20.0)	(15.0)
Other	45,966	38,664	10,336	49,000	12,336	51,000	26.7	31.9
Property and Energy Credit	(5,412)	(4,000)	(1,500)	(5,500)	(1,600)	(5,600)	37.5	40.0
<i>Subtotal General Fund</i>	<i>1,709,789</i>	<i>1,753,529</i>	<i>(64,329)</i>	<i>1,689,200</i>	<i>(21,029)</i>	<i>1,732,500</i>	<i>(3.7)</i>	<i>(1.2)</i>
School Funds (SF)								
(Includes Income Tax Revenue for Higher Education)								
Individual Income Tax	\$1,712,676	\$1,841,762	(\$80,762)	\$1,761,000	\$8,238	\$1,850,000	(4.4%)	0.4%
Corporate Franchise Tax	174,801	197,182	(57,182)	140,000	(52,182)	145,000	(29.0)	(26.5)
Permanent School Fund Interest	8,956	5,000	4,000	9,000	5,600	10,600	80.0	112.0
Gross Receipts Tax	8,340	8,300	(300)	8,000	(200)	8,100	(3.6)	(2.4)
Other	9,650	8,000	600	8,600	900	8,900	7.5	11.3
<i>Subtotal School Funds</i>	<i>1,914,423</i>	<i>2,060,244</i>	<i>(133,644)</i>	<i>1,926,600</i>	<i>(37,644)</i>	<i>2,022,600</i>	<i>(6.5)</i>	<i>(1.8)</i>
Total GF/SF	\$3,624,212	\$3,813,773	(\$197,973)	\$3,615,800	(\$58,673)	\$3,755,100	(5.2%)	(1.5%)
Transportation Fund								
Motor Fuel Tax	\$229,410	\$252,174	(\$15,174)	\$237,000	(\$16,174)	\$236,000	(6.0%)	(6.4%)
Special Fuel Tax	80,848	80,900	4,100	85,000	8,100	89,000	5.1	10.0
Other	64,465	70,700	(4,700)	66,000	(2,900)	67,800	(6.6)	(4.1)
Total Transportation Fund	\$374,723	\$403,774	(\$15,774)	\$388,000	(\$10,974)	\$392,800	(3.9%)	(2.7%)
Mineral Lease								
Royalties	\$52,077	\$37,000	\$11,000	\$48,000	\$8,000	\$45,000	29.7%	21.6%
Bonus	5,774	5,500	0	5,500	(100)	5,400	0.0	(1.8)
Total Mineral Lease	\$57,851	\$42,500	\$11,000	\$53,500	\$7,900	\$50,400	25.9%	18.6%

(a) The change is from the Authorized FY 2002 column (adopted in the 2001 General Session) to the Recommended FY 2002 column. These dollars represent reduced one-time revenues.

(b) The Recommended FY 2002 column is based upon updated revenue projections.

(c) The change is from the Authorized FY 2002 column (adopted in the 2001 General Session) to the Recommended FY 2003 column. These dollars represent reduced ongoing revenues from the Authorized FY 2002 column.

(d) The Recommended FY 2003 column is based upon updated revenue projections.

(e) The percentage change is from the Authorized FY 2002 column to the Recommended FY 2002 column.

(f) The percentage change is from the Authorized FY 2002 column to the Recommended FY 2003 column.

Table 4 shows actual revenue collections for FY 2001 and estimated revenue collections for FY 2002 and FY 2003. These include state revenues only; federal funds, licenses, fees, etc., are not included.

Table 5

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

	Actual FY 2001	Authorized FY 2002	Governor Leavitt's Recommendations		Base FY 2003	Base Cuts	Ongoing & One-time Adj.	Recom- mended FY 2003	Percent Change B03-R03
			Supplementals & Budget Cuts (a)	Recom- mended FY 2002 (b)					
Plan of Financing									
General Fund	\$1,714,586	\$1,817,143	\$6,898	\$1,824,041	\$1,780,843	(\$43,547)	\$17,748	\$1,755,044	(1.4%)
School Funds	1,996,780	2,072,638	(92,176)	1,980,462	2,015,741	(48,679)	55,538	2,022,600	0.3
Total Financing	\$3,711,366	\$3,889,781	(\$85,278)	\$3,804,503	\$3,796,584	(\$92,226)	\$73,286	\$3,777,644	(0.5%)
Programs									
Administrative Services	\$25,976	\$26,824	(\$973)	\$25,851	\$24,627	(\$784)	\$1,056	\$24,899	1.1% ^(h)
Commerce and Revenue	109,479	112,728	(5,431)	107,297	112,858	(4,623)	859	109,094	(3.3)
Corrections (Adult and Youth)	246,606	260,046	(10,213)	249,833	261,021	(12,149)	5,062	253,934	(2.7)
Courts	90,483	95,001	(2,841)	92,160	95,137	(3,762)	1,855	93,230	(2.0)
Econ. Development/Human Res.	49,708	46,411	(919)	45,492	36,527	(1,957)	439	35,009	(4.2)
Elected Officials	37,685	31,063	(660)	30,403	30,921	(1,161)	431	30,191	(2.4)
Environmental Quality	10,054	11,370	(332)	11,038	10,608	(411)	733	10,930	3.0 ⁽ⁱ⁾
Health	194,728	230,448	(9,149)	221,299	229,419	(6,182)	24,564	247,801	8.0 ^(j)
Higher Education	595,601	668,153	(16,067)	652,086	643,527	(35,353)	25,754	633,928	(1.5)
Human Services	202,793	216,671	(7,358)	209,313	217,503	(8,554)	5,800	214,749	(1.3)
Legislature	13,802	14,545	(9)	14,536	14,371	0	149	14,520	1.0
National Guard	3,932	4,376	(1)	4,375	4,100	(187)	274	4,187	2.1 ^(k)
Natural Resources	48,315	45,166	(3,424)	41,742	44,734	(2,410)	552	42,876	(4.2)
Public Education	1,625,763	1,709,838	2,490	1,712,328	1,677,925	(3,416)	35,149	1,709,658	1.9
Public Safety	44,360	46,406	(1,137)	45,269	46,443	(1,194)	669	45,918	(1.1)
Transportation	1,247	13,612	(32)	13,580	1,300	(83)	7	1,224	(5.8)
Total Operations Budget	\$3,300,532	\$3,532,658	(\$56,056)	\$3,476,602	\$3,451,021	(\$82,226)	\$103,353	\$3,472,148	0.6%
Capital Budget	\$317,458	\$288,823	(\$29,222)	\$259,601	\$277,263	(\$10,000)	(\$30,067)	\$237,196	(14.5%) ^(l)
Debt Service	93,376	68,300	0	68,300	68,300	0	0	68,300	0.0
Total Budget	\$3,711,366	\$3,889,781	(\$85,278)	\$3,804,503	\$3,796,584	(\$92,226)	\$73,286	\$3,777,644	(0.5%)

Table 5 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.

- (a) Due to declining revenue projections, the governor recommends reductions in the FY 2002 budgets for the executive branch and the Courts, with the exception of the Minimum School Program.
- (b) The Recommended FY 2002 column is based on updated revenue projections and includes recommended supplemental appropriations and budget reductions, except the Minimum School Program.
- (c) The Base FY 2003 column is the FY 2002 appropriated amount adjusted for one-time FY 2002 appropriations and program transfers between departments.
- (d) Due to declining revenue projections, the governor recommends reductions in the FY 2003 budgets for the executive branch and the Courts, with the exception of the Minimum School Program.

Table 5 Continued

SUMMARY OF RECOMMENDATIONS BY DEPARTMENT

Appropriations from General Fund and School Funds

Footnotes continued

- (e) Recommended adjustments are shown in more detail in the individual department sections of the book, and include internal service fund rate changes, employee benefit rate and market comparability adjustments, and ongoing and one-time program increases.
- (f) The Recommended FY 2003 column includes all Governor Leavitt's budget recommendations for FY 2003.
- (g) The percent change is the difference from the Base FY 2003 column to the Recommended FY 2003 column.
- (h) The 1.1 percent increase is largely due to an increased appropriation to Risk Management to cover the cost of a lawsuit.
- (i) The 3.0 percent increase is to fund the cost of fighting high-level nuclear waste storage in Utah.
- (j) The 8.0 percent increase results largely from funding increased Medicaid costs that are federally mandated.
- (k) The 2.1 percent increase results from the transfer of maintenance funds from Higher Education (UVSC), funding for fuel and power increases, and funding administrative costs for the Veterans' Nursing Home.
- (l) The 14.5 percent reduction results from an ongoing transfer of \$40 million from the base capital budget to operating budgets to help address declining revenue collections.

WHERE STATE TAX DOLLARS GO

General and School Funds - \$3.78 Billion
FY 2003

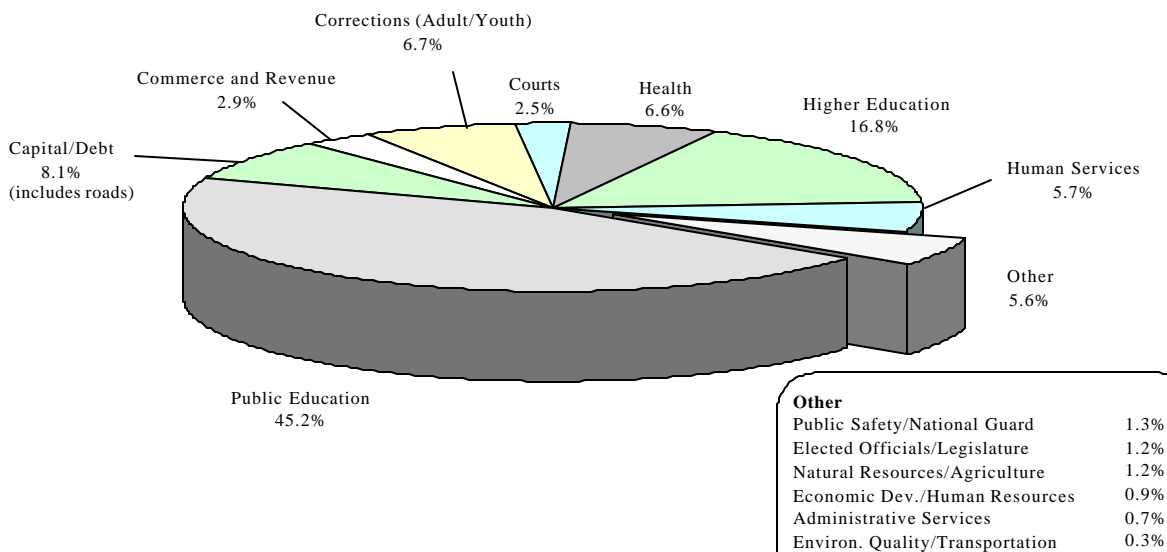


Table 6

SUMMARY OF RECOMMENDATIONS BY DEPARTMENT

Appropriations from All Sources of Funding

(In Thousands of Dollars)

	Actual FY 2001	Authorized FY 2002	Governor Leavitt's Recommendations		Base FY 2003	Base Cuts	Ongoing & One-time Adj.	Recom- mended FY 2003	Percent Change B03-R03
			Supplementals & Budget Cuts	mended FY 2002					
			(a)	(b)	(c)	(d)	(e)	(f)	(g)
Plan of Financing									
General Fund	\$1,714,586	\$1,817,143	\$6,898	\$1,824,041	\$1,780,843	(\$43,547)	\$17,748	\$1,755,044	(1.4%)
School Funds	1,996,780	2,072,638	(92,176)	1,980,462	2,015,741	(48,679)	55,538	2,022,600	0.3
Transportation Fund	384,023	387,979	419	388,398	385,739	0	7,061	392,800	1.8
Federal Funds	1,634,343	1,656,284	(3,976)	1,652,308	1,625,494	(9,585)	83,231	1,699,140	4.5
Dedicated Credits	445,569	453,760	442	454,202	449,941	900	28,819	479,660	6.6
Mineral Lease	56,119	56,128	0	56,128	50,400	0	0	50,400	0.0
Restricted and Trust Funds	292,057	365,040	7,304	372,344	331,274	201	13,824	345,299	4.2
Transfers	198,587	151,481	4,917	156,398	154,304	(2,127)	7,247	159,424	3.3
Other Funds	5,537	2,898	(49)	2,849	2,466	0	26	2,492	1.1
Pass-through Funds	(1)	0	0	0	300	0	0	300	0.0
Beginning Balances	165,001	209,021	(5,943)	203,078	96,890	0	0	96,890	0.0
Closing Balances	(209,021)	(96,855)	0	(96,855)	(88,792)	0	0	(88,792)	0.0
Lapsing Funds	(54,295)	(10,220)	0	(10,220)	(3,232)	0	0	(3,232)	0.0
Local Property Tax	331,713	356,458	0	356,458	356,458	0	12,697	369,155	3.6
Total Financing	\$6,960,998	\$7,421,755	(\$82,164)	\$7,339,591	\$7,157,826	(\$102,837)	\$226,191	\$7,281,180	1.7%
Programs									
Administrative Services	\$21,472	\$25,877	\$1,073	\$26,950	\$21,793	(\$687)	\$1,502	\$22,608	3.7%
Commerce and Revenue	365,105	395,010	(2,307)	392,703	394,920	(2,686)	3,762	395,996	0.3
Corrections (Adult and Youth)	268,935	289,527	(10,419)	279,108	284,643	(12,713)	5,272	277,202	(2.6)
Courts	98,623	105,355	(2,843)	102,512	104,460	(3,762)	1,972	102,670	(1.7)
Econ. Development/Human Res.	133,493	156,339	(450)	155,889	132,879	(1,957)	4,473	135,395	1.9
Elected Officials	62,501	77,693	(465)	77,228	66,750	(1,161)	685	66,274	(0.7)
Environmental Quality	40,243	42,022	(244)	41,778	40,036	(253)	2,550	42,333	5.7 ^(h)
Health	1,082,083	1,161,083	(8,792)	1,152,291	1,148,978	(17,094)	100,852	1,232,736	7.3 ⁽ⁱ⁾
Higher Education	798,820	894,181	(16,161)	878,020	868,231	(35,447)	49,376	882,160	1.6
Human Services	433,139	475,486	(8,523)	466,963	470,870	(10,983)	14,177	474,064	0.7
Legislature	13,464	14,865	(9)	14,856	14,691	0	149	14,840	1.0
National Guard	19,807	21,964	(173)	21,791	21,733	(435)	573	21,871	0.6
Natural Resources	120,939	133,858	(1,657)	132,201	130,480	(2,388)	2,726	130,818	0.3
Public Education	2,208,688	2,357,184	2,481	2,359,665	2,301,639	(3,003)	48,030	2,346,666	2.0
Public Safety	102,830	122,916	(96)	122,820	104,622	(185)	1,920	106,357	1.7
Transportation	223,395	222,149	386	222,535	207,224	(83)	7,543	214,684	3.6
Other	27,948	30,150	0	30,150	25,683	0	0	25,683	0.0
Total Operations Budget	\$6,021,485	\$6,525,659	(\$48,199)	\$6,477,460	\$6,339,632	(\$92,837)	\$245,562	\$6,492,357	2.4%
Capital Budget	\$780,627	\$709,739	(\$28,325)	\$681,414	\$635,344	(\$10,000)	(\$19,371)	\$605,973	(4.6%) ^(j)
Debt Service	158,886	186,357	(5,640)	180,717	182,850	0	0	182,850	0.0
Total Budget	\$6,960,998	\$7,421,755	(\$82,164)	\$7,339,591	\$7,157,826	(\$102,837)	\$226,191	\$7,281,180	1.7%

Table 6 shows the budgeted use of all sources of funding by state agency.
It is a summary of the department tables found in the following section.

Table 6 Continued

SUMMARY OF RECOMMENDATIONS BY DEPARTMENT

Appropriations from All Sources of Funding

Footnotes

- (a) Due to declining revenue projections, the governor recommends reductions in the FY 2002 budgets for the executive branch and the Courts, with the exception of the Minimum School Program.
- (b) The Recommended FY 2002 column is based on updated revenue projections and includes recommended supplemental appropriations and budget reductions, except the Minimum School Program.
- (c) The Base FY 2003 column is the FY 2002 appropriated amount adjusted for one-time FY 2002 appropriations and program transfers between departments.
- (d) Due to declining revenue projections, the governor recommends reductions in the FY 2003 budgets for the executive branch and the Courts, with the exception of the Minimum School Program.
- (e) Recommended adjustments are shown in more detail in the individual department sections of the book, and include internal service fund rate changes, employee benefit rate adjustments, market comparability adjustments, and ongoing and one-time program increases.
- (f) The Recommended FY 2003 column includes all Governor Leavitt's budget recommendations for FY 2003.
- (g) The percent change is the difference from the Base FY 2003 column to the Recommended FY 2003 column.
- (h) The 5.7 percent increase is to fund the cost of fighting high-level nuclear waste storage in Utah, water programs, and hazardous waste cleanup.
- (i) The 7.3 percent increase results largely from funding increased Medicaid costs that are federally mandated.
- (j) The 4.6 percent decrease is the result of an ongoing transfer of \$40 million from the base capital budget to operating budgets to help address declining revenue collections.

WHERE ALL DOLLARS GO

All Sources of Funding - \$7.28 Billion
FY 2003

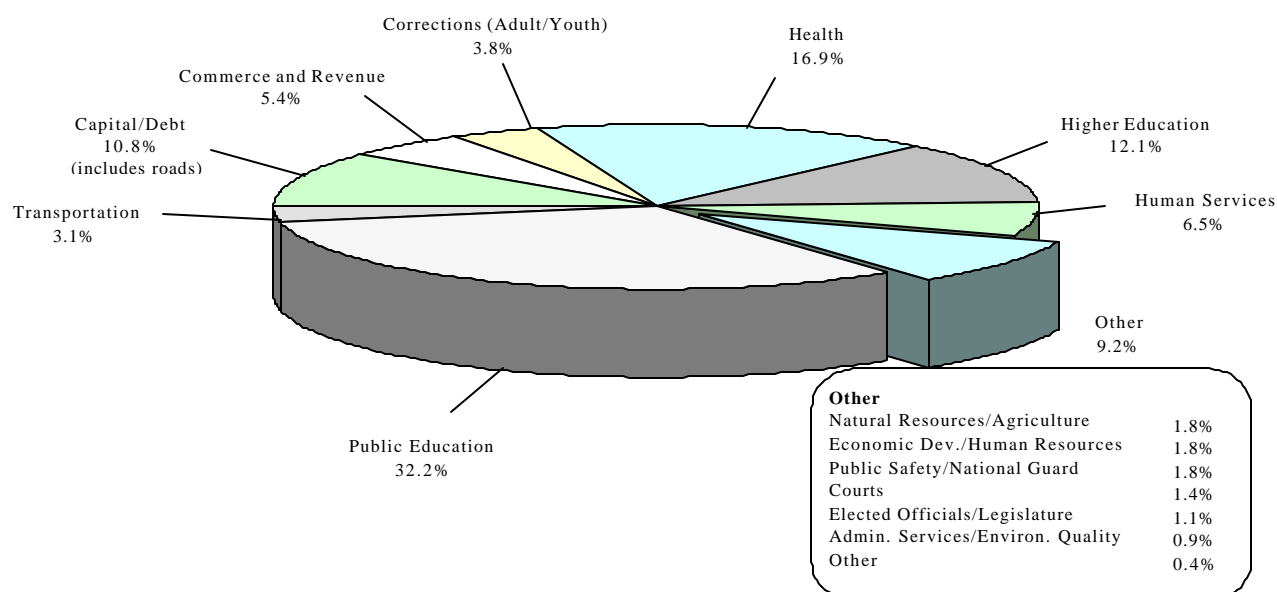


Table 7

SUMMARY OF FY 2003 ADJUSTMENTS AND BUDGET CUTS BY DEPARTMENT

Ongoing and One-time
All Sources of Funding

	General Fund	School Funds	Transporta- tion Fund	Federal Funds	Dedicated Credits	Restricted and Trust Funds	Other	Property Tax	Total
Appropriations by Department									
Administrative Services	\$271,400	\$0	\$0	\$0	\$363,800	\$0	\$180,500	\$0	\$815,700
Commerce and Revenue	(3,689,000)	(74,900)	0	2,791,100	84,500	1,912,400	51,400	0	1,075,500
Corrections (Youth and Adult)	(7,087,100)	0	0	(15,400)	9,500	(500)	(347,700)	0	(7,441,200)
Courts	(1,907,300)	0	0	0	75,000	31,900	10,000	0	(1,790,400)
Econ. Development/Human Res.	(1,517,400)	0	0	18,600	1,558,800	2,424,500	31,100	0	2,515,600
Elected Officials	(730,200)	0	0	12,600	127,600	112,700	1,600	0	(475,700)
Environmental Quality	322,300	0	0	463,300	203,500	1,309,400	(1,600)	0	2,296,900
Health	18,382,100	0	0	61,594,900	2,320,900	1,314,300	146,800	0	83,759,000
Higher Education	10,229,600	(19,828,000)	0	67,200	23,425,400	11,100	24,400	0	13,929,700
Human Services	(2,754,400)	0	0	205,200	28,300	690,300	5,024,200	0	3,193,600
Legislature	148,600	0	0	0	0	0	0	0	148,600
National Guard	(2,500)	90,000	0	(60,300)	110,600	0	0	0	137,800
Natural Resources	(1,858,400)	0	0	188,700	166,700	1,837,100	4,200	0	336,300
Public Education	0	31,734,000	0	157,400	425,900	600	12,300	12,697,400	45,027,600
Public Safety	(525,400)	0	0	40,900	573,700	1,637,700	8,100	0	1,735,000
Transportation	(75,800)	0	6,004,600	281,500	245,800	1,003,700	0	0	7,459,800
Total Operations Adj.	\$9,206,500	\$11,921,100	\$6,004,600	\$65,745,700	\$29,720,000	\$12,285,200	\$5,145,300	\$12,697,400	\$152,725,800
Capital Budget	(35,005,400)	(\$5,062,000)	\$1,056,000	\$7,900,300	\$0	\$1,740,000	\$0	\$0	(\$29,371,100)
Debt Service	0	0	0	0	0	0	0	0	0
Total Budget Adjustments	(\$25,798,900)	\$6,859,100	\$7,060,600	\$73,646,000	\$29,720,000	\$14,025,200	\$5,145,300	\$12,697,400	\$123,354,700

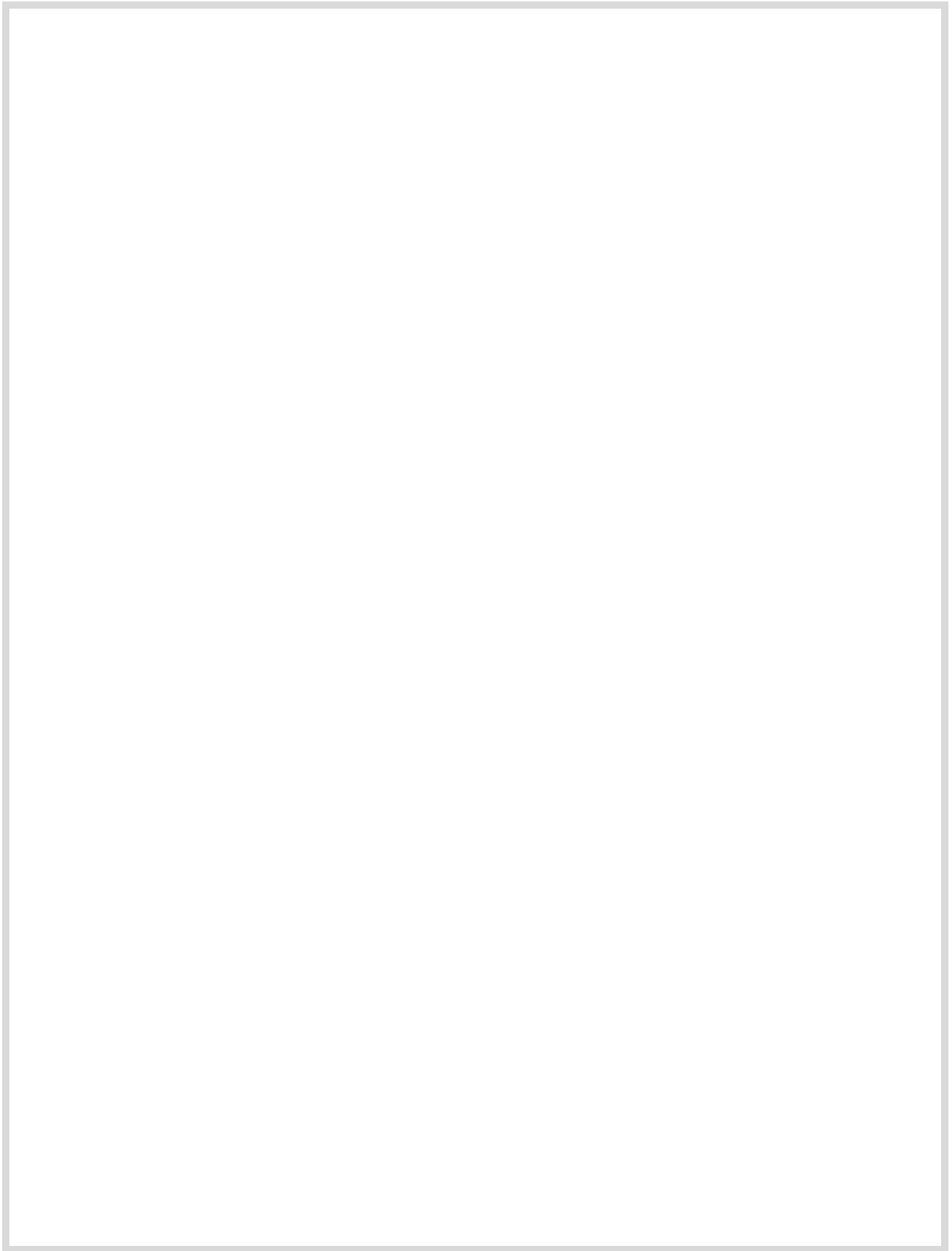
Table 7 shows recommended FY 2003 budget cuts and ongoing and one-time appropriations by department. This includes internal service fund, employee benefit rate, and market comparability adjustments.

Table 8

SUMMARY OF FY 2002 SUPPLEMENTALS AND BUDGET CUTS BY DEPARTMENT
All Sources of Funding

	General Fund	School Funds	Transportation Fund	Federal Funds	Debt Credits	Restricted and Trust Funds	Other	Total
Appropriations by Department								
Administrative Services	(\$973,100)	\$0	\$0	\$0	\$0	\$1,936,400	\$109,500	\$1,072,800
Commerce and Revenue	(5,235,800)	(195,300)	0	3,186,500	39,900	(91,200)	(10,900)	(2,306,800)
Corrections (Youth and Adult)	(10,213,000)	0	0	(34,300)	(5,800)	(700)	(165,700)	(10,419,500)
Courts	(2,841,400)	0	0	(100)	(400)	(600)	(100)	(2,842,600)
Econ. Development/Human Res.	(919,000)	0	0	284,800	129,700	(200)	55,000	(449,700)
Elected Officials	(659,500)	0	0	(300)	(43,700)	238,400	0	(465,100)
Environmental Quality	(332,000)	0	0	(3,800)	(2,300)	94,100	0	(244,000)
Health	(9,148,500)	0	0	(6,759,400)	(1,200)	7,120,700	(2,800)	(8,791,200)
Higher Education	55,807,700	(71,875,100)	0	0	(94,100)	0	0	(16,161,500)
Human Services	(7,358,100)	0	0	(497,800)	(10,100)	100,000	(756,900)	(8,522,900)
Legislature	(8,500)	0	0	0	0	0	0	(8,500)
National Guard	(90,500)	90,000	0	(172,900)	0	0	0	(173,400)
Natural Resources	(3,424,500)	0	0	40,400	8,700	1,718,000	100	(1,657,300)
Public Education	0	2,489,500	0	(8,200)	0	100	(200)	2,481,200
Public Safety	(1,137,100)	0	0	(1,700)	414,900	627,900	0	(96,000)
Transportation	(32,200)	0	418,900	(9,000)	6,800	1,300	0	385,800
Total Operations Adjustments	\$13,434,500	(\$69,490,900)	\$418,900	(\$3,975,800)	\$442,400	\$11,744,200	(\$772,000)	(\$48,198,700)
Capital Budget	(\$6,536,700)	(\$22,685,000)	\$0	\$0	\$0	\$1,200,000	(\$303,600)	(\$28,325,300)
Debt Service	0	0	0	0	0	(5,639,900)	0	(5,639,900)
Total Budget Adjustments	\$6,897,800	(\$92,175,900)	\$418,900	(\$3,975,800)	\$442,400	\$7,304,300	(\$1,075,600)	(\$82,163,900)

Table 8 shows recommended FY 2002 supplemental appropriations and budget reductions by department, including internal service fund rate adjustments.



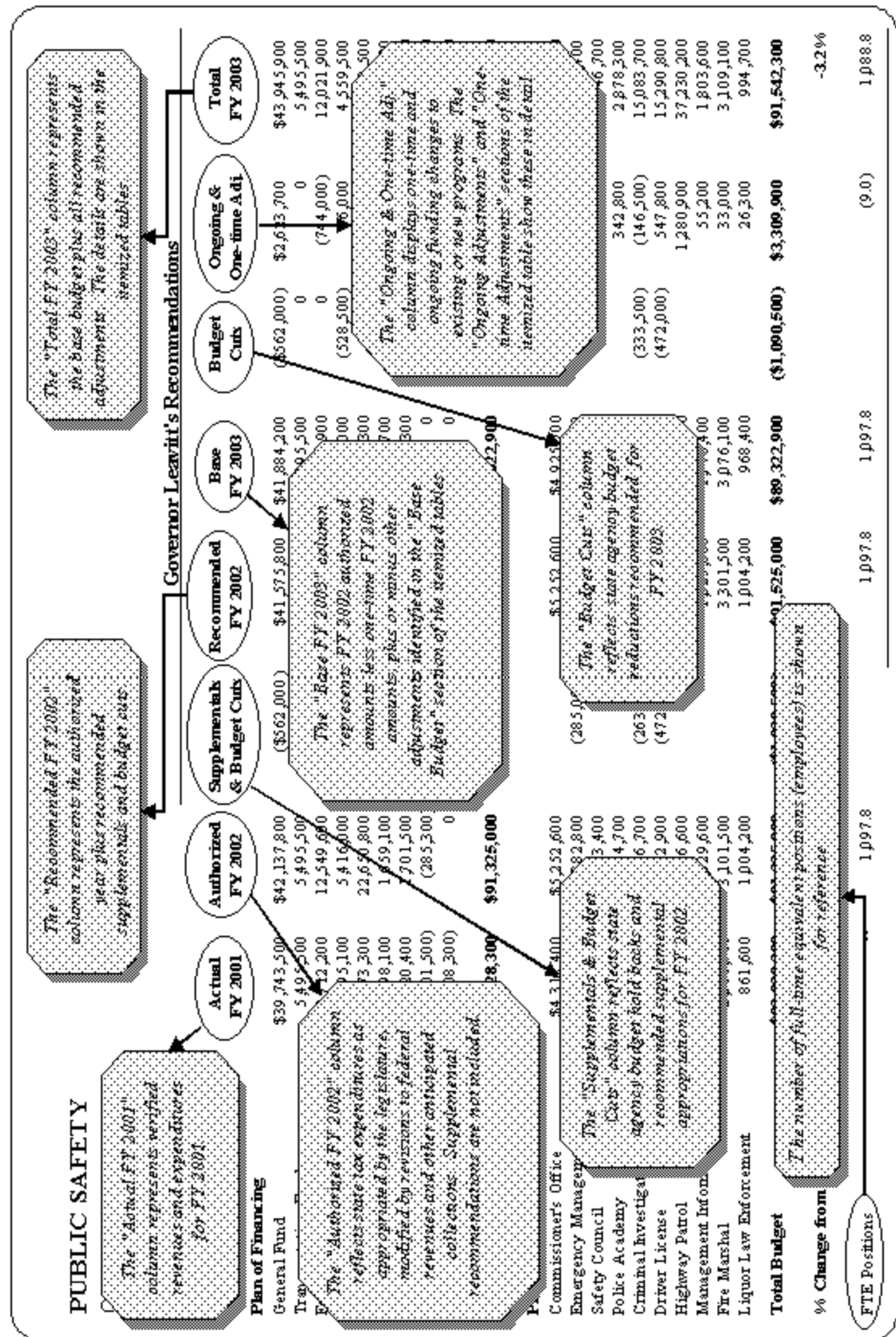
State of Utah

Operating and Capital Budgets by Department

- Table guides
- Department sections in alphabetical order by category
- Mission statement for each department reflecting its general purpose
- Purpose of department divisions and programs
- Governor Leavitt's major budget recommendations
- Intent statements recommended by the governor for the FY 2002 supplemental appropriations act and the FY 2003 appropriations act
- Three-year comparison of operating and capital budgets. Principal and interest for prior year bond projects are shown in the Debt Service budget
- Detailed FY 2003 base adjustments, FY 2003 ongoing and one-time appropriations, and FY 2002 supplemental appropriations
- Outline of budget reductions for FY 2002 and FY 2003

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 2001), authorized and recommended revenue and expenditures for the current fiscal year (FY 2002), and recommended revenue and expenditures for the budget fiscal year (FY 2003). The guide below illustrates how to read these tables.



GUIDE TO ONGOING, ONE-TIME, AND SUPPLEMENTAL 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.

HIGHER EDUCATION				
UTAH SYSTEM OF HIGHER EDUCATION FY 2003 OPERATING BUDGET				
Beginning Base Budget		General Funds	School Funds	Other Funds
A1	FY 2002 appropriated budget			
A2	Less one-time FY 2002 appropriations			
Total FY 2003 Utah System of Higher Education Base Budget				
Ongoing Adjustments				
A3	Brief title/description			
One-time Adjustments				
A4	Brief title/description here			
Total FY 2003 Utah System of Higher Education Adjustments				
Total FY 2003 Utah System of Higher Education Operating Budget				
UTAH SYSTEM OF HIGHER EDUCATION FY 2002 OPERATING BUDGET				
A5	Brief title/description here			
Total FY 2002 Utah System of Higher Education Supplementals				
UTAH SYSTEM OF HIGHER EDUCATION FY 2003 CAPITAL BUDGET				
One-time Adjustments				
A6	Brief title/description here			
Total FY 2003 USHE Capital Adjustments				
Total FY 2003 Utah System of Higher Education Capital Budget				
UTAH EDUCATION NETWORK FY 2003 OPERATING BUDGET				
Beginning Base Budget				
A7	FY 2002 appropriated budget			
Total FY 2003 Utah Education Network Base Budget				
Total FY 2003 Utah Education Network Adjustments				
Total FY 2003 Utah Education Network Operating Budget				
HIGHER EDUCATION TOTALS				
FY 2003 Operating Base Budget				
FY 2003 Operating Adjustments				
FY 2003 Operating Recommendation				
FY 2002 Operating Supplementals				
FY 2003 Capital Base Budget				
FY 2003 Capital Adjustments				
FY 2003 Capital Recommendation				
FY 2002 Capital Supplementals				

ADMINISTRATIVE SERVICES

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

PROGRAMS

- **Administrative Services**

Executive Director provides financial management, strategic planning, and organizational development for the department.

Administrative Rules administers rule making procedures and publishes and distributes administrative rules.

Archives administers records management programs and serves as the depository for official state records.

Debt Collection oversees collection of state receivables and provides training and technical assistance to state agencies on collection-related matters. This program is now completely funded by an internal service fund.

Facilities Construction and Management oversees construction and maintenance of facilities owned or occupied by the state.

Finance provides statewide accounting, processes payroll, and produces the state's annual financial report.

Finance - Mandated - Judicial Conduct Commission screens, investigates, and resolves complaints against Utah judges.

Finance - Mandated - Post Conviction Indigent Defense Fund allows convicted persons with the death sentence to challenge the sentence. The fund pays for costs of counsel and other reasonable litigation expenses incurred.

Finance - Mandated - Other provides accounting services for 800 megahertz

conversion, land conservation funding, and annual leave conversion.

Fleet Services assists state fleets in management issues and operates the central fleet as an internal service fund. The appropriated budget includes fleet capitalization funding.

Fuel Mitigation oversees replacement of state-owned underground fuel tanks and cleanup of state-owned fuel sites. This program has come to a conclusion.

Information Technology Services provides data processing and telecommunication services to state agencies as an internal service fund. The appropriated budget includes geographic information services for public and private customers.

Purchasing and General Services procures and provides goods and services as

well as management of contracts and services for state agencies.

- **Office of the Capitol Preservation Board** preserves and maintains the Utah State Capitol building and grounds.

MAJOR BUDGET RECOMMENDATIONS

Budget Reductions

- The Department of Administrative Services divided budget reductions equally across divisions with adjustments for special circumstances. The Capitol Preservation Board budget reductions focused on operating and maintenance services. Reductions in state funds total \$1,020,600 for FY 2002 and \$784,200 for FY 2003. For the capital budget, reductions in state funds total \$4,400,000 for FY 2002.

General Fund/School Funds

- Recommend a \$38,105,400 negative ongoing General Fund and \$1,906,000 negative ongoing school funds

adjustment to Administrative Service's capital budget to help address the state's revenue shortfall.

Other Funds

- Provide a \$1,936,400 restricted fund supplemental for payroll system replacement.

FY 2002 PROPOSED LEGISLATIVE INTENT

• **Administrative Services**

Funds for the Executive Director's Office are nonlapsing.

Funds for the Division of Facilities Construction and Management are nonlapsing.

Funds for 800 megahertz conversion are nonlapsing.

FY 2003 PROPOSED LEGISLATIVE INTENT

• **Administrative Services**

Funds for the Executive Director's Office are nonlapsing.

Funds for the Division of Archives are nonlapsing.

Funds for the Division of Facilities Construction and Management are nonlapsing.

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 Finance - Mandated (800 megahertz, IT innovation, LeRay McAllister Critical Land Fund, and annual leave conversion) are nonlapsing.

Funds for the Division of Purchasing and General Services are nonlapsing.

• **Capitol Preservation Board**

Funds for the Office of the Capitol Preservation Board are nonlapsing.

Operating Budget

Governor Leavitt's Recommendations							
Actual FY 2001	Authorized FY 2002	Supplementals & Budget Cuts	Recommended FY 2002	Base FY 2003	Budget Cuts	Ongoing & One-time Adj.	Total FY 2003
Plan of Financing							
General Fund	\$25,976,000		\$25,794,100	\$24,570,000	(\$784,200)	\$1,055,600	\$24,841,400
School Funds	0		57,200	57,200	0	0	57,200
Transportation Fund	450,000		519,100	519,100	0	0	519,100
Dedicated Credits	1,707,100		1,725,300	1,724,100	0	363,800	2,087,900
Restricted and Trust Funds	1,670,900		3,619,700	1,683,800	0	0	1,683,800
Transfers	(7,532,600)		(7,341,100)	(6,999,300)	97,500	83,000	(6,818,800)
Other Funds	(329,000)		(178,000)	0	0	0	0
Beginning Balances	2,726,600		3,197,400	443,400	0	0	443,400
Closing Balances	(3,197,400)		(443,400)	(205,700)	0	0	(205,700)
Total Financing	\$21,471,600	\$1,072,800	\$26,950,300	\$21,792,600	(\$686,700)	\$1,502,400	\$22,608,300
Programs							
Administrative Services							
Executive Director	\$959,100		\$999,400	\$951,700	(\$33,100)	\$118,400	\$1,037,000
Fuel/Mingdon	3,800		0	0	0	0	0
Administrative Rules	377,500		276,000	281,000	(2,000)	2,200	281,200
Archives	1,930,900		2,088,400	2,094,700	(87,600)	20,900	2,028,000
Debt Collection	49,300		0	0	0	0	0
DPCM							
Administration	3,089,800		3,090,000	3,195,700	(113,800)	26,000	3,107,900
Facilities Management	442,300		259,700	262,700	(5,000)	2,200	259,900
Finance							
Administration	8,797,400		13,215,000	9,451,300	(287,300)	687,900	9,851,900
Mandated - JCC	244,600		247,300	229,700	(2,000)	16,100	243,800
Mandated - Indigent Defense	22,300		200,000	250,000	0	(15,000)	235,000
Mandated - Other	4,420,800		5,023,700	3,585,300	(82,500)	0	3,502,800
Information Technology Services	876,600		876,600	376,600	(15,000)	0	361,600
Purchasing	1,358,500		1,433,000	1,427,600	(55,100)	16,800	1,389,300
Fleet Operations	4,000,000		4,000,000	4,000,000	0	0	4,000,000
Risk Management	0		0	0	0	581,000	581,000
Transfers & Appropriations to Other Funds	(7,675,900)		(7,544,100)	(7,126,600)	97,500	0	(7,029,100)
Subtotal Administrative Services	18,967,000	1,094,400	24,165,000	18,979,700	(585,900)	1,456,500	19,850,300
Capital Preservation Board							
Operations	2,504,600		2,785,300	2,812,900	(100,800)	45,900	2,758,000
Subtotal Capital Preserv. Board	2,504,600	(21,600)	2,785,300	2,812,900	(100,800)	45,900	2,758,000
Total Budget	\$21,471,600	\$1,072,800	\$26,950,300	\$21,792,600	(\$686,700)	\$1,502,400	\$22,608,300
% Change from Base FY 2003 to Total FY 2003							3.7%
FTE Positions	--	201.2	198.2	199.2	(5.0)	1.0	195.2

ADMINISTRATIVE SERVICES

Capital Budget

Governor Leavitt's Recommendations									
	Actual FY 2001	Authorized FY 2002	Supplementals & Budget Cuts	Recommended FY 2002	Base FY 2003	Budget Cuts	Ongoing & One-time Adj	Total FY 2003	FY 2003 Bond
Plan of Financing									
General Fund	\$47,068,800	\$57,325,400	(\$4,400,000)	\$52,925,400	\$65,099,400	\$0	(\$46,005,400)	\$19,094,000	\$0
School Funds	0	17,000,000	0	17,000,000	24,298,000	0	4,938,000	29,236,000	0
Transportation Fund	0	0	0	0	0	0	1,056,000	1,056,000	0
Federal Funds	4,144,800	0	0	0	0	0	7,900,300	7,900,300	0
Restricted and Trust Funds	0	30,386,700	0	30,386,700	0	0	200,000	200,000	0
FY 2003 General Obligation Bond	0	0	0	0	0	0	0	0	23,887,700
FY 2003 Revenue Bond	0	0	0	0	0	0	0	0	1,836,000
Other Funds	2,055,700	0	0	0	0	0	0	0	0
Total Financing	\$53,269,300	\$104,712,100	(\$4,400,000)	\$100,312,100	\$89,397,400	\$0	(\$31,911,100)	\$57,486,300	\$25,723,700
Projects									
Statewide capital improvements	\$36,733,000	\$43,994,000	(\$4,400,000)	\$39,594,000	\$43,994,000	\$0	\$5,392,000	\$49,386,000	\$0
Ongoing base funds remaining to allocate	0	0	0	0	45,403,400	0	(45,403,400)	0	0
State Capitol strategic plan	2,086,500	0	0	0	0	0	0	0	0
Corrections - Privatized Transition Center	2,777,800	0	0	0	0	0	0	0	0
Youth Corrections - St. George expansion	1,300,000	0	0	0	0	0	0	0	0
Counts - Logan property/design	2,000,000	0	0	0	0	0	0	0	0
State Hospital - Rampton phase II	5,700,000	0	0	0	0	0	0	0	0
DNR - Bear Lake campground	2,195,000	0	0	0	0	0	0	0	0
Heber Valley Railroad - depot	260,000	0	0	0	0	0	0	0	0
Workforce Services - Logan property	197,000	0	0	0	0	0	0	0	0
Statewide capital planning	0	40,000	0	40,000	0	0	0	0	0
CPB - Capitol extension buildings	0	40,991,600	0	40,991,600	0	0	0	0	0
Youth Corrections - Blanding	0	265,000	0	265,000	0	0	0	0	0
Counts - Logan First District Court	0	12,493,800	0	12,493,800	0	0	0	0	0
DNR - Utah Fish House of Natural History	0	5,741,000	0	5,741,000	0	0	0	0	0
DWS - Cedar City office	0	1,186,700	0	1,186,700	0	0	0	0	0
DFCM - Ogden Regional Center - planning	0	0	0	0	0	0	100,000	100,000	0
DFCM - Washington Co. Reg. Ctr. - planning	0	0	0	0	0	0	100,000	100,000	0
DYC - Washington County facility	0	0	0	0	0	0	5,424,300	5,424,300	1,792,700
DYC - Canyonlands facility	0	0	0	0	0	0	2,476,000	2,476,000	3,125,000
CPB - Capitol restoration design	0	0	0	0	0	0	0	0	18,970,000
ABC - Tooele liquor store	0	0	0	0	0	0	0	0	1,836,000
Total Budget	\$53,269,300	\$104,712,100	(\$4,400,000)	\$100,312,100	\$89,397,400	\$0	(\$31,911,100)	\$57,486,300	\$25,723,700
% Change from Base FY 2003 to Total FY 2003									(35.7%)

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

ADMINISTRATIVE SERVICES FY 2003 OPERATING BUDGET							
	General Fund	School Fund	Transportation Fund	Dedicated Credit	Restricted Fund	Other Fund	Total Fund
Beginning Base Budget							
401	\$24,354,000	\$364,000	\$533,800	\$1,496,300	\$1,301,700	(\$6,397,400)	\$22,080,400
402	(2,152,500)	0	0	0	0	500,000	(1,652,500)
403	41,600	0	0	0	500	0	42,100
404	51,200	0	0	0	0	0	51,200
405	(132,500)	(206,800)	(20,700)	(10,100)	(18,400)	(60,700)	(749,200)
406	(171,000)	0	0	0	0	0	(171,000)
407	0	0	0	0	200,000	(200,000)	0
408	0	0	0	2,200	0	(803,300)	(801,300)
409	21,990,800	\$7,200	\$19,100	1,490,400	1,683,800	(6,761,600)	18,979,700
Total Beginning Base Budget - Administrative Services							
Base Budget Reductions:							
409	(79,000)	0	0	0	0	0	(79,000)
410	(84,000)	0	0	0	0	0	(84,000)
411	(114,100)	0	0	0	0	0	(114,100)
412	(125,600)	0	0	0	0	0	(125,600)
413	(53,000)	0	0	0	0	0	(53,000)
414	(82,500)	0	0	0	0	82,500	0
415	(93,000)	0	0	0	0	0	(93,000)
416	(52,200)	0	0	0	0	15,000	(37,200)
417	(683,400)	0	0	0	0	97,500	(\$85,900)
Total Base Budget Reductions - Administrative Services							
Statewide Ongoing Adjustments:							
417	872,900	0	0	400	0	6,300	879,600
418	1,500	0	0	0	0	200	1,700
419	135,500	0	0	3,200	0	600	139,300
420	1,009,900	0	0	3,600	0	7,300	1,020,800
Subtotal Base Statewide Ongoing Adjustments - Admin Services							

ADMINISTRATIVE SERVICES - CONTINUED

Ongoing Adjustments		General Fund	School Fund	Transportation Fund	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
420	One additional internal auditor	0	0	0	0	0	75,700	75,700
421	Travel reservations fee increase	0	0	0	360,000	0	0	360,000
422	Judicial Conduct Commission professional services	15,000	0	0	0	0	0	15,000
423	Post Conviction Indigent Defense Fund	(15,000)	0	0	0	0	0	(15,000)
Subtotal Ongoing Adjustments - Administrative Services		0	0	0	360,000	0	75,700	435,700
Total FY 2003 Admin Intrative Services Adjustments		1,009,900	0	0	363,600	0	83,000	1,456,500
Total FY 2003 Admin Intrative Services Operating Budget		\$22,317,300	\$57,200	\$819,100	\$1,854,000	\$1,683,800	(\$6,581,100)	\$19,850,300
ADMINISTRATIVE SERVICES FY 2002 OPERATING BUDGET ADJUSTMENTS								
Base Budget Reductions:								
424	Eliminate two activist positions through attrition	(\$38,000)	\$0	\$0	\$0	\$0	\$0	(\$38,000)
425	Reduce DFCM computer support expense through outsource to ITS	(84,000)	0	0	0	0	0	(84,000)
426	Eliminate two finance computer program testers through attrition	(88,400)	0	0	0	0	0	(88,400)
427	Reduce finance software upgrades	(88,600)	0	0	0	0	0	(88,600)
428	Delay e-commerce implementation	(38,000)	0	0	0	0	0	(38,000)
429	Reduce LeRay McAllister Critical Land Conservation Fund	(82,500)	0	0	0	0	82,500	0
430	Eliminate IT Innovation Fund unallocated balance	(415,800)	0	0	0	0	(48,700)	(464,500)
431	Administrative and across-the-board reductions	(62,000)	0	0	0	0	0	(62,000)
432	Various other reductions	(28,300)	0	0	0	0	0	(28,300)
Subtotal Base Budget Reductions - Administrative Services		(945,600)	0	0	0	0	33,800	(911,800)
Supplemental Adjustments:								
433	Internal service fund adjustments	(5,900)	0	0	0	0	0	(5,900)
434	One additional internal auditor	0	0	0	0	0	75,700	75,700
435	Payroll system replacement additional funding	0	0	0	0	1,936,400	0	1,936,400
Subtotal Supplemental Adjustments - Administrative Services		(5,900)	0	0	0	1,936,400	75,700	2,006,200
Total FY 2002 Admin Intrative Services Budget Adjustments		(\$951,500)	\$0	\$0	\$0	\$1,936,400	\$109,500	\$1,094,400

ADMINISTRATIVE SERVICES - CONTINUED

ADMINISTRATIVE SERVICESFY 2003 CAPITAL BUDGET							
	General Fund	School Funds	Transportation Fund	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
Beginning Base Budget							
486	FY 2002 appropriated budget	\$57,325,400	\$1,700,000	\$0	\$30,386,700	\$0	\$104,712,100
487	Less one-time FY 2002 appropriations	(1,000)	(10,000,000)	0	(30,386,700)	(387,000)	(42,173,700)
488	Shift base capital budget in other depts. back to capital facilities	7,775,000	17,298,000	1,399,000	0	387,000	26,859,000
Total FY 2003 Administrative Services: Capital Base Budget		65,099,400	24,298,000	0	0	0	89,397,400
Ongoing Adjustments:							
489	Increase capital improvement funds (AR&E) mandated by statute	(790,000)	12,236,000	1,056,000	0	0	5,392,000
490	Shift ongoing base funds to AR&E	0	(5,392,000)	0	0	0	(5,392,000)
491	Decrease ongoing capital facilities budget	(38,105,400)	(1,906,000)	0	0	0	(40,011,400)
Subtotal Ongoing Adjustments - Capital		(46,005,400)	4,938,000	1,056,000	0	0	(40,011,400)
One-time Adjustments							
492	DFQM - Ogden Regional Center - planning	0	0	0	100,000	0	100,000
493	DFQM - Washington County Regional Center - planning	0	0	0	100,000	0	100,000
494	DYC - Washington County facility	0	0	0	0	5,424,300	5,424,300
495	DYC - Canyonlands facility	0	0	0	0	2,476,000	2,476,000
Subtotal One-time Adjustments - Capital		0	0	0	200,000	7,900,300	8,100,300
Total FY 2003 Administrative Services: Capital Adjustments		(46,005,400)	4,938,000	1,056,000	0	7,900,300	(31,911,100)
Total FY 2003 Administrative Services: Capital Budget		\$19,094,000	\$29,236,000	\$1,056,000	\$0	\$7,900,300	\$57,486,300
ADMINISTRATIVE SERVICESFY 2002 CAPITAL BUDGET SUPPLEMENTALS							
Base Budget Revisions:							
496	Reduces AR&E to statutory minimum	(\$4,400,000)	\$0	\$0	\$0	\$0	(\$4,400,000)
Total FY 2002 Administrative Services: Capital Adjustments		(\$4,400,000)	\$0	\$0	\$0	\$0	(\$4,400,000)

ADMINISTRATIVE SERVICES - CONTINUED

CAPITOL PRESERVATION BOARD FY 2003 OPERATING BUDGET									
	General Fund	School Funds	Transportation Fund	Dedicated Credits	Restricted Funds	Other Funds	Total Funds		
Beginning Base Budget									
447 FY 2002 appropriated budget	\$2,578,700	\$0	\$0	\$228,200	\$0	\$0	\$2,806,900		
448 Adjustment for extra working day	500	0	0	0	0	0	500		
449 Adjustment to estimates for non-state funding levels	0	0	0	5,500	0	0	5,500		
Total Beginning Base Budget - Capitol Preservation Board	2,579,200	0	0	233,700	0	0	2,812,900		
Base Budget Reductions:									
450 Reduce operating and maintenance services	(100,800)	0	0	0	0	0	(100,800)		
Total Base Budget Reductions - Capitol Preservation Board	(100,800)	0	0	0	0	0	(100,800)		
Statewide Ongoing Adjustments									
451 Internal services fund adjustments	44,200	0	0	0	0	0	44,200		
452 Benefit rate adjustments	1,500	0	0	200	0	0	1,700		
Subtotal Base Statewide Ongoing Adjustments - Cap. Pres. Bd.	45,700	0	0	200	0	0	45,900		
Total FY 2003 Capitol Preservation Board Adjustments	45,700	0	0	200	0	0	45,900		
Total FY 2003 Capitol Preservation Board Operating Budget	\$2,524,100	\$0	\$0	\$233,900	\$0	\$0	\$2,758,000		
CAPITOL PRESERVATION BOARD FY 2002 OPERATING BUDGET ADJUSTMENTS									
Base Budget Reductions:									
453 Reduce operating and maintenance services	(\$75,000)	\$0	\$0	\$0	\$0	\$0	(\$75,000)		
Subtotal Base Budget Reductions - Capitol Preservation Board	(75,000)	0	0	0	0	0	(75,000)		
Supplemental Adjustments									
454 Internal services fund adjustments	53,400	0	0	0	0	0	53,400		
Subtotal Supplemental Adjustments - Capitol Preservation Bd.	53,400	0	0	0	0	0	53,400		
Total FY 2002 Capitol Preservation Board Budget Adjustments:	(\$21,600)	\$0	\$0	\$0	\$0	\$0	(\$21,600)		

ADMINISTRATIVE SERVICES - CONTINUED

ADMINISTRATIVE SERVICES TOTALS							
	General Fund	School Funds	Transportation Fund	Dedicated Funds	Restricted Funds	Other Funds	Total Funds
FY 2003 Operating Beginning Base Budget	\$24,570,000	\$57,200	\$519,100	\$1,724,100	\$1,683,800	(\$6,761,600)	\$21,792,600
FY 2003 Operating Budget Reductions	(784,200)	0	0	0	0	97,500	(686,700)
FY 2003 Operating Ongoing and One-time Adjustments	1,055,600	0	0	363,800	0	83,000	1,502,400
FY 2003 Operating Recommendation	24,841,400	57,200	519,100	2,087,900	1,683,800	(6,381,100)	22,608,300
FY 2002 Operating Adjustments	(973,100)	0	0	0	1,936,400	109,500	1,072,800
FY 2003 Capital Base Budget	65,099,400	24,298,000	0	0	0	0	89,397,400
FY 2003 Capital Ongoing and One-time Adjustments	(46,005,400)	4,938,000	1,056,000	0	200,000	7,900,300	(31,911,100)
FY 2003 Capital Recommendation	19,094,000	29,236,000	1,056,000	0	200,000	7,900,300	57,486,300
FY 2002 Capital Adjustments	(4,400,000)	0	0	0	0	0	(4,400,000)

COMMERCE AND REVENUE

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

DEPARTMENTS

- **Alcoholic Beverage Control** regulates the sale and use of alcoholic beverages in Utah.
- **Commerce** administers state laws regulating professional occupations and business practices.
- **Financial Institutions** examines and regulates all state-chartered financial institutions.
- **Insurance** regulates insurance companies and individual agents to assure equitable and competitive business practices.
- **Labor Commission** provides regulatory and educational services in the areas of workers' compensation, workplace safety, and discrimination.
- **Public Service Commission** sets utility service rates and

regulates public utility companies.

- **Tax Commission** collects revenue for state and local governments and administers tax and related motor vehicle laws.
- **Workforce Services** provides coordinated employment-related and temporary public assistance and training services for workers, employers, and communities.

MAJOR BUDGET RECOMMENDATIONS

Budget Reductions

- Reduced revenue has necessitated budget reductions in FY 2002 and FY 2003. Emphasis was placed on across-the-board administrative reductions as well as reducing staff with the least impact on customer service. Reductions in state funds total \$5,508,300 for FY 2002 and \$4,623,100 for FY 2003.

Commerce

Other Funds

- Appropriate \$117,000 in ongoing restricted funds for three customer service technicians in the Division of Corporations. Fund \$165,000 in ongoing restricted funds to the Committee of Consumer Services Professional and Technical Services and \$107,000 in ongoing restricted funds for the controlled substance database in the Division of Occupational and Professional Licensure.

Financial Institutions

Other Funds

- Fund \$303,700 ongoing restricted funds for market comparability adjustments.

Tax Commission

General Fund

- No new General Fund other than market comparability, employee benefit, and internal service fund adjustments.

Workforce Services*General Fund*

- No new General Fund other than market comparability, employee benefit, and internal service fund adjustments.

Other Funds

- Utilize excess FY 2002 and FY 2003 federal funds for one-time programs that help families eligible for Temporary Assistance for Needy Families (TANF) to work towards self-sufficiency. This includes TANF funds of \$11,199,200 in FY 2002 and \$7,466,000 in FY 2003 to replace child care General Fund reductions and \$18,000,000 to replace the Public Assistance Case Management Information System (PACMIS) with a new software program that better meets the business needs of the state and its customers.

FY 2003 PROPOSED LEGISLATIVE INTENT

Commerce

Unexpended year-end balances will be carried forward for the completion of the Licensing Enforcement System, capital equipment improvements, and computer system development.

Unused Committee of Consumer Services (CCS)

funds will be transferred to CCS Professional and Technical Services and are nonlapsing up to \$500,000.

Funds for the Division of Public Utilities - Professional and Technical Services are nonlapsing up to \$500,000.

Funds for Real Estate Education are nonlapsing.

Insurance

Funds for the Comprehensive Health Insurance Pool are nonlapsing.

Funds for the Title Insurance Program are nonlapsing.

Labor Commission

Fees collected from sponsoring and holding seminars are nonlapsing.

Public Service Commission

Funds for Research and Analysis are nonlapsing.

Funds for Speech and Hearing Impaired are nonlapsing.

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.

Funds for License Plate Production are nonlapsing.

Funds for Liquor Profit Distribution are nonlapsing.

Unless the outsourcing of which would be in violation of state or federal law, the Tax Commission will outsource all accounts that are not in litigation, not under a payment agreement, or not assigned to a collector for active collection. The Tax Commission shall report the results of its outsourcing to the Office of Debt Collection.

The Tax Commission will track additional revenues resulting from tax modernization efforts and report the results quarterly to the Office of the Legislative Fiscal Analyst, the Governor's Office of Planning and Budget, and the Division of Finance.

Workforce Services

Funds appropriated to Workforce Services are nonlapsing.

COMMERCE AND REVENUE

Operating Budget

Governor Leavitt's Recommendations								
	Actual FY 2001	Authorized FY 2002	Supplementals & Budget Cuts	Recommended FY 2002	Base FY 2003	Budget Cuts	Ongoing & One-time Adj.	Total FY 2003
Plan of Financing								
General Fund	\$92,898,200	\$95,117,600	(\$5,235,800)	\$89,881,800	\$95,198,500	(\$4,330,100)	\$641,100	\$91,509,500
School Funds	16,580,800	17,610,800	(195,300)	17,415,500	17,659,500	(293,000)	218,100	17,584,600
Transportation Fund	4,857,400	4,857,400	0	4,857,400	4,857,400	0	0	4,857,400
Federal Funds	174,153,800	195,384,700	3,186,500	198,571,200	196,085,800	2,239,800	551,300	198,876,900
Dedicated Credits	21,507,100	18,998,100	39,900	19,038,000	21,302,000	46,900	37,600	21,386,500
Restricted and Trust Funds	48,909,300	52,868,000	(91,200)	52,776,800	52,469,600	(350,000)	2,262,400	54,382,500
Transfers	6,866,500	3,765,500	(10,900)	3,754,600	3,813,200	0	51,400	3,864,600
Beginning Balances	38,174,400	37,769,700	0	37,769,700	31,033,800	0	0	31,033,800
Closing Balances	(37,769,700)	(31,033,800)	0	(31,033,800)	(27,480,200)	0	0	(27,480,200)
Lapsing Funds	(1,073,200)	(327,800)	0	(327,800)	(19,300)	0	0	(19,300)
Total Financing	\$365,104,600	\$395,010,200	(\$2,306,800)	\$392,703,400	\$394,920,300	(\$2,686,400)	\$3,761,900	\$395,995,800
Programs								
Commerce and Revenue								
Alcoholic Beverage Control	\$15,279,500	\$16,317,900	(\$84,800)	\$16,233,100	\$15,962,000	(\$200,000)	\$1,114,300	\$16,876,300
Commerce	15,199,000	18,613,100	(2,900)	18,610,200	17,141,600	(150,000)	713,900	17,705,500
Financial Institutions	2,751,700	3,927,400	0	3,927,400	3,833,400	0	343,000	4,176,400
Insurance	5,452,200	5,841,400	(162,500)	5,678,900	5,726,900	(179,400)	60,200	5,607,700
Health Insurance Pool	9,486,800	8,471,200	(125,400)	8,345,800	13,200,700	(156,800)	0	13,043,900
Labor Commission	8,893,200	9,252,200	(243,500)	9,008,700	8,937,100	(267,800)	105,100	8,774,400
Public Service Commission	1,513,100	1,617,400	(29,400)	1,588,000	1,607,700	(46,100)	12,000	1,573,600
Speech and Hearing Impaired Fund	1,641,800	1,784,600	0	1,784,600	1,784,600	0	0	1,784,600
Universal Trust Fund	6,551,500	8,483,500	0	8,483,500	8,779,300	0	0	8,779,300
Tax Commission	62,237,400	64,098,900	(1,460,400)	62,638,500	61,342,700	(1,686,300)	777,700	60,434,100
Workforce Services	236,098,400	256,602,600	(197,900)	256,404,700	256,604,300	0	635,700	257,240,000
Total Budget	\$365,104,600	\$395,010,200	(\$2,306,800)	\$392,703,400	\$394,920,300	(\$2,686,400)	\$3,761,900	\$395,995,800
% Change from Base FY 2003 to Total FY 2003								0.3%
FTE Positions	--	3,534.6	(4.5)	3,530.1	3,541.1	(15.0)	17.0	3,543.1

COMMERCE AND REVENUE

ALCOHOLIC BEVERAGE CONTROL FY 2003 OPERATING BUDGET							
	General Fund	School Funds	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
Beginning Base Budget							
81 FY 2002 appropriated budget	\$0	\$0	\$0	\$0	\$16,292,500	\$0	\$16,292,500
82 Less one-time FY 2002 appropriations	0	0	0	0	(366,000)	0	(366,000)
83 Adjustment for extra working day	0	0	0	0	33,200	0	33,200
84 Retirement funding allocation from Division of Finance to agencies	0	0	0	0	2,300	0	2,300
Total Beginning Base Budget - Alcoholic Beverage Control	0	0	0	0	15,962,000	0	15,962,000
Base Budget Reductions							
85 Delay implementation of information technology	0	0	0	0	(200,000)	0	(200,000)
Total Base Budget Reductions - Alcoholic Beverage Control	0	0	0	0	(200,000)	0	(200,000)
Statewide Ongoing Adjustments							
86 Internal service fund adjustments	0	0	0	0	6,700	0	6,700
87 Market comparability adjustments	0	0	0	0	190,800	0	190,800
88 Benefit rate adjustments	0	0	0	0	130,100	0	130,100
Subtotal Statewide Ongoing Adj. - Alcoholic Beverage Control	0	0	0	0	347,600	0	347,600
Ongoing Adjustments							
89 New sales clerk (12)	0	0	0	0	297,000	0	297,000
90 Recurring GERS professional services	0	0	0	0	40,000	0	40,000
91 Disaster recovery plan annual maintenance	0	0	0	0	18,000	0	18,000
92 Recurring EC-initiative professional services	0	0	0	0	115,000	0	115,000
93 Package agency increase for volume	0	0	0	0	31,500	0	31,500
94 Package agency rate 1.35%	0	0	0	0	18,000	0	18,000
Subtotal Ongoing Adjustments - Alcoholic Beverage Control	0	0	0	0	520,100	0	520,100
One-time Adjustments							
95 HP9000/L3000 computer system acquisition	0	0	0	0	68,000	0	68,000
96 Purchase warehouse equipment	0	0	0	0	50,000	0	50,000
97 Time and attendance system acquisition	0	0	0	0	115,000	0	115,000
98 Fuel and power rate increase	0	0	0	0	13,600	0	13,600
Subtotal One-time Adjustments - Alcoholic Beverage Control	0	0	0	0	246,600	0	246,600
Total FY 2003 Alcoholic Beverage Control Adjustments	0	0	0	0	1,114,300	0	1,114,300
Total FY 2003 Alcoholic Beverage Control Operating Budget	\$0	\$0	\$0	\$0	\$16,876,300	\$0	\$16,876,300

COMMERCE AND REVENUE - CONTINUED

ALCOHOLIC BEVERAGE CONTROL FY 2002 OPERATING BUDGET ADJUSTMENTS									
Base Budget Reductions:									
General Fund	School Funds	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds			
819 Delay implementation of information technology	\$0	\$0	\$0	\$0	(\$200,000)	\$0	(\$200,000)		
Subtotal Base Budget Reductions - Alcoholic Beverage Control	0	0	0	0	(200,000)	0	(200,000)		
Supplemental Adjustments:									
820 Hire new sales clerks (12)	0	0	0	0	101,600	0	101,600		
821 Fuel and power rate increase	0	0	0	0	13,600	0	13,600		
Subtotal Supplemental Adjustments - Alcoholic Beverage Control	0	0	0	0	115,200	0	115,200		
Total FY 2002 Alcoholic Beverage Control Budget Adjustments	\$0	\$0	\$0	\$0	(\$84,800)	\$0	(\$84,800)		
COMMERCE FY 2003 OPERATING BUDGET									
Beginning Base Budget									
822 FY 2002 appropriated budget	\$0	\$0	\$138,400	\$440,800	\$16,711,700	\$25,700	\$17,316,600		
823 Less one-time FY 2002 appropriations	0	0	0	0	(200,000)	0	(200,000)		
824 Adjustment for extra working day	0	0	0	0	42,800	0	42,800		
825 Retirement funding allocation from Division of Finance to agencies	0	0	0	0	3,100	0	3,100		
826 Adjustment to estimates for non-state funding levels	0	0	4,800	0	0	(25,700)	(20,900)		
Total Beginning Base Budget - Commerce	0	0	143,200	440,800	16,557,600	0	17,141,600		
Base Budget Reductions:									
827 Administrative and across-the-board reductions	0	0	0	0	(150,000)	0	(150,000)		
Total Base Budget Reductions - Commerce	0	0	0	0	(150,000)	0	(150,000)		
Statewide Ongoing Adjustments:									
828 Internal service fund adjustments	0		(100)	100	(14,000)	0	(14,000)		
829 Market comparability adjustments	0	0	0	200	21,300	0	21,300		
830 Benefits adjustments	0	0	1,200	900	154,600	0	156,700		
Subtotal Statewide Ongoing Adjustments - Commerce	0	0	1,100	1,200	161,700	0	164,000		
Ongoing Adjustments:									
831 Corporations phone bank funding	0	0	0	0	117,000	0	117,000		
832 Consumer protection investigator	0	0	0	0	50,000	0	50,000		
833 Pete Szabo Utah Athletic Commission	0	0	0	0	11,000	0	11,000		
834 Controlled substance database funding, 2.0 FTEs and DP equipment	0	0	0	0	107,000	0	107,000		

COMMERCE AND REVENUE - CONTINUED

	General Fund	School Fund	Federal Fund	Dedicated Credits	Restricted Fund	Other Fund	Total Fund
B25 Division of Professional License phone bank	0	0	0	0	69,900	0	69,900
B26 Committee of Consumer Services Professional and Technical Services	0	0	0	0	165,000	0	165,000
B27 Building rent	0	0	0	0	10,000	0	10,000
B28 Real estate training video (Real Estate Trust Fund)	0	0	0	0	20,000	0	20,000
Subtotal Ongoing Adjustments - Commerce	0	0	0	0	549,900	0	549,900
Total FY 2003 Commerce Adjustments	0	0	1,100	1,200	711,600	0	713,900
Total FY 2003 Commerce Operating Budget	\$0	\$0	\$144,300	\$442,000	\$17,119,200	\$0	\$17,705,500
COMMERCE FY 2002 OPERATING BUDGET ADJUSTMENTS							
Base Budget Reductions							
B39 Administrative and across-the-board reductions	\$0	\$0	\$0	\$0	(\$300,000)	\$0	(\$300,000)
B40 Corporations Licensing Enforcement System funding reduction	0	0	0	0	(30,000)	0	(30,000)
Subtotal Base Budget Reductions - Commerce	0	0	0	0	(250,000)	0	(250,000)
Supplemental Adjustments							
B41 Internal service fund adjustments	0	0	0	0	(17,900)	0	(17,900)
B42 Committee of Consumer Services Professional and Technical Services	0	0	0	0	165,000	0	165,000
Subtotal Base Supplemental Adjustments - Commerce	0	0	0	0	147,100	0	147,100
Total FY 2002 Commerce Budget Adjustments	\$0	\$0	\$0	\$0	(\$2,900)	\$0	(\$2,900)
FINANCIAL INSTITUTIONS FY 2003 OPERATING BUDGET							
Beginning Base Budget							
B43 FY 2002 appropriated budget	\$0	\$0	\$0	\$0	\$2,926,700	\$0	\$2,926,700
B44 Less one-time FY 2002 appropriations	0	0	0	0	(103,000)	0	(103,000)
B45 Adjustment for extra working day	0	0	0	0	9,000	0	9,000
B46 Retirement funding allocation from Division of Finance to agencies	0	0	0	0	700	0	700
Total Beginning Base Budget - Financial Institutions	0	0	0	0	3,833,400	0	3,833,400

COMMERCE AND REVENUE - CONTINUED

Statewide Ongoing Adjustments		General Fund	School Funds	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
847	Market comparability adjustments	0	0	0	0	303,700	0	303,700
848	Benefit rate adjustments	0	0	0	0	39,300	0	39,300
	<i>Subtotal: Statewide Ongoing Adjustments - Physical Inst.</i>	0	0	0	0	343,000	0	343,000
	Total FY 2003 Financial Institutions Adjustments	0	0	0	0	343,000	0	343,000
Total FY 2003 Financial Institutions Operating Budget		\$0	\$0	\$0	\$0	\$4,176,400	\$0	\$4,176,400

INSURANCE FY 2003 OPERATING BUDGET		General Fund	School Funds	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
Beginning Base Budget								
849	FY 2002 appropriated budget	\$4,431,500	\$0	\$0	\$1,087,300	\$22,100	\$16,700	\$5,557,600
850	Less one-time FY 2002 appropriations	(3,000)	0	0	0	0	0	(3,000)
851	Adjustment for extra working day	13,400	0	0	0	0	0	13,400
852	Market comparability adjustment funding allocation from DHEM	71,700	0	0	0	0	0	71,700
853	Retirement funding allocation from Division of Finance to agencies	900	0	0	0	0	0	900
854	800 Megahertz allocation	3,200	0	0	0	0	0	3,200
855	Adjustment to estimates for non-state funding levels	0	0	0	(22,300)	0	105,400	83,100
	Total Beginning Base Budget - Insurance	4,517,700	0	0	1,065,000	22,100	122,100	5,726,900
Base Budget Reductions								
856	Actuary	(84,700)	0	0	0	0	0	(84,700)
857	Consumer service analyst	(48,100)	0	0	0	0	0	(48,100)
858	Administrative and across-the-board reductions	(93,500)	0	0	46,900	0	0	(46,600)
	Total Base Budget Reductions - Insurance	(226,300)	0	0	46,900	0	0	(179,400)
Statewide Ongoing Adjustments								
859	Benefit rate adjustments	52,000	0	300	7,900	0	0	60,200
	<i>Subtotal: Statewide Ongoing Adjustments - Insurance</i>	52,000	0	300	7,900	0	0	60,200
	Total FY 2003 Insurance Adjustments	52,000	0	300	7,900	0	0	60,200
Total FY 2003 Insurance Operating Budget		\$4,343,400	\$0	\$300	\$1,119,800	\$22,100	\$122,100	\$5,607,700

COMMERCE AND REVENUE - CONTINUED

INSURANCE FY 2002 OPERATING BUDGET ADJUSTMENTS									
	General Fund	School Funds	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds		
Base Budget Reductions:									
860 Actuary	(\$84,700)	\$0	\$0	\$0	\$0	\$0	(\$84,700)		
861 Consumer service analyst	(46,700)	0	0	0	0	0	(46,700)		
862 Administrative and across-the-board reductions	(74,600)	0	0	43,500	0	0	(31,100)		
Subtotal Base Budget Reductions - Insurance	(206,000)	0	0	43,500	0	0	(162,500)		
Total FY 2002 Insurance Budget Adjustments	(\$206,000)	\$0	\$0	\$43,500	\$0	\$0	(\$162,500)		
LABOR COMMISSION FY 2003 OPERATING BUDGET									
Beginning Base Budget									
863 FY 2002 appropriated budget	\$5,247,200	\$0	\$2,355,000	\$0	\$1,827,400	\$0	\$9,429,600		
864 Less one-time FY 2002 appropriations	(100,000)	0	0	0	0	0	(100,000)		
865 Adjustment for extra working day	19,200	0	0	0	400	0	19,600		
866 Market comparability adjustment funding allocation from DHEM	19,700	0	0	0	0	0	19,700		
867 Retirement funding allocation from Division of Finance to agencies	1,200	0	0	0	300	0	1,500		
868 Adjustment to estimates for non-state funding levels	0	0	67,300	0	(500,600)	0	(433,300)		
Total Beginning Base Budget - Labor Commission	5,187,300	0	2,422,300	0	1,327,500	0	8,937,100		
Base Budget Reductions:									
869 Administrative staff	(112,800)	0	0	0	0	0	(112,800)		
870 Reemployment coordinator	(33,700)	0	0	0	0	0	(33,700)		
871 Intake officer	(27,500)	0	0	0	0	0	(27,500)		
872 Administrative and across-the-board reductions	(23,500)	0	0	0	0	0	(23,500)		
873 DP capital expenditures	(25,000)	0	0	0	0	0	(25,000)		
874 Coal mine inspector	(45,300)	0	0	0	0	0	(45,300)		
Total Budget Reductions - Labor Commission	(267,800)	0	0	0	0	0	(267,800)		
Statewide Ongoing Adjustments									
875 Market comparability adjustments	3,300	0	11,000	0	0	0	14,300		
876 Benefit rate adjustments	75,200	0	14,000	0	1,600	0	90,800		
Subtotal Statewide Ongoing Adjustments - Labor Commission	78,500	0	25,000	0	1,600	0	105,100		
Total FY 2003 Labor Commission Adjustments	78,500	0	25,000	0	1,600	0	105,100		
Total FY 2003 Labor Commission Operating Budget	\$4,998,000	\$0	\$2,447,300	\$0	\$1,329,100	\$0	\$8,774,400		

COMMERCE AND REVENUE - CONTINUED

LABOR COMMISSION FY 2002 OPERATING BUDGET ADJUSTMENTS									
	General Fund	School Fund	Federal Fund	Dedicated Credits	Restricted Funds	Other Funds	Total Funds		
Base Budget Reductions									
877 Administrative staff	(\$112,800)	\$0	\$0	\$0	\$0	\$0	\$0	(\$112,800)	
878 Reemployment coordinator	(19,800)	0	0	0	0	0	0	(19,800)	
879 Intake officer	(15,800)	0	0	0	0	0	0	(15,800)	
880 Administrative and across-the-board reductions	(14,500)	0	0	0	0	0	0	(14,500)	
881 One-time funding	(41,700)	0	0	0	0	0	0	(41,700)	
882 Carryforward from FY 2001	(25,000)	0	0	0	0	0	0	(25,000)	
<i>Subtotal Budget Reductions - Labor Commission</i>	<i>(229,600)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>(229,600)</i>	
Supplemental Adjustments									
883 Internal services fund adjustments	(9,900)	0	(500)	0	(3,500)	0	0	(13,900)	
<i>Subtotal Supplemental Adjustments - Labor Commission</i>	<i>(9,900)</i>	<i>0</i>	<i>(500)</i>	<i>0</i>	<i>(3,500)</i>	<i>0</i>	<i>0</i>	<i>(13,900)</i>	
Total FY 2002 Labor Commission Budget Adjustments	(\$219,500)	\$0	(\$500)	\$0	(\$3,500)	\$0	\$0	(\$243,500)	
PUBLIC SERVICE COMMISSION FY 2003 OPERATING BUDGET									
Beginning Base Budget									
884 FY 2002 appropriated budget	\$1,471,900	\$0	\$0	\$125,900	\$0	\$0	\$0	\$1,597,800	
885 Adjustment for extra working day	4,800	0	0	0	0	0	0	4,800	
886 Retirement funding allocation from Division of Finance to agencies	300	0	0	0	0	0	0	300	
887 Adjustment to estimates for non-state funding levels	0	0	0	5,000	0	0	0	5,000	
Total Beginning Base Budget - Public Service Commission	1,476,800	0	0	130,900	0	0	0	1,607,700	
Base Budget Reductions									
888 Administrative and across-the-board reductions	(46,100)	0	0	0	0	0	0	(46,100)	
Total Base Budget Reductions - Public Service Commission	(46,100)	0	0	0	0	0	0	(46,100)	
Statewide Ongoing Adjustments									
889 Insurance benefit adjustments	11,100	0	0	900	0	0	0	12,000	
<i>Subtotal Statewide Ongoing Adjustments - Public Service Commission</i>	<i>11,100</i>	<i>0</i>	<i>0</i>	<i>900</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>12,000</i>	
Total FY 2003 Public Service Commission Adjustments	11,100	0	0	900	0	0	0	12,000	
Total FY 2003 Public Service Commission Operating Budget	\$1,441,800	\$0	\$0	\$131,800	\$0	\$0	\$0	\$1,573,600	

COMMERCE AND REVENUE - CONTINUED

PUBLIC SERVICE COMMISSION FY 2002 OPERATING BUDGET ADJUSTMENTS									
Base Budget Reductions									
	General Fund	School Fund	Federal Fund	Dedicated Credits	Restricted Fund	Other Fund	Total Fund		
280 Administrative and across-the-board reductions	(\$29,400)	\$0	\$0	\$0	\$0	\$0	(\$29,400)		
Subtotal Base Budget Reductions - Public Service Commission	(29,400)	0	0	0	0	0	(29,400)		
Total FY 2002 Public Service Commission Budget Adjustments	(\$29,400)	\$0	\$0	\$0	\$0	\$0	(\$29,400)		
TAX COMMISSION FY 2003 OPERATING BUDGET									
Beginning Base Budget									
281 FY 2002 appropriated budget	\$24,691,000	\$17,375,500	\$608,000	\$6,456,600	\$6,081,800	\$7,921,300	\$63,133,700		
282 Less one-time FY 2002 appropriations	(9,000)	0	0	0	0	0	(9,000)		
283 Adjustment for extra working day	73,700	48,700	0	0	17,800	0	140,200		
284 Market comparability adjustment funding allocation from DHRM	47,800	232,000	0	0	0	0	279,800		
285 Retirement funding allocation from Division of Finance to agencies	5,200	3,800	0	0	1,400	0	10,400		
286 Adjustment to estimates for non-state funding levels	0	0	(108,800)	538,700	0	(2,642,300)	(2,212,400)		
Total Beginning Base Budget - Tax Commission	24,808,700	17,659,500	499,200	6,995,300	6,101,000	5,279,000	61,342,700		
Base Budget Reductions									
287 Current expense - printing and publications	(87,900)	(215,700)	0	0	0	0	(303,600)		
288 Support staff, administration	(23,200)	(23,200)	0	0	0	0	(46,400)		
289 Liquor profit distribution funding	(609,000)	0	0	0	0	0	(609,000)		
290 Agency training, administration	(71,300)	0	0	0	0	0	(71,300)		
291 Property tax auditor	0	(54,100)	0	0	0	0	(54,100)		
292 Processing staff (seasonal, service tech)	(82,300)	0	0	0	0	0	(82,300)		
293 Technology management (2 programmer/computer support)	(120,400)	0	0	0	0	0	(120,400)		
294 Motor vehicle county representative	(38,000)	0	0	0	0	0	(38,000)		
295 Administrative and across-the-board reductions	(249,700)	0	0	0	0	0	(249,700)		
296 Extend computer replacement cycle	(91,100)	0	0	0	0	0	(91,100)		
Total Base Budget Reductions - Tax Commission	(1,393,300)	(293,000)	0	0	0	0	(1,686,300)		

COMMERCE AND REVENUE - CONTINUED

Statewide Ongoing Adjustments									
	General Fund	School Funds	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds		
8107 Internal service fund adjustments	(81,300)	7,900	0	0	(30,000)	0	(103,400)		
8108 Market comparability adjustments	247,200	17,900	0	0	46,800	0	311,900		
8109 Benefits adjustments	290,400	192,300	300	11,100	75,100	0	569,200		
Subtotal Statewide Ongoing Adjustments - Tax Commission	456,300	218,100	300	11,100	91,900	0	777,700		
Total FY 2003 Tax Commission Adjustment	456,300	218,100	300	11,100	91,900	0	777,700		
Total FY 2003 Tax Commission Operating Budget									
	\$23,871,700	\$17,584,600	\$499,500	\$7,006,400	\$6,192,900	\$5,279,000	\$60,434,100		
TAX COMMISSION FY 2002 OPERATING BUDGET ADJUSTMENTS									
Base Budget Reductions									
8110 Current expense - printing and publications	(\$87,900)	(\$215,700)	\$0	\$0	\$0	\$0	(\$303,600)		
8111 Support staff, administration	(23,200)	(23,200)	0	0	0	0	(46,400)		
8112 Liquor profit distribution funding	(609,000)	0	0	0	0	0	(609,000)		
8113 Agency training, administration	(55,900)	0	0	0	0	0	(55,900)		
8114 Taxpayer service collections	(85,700)	0	0	0	0	0	(85,700)		
8115 Technology management (2 programmer/computer support)	(120,000)	0	0	0	0	0	(120,000)		
8116 Motor vehicle (county representative and enforcement)	(88,700)	0	0	0	0	0	(88,700)		
8117 Processing staff (seasonal, service tech)	(30,000)	(32,400)	0	0	0	0	(82,400)		
8118 Administrative and across-the-board reductions	(166,500)	0	0	0	0	0	(166,500)		
Subtotal Base Budget Reductions - Tax Commission	(1,286,900)	(271,300)	0	0	0	0	(1,558,200)		
Supplemental Adjustments									
8119 Internal service fund adjustments	21,800	76,000	0	0	0	0	97,800		
Subtotal Supplemental Adjustments - Tax Commission	21,800	76,000	0	0	0	0	97,800		
Total FY 2002 Tax Commission Budget Adjustment	(\$1,265,100)	(\$195,300)	\$0	\$0	\$0	\$0	(\$1,460,400)		
WORKFORCE SERVICES FY 2003 OPERATING BUDGET									
Beginning Base Budget									
8120 FY 2002 appropriated budget	\$55,940,400	\$0	\$195,926,600	\$3,431,900	\$0	\$3,485,200	\$258,784,100		
8121 Less one-time FY 2002 appropriations	0	0	(16,000,000)	0	0	0	(16,000,000)		
8122 Adjustment for extra working day	78,800	0	0	0	0	0	78,800		

COMMERCE AND REVENUE - CONTINUED

	General Fund	School Funds	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
8123 Market comparability adjustment funding allocation from DHERM	48,600	0	0	0	0	0	48,600
8124 Retirement funding allocation from Division of Finance to agencies	5,200	0	0	0	0	0	5,200
8125 Adjustment to estimates for non-state funding levels	0	0	13,094,500	329,100	0	264,000	13,687,600
Total Beginning Base Budget - Workforce Services	56,073,000	0	193,021,100	3,761,000	0	3,749,200	256,604,300
Base Budget Reductions							
8126 Reduction in child care match	(2,239,800)	0	(5,226,200)	0	0	0	(7,466,000)
8127 Increase in TANF to offset child care match reduction	0	0	7,466,000	0	0	0	7,466,000
Total Base Budget Reductions - Workforce Services	(2,239,800)	0	2,239,800	0	0	0	0
Statewide Ongoing Adjustments							
8128 Internal service fund adjustments	(12,200)	0	(638,500)	(5,700)	0	(14,400)	(690,800)
8129 Market comparability adjustments	2,000	0	5,400	200	0	100	7,700
8130 Benefit rate adjustments	53,400	0	1,177,700	22,000	0	65,700	1,318,800
Subtotal Statewide Ongoing Adjustments - Workforce Services	43,200	0	524,600	16,500	0	51,400	635,700
Total FY 2003 Workforce Services Adjustments	43,200	0	524,600	16,500	0	51,400	635,700
Total FY 2003 Workforce Services Operating Budget	\$53,876,400	\$0	\$195,785,500	\$3,777,500	\$0	\$3,800,600	\$257,240,000
WORKFORCE SERVICES FY 2002 OPERATING BUDGET ADJUSTMENTS							
Base Budget Reductions							
8131 Reduction in child care match	(\$3,359,700)	\$0	(\$7,839,500)	\$0	\$0	\$0	(\$11,199,200)
8132 Increase in TANF to offset child care match reduction	0	0	11,199,200	0	0	0	11,199,200
Subtotal Base Budget Reductions - Workforce Services	(\$3,359,700)	0	3,359,700	0	0	0	0
Supplemental Adjustments							
8133 Internal service fund adjustments	(10,700)	0	(172,700)	(3,600)	0	(10,900)	(197,900)
Subtotal Supplemental Adjustments - Workforce Services	(10,700)	0	(172,700)	(3,600)	0	(10,900)	(197,900)
Total FY 2002 Workforce Services Budget Adjustments	(\$3,370,400)	\$0	\$3,187,000	(\$3,600)	\$0	(\$10,900)	(\$197,900)

COMMERCE AND REVENUE - CONTINUED

COMPREHENSIVE HEALTH INSURANCE POOL FY 2003 OPERATING BUDGET									
	General Fund	School Funds	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds		
Beginning Base Budget									
8174 FY 2002 appropriated budget	\$3,135,000	\$0	\$0	\$5,044,000	\$0	\$4,544,000	\$8,633,000		
8175 Adjustments in non-state funding levels	0	0	0	2,352,500	0	2,214,000	4,567,100		
Total Beginning Base Budget - Comp. Health Ins. Pool	3,135,000	0	0	7,396,500	0	2,669,200	13,200,700		
Base Budget Reductions									
8176 Comprehensive Health Insurance Pool	(156,800)	0	0	0	0	0	(156,800)		
Total Base Budget Reductions - Comp. Health Ins. Pool	(156,800)	0	0	0	0	0	(156,800)		
Total FY 2003 Comp. Health Insurance Pool Operating Budget	\$2,978,200	\$0	\$0	\$7,396,500	\$0	\$2,669,200	\$13,043,900		
COMPREHENSIVE HEALTH INSURANCE POOL FY 2002 OPERATING BUDGET ADJUSTMENTS									
Base Budget Reductions									
8177 Comprehensive Health Insurance Pool	(\$125,400)	\$0	\$0	\$0	\$0	\$0	(\$125,400)		
Subtotal Base Budget Reductions - Comp. Health Ins. Pool	(125,400)	0	0	0	0	0	(125,400)		
Total FY 2002 Comp. Health Insurance Pool Budget Adjustments	(\$125,400)	\$0	\$0	\$0	\$0	\$0	(\$125,400)		
SPEECH AND HEARING IMPAIRED FUND FY 2003 OPERATING BUDGET									
Beginning Base Budget									
8178 FY 2002 appropriated budget	\$0	\$0	\$0	\$1,619,300	\$0	\$199,500	\$1,818,800		
8179 Adjustments in non-state funding levels	0	0	0	(106,800)	0	72,000	(34,200)		
Total Beginning Base Budget - Speech/Hearing Impaired	0	0	0	1,512,500	0	272,100	1,784,600		
Total FY 2003 Speech and Hearing Impaired Operating Budget	\$0	\$0	\$0	\$1,512,500	\$0	\$272,100	\$1,784,600		
UNIVERSAL TELECOMMUNICATIONS SERVICE SUPPORT FUND FY 2003 OPERATING BUDGET									
Beginning Base Budget									
8140 FY 2002 appropriated budget	\$0	\$0	\$0	\$0	\$7,073,200	\$466,100	\$7,539,300		
8141 Adjustments in non-state funding levels	0	0	0	0	1,592,800	(352,800)	1,240,000		
Total Beginning Base Budget - Universal Telecom.	0	0	0	0	8,666,000	113,300	8,779,300		
Total FY 2003 Universal Telecommunications Operating Budget	\$0	\$0	\$0	\$0	\$8,666,000	\$113,300	\$8,779,300		

COMMERCE AND REVENUE - CONTINUED

COMMERCE AND REVENUE TOTALS						
	General Fund	School Fund	Federal Fund	Dedicated Credits	Restricted Fund	Other Fund
						Total Fund
FY 2003 Operating Beginning Base Budget	\$95,198,500	\$17,659,500	\$196,085,800	\$21,302,000	\$52,469,600	\$12,204,900
FY 2003 Operating Base Budget Reductions	(4,330,100)	(293,000)	2,239,800	46,900	(350,000)	0
FY 2003 Operating Ongoing and One-time Adjustments	641,000	218,000	551,300	37,600	2,262,400	51,400
FY 2003 Operating Recommendation	91,509,400	17,584,500	198,876,900	21,386,500	54,382,000	12,256,300
FY 2002 Operating Adjustments	(5,235,800)	(195,300)	3,186,300	39,900	(91,200)	(10,900)
						(2,306,800)

CORRECTIONS (ADULT AND YOUTH)

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

PROGRAMS

- **Adult Corrections**

Administration provides administrative support for each division.

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

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

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

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

- **Board of Pardons and Parole**, a state constitutional

board, determines parole revocations and prison releases.

- **Youth Corrections**

State Administration provides administrative support, research, evaluation, and quality assurance for the division.

Community Programs provides supervision and treatment for juvenile offenders in the community and includes case management, state supervision, observation and assessment centers, receiving centers, contracts with private providers, and other innovative alternatives.

Rural Programs includes all division operations in designated geographic rural community areas of the state.

Correctional Facilities directs operations in long-term secure care facilities, detention centers, and the Genesis Youth Center in urban areas of the state.

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

MAJOR BUDGET RECOMMENDATIONS

Adult Corrections

Budget Reductions

- The Department of Corrections achieved budget reductions by the closing, delayed opening, or proposed selling of facilities. The sale of the state's portion of Iron County jail is subject to negotiations and legislative approval. Other reductions came from implementing across-the-board administrative reductions. There will be a need to allocate funding for housing offenders in county jails and supervising them in the community. Reductions in state funds total \$8,518,900 for FY 2002 and \$9,330,500 for FY 2003.

General Fund

- Provide \$1,600,000 ongoing General Fund for contracting with local government to house inmates in county jails.
- Provide \$668,000 ongoing General Fund to hire 15 probation and parole agents to supervise adult offenders.
- Provide \$298,700 one-time General Fund and a \$670,100 General Fund supplemental for higher utility costs.

Board of Pardons and Parole*Budget Reductions*

- The Board of Pardons and Parole met budget reductions by eliminating a receptionist position, reducing psychological assessments of sex offenders, and implementing across-the-board administrative cuts. Reductions in state funds total \$59,600 for FY 2002 and \$78,100 for FY 2003.

General Fund

- Provide \$71,900 in ongoing General Fund to expand office lease space for the storage of offender files.
- Provide \$75,000 in one-time General Fund to expand the board hearing room at the Draper Prison.

Youth Corrections*Budget Reductions*

- Youth Corrections met budget cuts by eliminating

19 positions, reducing services in residential programs, and implementing across-the-board administrative reductions. Reductions in state funds total \$2,311,900 for FY 2002 and \$2,740,700 for FY 2003.

General Fund

- Provide \$46,000 in one-time and \$46,000 in supplemental General Fund for increased utility costs.

Other Funds

- Recommend \$4,917,700 in bonds and \$7,900,300 in federal funds for Youth Corrections facilities in San Juan and Washington counties.

FY 2003 PROPOSED LEGISLATIVE INTENT

Adult Corrections - Administration

Funds for Administration are nonlapsing.

Adult Corrections - Field Operations

Funds for Field Operations are nonlapsing.

Adult Corrections - Institutional Operations

Funds for Institutional Operations are nonlapsing.

Adult Corrections - Draper Medical Services

Funds for Draper Medical Services are nonlapsing.

Adult Corrections - Jail Reimbursement

Funds for Jail Reimbursement are nonlapsing.

Adult Corrections - Utah Correctional Industries

The Department of Corrections has authority to transfer up to \$500,000 in nonlapsing funds from the divisions of Institutional Operations and Field Operations 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.

Board of Pardons and Parole

Funds for the Board of Pardons and Parole are nonlapsing.

Youth Corrections - Services

Funds for Youth Corrections Services are nonlapsing.

Youth Corrections - Youth Parole Authority

Funds for the Youth Parole Authority are nonlapsing.

CORRECTIONS (ADULT AND YOUTH) Operating Budget

Governor Leavitt's Recommendations						
	Actual FY 2001	Authorized FY 2002	Supplements & Budget Cuts	Recommended FY 2002	Base FY 2003	Budget Cuts
					Ongoing & One-time Adj.	Total FY 2003
Plan of Financing						
General Fund	\$246,606,400	\$260,046,400	(\$10,213,000)	\$249,833,400	\$261,021,200	\$253,934,100
Federal Funds	2,629,700	3,717,300	(34,300)	3,683,000	2,484,200	2,468,800
Dedicated Credits	3,858,100	6,222,000	(5,800)	6,216,200	6,222,000	6,231,700
Restricted and Trust Funds	659,100	659,100	(700)	658,400	659,100	658,600
Transfers	15,598,800	14,110,300	(165,700)	13,944,600	14,156,900	13,809,200
Pass-through Funds	29,200	0	0	0	0	0
Beginning Balances	4,234,900	4,671,700	0	4,671,700	0	0
Closing Balances	(4,671,700)	0	0	0	0	0
Total Financing	\$268,934,500	\$289,526,800	(\$10,419,500)	\$279,107,300	\$284,643,600	\$277,202,400
Programs						
Adult Corrections						
Administration	\$9,080,200	\$8,813,100	(\$73,400)	\$8,739,700	\$13,113,600	\$9,535,500
Field Operations	38,245,700	39,370,000	(559,600)	38,810,400	39,624,000	40,563,700
Institutional Operations	107,851,200	118,757,500	(7,218,400)	111,539,100	113,793,400	110,943,200
Chapel Services	18,714,800	18,005,000	(22,900)	17,982,100	15,880,400	16,105,800
Forensic Services	190,000	0	0	0	0	0
Jail Reimbursement	7,261,000	7,760,600	0	7,760,600	7,760,600	7,837,600
Subtotal Adult Corrections	181,342,200	192,706,200	(7,874,300)	184,831,900	190,172,000	184,983,800
Board of Pardons						
Operations	\$2,587,000	\$2,854,700	(\$60,200)	\$2,794,500	\$2,690,100	\$2,772,800
Subtotal Board of Pardons	2,587,000	2,854,700	(60,200)	2,794,500	2,690,100	2,772,800
Youth Corrections						
State Administration	\$4,123,600	\$4,959,500	(\$307,500)	\$4,652,000	\$4,462,300	\$4,167,800
Community Programs	40,877,700	43,929,300	(1,098,000)	42,831,300	43,494,800	41,646,400
Rural Programs	13,800,000	16,076,200	(164,500)	15,911,700	15,907,100	15,959,900
Correctional Facilities	25,952,000	28,591,900	(808,500)	27,783,400	27,508,300	27,363,200
Youth Parole Authority	251,000	409,000	(106,500)	302,500	409,000	306,500
Subtotal Youth Corrections	85,004,300	93,965,900	(2,785,000)	91,480,900	91,781,500	89,443,800
Total Budget	\$268,934,500	\$289,526,800	(\$10,419,500)	\$279,107,300	\$284,643,600	\$277,202,400
% Change from Base FY 2003 to Total FY 2003						
FTE Positions	..	3,261.8	0.0	3,261.8	3,261.8	(2.6%)
						3,191.3

CORRECTIONS (ADULT AND YOUTH)

ADULT CORRECTIONS FY 2003 OPERATING BUDGET									
Beginning Base Budget									
	General Fund	School Fund	Federal Fund	Dedicated Credits	Restricted Fund	Other Fund	Total Fund		
C1 FY 2002 appropriated budget	\$183,657,000	\$0	\$2,247,400	\$2,561,700	\$81,700	\$631,600	\$190,179,400		
C2 Adjustment for extra working day	456,000	0	0	0	0	0	456,000		
C3 Compensation correction	287,000	0	0	0	0	0	287,000		
C4 Market comparability adjustment funding allocation from DHEM	220,200	0	0	0	0	0	220,200		
C5 Retirement funding allocation from Division of Finance to agencies	6,600	0	0	0	0	0	6,600		
C6 800 McGovern allocation from Division of Finance to agencies	96,300	0	0	0	0	0	96,300		
C7 Adjustment to estimates for non-state funding levels	0	0	(1,125,600)	(90,000)	0	142,000	(1,073,600)		
Total Beginning Base Budget - Adult Corrections	184,723,100	0	1,121,800	3,471,700	81,700	773,700	190,172,000		
Base Budget Reductions									
C8 Close Promontory facility	(4,340,200)	0	0	0	0	0	(4,340,200)		
C9 Delay opening CUC facility	(2,900,000)	0	0	0	0	0	(2,900,000)		
C10 Proposed sale of State's portion of Iron County jail	(1,734,100)	0	0	0	0	0	(1,734,100)		
C11 Administrative and across-the-board reductions	(356,200)	0	0	0	0	0	(356,200)		
Total Base Budget Reductions - Adult Corrections	(9,330,500)	0	0	0	0	0	(9,330,500)		
Statewide Ongoing Adjustments									
C12 Internal service fund adjustments	301,000	0	0	0	0	0	301,000		
C13 Market comparability adjustments	43,200	0	0	0	0	0	43,200		
C14 Benefit rate adjustments	1,156,400	0	0	0	0	0	1,156,400		
<i>Subtotal Statewide Ongoing Adjustments - Adult Corrections</i>	<i>1,500,600</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1,500,600</i>		
Ongoing Adjustments									
C15 Probation and parole agents	668,000	0	0	0	0	0	668,000		
C16 Jail reimbursement	77,000	0	0	0	0	0	77,000		
C17 Jail contracting	1,600,000	0	0	0	0	0	1,600,000		
<i>Subtotal Ongoing Adjustments - Adult Corrections</i>	<i>2,345,000</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>2,345,000</i>		
One-time Adjustments									
C18 Fuel and power rate increase	298,700	0	0	0	0	0	298,700		
<i>Subtotal One-time Adjustments - Adult Corrections</i>	<i>298,700</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>298,700</i>		
Total FY 2003 Adult Corrections Adjustments	4,144,300	0	0	0	0	0	4,144,300		
Total FY 2003 Adult Corrections Operating Budget	\$179,536,900	\$0	\$1,121,800	\$3,471,700	\$81,700	\$773,700	\$184,985,800		

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CORRECTIONS (ADULT AND YOUTH) - CONTINUED

		General Fund	School Fund	Federal Fund	Dedicated Credits	Restricted Fund	Other Fund	Total Fund
Ongoing Adjustments								
C84	Lease space	71,900	0	0	0	0	0	71,900
<i>Subtotal Ongoing Adjustments - Board of Pardons and Parole</i>		71,900	0	0	0	0	0	71,900
One-time Adjustments								
C85	Board hearing room	75,000	0	0	0	0	0	75,000
<i>Subtotal One-time Adjustments - Board of Pardons and Parole</i>		75,000	0	0	0	0	0	75,000
Total FY 2003 Board of Pardons and Parole Adjustments		160,800	0	0	0	0	0	160,800
Total FY 2003 Board of Pardons and Parole Operating Budget		\$2,693,200	\$0	\$0	\$2,200	\$77,400	\$0	\$2,772,800
BOARD OF PARDONS AND PAROLE FY 2002 OPERATING BUDGET ADJUSTMENTS								
Base Budget Reductions								
C86	Receptionist	(\$81,300)	\$0	\$0	\$0	\$0	\$0	(\$81,300)
C87	Reduce contract for psychological evaluations of sex offenders	(20,600)	0	0	0	0	0	(20,600)
C88	Administrative and across-the-board reductions	(7,300)	0	0	0	0	0	(7,300)
<i>Subtotal Base Budget Reductions - Board of Pardons and Parole</i>		(\$99,600)	0	0	0	0	0	(\$99,600)
Supplemental Adjustments								
C89	Internal service fund adjustments	(600)	0	0	0	0	0	(600)
<i>Subtotal Supplemental Adj. - Board of Pardons and Parole</i>		(600)	0	0	0	0	0	(600)
Total FY 2002 Board of Pardons and Parole Budget Adjustments		(\$80,200)	\$0	\$0	\$0	\$0	\$0	(\$80,200)
YOUTH CORRECTIONS FY 2003 OPERATING BUDGET								
Beginning Base Budget								
C90	FY 2002 appropriated budget	\$73,496,600	\$0	\$1,801,300	\$3,397,400	\$800,000	\$14,124,300	\$82,419,300
C91	Adjustment for extra working day	128,100	0	0	0	0	0	128,100
C92	Market comparability adjustment funding allocation from DHEM	53,800	0	0	0	0	0	53,800
C93	Retirement funding allocation from Division of Finance to agencies	9,100	0	0	0	0	0	9,100
C94	Adjustment to estimates for non-state funding levels	0	0	(529,100)	450,900	0	(741,300)	(819,500)
Total Beginning Base Budget - Youth Corrections		73,687,600	0	1,362,400	2,848,300	500,000	13,383,200	91,781,500

CORRECTIONS (ADULT AND YOUTH) - CONTINUED

Base Budget Reductions:		General Fund	School Funds	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
C45	Miscellaneous collections	(500,000)	0	0	0	0	0	(500,000)
C46	Youth parole authority	(100,000)	0	(5,300)	0	0	0	(105,300)
C47	Training	(100,000)	0	(24,500)	0	0	0	(124,500)
C48	Electronic monitoring	(35,000)	0	0	0	0	(8,700)	(44,300)
C49	FTEs from FY 2002 one-time holdback	(105,000)	0	0	0	0	(25,800)	(130,800)
C50	Residential placements	(919,600)	0	0	0	0	(349,400)	(1,269,000)
C51	Administrative and across-the-board reductions	(394,800)	0	(5,300)	(4,400)	(800)	(29,800)	(435,100)
C52	Community and rural programs FTEs	(247,100)	0	0	0	0	(100,900)	(348,000)
C53	Correctional facilities	(338,600)	0	0	0	0	(9,400)	(348,000)
Total Base Budget Reductions - Youth Corrections		(2,740,700)	0	(35,100)	(4,400)	(800)	(524,000)	(3,305,000)
Statewide Ongoing Adjustments								
C54	Internal service fund adjustments	(12,800)	0	400	500	0	2,200	(9,700)
C55	Market comparability adjustments	63,000	0	1,300	1,600	200	9,500	75,600
C56	Benefit rate adjustments	571,800	0	9,700	11,000	0	68,500	661,000
<i>Subtotal Statewide Ongoing Adjustments - Youth Corrections</i>		<i>622,000</i>	<i>0</i>	<i>11,400</i>	<i>13,100</i>	<i>200</i>	<i>80,200</i>	<i>726,900</i>
Ongoing Adjustments								
C57	Miscellaneous rate change	(97,900)	0	7,300	0	0	90,600	0
C58	Community provider increase	187,000	0	0	0	0	0	187,000
<i>Subtotal Ongoing Adjustments - Youth Corrections</i>		<i>89,100</i>	<i>0</i>	<i>7,300</i>	<i>0</i>	<i>0</i>	<i>90,600</i>	<i>187,000</i>
One-time Adjustments								
C59	Fuel and power rate increase	46,000	0	1,000	800	100	5,500	53,400
<i>Subtotal One-time Adjustments - Youth Corrections</i>		<i>46,000</i>	<i>0</i>	<i>1,000</i>	<i>800</i>	<i>100</i>	<i>5,500</i>	<i>53,400</i>
Total FY 2003 Youth Corrections Adjustments		757,100	0	19,700	13,900	300	176,300	967,300
Total FY 2003 Youth Corrections Operating Budget		\$71,704,000	\$0	\$1,247,000	\$2,857,800	\$499,500	\$13,035,500	\$89,443,800
YOUTH CORRECTIONS FY 2002 OPERATING BUDGET ADJUSTMENTS								
Base Budget Reductions:								
C60	Miscellaneous collections	(\$500,000)	\$0	\$0	\$0	\$0	\$0	(\$500,000)
C61	Youth parole authority	(100,000)	0	(5,300)	0	0	0	(105,300)
C62	Training	(100,000)	0	(24,500)	(1,900)	0	0	(126,400)
C63	Electronic monitoring	(35,000)	0	0	0	0	(8,700)	(44,300)
C64	Hold positions vacant	(197,200)	0	0	0	0	(25,800)	(223,000)

CORRECTIONS (ADULT AND YOUTH) - CONTINUED

	General Fund	School Funds	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
C05 Residential placements	(257,500)	0	0	0	0	(105,200)	(362,700)
C06 Administrative and a cross-the-board reductions	(371,600)	0	(5,300)	(4,400)	(800)	(29,800)	(411,900)
C07 Nonlapsing carryforward	(750,000)	0	0	0	0	0	(750,000)
Subtotal Base Budget Reductions - Youth Corrections	(2,311,900)	0	(55,100)	(6,300)	(800)	(169,500)	(2,523,600)
Supplemental Adjustments							
C08 Internal service fund adjustments	(12,600)	0	(200)	(300)	0	(1,700)	(14,800)
C09 Fuel and power rate increase	46,000	0	1,000	800	100	5,500	53,400
Subtotal Supplemental Adjustments - Youth Corrections	33,400	0	800	500	100	3,800	38,600
Total FY 2002 Youth Corrections Budget Adjustments	(\$2,278,500)	\$0	(\$34,300)	(\$5,800)	(\$700)	(\$165,700)	(\$2,485,000)
CORRECTIONS TOTALS							
FY 2003 Operating Beginning Base Budget	\$361,021,200	\$0	\$2,484,200	\$6,322,200	\$639,100	\$14,156,900	\$284,643,600
FY 2003 Operating Base Budget Reductions	(12,149,300)	0	(35,100)	(4,400)	(800)	(524,000)	(12,713,600)
FY 2003 Operating Ongoing and One-time Adjustments	5,062,200	0	19,700	13,900	300	176,300	5,272,400
FY 2003 Operating Recommendation	253,934,100	0	2,468,800	6,331,700	638,600	13,809,200	277,202,400
FY 2002 Operating Adjustments	(10,213,000)	0	(34,300)	(5,800)	(700)	(165,700)	(10,419,500)

COURTS

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

PROGRAMS

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

- **Juror/Witness/Interpreter Fees** provides payment to jurors, witnesses, expert witnesses, and interpreters.

MAJOR BUDGET RECOMMENDATIONS

Budget Reductions

- The judiciary eliminated 68.5 court positions, reduced administrative expenses, and cut juvenile state supervision and drug court programs to meet budgetary reductions. Reductions in state funds total \$3,403,000 for FY 2002 and \$3,762,300 for FY 2003.

General Fund

- Provide \$523,300 in ongoing General Fund for increased contracts and lease costs associated with court facilities. Over half of this increase is for lease expenses for the new American Fork Courthouse scheduled to open in September 2002.
- Allocate \$157,800 in one-time General Fund to com-

plete the American Fork Courthouse.

- Provide \$11,300 in one-time and \$11,300 in supplemental General Fund for increased utility costs.
- Provide \$515,600 in supplemental General Fund for costs associated with the Juror/Witness/Interpreter Fees program.

FY 2003 PROPOSED LEGISLATIVE INTENT

Judicial Council — Court Administrator — Admin- istration

Funds for Administration are nonlapsing.

Judicial Council — Court Administrator — Contracts and Leases

Funds for Contracts and Leases are nonlapsing.

Judicial Council — Court Administrator — Juror and Witness Fees

Funds for the Juror and Witness program are nonlapsing.

Judicial Council — Court Administrator — Guardian ad Litem

Funds for the Guardian ad Litem program are nonlapsing.

Judicial Council — Court Administrator — Grand Jury

Funds for the Grand Jury program are nonlapsing.

COURTS

Operating Budget

Governor Leavitt's Recommendations							
	Actual FY 2001	Authorized FY 2002 ^(a)	Courts' Request FY 2003 ^(b)	Base FY 2003	Budget Cuts	Ongoing & One-time Adj.	Total FY 2003
Plan of Financing							
General Fund	\$90,483,200	\$95,000,600	\$95,887,900	\$95,136,800	(\$3,762,300)	\$1,855,000	\$93,229,500
Federal Funds	0	75,900	50,500	50,500	0	0	50,500
Dedicated Credits	1,094,600	1,183,500	1,281,800	1,227,400	0	75,000	1,302,400
Restricted and Trust Funds	6,327,900	6,415,100	6,314,000	6,314,000	0	31,900	6,345,900
Transfers	2,519,400	1,678,300	1,669,400	1,669,400	0	10,000	1,679,400
Beginning Balances	(186,800)	1,172,000	205,500	205,500	0	0	205,500
Closing Balances	(1,172,000)	(170,500)	(143,300)	(143,300)	0	0	(143,300)
Lapsing Funds	(443,900)	0	0	0	0	0	0
Total Financing	\$98,622,400	\$106,354,900	\$106,265,800	\$104,460,300	(\$3,762,300)	\$1,971,900	\$102,669,900
Programs							
Courts							
Supreme Court	\$1,960,300	\$1,966,000	\$1,970,000	\$1,970,000	(\$3,300)	\$15,800	\$1,982,500
Law Library	563,000	529,200	504,800	504,800	0	5,300	\$10,100
Court of Appeals	2,682,300	2,768,200	2,773,800	2,773,800	(41,000)	21,400	2,754,200
Administration	3,112,400	3,795,700	3,287,400	3,287,400	(292,100)	50,100	3,045,400
Federal Grants	2,526,200	1,544,400	1,473,400	1,473,400	0	3,400	1,476,800
Judicial Education	340,400	468,300	353,200	353,200	(19,300)	3,900	337,800
Contracts/Leases	16,992,900	19,209,700	19,776,000	18,970,500	(805,000)	852,000	19,017,500
Justice Courts	154,700	171,800	172,100	172,100	(25,000)	800	147,900
Data Processing	4,603,900	4,689,500	4,395,000	4,395,000	(70,100)	4,800	4,329,700
Trial Courts	33,192,500	35,153,100	34,946,900	34,946,900	(1,492,400)	459,300	33,913,800
Court Security	2,131,700	2,281,000	2,281,000	2,281,000	0	0	2,281,000
Juvenile Courts	25,539,400	27,699,300	27,727,900	27,727,900	(792,100)	503,800	27,439,600
Guardian ad Litem	3,037,400	3,748,600	3,758,600	3,758,600	(62,000)	52,100	3,748,700
Grand Jury	900	900	900	900	0	0	900
Jurat/Witness/Interpreter Fees	1,784,400	1,329,200	1,844,800	1,844,800	(160,000)	(800)	1,684,000
Total Budget	\$98,622,400	\$106,354,900	\$106,265,800	\$104,460,300	(\$3,762,300)	\$1,971,900	\$102,669,900
% Change from Base FY 2003 to Total FY 2003							(1.7)%
FTE Positions	--	1,318.0	1,318.0	1,317.0	(68.5)	0.0	1,248.5
<i>(a) In addition to the amounts listed in the Authorized 2002 column, Governor Leavitt recommends a supplemental appropriation of \$515,600 from the General Fund for juror, witness, and interpreter fees, and \$11,300 from the General Fund for fuel and power rate increases. The governor also recommends a supplemental for internal service fund adjustments as follows: \$34,700 from the General Fund; (\$100) from federal funds; (\$400) from dedicated credits; (\$600) from restricted funds; and (\$100) from other funds. Further, total reductions of \$3,403,000 in General Fund were made for FY 2002 to address declining state revenue collections.</i>							
<i>(b) As per statute, the Courts' request is included without changes.</i>							

(a) In addition to the amounts listed in the Authorized 2002 column, Governor Leavitt recommends a supplemental appropriation of \$515,600 from the General Fund for jurat, witness, and interpreter fees, and \$113,000 from the General Fund for fund and power rate increases. The governor also recommends a supplemental for internal service fund adjustments as follows: \$34,700 from the General Fund; (\$100) from federal funds; (\$400) from dedicated credits; (\$600) from restricted funds; and (\$100) from other funds. Further, total reductions of \$3,403,000 in General Fund were made for FY 2002 to address declining state revenue collections.

(b) As per statute, the Courts' request is included without changes.

COURTS

COURTS FY 2003 OPERATING BUDGET						
	General Fund	School Funds	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds
Beginning Base Budget						
01 FY 2002 appropriated budget	\$94,591,400	\$0	\$122,000	\$1,202,600	\$6,415,100	\$873,100
02 Less one-time FY 2002 appropriations	(88,000)	0	0	0	0	0
03 Adjustment for extra working day	224,200	0	0	0	3,200	0
04 Market comparability adjustment funding allocation from DHEM	595,600	0	0	0	0	0
05 Retirement funding allocation from Division of Finance to agencies	13,600	0	0	0	200	0
06 Adjustment to estimates for non-state funding levels	0	0	(71,500)	24,800	(104,600)	858,500
Total Beginning Base Budget - Courts	95,136,800	0	50,500	1,227,400	6,314,000	1,731,600
Base Budget Reductions						
07 State supervision	(150,000)	0	0	0	0	0
08 Eliminate 59.5 positions	(2,011,000)	0	0	0	0	0
09 Contracts and leases	(805,000)	0	0	0	0	0
10 Reduce guardian ad litem contracts	(62,000)	0	0	0	0	0
11 Drug court (three positions)	(128,700)	0	0	0	0	0
12 Deputy clerk/fiscal role (surpositions)	(194,600)	0	0	0	0	0
13 Administrative and across-the-board reductions	(411,000)	0	0	0	0	0
Total Base Budget Reductions - Courts	(3,762,300)	0	0	0	0	0
Statewide Ongoing Adjustments						
14 Internal service fund adjustments	106,000	0	0	100	400	0
15 Market comparability adjustments	240,000	0	0	4,000	7,100	3,700
16 Benefit rate adjustments	816,600	0	0	16,900	24,400	6,300
Subtotal Statewide Ongoing Adjustments - Courts	1,162,600	0	0	21,000	31,900	10,000
Ongoing Adjustments						
17 Contracts and lease increases	523,300	0	0	54,000	0	0
Subtotal Ongoing Adjustments - Courts	523,300	0	0	54,000	0	0
One-time Adjustments						
18 American Fork Courthouse completion costs	157,800	0	0	0	0	0
19 Fuel and power rate increase	11,300	0	0	0	0	0
Subtotal One-time Adjustments - Courts	169,100	0	0	0	0	0
Total FY 2003 Courts Adjustments	1,855,000	0	0	75,000	31,900	10,000
Total FY 2003 Courts Operating Budget	\$93,229,500	\$0	\$50,500	\$1,302,400	\$6,345,900	\$1,741,600
						\$107,669,900

COURTS - CONTINUED

COURTS FY 2002 OPERATING BUDGET ADJUSTMENTS									
Base Budget Reductions									
	General Fund	School Fund	Federal Fund	Dedicated Credits	Restricted Fund	Other Fund	Total Fund		
Z20 State supervisor	(\$1,30,000)	\$0	\$0	\$0	\$0	\$0	(\$1,30,000)		
Z21 Drug court	(128,200)	0	0	0	0	0	(128,200)		
Z22 Contracts and leases	(420,000)	0	0	0	0	0	(420,000)		
Z23 Hiring freeze	(789,600)	0	0	0	0	0	(789,600)		
Z24 Deputy clerk/parole	(194,600)	0	0	0	0	0	(194,600)		
Z25 Administrative and across-the-board reductions	(321,000)	0	0	0	0	0	(321,000)		
Z26 Nonlapsing balances	(1,399,100)	0	0	0	0	0	(1,399,100)		
Subtotal Base Budget Reductions - Courts	(3,403,000)	0	0	0	0	0	(3,403,000)		
Supplemental Adjustments									
Z27 Internal service fund adjustments	34,200	0	(100)	(400)	(600)	(100)	33,200		
Z28 Fuel and power rate increase	11,200	0	0	0	0	0	11,200		
Z29 Juror witness/interpreter fees	515,600	0	0	0	0	0	515,600		
Subtotal Supplemental Adjustments - Courts	562,600	0	(100)	(400)	(600)	(100)	560,400		
Total FY 2002 Courts Operating Adjustments	(\$2,841,400)	\$0	(\$100)	(\$400)	(\$600)	(\$100)	(\$2,842,600)		
COURTS TOTALS									
FY 2003 Operating Beginning Base Budget	\$95,136,800	\$0	\$50,300	\$1,227,400	\$6,314,000	\$1,731,600	\$104,460,300		
FY 2003 Operating Base Budget Reductions	(3,762,300)	0	0	0	0	0	(3,762,300)		
FY 2003 Operating Ongoing and One-time Adjustments	1,855,000	0	0	75,000	31,900	10,000	1,971,900		
FY 2003 Operating Recommendation	93,229,500	0	50,300	1,302,400	6,345,900	1,741,600	102,669,900		
FY 2002 Operating Adjustments	(2,841,400)	0	(100)	(400)	(600)	(100)	(2,842,600)		

ECONOMIC DEVELOPMENT AND HUMAN RESOURCES

Economic development and human resources includes the Department of Community and Economic Development, Utah State Fair Corporation, Department of Human Resource Management, Career Service Review Board, and the Utah Retirement Board.

PROGRAMS

- **Community and Economic Development**

Administration provides support services for all divisions.

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

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

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

Ethnic Affairs Offices act as liaisons between state government and Utah's Asian,

Pacific Islander, African American, and Hispanic communities.

Division of Indian Affairs serves as the state's Native American affairs authority.

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

Historical Society serves as the fund-raising and membership arm of the Division of State History.

Incentive Funds provide incentives for corporate expansion and relocation into the state through the Industrial Assistance Fund and the Custom Fit program.

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

State Library provides support services to public libraries and direct services to individuals with visual and physical disabilities.

Travel Development promotes Utah tourism.

- **Utah State Fair Corporation** manages activities relating to the annual state fair and promotes and manages the year-round use of the state fairpark facility.

- **Human Resource Management** manages state employee classification, compensation, recruitment, selection, and development.

- **Career Service Review Board** administers state employee grievances and appeal procedures and mediates disputes between agencies and employees.

- **Utah Retirement Board** administers public employee retirement systems, deferred compensation plans, and group insurance plans.

MAJOR BUDGET RECOMMENDATIONS

Budget Reductions

- The budget reductions in FY 2002 and FY 2003 within the Career Service Review Board, the Utah State Fair Corporation, and the departments of Community and Economic Development and Human Resource Management will primarily affect administration. The Department of Community and Economic Development reduced budgets for the housing program. It also reduced grant and loan funds and pass through funds. This will not cause any major programs to be discontinued, but certain projects and services will be reduced. Reductions in state funds total \$3,732,300 for FY 2002 and \$1,956,900 for FY 2003.

Community and Economic Development

General Fund

- Provide a General Fund supplemental appropriation of \$2,829,000 to the Industrial Assistance Fund as required by state statute to replenish earned credits from company expansions, relocations, and job creation.

- Provide a one-time General Fund appropriation of \$200,000 to the Tourism Marketing Performance Fund as required by state statute.
- Provide \$57,300 in ongoing General Fund for the Art House's operations and maintenance.

Other Funds

- Proceeds of \$1,500,000 from the liquidation of the Utah Technology Finance Corporation shall be deposited into the Industrial Assistance Fund.
- Provide dedicated credit authority to the Ethnic Affairs Offices for various programs.

Human Resource Management

General Fund

- No new General Fund other than market comparability, employee benefit, and internal service funds adjustments.

Utah State Fair Corporation

General Fund

- No new General Fund is recommended.

Career Service Review Board

General Fund

- No new General Fund is recommended.

FY 2003 PROPOSED LEGISLATIVE INTENT

Community and Economic Development

Funds and proceeds of liquidated assets returned to the state through the dissolution of Utah Technology Finance Corporation are to be deposited in the Industrial Assistance Fund.

Community and Economic Development

Funds for the Department of Community and Economic Development are nonlapsing.

Utah State Fair Corporation

Funds for the Utah State Fair Corporation are nonlapsing.

Career Service Review Board

Funds for the Career Service Review Board are nonlapsing.

Human Resource Management

Funds for the Department of Human Resource Management are nonlapsing.

Health insurance premiums for the Public Employees Health Plans (PEHP) will increase 11.25 percent for FY 2003.

State employees enrolled in the PEHP Summit Care and

PEHP Exclusive Care plans will pay 2.0 percent of biweekly premium payments.

State employees enrolled in the PEHP Summit Care plan will pay 20 percent of prescription costs through retail or mail.

State employees enrolled in the PEHP Summit Care and

PEHP Exclusive Care plans will have a differential copay for specialists of up to \$20.

State employees enrolled in the PEHP Summit Care plan will have an ambulance copay of 20 percent of the cost. A differential copay will be established based on the hospital used, as well as a \$25 copay for urgent care.

Dental insurance premiums for PEHP will increase 3.0 percent in FY 2003, except for Dentalwise, which will increase 16.3 percent.

Retirement contribution rates for FY 2003 will remain constant, except for the public safety, liquor law enforcement, and judges' rates, which will decline slightly.

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ECONOMIC DEVELOPMENT AND HUMAN RESOURCES

Capital Budget

Governor Leavitt's Recommendations							
	Actual FY 2001	Authorized FY 2002	Supplementals & Budget Cuts	Recommended FY 2002	Base FY 2003	Budget Cuts	Ongoing & One-time Adj.
Plan of Financing							Total FY 2003
General Fund	\$350,000	\$0	\$0	\$0	\$0	\$0	\$0
Mineral Lease	2,479,800	2,284,900	0	2,284,900	2,142,100	0	2,142,100
Total Financing	\$2,829,800	\$2,284,900	\$0	\$2,284,900	\$2,142,100	\$0	\$2,142,100
Projects							
Business/Economic Development	\$350,000	\$0	\$0	\$0	\$0	\$0	\$0
Community Assistance Program	2,479,800	2,284,900	0	2,284,900	2,142,100	0	2,142,100
Total Budget	\$2,829,800	\$2,284,900	\$0	\$2,284,900	\$2,142,100	\$0	\$2,142,100
% Change from Base FY 2003 to Total FY 2003							0.0%

ECONOMIC DEVELOPMENT AND HUMAN RESOURCES

COMMUNITY AND ECONOMIC DEVELOPMENT FY 2003 OPERATING BUDGET									
	General Fund	School Funds	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds		
Beginning Base Budget									
51 FY 2002 appropriated budget	\$42,489,700	\$0	\$31,857,300	\$4,232,200	\$3,699,800	(\$2,317,800)	\$78,981,200		
52 Less one-time FY 2002 appropriations	(9,742,300)	0	0	(500,000)	(100,000)	1,200,000	(9,142,300)		
53 Adjustment for extra working day	44,200	0	0	0	0	0	44,200		
54 Market comparability adjustment funding allocation from DHEM	87,700	0	0	0	0	0	87,700		
55 Retirement funding allocation from Division of Finance to agencies	3,400	0	0	0	0	0	3,400		
56 Transfer state science advisor from the Governor's Office	10,500	0	0	150,000	0	25,000	185,500		
57 Transfer Energy Office to Natural Resources	(42,800)	0	(1,796,600)	0	(2,632,000)	0	(4,471,400)		
58 Adjustment to estimates for non-state funding levels	0	0	6,734,100	(381,700)	133,500	2,422,400	8,908,700		
Total Beginning Base Budget - DCED	32,850,400	0	36,794,800	3,520,500	1,101,700	329,600	74,597,000		
Base Budget Reductions									
59 Administrative and across-the-board reductions	(998,400)	0	0	0	0	0	(998,400)		
60 Pass-through fund reductions	(239,000)	0	0	0	0	0	(239,000)		
61 Grant and loan fund reductions	(146,000)	0	0	0	0	0	(146,000)		
62 Affordable housing fund reductions	(348,200)	0	0	0	0	0	(348,200)		
Total Base Budget Reduction - DCED	(1,731,600)	0	0	0	0	0	(1,731,600)		
Statewide Ongoing Adjustments									
63 Internal service fund adjustments	(11,100)	0	(2,800)	(1,200)	(300)	0	(15,400)		
64 Market comparability adjustments	18,300	0	2,100	9,100	0	0	29,500		
65 Benefit rate adjustments	141,000	0	19,300	24,200	8,000	1,100	193,600		
Subtotal Statewide Ongoing Adjustments - DCED	148,200	0	18,600	32,100	7,700	1,100	207,700		
Ongoing Adjustments									
66 Art House operations and maintenance	57,300	0	0	0	0	0	57,300		
67 Martin Luther King Outreach	0	0	0	32,000	0	0	32,000		
68 Asian Achievement Awards	0	0	0	1,000	0	0	1,000		
69 Joint Ethnic Workshop - Hispanic and Pacific Islander Affairs	0	0	0	45,000	0	30,000	75,000		
70 Pacific Islanders - Young Achievers Awards	0	0	0	5,000	0	0	5,000		
71 Pacific Islanders - National Cancer Institute Outreach	0	0	0	30,000	0	0	30,000		
Subtotal Ongoing Adjustments - DCED	57,300	0	0	113,000	0	30,000	200,300		

ECONOMIC DEVELOPMENT AND HUMAN RESOURCES - CONTINUED

One-time Adjustments							
	General Fund	School Funds	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
622 Tourism Marketing Performance Fund	200,000	0	0	0	0	0	200,000
623 UTPC liquidation proceeds to the IAF	0	0	0	1,500,000	0	0	1,500,000
<i>Subtotal One-time Adjustments - DCECD</i>	200,000	0	0	1,500,000	0	0	1,700,000
Total FY 2003 DCECD Adjustments	405,500	0	18,600	1,645,100	7,700	31,100	2,108,000
Total FY 2003 DCECD Operating Budget	\$31,524,300	\$0	\$36,813,400	\$5,165,600	\$1,109,400	\$360,700	\$74,973,400
COMMUNITY AND ECONOMIC DEVELOPMENT FY 2002 OPERATING BUDGET ADJUSTMENTS							
Base Budget Reductions							
624 Administrative and across-the-board reductions	(\$389,500)	\$0	\$0	\$0	\$0	\$0	(\$389,500)
625 Pass-through fund reductions	(2,631,300)	0	0	0	0	0	(2,631,300)
626 Grant and loan fund reductions	(352,500)	0	0	0	0	0	(352,500)
627 Affordable housing fund reductions	(198,000)	0	0	0	0	0	(198,000)
<i>Subtotal Base Budget Reductions - DCECD</i>	<i>(\$571,300)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>(\$571,300)</i>
Supplemental Adjustments							
628 Internal service fund adjustments	(15,700)	0	(1,300)	(1,300)	(200)	0	(18,500)
629 Utah Technology Alliance - Smart Sites	0	0	200,000	0	0	0	200,000
630 Industrial Assistance Fund earned credits	2,829,000	0	0	0	0	0	2,829,000
631 Martin Luther King outreach	0	0	0	50,000	0	0	50,000
632 Indian Affairs - USDA Rural Business Opportunities	0	0	86,100	0	0	0	86,100
633 Indian Affairs - Dream Catching	0	0	0	0	0	25,000	25,000
634 Asian Achievement Awards	0	0	0	1,000	0	0	1,000
635 Joint Ethnic Workshop - Hispanic and Pacific Islander Affairs	0	0	0	45,000	0	30,000	75,000
636 Pacific Islander Affairs - National Cancer Institute Outreach	0	0	0	30,000	0	0	30,000
637 Pacific Islander Affairs - Young Achievers Awards	0	0	0	5,000	0	0	5,000
<i>Subtotal Supplemental Adjustments - DCECD</i>	<i>2,813,300</i>	<i>0</i>	<i>286,100</i>	<i>129,700</i>	<i>(200)</i>	<i>55,000</i>	<i>3,282,600</i>
Total FY 2002 DCECD Budget Adjustments	(\$758,000)	\$0	\$284,800	\$129,700	(\$200)	\$85,000	(\$268,700)
COMMUNITY AND ECONOMIC DEVELOPMENT FY 2003 CAPITAL BUDGET							
Base Budget							
638 FY 2002 appropriated budget	\$0	\$0	\$0	\$0	\$0	\$1,608,600	\$1,608,600
639 Adjustments in non-state funding levels	0	0	0	0	0	533,300	533,300
Total FY 2003 DCECD Capital Budget	0	0	0	0	0	2,142,100	2,142,100
Total FY 2003 DCECD Capital Budget	\$0	\$0	\$0	\$0	\$0	\$2,142,100	\$2,142,100

ECONOMIC DEVELOPMENT AND HUMAN RESOURCES - CONTINUED

UTAH STATE FAIR CORPORATION FY 2003 OPERATING BUDGET									
	Beginning Base Budget	General Fund	School Funds	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds	
540	FY 2002 appropriated budget	\$370,000	\$0	\$0	\$3,495,100	\$0	\$96,400	\$3,961,500	
541	Adjustments in non-state funding levels	0	0	0	238,600	0	111,900	350,500	
	Total Beginning Base Budget - State Fair Corporation	370,000	0	0	3,733,700	0	208,300	4,312,000	
Base Budget Reductions									
542	General Fund appropriation reduction	(20,200)	0	0	0	0	0	(20,200)	
	Total Base Budget Reductions - State Fair Corporation	(20,200)	0	0	0	0	0	(20,200)	
	Total FY 2003 State Fair Corporation Operating Budget	\$349,800	\$0	\$0	\$3,733,700	\$0	\$208,300	\$4,291,800	
UTAH STATE FAIR CORPORATION FY 2002 OPERATING BUDGET ADJUSTMENTS									
543	General Fund appropriation reduction	(\$16,500)	\$0	\$0	\$0	\$0	\$0	(\$16,500)	
	Subtotal Base Budget Reductions - State Fair Corporation	(16,500)	0	0	0	0	0	(16,500)	
	Total FY 2002 State Fair Corporation Budget Adjustments	(\$16,500)	\$0	\$0	\$0	\$0	\$0	(\$16,500)	
UTAH TECHNOLOGY FINANCE CORPORATION FY 2003 OPERATING BUDGET									
544	Beginning Base Budget								
544	FY 2002 appropriated budget	\$0	\$0	\$15,000	\$6,740,000	\$0	\$174,000	\$6,929,000	
545	Adjustments in non-state funding levels	0	0	(15,000)	(6,740,000)	0	(174,000)	(6,929,000)	
	Total Beginning Base Budget - UTFC	0	0	0	0	0	0	0	
	Total FY 2003 UTFC Operating Budget	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
HUMAN RESOURCE MANAGEMENT FY 2003 OPERATING BUDGET									
546	Beginning Base Budget								
546	FY 2002 appropriated budget	\$6,910,100	\$338,900	\$0	\$277,000	\$0	\$0	\$7,526,000	
547	Less one-time FY 2002 appropriations	(79,000)	0	0	0	0	0	(79,000)	
548	Adjustment for extra working day	9,200	0	0	0	0	0	9,200	
549	Market comparability adj. funding allocation from DHRM to agencies	(3,603,600)	(338,900)	0	0	0	0	(3,942,500)	
550	Retirement funding allocation from Division of Finance to agencies	700	0	0	0	0	0	700	
551	Adjustment to estimates for non-state funding levels	0	0	0	6,000	0	0	6,000	
	Total Beginning Base Budget - DHRM	3,137,400	0	0	283,000	0	0	3,420,400	

ECONOMIC DEVELOPMENT AND HUMAN RESOURCES - CONTINUED

	General Fund	School Funds	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
Base Budget Reductions:							
572 Administrative and a cross-the-board reductions	(200,000)	0	0	0	0	0	(200,000)
Total Base Budget Reductions - DHRM	(200,000)	0	0	0	0	0	(200,000)
Statewide Ongoing Adjustments							
577 Market comparability adjustments	3,800	0	0	0	0	0	3,800
576 Beneficiary adjustments	28,700	0	0	0	0	0	28,700
<i>Subtotal Statewide Ongoing Adjustments - DHRM</i>	<i>32,500</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>32,500</i>
Total FY 2003 DHRM Adjustments	32,500	0	0	0	0	0	32,500
Total FY 2003 DHRM Operating Budget	\$2,969,900	\$0	\$0	\$283,000	\$0	\$0	\$3,252,900
HUMAN RESOURCE MANAGEMENT FY 2002 OPERATING BUDGET ADJUSTMENTS							
Base Budget Reductions:							
575 Administrative and a cross-the-board reductions	(\$140,800)	\$0	\$0	\$0	\$0	\$0	(\$140,800)
<i>Subtotal Base Budget Reductions - DHRM</i>	<i>(140,800)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>(140,800)</i>
Total FY 2002 DHRM Budget Adjustments	(\$140,800)	\$0	\$0	\$0	\$0	\$0	(\$140,800)
CAREER SERVICE REVIEW BOARD FY 2003 OPERATING BUDGET							
Beginning Base Budget							
576 FY 2002 appropriated budget	\$169,000	\$0	\$0	\$0	\$0	\$0	\$169,000
577 Adjustment for extra working day	400	0	0	0	0	0	400
Total Beginning Base Budget - CSRB	169,400	0	0	0	0	0	169,400
Base Budget Reductions:							
578 Administrative and a cross-the-board reductions	(\$1,000)	0	0	0	0	0	(\$1,000)
Total Base Budget Reductions - CSRB	(\$1,000)	0	0	0	0	0	(\$1,000)
Statewide Ongoing Adjustments							
579 Beneficiary adjustments	1,500	0	0	0	0	0	1,500
<i>Subtotal Statewide Ongoing Adjustments - CSRB</i>	<i>1,500</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1,500</i>
Total FY 2003 CSRB Adjustments	1,500	0	0	0	0	0	1,500
Total FY 2003 CSRB Operating Budget	\$165,800	\$0	\$0	\$0	\$0	\$0	\$165,800

ECONOMIC DEVELOPMENT AND HUMAN RESOURCES - CONTINUED

CAREER SERVICE REVIEW BOARD FY 2002 OPERATING BUDGET ADJUSTMENTS							
Base Budget Reductions:							
500	General Fund	School Funds	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
Administrative and across-the-board reductions	(\$3,700)	\$0	\$0	\$0	\$0	\$0	(\$3,700)
Subtotal Base Budget Reductions - CSRB	(\$3,700)	0	0	0	0	0	(\$3,700)
Total FY 2002 Career Service Review Board Budget Adjustments	(\$3,700)	\$0	\$0	\$0	\$0	\$0	(\$3,700)
UTAH RETIREMENT BOARD FY 2003 OPERATING BUDGET							
Beginning Base Budget							
501	FY 2002 budget	\$0	\$0	\$12,201,900	\$38,178,200	\$0	\$50,380,100
Total Beginning Base Budget - Utah Retirement Board	0	0	0	12,201,900	38,178,200	0	50,380,100
Ongoing Adjustments							
502	Investment advisor and security handling fees	0	0	0	2,230,000	0	2,230,000
503	Group Insurance operating cost decrease	0	0	(86,300)	0	0	(86,300)
504	Retirement Systems operating cost increase	0	0	0	186,800	0	186,800
Subtotal Ongoing Adjustments - Utah Retirement Board	0	0	0	(86,300)	2,416,800	0	2,330,500
Total FY 2003 Utah Retirement Board Adjustments	0	0	0	(86,300)	2,416,800	0	2,330,500
Total FY 2003 Utah Retirement Board Operating Budget	\$0	\$0	\$0	\$12,115,600	\$40,595,000	\$0	\$52,710,600
ECONOMIC DEVELOPMENT AND HUMAN RESOURCES TOTALS							
FY 2003 Operating Beginning Base Budget	\$36,527,200	\$0	\$36,794,800	\$19,739,100	\$39,279,900	\$337,900	\$132,878,900
FY 2003 Operating Base Budget Reductions	(1,956,900)	0	0	0	0	0	(1,956,900)
FY 2003 Operating Ongoing and One-time Adjustments	439,300	0	18,600	1,558,800	2,424,500	31,100	4,472,500
FY 2003 Operating Recommendation	35,009,800	0	36,813,400	21,297,900	41,704,400	569,000	135,394,500
FY 2002 Operating Adjustments	(919,000)	0	284,800	129,700	(200)	55,000	(449,700)
FY 2003 Capital Base Budget	0	0	0	0	0	2,142,100	2,142,100
FY 2003 Capital Recommendation	0	0	0	0	0	2,142,100	2,142,100

ELECTED OFFICIALS

Elected officials consists of the offices of the governor, lieutenant governor, attorney general, state auditor, and state treasurer.

OFFICES

- The **attorney general**, the constitutional legal officer of the state, serves as counsel in all cases in which the state or its officers are a party, and provides legal services for state agencies.
- The **state auditor** performs financial audits of state agencies, helps agencies maintain proper internal controls and comply with state law, and trains city and county treasurers to ensure local government compliance with state law.
- The **governor** serves as the chief administrator of the state's executive branch of government. Within the Governor's Office are the Lieutenant Governor's Office, Governor's Office of Planning and Budget, Commission on Criminal and Juvenile Justice, and Crime Victim Reparations program.

- The **state treasurer** serves as custodian and depository for all state funds and invests them at competitive market rates in bank certificates of deposit, corporate obligations, notes, and bonds of the United States government.

MAJOR BUDGET RECOMMENDATIONS

Budget Reductions

- The attorney general's reductions will necessitate management with fewer resources. The governor will terminate two contracts currently in place for professional and technical services. In addition, several temporary and part-time positions will not be filled, the Commission for Women and Families will receive less funding, and some of the commission's functions will be absorbed within the governor's administrative budget. The state auditor and the state treasurer will absorb the reductions

primarily through attrition and attorney costs. Reductions in state funds total \$1,249,400 for FY 2002 and \$1,160,800 for FY 2003.

General Fund

- Provide the attorney general with a \$600,000 General Fund supplemental to pay litigation costs of the census lawsuits.
- Provide the State Election Office with \$140,000 one-time General Fund to assist local voting districts with the purchase of voting machines for the visually impaired.

FY 2003 PROPOSED LEGISLATIVE INTENT

Attorney General

Funding for the Antitrust Prosecution be appropriated as a program within the attorney general's main line item.

Funding for Child Protection be appropriated as a program within the attorney general's main line item.

Funds for the attorney general's main line item are nonlapsing.

Funds for the attorney general for Children's Justice Centers are nonlapsing.

Funds for the attorney general for the Prosecution Council are nonlapsing.

Funds for the attorney general for the prevention of

domestic violence are nonlapsing.

State Auditor

Funds for the state auditor are nonlapsing.

Governor

Funds for the Governor's Office are nonlapsing.

Funds for the State Elections Office are nonlapsing.

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

Funds for the Governor's Emergency Fund are nonlapsing.

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

Funds for the Olympic Officer are nonlapsing.

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

State Treasurer

Funds for the state treasurer are nonlapsing.

ELECTED OFFICIALS

Operating Budget

Governor Leavitt's Recommendations							
	Actual FY 2001	Authorized FY 2002 ^(a)	Elected Officials' Request FY 2003	Base FY 2003	Budget Cuts	Ongoing & One-time Adj.	Total FY 2003
Plan of Financing							
General Fund	\$37,685,500	\$31,063,400	\$33,058,300	\$30,921,300	(\$1,160,800)	\$430,600	\$30,191,100
Federal Funds	13,179,500	16,447,200	16,405,400	16,394,200	0	12,600	16,406,800
Dedicated Credits	13,651,900	13,146,400	13,756,700	12,361,000	0	127,600	12,488,600
Restricted and Trust Funds	4,993,700	5,453,900	5,470,800	5,277,600	0	112,700	5,390,300
Transfers	1,267,500	2,074,200	945,500	945,500	0	1,600	947,100
Beginning Balances	2,081,600	10,359,100	851,000	851,000	0	0	851,000
Closing Balances	(10,359,100)	(851,000)	0	0	0	0	0
Total Financing	\$62,500,600	\$77,693,200	\$70,487,700	\$66,750,600	(\$1,160,800)	\$685,100	\$66,274,900
Programs							
Elected Officials							
Attorney General	\$32,282,600	\$33,440,700	\$36,385,000	\$33,110,800	(\$630,800)	\$402,700	\$32,882,700
Auditor	3,605,000	3,598,400	3,566,100	3,566,100	(88,900)	36,500	3,513,700
Governor	24,821,900	38,366,000	28,383,400	27,920,500	(416,100)	225,700	27,730,100
Treasurer	1,791,100	2,288,100	2,153,200	2,153,200	(25,000)	20,200	2,148,400
Total Budget	\$62,500,600	\$77,693,200	\$70,487,700	\$66,750,600	(\$1,160,800)	\$685,100	\$66,274,900
% Change from Base FY 2003 to Total FY 2003							(0.7)%
FTE Positions	--	603.1	603.1	597.4	0.0	0.0	597.4

(a) In addition to amounts listed in the Authorized 2002 column, Governor Leavitt recommends \$500,000 from the General Fund and \$180,800 from the Tobacco Settlement Restricted Account to pay litigation costs of the lawsuits related to the census and employee payroll deductions for union dues. In addition \$65,000 is recommended from the Attorney General's Restricted Account to cover increases in the cost of expert witness fees. Further, total reductions of \$1,261,500 in General Fund, \$300 in federal funds, \$43,700 in dedicated credits and \$7,400 in restricted funds were made for FY 2003 to address declining revenue collections by the state. General Fund of \$2,000 is also recommended for fuel power increase for the Governor.

(a) In addition to amounts listed in the Authorized 2002 column, Governor Leavitt recommends \$600,000 from the General Fund and \$180,800 from the Tobacco Settlement Restricted Account to pay litigation costs of the lawsuits related to the census and employee payroll deductions for union dues. In addition \$65,000 is recommended from the Attorney Revolving Restricted Account to cover increases in the cost of expert witness fees. Further, total reductions of \$1,261,500 in General Fund, \$300 in federal funds, \$43,700 in dedicated credits and \$7,400 in restricted funds were made for FY 2003 to address declining revenue collections by the state. General Fund of \$2,000 is also recommended for fuel power increase for the Governor.

ELECTED OFFICIALS

ATTORNEY GENERAL FY 2003 OPERATING BUDGET							
Beginning Base Budget							
	General Fund	School Funds	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
F1 FY 2002 appropriated budget	\$18,518,300	\$0	\$1,071,800	\$11,098,100	\$1,159,600	\$156,900	\$32,004,700
F2 Adjustment for extra working day	52,800	0	0	0	3,500	0	56,300
F3 Market comparability adjustment funding allocation from DHRM	28,800	0	0	0	0	0	28,800
F4 Retirement funding allocation from Division of Finance to agencies	1,800	0	0	0	100	0	1,900
F5 800 Megabets allocation from Division of Finance to agencies	6,900	0	0	0	0	0	6,900
F6 Adjustment to estimates for non-state funding levels	0	0	56,500	290,400	0	665,300	1,012,200
Total Beginning Base Budget - Attorney General	18,608,600	0	1,128,300	11,388,500	1,163,200	822,200	33,110,800
Base Budget Reductions							
F7 Main line item reductions	(586,000)	0	0	0	0	0	(586,000)
F8 Administrative and across-the-board reductions	(44,800)	0	0	0	0	0	(44,800)
Total Base Budget Reduction - Attorney General	(630,800)	0	0	0	0	0	(630,800)
Statewide Ongoing Adjustments							
F9 Internal service fund adjustments	(4,200)	0	400	(2,500)	300	100	(5,900)
F10 Market comparability adjustments	20,000	0	1,300	16,100	500	0	37,900
F11 Benefrate adjustments	142,700	0	8,000	113,100	6,700	1,500	272,000
Subtotal Statewide Ongoing Adjustments - Attorney General	158,500	0	9,700	126,700	7,500	1,600	304,000
Ongoing Adjustments							
F12 Auditor Prosecution	0	0	0	0	86,700	0	86,700
F13 Local provider increases - Children's Justice Centers	12,000	0	0	0	0	0	12,000
Subtotal Ongoing Adjustments - Attorney General	12,000	0	0	0	86,700	0	98,700
Total FY 2003 Attorney General Adjustments	170,500	0	9,700	126,700	94,200	1,600	402,700
Total FY 2003 Attorney General Operating Budget	\$18,148,300	\$0	\$1,138,000	\$11,515,200	\$1,257,400	\$823,800	\$32,882,700
ATTORNEY GENERAL FY 2002 OPERATING BUDGET ADJUSTMENTS							
Base Budget Reductions							
F14 Main line item reductions	(\$771,000)	\$0	\$0	(\$40,000)	(\$5,000)	\$0	(\$816,000)
F15 Administrative and across-the-board reductions	(29,900)	0	0	0	0	0	(29,900)
Subtotal Base Budget Reductions - Attorney General	(\$800,900)	0	0	(\$40,000)	(\$5,000)	0	(\$845,900)

ELECTED OFFICIALS - CONTINUED

Supplemental Adjustments									
	General Fund	School Funds	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds		
F16 Internal service fund adjustments	(8,600)	0	(300)	(3,700)	(200)	0	(12,800)		
F17 Legal costs - census lawsuits	600,000	0	0	0	180,800	0	780,800		
F18 Antitrust Prosecution	0	0	0	0	65,000	0	65,000		
Subtotal Supplemental Adjustments - Attorney General	591,400	0	(300)	(3,700)	245,600	0	833,000		
Total FY 2002 Attorney General Budget Adjustments	(\$209,500)	\$0	(\$300)	(\$43,700)	\$240,600	\$0	(\$12,900)		
AUDITOR FY 2003 OPERATING BUDGET									
Beginning Base Budget									
F19 FY 2002 appropriated budget	\$2,822,900	\$0	\$0	\$611,900	\$0	\$0	\$3,434,800		
F20 Adjustment for extra working day	10,800	0	0	0	0	0	10,800		
F21 Market comparability adjustment funding allocation from DHRM	41,200	0	0	0	0	0	41,200		
F22 Retirement funding allocation from Division of Finance to agencies	800	0	0	0	0	0	800		
F23 Adjustment to estimates for non-state funding levels	0	0	0	78,500	0	0	78,500		
Total Beginning Base Budget - Auditor	2,875,700	0	0	690,400	0	0	3,566,100		
Base Budget Reductions									
F24 Audit Division reduction	(77,100)	0	0	0	0	0	(77,100)		
F25 Administrative and a cross-the-board reductions	(11,800)	0	0	0	0	0	(11,800)		
Total Base Budget Reductions - Auditor	(\$88,900)	0	0	0	0	0	(\$88,900)		
Statewide Ongoing Adjustments									
F26 Benefits adjustments	36,500	0	0	0	0	0	36,500		
Subtotal Statewide Ongoing Adjustments - Auditor	36,500	0	0	0	0	0	36,500		
Total FY 2003 Auditor Adjustments	36,500	0	0	0	0	0	36,500		
Total FY 2003 Auditor Operating Budget	\$2,822,300	\$0	\$0	\$690,400	\$0	\$0	\$3,513,700		
AUDITOR FY 2002 OPERATING BUDGET ADJUSTMENTS									
Base Budget Reductions									
F27 Audit Division reduction	(\$50,000)	\$0	\$0	\$0	\$0	\$0	(\$50,000)		
F28 Administrative and a cross-the-board reductions	(7,900)	0	0	0	0	0	(7,900)		
Subtotal Base Budget Reductions - Auditor	(\$57,900)	0	0	0	0	0	(\$57,900)		
Total FY 2002 Auditor Budget Adjustments	(\$57,900)	\$0	\$0	\$0	\$0	\$0	(\$57,900)		

ELECTED OFFICIALS - CONTINUED

GOVERNOR FY 2003 OPERATING BUDGET									
Beginning Base Budget									
	General Fund	School Funds	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds		
F19 FY 2002 appropriated budget	\$8,802,300	\$0	\$14,811,900	\$428,000	\$3,163,400	\$535,000	\$27,740,600		
F10 Less one-time FY 2002 appropriations	(100,000)	0	0	0	(130,500)	0	(230,500)		
F11 Adjustment for extra working day	19,900	0	0	0	2,700	0	22,600		
F12 Market comparability adjustment funding allocation from DHFEM	13,800	0	0	0	0	0	13,800		
F13 Retirement funding allocation from Division of Finance to agencies	1,400	0	0	0	300	0	1,700		
F14 Transfer science advisor to Community and Economic Dev.	(10,500)	0	0	(150,000)	0	(25,000)	(185,500)		
F15 Transfer land management to Natural Resources	(124,600)	0	(150,000)	0	0	0	(274,600)		
F16 Adjustment to estimates for non-state funding levels	0	0	604,000	(184,000)	(51,900)	464,300	832,400		
Total Beginning Base Budget - Governor	8,602,300	0	15,266,900	94,000	2,984,000	974,300	27,920,500		
Base Budget Reductions									
F17 Governor's Office program reductions	(78,500)	0	0	0	0	0	(78,500)		
F18 Governor's Office - Administrative and across-the-board reductions	(21,700)	0	0	0	0	0	(21,700)		
F19 Governor's Office of Planning and Budget reductions	(137,200)	0	0	0	0	0	(137,200)		
F40 GOPEB - Administrative and across-the-board reductions	(36,000)	0	0	0	0	0	(36,000)		
F41 Chief Information Officer budget reductions	(19,400)	0	0	0	0	0	(19,400)		
F42 Commission on Criminal and Juvenile Justice reductions	(101,500)	0	0	0	0	0	(101,500)		
F43 CCJJ - Administrative and across-the-board reductions	(6,800)	0	0	0	0	0	(6,800)		
F44 Election Office reductions	(15,000)	0	0	0	0	0	(15,000)		
Total Base Budget Reductions - Governor	(416,100)	0	0	0	0	0	(416,100)		
Statewide Ongoing Adjustments									
F45 Internal service fund adjustments	(3,200)	0	0	0	(3,000)	0	(6,200)		
F46 Market comparability adjustments	0	0	0	0	700	0	700		
F47 Benefit rate adjustments	57,700	0	2,900	0	10,500	0	71,100		
Subtotal Statewide Ongoing Adjustments - Governor	54,500	0	2,900	0	8,200	0	65,600		
Ongoing Adjustments									
F48 Extractions	18,100	0	0	0	0	0	18,100		
Subtotal Ongoing Adjustments - Governor	18,100	0	0	0	0	0	18,100		
One-time Adjustments									
F49 Voting machines for the visually impaired	140,000	0	0	0	0	0	140,000		
F10 Fuel and power rate increase	2,000	0	0	0	0	0	2,000		
Subtotal One-time Adjustments - Governor	142,000	0	0	0	0	0	142,000		
Total FY 2003 Governor Adjustments	214,600	0	2,900	0	8,200	0	225,700		
Total FY 2003 Governor Operating Budget	\$8,400,800	\$0	\$15,268,800	\$94,000	\$2,992,200	\$974,300	\$27,730,100		

ELECTED OFFICIALS - CONTINUED

GOVERNOR FY 2002 OPERATING BUDGET ADJUSTMENTS									
Base Budget Reductions									
	General Fund	School Fund	Federal Fund	Dedicated Credits	Restricted Fund	Other Fund	Total Fund		
F51 Governor's Office reductions	(\$83,100)	\$0	\$0	\$0	\$0	\$0	(\$83,100)		
F52 Planning and Budget reductions	(155,200)	0	0	0	0	0	(155,200)		
F53 Commission on Criminal and Juvenile Justice reductions	(93,200)	0	0	0	0	0	(93,200)		
F54 Chief Information Office reductions	(19,600)	0	0	0	0	0	(19,600)		
F55 Elections Office county grants	(16,400)	0	0	0	0	0	(16,400)		
Subtotal Base Budget Reductions - Governor	(377,600)	0	0	0	0	0	(377,600)		
Supplemental Adjustments									
F56 Internal service fund adjustments	(3,300)	0	0	0	(2,200)	0	(5,700)		
F57 Fuel and power rate increases	2,000	0	0	0	0	0	2,000		
Subtotal Supplemental Adjustments - Governor	(1,500)	0	0	0	(2,200)	0	(3,700)		
Total FY 2002 Governor Budget Adjustments	(\$379,100)	\$0	\$0	\$0	(\$2,200)	\$0	(\$381,300)		
TREASURER FY 2003 OPERATING BUDGET									
Beginning Base Budget									
F58 FY 2003 appropriated budget	\$831,500	\$0	\$0	\$188,100	\$1,151,200	\$0	\$2,171,200		
F59 Adjustment for extra working day	2,600	0	0	0	2,700	0	5,300		
F60 Retirement funding allocation from Division of Finance to agencies	200	0	0	0	100	0	300		
F61 Adjustment to estimates for non-state funding levels	0	0	0	0	(23,600)	0	(23,600)		
Total Beginning Base Budget - Treasurer	834,700	0	0	188,100	1,130,400	0	2,153,200		
Base Budget Reductions									
F62 Treasury and investments program reductions	(20,500)	0	0	0	0	0	(20,500)		
F63 Treasury and investments across-the-board reductions	(4,300)	0	0	0	0	0	(4,300)		
F64 Money Management Council across-the-board reductions	(200)	0	0	0	0	0	(200)		
Total Base Budget Reductions - Treasurer	(25,000)	0	0	0	0	0	(25,000)		
Statewide Ongoing Adjustments									
F65 Beneficiary adjustments	9,000	0	0	900	10,200	0	20,200		
Subtotal Statewide Ongoing Adjustments - Treasurer	9,000	0	0	900	10,300	0	20,200		
Total FY 2003 Treasurer Adjustments	9,000	0	0	900	10,300	0	20,200		
Total FY 2003 Treasurer Operating Budget	\$819,700	\$0	\$0	\$189,000	\$1,140,700	\$0	\$2,149,400		

ELECTED OFFICIALS - CONTINUED

TREASURER FY 2002 OPERATING BUDGET ADJUSTMENTS									
Base Budget Reductions:									
	General Fund	School Funds	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds		
F00 Treasury and Investments program reductions	(\$10,000)	\$0	\$0	\$0	\$0	\$0	(\$10,000)		
F01 Treasury and Investments across-the-board reductions	(2,900)	0	0	0	0	0	(2,900)		
F02 Money Management Council across-the-board reductions	(100)	0	0	0	0	0	(100)		
Subtotal Base Budget Reductions - Treasurer	(13,000)	0	0	0	0	0	(13,000)		
Total FY 2002 Treasurer Adjustments	(\$13,000)	\$0	\$0	\$0	\$0	\$0	(\$13,000)		
ELECTED OFFICIALS TOTALS									
FY 2003 Operating Base Budget	\$30,921,300	\$0	\$16,394,200	\$12,361,000	\$5,277,600	\$1,796,300	\$66,750,400		
FY 2003 Operating Base Budget Reductions	(1,160,800)	0	0	0	0	0	(1,160,800)		
FY 2003 Operating Ongoing and One-time Adjustments	430,600	0	12,600	127,600	112,700	1,600	685,100		
FY 2003 Operating Recommendation	30,191,100	0	16,406,800	12,488,600	5,390,300	1,798,100	66,274,900		
FY 2002 Operating Adjustments	(659,500)	0	(300)	(43,700)	238,400	0	(465,100)		

ENVIRONMENTAL QUALITY

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

PROGRAMS

- **Executive Director** coordinates all administrative and planning functions for the department.
- **Air Quality** protects human health, property, and vegetation from the effects of air pollution.
- **Drinking Water** monitors public water systems to ensure safe drinking water.
- **Environmental Response and Remediation** oversees the cleanup of chemically contaminated sites and the proper use of underground storage tanks.
- **Radiation** protects people and the environment from sources of radiation that constitute a significant health hazard.

- **Solid and Hazardous Waste** protects public health and the environment by ensuring proper management of solid and hazardous wastes.
- **Water Quality** protects, maintains, and enhances the quality of surface and underground waters and prevents improper disposal of human, animal, and industrial wastes.

total \$328,000 for FY 2002 and \$410,800 for FY 2003.

General Fund

- Recommend one-time General Fund of \$610,000 for the nuclear waste opposition office. These funds are essential in doing everything possible to keep high-level nuclear waste out of the state of Utah.

Other Funds

- Recommend ongoing federal funding of \$380,000 to implement two new rule packages mandated by the Safe Drinking Water Act. This funding will be used to hire five additional personnel to implement the new rules and assist with federal loan administration.
- Provide funding of \$87,200 from the Petroleum Storage Tank Trust Fund to pay legal costs incurred by the Attorney General's Office in cost recovery efforts from

MAJOR BUDGET RECOMMENDATIONS

Budget Reductions

- The department wants to preserve programs that protect the environment and safeguard the citizens of Utah, so it will require that fees for these programs pay for the programs without a General Fund subsidy. Additional reductions include reducing administrative expenses and eliminating two positions. Reductions in state funds

cleanup of uninsured leaking underground storage tanks. Recovered costs will go into the Petroleum Storage Tank Trust Fund.

FY 2002 PROPOSED LEGISLATIVE INTENT

Executive Director

Funds appropriated for the nuclear waste opposition office are nonlapsing.

FY 2003 PROPOSED LEGISLATIVE INTENT

Executive Director

Funds appropriated to address high-level nuclear waste are nonlapsing.

Funds appropriated for the nuclear waste opposition office are nonlapsing.

Air Quality

Any unexpended funds in the Air Operating Permit

program are nonlapsing and authorized for use in the Air Operating Permit program to reduce emission fees.

Water Quality

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

ENVIRONMENTAL QUALITY

Operating Budget

	Actual FY 2001	Governor Leavitt's Recommendations				
	Authorized FY 2002	Supplementals & Budget Cuts	Recommended FY 2002	Base FY 2003	Budget Cuts	Ongoing & One-time Adj.
Plan of Financing						Total FY 2003
General Fund	\$10,054,200		\$11,038,300	\$10,607,400	(\$410,800)	\$733,100
Federal Funds	16,974,100		15,643,200	15,092,400	0	463,300
Dedicated Credits	6,371,100		6,172,600	6,097,800	158,200	45,300
Restricted and Trust Funds	6,943,300		8,128,400	7,125,900	0	1,309,400
Transfers	193,400		184,300	184,500	0	(1,600)
Beginning Balances	1,846,300		1,822,000	1,210,900	0	0
Closing Balances	(1,822,000)		(1,210,900)	(283,100)	0	0
Lapsing Funds	(317,000)		0	0	0	0
Total Financing	\$40,243,400		\$41,777,900	\$40,035,800	(\$252,600)	\$2,549,500
Programs						
Environmental Quality						
Executive Director	\$4,586,400		\$5,790,900	\$4,233,000	(\$138,500)	\$1,076,900
Air Quality	7,769,500		8,411,200	8,164,500	(3,600)	73,900
Drinking Water	3,593,000		3,819,500	3,594,300	(63,600)	403,700
Emiron. Response/Remediation	10,471,900		5,864,200	5,759,100	(3,000)	160,700
Radiation	2,052,500		2,187,400	2,159,700	(34,800)	17,900
Solid and Hazardous Waste	5,741,300		6,411,800	6,325,200	(600)	55,800
Water Quality	6,028,800		8,892,900	9,800,000	(8,500)	360,600
Hazardous Substances Mitigation Fund	0		400,000	0	0	400,000
Total Budget	\$40,243,400		\$41,777,900	\$40,035,800	(\$252,600)	\$2,549,500
% Change from Base FY2003 to Total FY 2003						5.7%
FTE Positions	..	418.5	(2.0)	416.5	(2.0)	5.0

ENVIRONMENTAL QUALITY

ENVIRONMENTAL QUALITY FY 2003 OPERATING BUDGET						
Beginning Base Budget						
G1	General Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
G1	FY 2002 appropriated budget	\$10,769,500		\$5,999,900	\$942,000	\$44,288,000
G2	Less one-time FY 2002 appropriations	(800,000)	0	0	0	(1,726,200)
G3	Adjustment for extra working day	35,000	0	0	0	52,800
G4	Market comparability adjustment funding allocation from DHRM	598,400	0	0	0	598,400
G5	Retirement funding allocation from Division of Finance to agencies	2,400	0	0	0	3,900
G6	800 Megahertz allocation	2,100	0	0	0	2,100
G7	Adjustment to estimates for non-state funding levels	0	(3,451,400)	97,900	170,300	(3,183,200)
Total Beginning Base Budget - Environmental Quality		10,607,400	15,092,400	6,097,800	1,112,300	40,015,800
Base Budget Reductions						
G8	Reduction in workforce	(1,23,500)	0	0	0	(1,23,500)
G9	Administrative and across-the-board reductions	(59,100)	0	0	0	(59,100)
G10	Various fee programs - reflects fee increase to cover costs	(1,58,200)	0	1,58,200	0	0
G11	Contractual services	(40,000)	0	0	0	(40,000)
G12	Operations and maintenance carryover	(30,000)	0	0	0	(30,000)
Total Base Budget Reductions - Environmental Quality		(410,800)	0	1,58,200	0	(252,600)
Statewide Ongoing Adjustments						
G13	Internal service fund adjustments	200	(2,400)	(1,200)	(1,600)	(5,900)
G14	Market comparability adjustments	9,400	0	0	0	10,000
G15	Benefit rate adjustments	107,500	85,700	46,300	0	308,700
<i>Subtotal Statewide Ongoing Adjustments - Environmental Quality</i>		117,100	83,300	45,100	(1,600)	307,800
Ongoing Adjustments						
G16	Local provider increase - county health	6,000	0	0	0	6,000
G17	Drinking Water - Safe Drinking Water Act mandates	0	380,000	0	0	380,000
G18	Remediation - voluntary cleanup program expense adjustment	0	0	0	0	20,300
G19	Remediation - underground storage tank cost recovery expense	0	0	0	0	87,200
G20	Water Quality - wastewater loan administration expense	0	0	0	0	306,000
G21	Hazardous Substances Mitigation Fund	0	0	0	0	400,000
<i>Subtotal Ongoing Adjustments - Environmental Quality</i>		6,000	380,000	0	0	1,199,500

ENVIRONMENTAL QUALITY

One-time Adjustments		General Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
G22	Executive Director - High-level nuclear waste opposition office	610,000	0	0	0	0	610,000
G23	Executive Director - High-level nuclear waste	0	0	0	432,200	0	432,200
<i>Subtotal One-time Adjustments - Environmental Quality</i>		<i>610,000</i>	<i>0</i>	<i>0</i>	<i>432,200</i>	<i>0</i>	<i>1,042,200</i>
Total FY 2003 Environmental Quality Adjustments		733,100	463,300	45,300	1,309,400	(1,600)	2,549,500
Total FY 2003 Environmental Quality Operating Budget		\$10,929,700	\$15,555,700	\$6,301,300	\$8,435,300	\$1,110,700	\$42,332,700
ENVIRONMENTAL QUALITY FY 2002 OPERATING BUDGET ADJUSTMENTS							
Base Budget Reductions							
G24	Radon program	(\$21,000)	\$0	\$0	\$0	\$0	(\$21,000)
G25	X-Ray licensing program	(25,000)	0	0	0	0	(25,000)
G26	Reduction in workforce	(150,000)	0	0	0	0	(150,000)
G27	Administrative and across-the-board reductions	(39,400)	0	0	0	0	(39,400)
G28	Solid and Hazardous Waste oversight program	(32,100)	0	0	0	0	(32,100)
G29	Waste tire recycling program	(14,500)	0	0	0	0	(14,500)
G30	Operations and maintenance carryover	(46,000)	0	0	0	0	(46,000)
<i>Subtotal Base Budget Reductions - Environmental Quality</i>		<i>(328,000)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>(328,000)</i>
Supplemental Adjustments							
G31	Internals service fund adjustments	(4,000)	(3,800)	(2,300)	(2,200)	0	(12,300)
G32	Remediation - voluntary cleanup program expense adjustment	0	0	0	20,300	0	20,300
G33	Water Quality - underground water withdrawal disposal certification	0	0	0	76,000	0	76,000
<i>Subtotal Supplemental Adjustments - Environmental Quality</i>		<i>(4,000)</i>	<i>(3,800)</i>	<i>(2,300)</i>	<i>94,100</i>	<i>0</i>	<i>84,000</i>
Total FY 2002 Environmental Quality Budget Adjustments		(\$332,000)	(\$3,800)	(\$2,300)	\$94,100	\$0	(\$244,000)
ENVIRONMENTAL QUALITY TOTALS							
FY 2003 Operating Base Budget		\$10,607,400	\$15,092,400	\$6,097,800	\$7,125,900	\$1,112,300	\$40,035,800
FY 2003 Operating Base Budget Reductions		(410,800)	0	158,200	0	0	(252,600)
FY 2003 Operating Ongoing and One-time Adjustments		733,100	463,300	45,300	1,309,400	(1,600)	2,549,500
FY 2003 Operating Recommendation		10,929,700	15,555,700	6,301,300	8,435,300	1,110,700	42,332,700
FY 2002 Operating Adjustments		(332,000)	(3,800)	(2,300)	94,100	0	(244,000)

HEALTH

Mission: *Protect the public's health by 1) preventing avoidable disease, injury, disability, and premature death; 2) assuring access to affordable, quality health care; 3) promoting healthy lifestyles and documenting health events; and, 4) monitoring and analyzing health trends.*

PROGRAMS

- **Office of the Executive Director** provides overall direction, policy development, and management of the Utah Department of Health. The office also conducts administrative and support functions, manages birth and death certificates, and prepares and issues health statistics.
- **Medical Examiner** investigates and certifies all sudden and unexpected deaths that occur within the state, and identifies causes that could endanger public health.
- **Health Systems Improvement** trains and certifies emergency medical personnel, licenses health care facilities, and promotes primary care to underserved populations.

- **Epidemiology and Laboratory Services** performs clinical and environmental laboratory examinations to support public health programs, ensures quality of medical and environmental laboratories, and performs surveillance and investigation of disease and environmental exposure.
- **Community and Family Health Services** manages programs that promote public health and help women, infants, and children gain access to comprehensive and affordable health care.
- **Children's Health Insurance Program (CHIP)** provides health insurance to approximately 30,000 of the state's 60,000 uninsured children.
- **Health Care Financing** administers Medicaid and the Utah Medical Assistance

Program. The service portions of these two programs comprise the Medical Assistance category.

MAJOR BUDGET RECOMMENDATIONS

Budget Reductions

- Reduce General Fund across all department divisions in administration, personnel, programs, and services. Minimize the impact of program reductions on fragile populations. Change \$2,000,000 General Fund in Medical Assistance to tobacco restricted funds, and change \$1,500,000 General Fund in Medical Assistance to Medicaid restricted funds for FY 2002 only. Using tobacco restricted funds for Medical Assistance requires a change in statute. Reductions total \$15,326,300 for FY 2002 of which \$5,634,500 are state funds and \$9,691,800 are federal

funds. Reductions total \$17,094,200 for FY 2003, of which \$6,182,300 are state funds and \$10,911,900 are federal funds.

General Fund

- General Fund increases are for caseload growth and federal mandates.
- Meet the expected caseload growth for 200 new infants and children with disabilities and developmental delay in the Early Intervention program with \$588,000 in General Fund.
- Provide \$200,000 General Fund for shortfalls in the Medical Examiner's Office previously funded with one-time money.
- Fund \$537,000 General Fund and \$55,000 federal funds for mandates in FY 2003 to implement the Health Insurance Portability and Accountability Act (HIPAA).

Other Funds

- Fund a \$2,000,000 supplemental for alcohol, tobacco, and other drug programs from tobacco restricted funds withheld as payment to outside attorneys who worked on the Master Settlement Agreement. The attorneys sued the state for 25 percent of Utah's total tobacco settlement payment as reimbursement for their

work, but settled with the state for a lesser amount in FY 2002. State statute requires the additional appropriation out of the remaining funds.

- Provide \$1,273,000 in one-time funds from the Medicaid Restricted Account, \$1,444,000 from federal funds, and a \$507,000 supplemental from the Medicaid Restricted Account to implement HIPAA. Using Medicaid restricted funds requires a change in statute.

Other Issues

- Manage CHIP within its current appropriation by capping the number of children enrolled and adjusting its programs and services.
- Transfer the Veterans' Nursing Home program to the National Guard and the Medical Education Council to higher education.
- Communicate with statewide working groups on the nursing shortage and continue to monitor this issue.

Medicaid

General Fund

- Fund inflation, utilization, and the federal match rate change with \$20,796,200 in General Fund and \$67,589,800 federal funds. Utah received a favorable

match rate change requiring fewer state funds to draw down federal funds.

- Fund \$1,185,600 General Fund and \$2,814,400 federal funds for reinsurance of high-cost individuals in the Medicaid program.
- Fund \$490,400 ongoing General Fund to replace one-time funding for the Ticket-to-Work program. Continue providing Medicaid benefits for 300 individuals who are disabled and working with incomes below 250 percent of the federal poverty level.
- Replace one-time funding for the Breast and Cervical Cancer Program with \$115,200 ongoing General Fund. Continue to provide Medicaid benefits for 60 women who have been diagnosed with cancer.

FY 2002 PROPOSED LEGISLATIVE INTENT

Health Systems Improvement

Funds collected as civil penalties for health care and child care facilities are non-lapsing and will be used to provide in-service training for licensed and certified providers to improve the quality of health and child care services statewide.

Epidemiology and Laboratory Services

Funds for purchasing laboratory equipment are nonlapsing.

Community and Family Health Services

Funds appropriated to the department from the Tobacco Settlement Restricted Account are nonlapsing.

Children's Health Insurance Program

Funds appropriated to the department from the Tobacco Settlement Restricted Account are nonlapsing.

FY 2003 PROPOSED LEGISLATIVE INTENT

Health Systems Improvement

Funds collected as civil penalties for health care and child care facilities are nonlapsing and will be used to provide in-service training for licensed and certified providers to improve the quality of health and child care services statewide.

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

Funds for the State Primary Care Grant Program for underserved or uninsured individuals and special populations are nonlapsing.

Community and Family Health Services

Funds appropriated to the department from the Tobacco Settlement Restricted Account are nonlapsing.

Children's Health Insurance Program

Funds appropriated to the department from the Tobacco Settlement Restricted Account are nonlapsing.

HEALTH

Operating Budget

Governor Leavitt's Recommendations								
	Actual FY 2001	Authorized FY 2002	Supplementals & Budget Cuts	Recommended FY 2002	Base FY 2003	Budget Cuts	Ongoing & One-time Adj.	Total FY 2003
Plan of Financing								
General Fund	\$194,727,900	\$230,447,500	(\$9,148,500)	\$221,299,000	\$229,418,700	(\$6,182,300)	\$24,564,400	\$247,800,800
Federal Funds	710,584,900	766,016,400	(6,759,400)	759,257,000	760,163,200	(10,911,900)	72,506,800	821,758,100
Dedicated Credits	66,312,100	67,843,100	(1,200)	67,841,900	67,714,500	0	2,320,900	70,035,400
Restricted and Trust Funds	25,161,700	10,782,600	7,120,700	17,903,300	10,172,600	0	1,314,300	11,486,900
Transfers	90,509,900	79,865,500	(2,800)	79,862,700	81,062,700	0	146,800	81,209,500
Beginning Balances	3,497,300	8,031,800	0	8,031,800	1,903,800	0	0	1,903,800
Closing Balances	(8,031,700)	(1,903,800)	0	(1,903,800)	(1,457,800)	0	0	(1,457,800)
Lapsing Funds	(679,000)	0	0	0	0	0	0	0
Total Financing	\$1,082,083,100	\$1,161,083,100	(\$8,791,200)	\$1,152,291,900	\$1,148,977,700	(\$17,094,200)	\$100,853,200	\$1,232,736,700
Programs								
Health								
Executive Director	\$12,151,300	\$11,195,300	\$371,100	\$11,566,400	\$11,313,400	(\$223,000)	\$4,262,000	\$15,352,400
Health Systems Improvement	11,833,800	14,347,500	(132,500)	14,215,000	12,966,600	(361,100)	175,400	12,780,900
Epidemiology and Lab Services	13,891,000	15,658,600	(214,100)	15,444,500	14,988,800	(187,200)	126,600	14,928,200
Community and Family Health	80,816,200	89,564,800	1,765,800	91,330,600	86,750,600	(407,500)	1,057,400	87,400,500
Health Care Financing	67,722,700	72,508,800	(1,119,400)	71,389,400	68,960,500	(1,094,200)	3,100	67,869,400
Medical Assistance	872,041,300	929,876,400	(9,415,000)	920,461,400	926,037,400	(14,774,200)	95,212,700	1,006,475,900
Children's Health Insurance	23,626,800	25,799,000	(100)	25,798,900	25,827,700	0	1,000	25,828,700
Local Health Departments	0	2,132,700	(47,000)	2,085,700	2,132,700	(47,000)	15,000	2,100,700
Total Budget	\$1,082,083,100	\$1,161,083,100	(\$8,791,200)	\$1,152,291,900	\$1,148,977,700	(\$17,094,200)	\$100,853,200	\$1,232,736,700
% Change from Base FY 2003 to Total FY 2003								
FTE Positions	--	1,262.0	(1.5)	1,260.5	1,264.7	(9.0)	9.5	1,265.2
								7.3%

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HEALTH - CONTINUED

Ongoing Adjustments									
	General Fund	School Funds	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds		
#27 Baby Watch - Early Intervention	558,000	0	153,000	192,000	0	0	903,000		
#28 Replace one-time funding for medical examiner	200,000	0	0	0	0	0	200,000		
#29 Health Insurance Portability and Accountability Act	537,000	0	55,000	0	0	0	592,000		
#30 Medicaid reinsurance	1,185,600	0	2,814,400	0	0	0	4,000,000		
#31 Federal match rate change	(3,934,200)	0	3,934,200	0	0	0	0		
#32 Replace one-time funding Medicaid Ticket-to-Work program	490,400	0	0	0	0	0	490,400		
#33 Replace one-time funding Medicaid Breast and Cervical Cancer	115,200	0	0	0	0	0	115,200		
#34 Replace one-time funding Medicaid ambulance inflation	25,400	0	0	0	0	0	25,400		
#35 Medicaid new case budget growth	11,420,300	0	29,395,600	963,000	0	0	41,778,900		
#36 Medicaid new inflation	13,310,100	0	34,260,000	1,122,300	0	0	48,692,400		
#37 Local provider increase - county health	15,000	0	0	0	0	0	15,000		
Subtotal Ongoing Adjustments - Health	23,922,800	0	70,612,200	2,277,300	0	0	96,812,300		
One-time Adjustments									
#38 Health Insurance Portability and Accountability Act (a)	0	0	1,440,000	0	1,273,000	0	2,713,000		
Subtotal One-time Adjustments - Health	0	0	1,440,000	0	1,273,000	0	2,713,000		
Total FY 2003 Health Adjustments	24,564,400	0	72,506,800	2,370,900	1,314,300	146,800	100,853,200		
Total FY 2003 Health Operating Budget	\$24,780,800	\$0	\$821,758,100	\$70,035,400	\$11,486,900	\$81,655,500	\$1,232,736,700		
HEALTH FY 2002 OPERATING BUDGET ADJUSTMENTS									
Base Budget Reductions									
#39 EDO - administrative and across-the-board reductions	(\$94,900)	\$0	(\$10,000)	\$0	\$0	\$0	(\$104,900)		
#40 EDO - reduce personnel by 2.5 FTEs	(98,000)	0	0	0	0	0	(98,000)		
#41 EDO - reduce programs and services	(35,000)	0	0	0	0	0	(35,000)		
#42 LHD - reduce programs and services in local health departments	(47,000)	0	0	0	0	0	(47,000)		
#43 HSL - administrative and across-the-board reductions	(54,200)	0	0	0	0	0	(54,200)		
#44 HSL - reduce/delay hiring personnel by 2.0 FTEs	(69,000)	0	0	0	0	0	(69,000)		
#45 HSL - reduce programs and services	(6,500)	0	0	0	0	0	(6,500)		
#46 ELS - administrative and across-the-board reductions	(84,800)	0	0	0	0	0	(84,800)		
#47 ELS - reduce personnel by 1.0 FTE	(20,000)	0	0	0	0	0	(20,000)		
#48 ELS - reduce programs and services	(114,000)	0	0	0	0	0	(114,000)		
#49 CFHS - administrative and across-the-board reductions	(91,000)	0	0	0	0	0	(91,000)		
#50 CFHS - reduce programs and services	(130,000)	0	0	0	0	0	(130,000)		
#51 HCF - administrative and across-the-board reductions	(626,800)	0	(431,000)	0	0	0	(1,057,800)		

HEALTH - CONTINUED

	General Fund	School Funds	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
#52 Medicaid - reduce increase reimbursement rates for providers	(662,300)	0	(1,545,800)	0	0	0	(2,208,100)
#53 Medicaid - limit prescriptions and increase client copays	(2,301,600)	0	(5,683,000)	0	0	0	(7,984,600)
#54 Medicaid - administrative and across-the-board reductions	(1,199,400)	0	(2,022,000)	0	0	0	(3,221,400)
Subtotal Base Budget Reductions - Health	(5,692,500)	0	(9,692,800)	0	0	0	(15,325,300)
Supplemental Adjustments							
#55 Internal service fund adjustments	(14,000)	0	(49,100)	(1,200)	200	(2,800)	(66,900)
#56 Health Insurance Portability and Accountability Act (a)	0	0	95,000	0	507,000	0	602,000
#57 Tobacco prevention (b)	0	0	0	0	2,000,000	0	2,000,000
#58 Medicaid Assistance funded from Tobacco Restricted Account (b)	(2,000,000)	0	0	0	2,000,000	0	0
#59 Medicaid Assistance funded from Medicaid Restricted Account (a)	(1,500,000)	0	0	0	1,500,000	0	0
#60 Medicaid reinsurance (a)	0	0	2,886,500	0	1,113,500	0	4,000,000
Subtotal Supplemental Adjustments - Health	(3,514,000)	0	2,932,400	(1,200)	7,120,700	(2,800)	6,535,100
Total FY 2002 Health Budget Adjustments	(\$9,148,500)	\$0	(\$6,759,400)	(\$1,200)	\$7,120,700	(\$2,800)	(\$8,791,200)
HEALTH TOTALS							
FY 2003 Operating Base Budget	\$229,418,700	\$0	\$760,163,200	\$67,714,500	\$10,172,600	\$81,508,700	\$1,148,977,700
FY 2003 Operating Base Budget Reductions	(6,182,300)	0	(10,911,900)	0	0	0	(17,094,200)
FY 2003 Operating Ongoing and One-time Adjustments	24,564,400	0	72,506,800	2,320,900	1,314,300	146,800	100,853,200
FY 2003 Operating Recommendation	247,800,800	0	821,758,100	70,035,400	11,486,900	81,655,500	1,232,736,700
FY 2002 Operating Adjustments	(9,148,500)	0	(6,759,400)	(1,200)	7,120,700	(2,800)	(8,791,200)

(a) These items are funded one time from the Medicaid Restricted Account.

(b) These items are funded one time from the Tobacco Settlement Restricted Account.

HIGHER EDUCATION

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

INSTITUTIONS AND AGENCIES

- **University of Utah** in Salt Lake City is a research/teaching university with about 26,000 full-time-equivalent (FTE) students. It includes a hospital with several outreach clinics. The university receives about \$160 million a year in non-state funded research grants.
- **Utah State University** in Logan is a research/teaching university that enrolls about 19,200 FTE students; has outreach campuses, centers, and extension sites throughout the state; and receives about \$65 million a year in non-state funded research grants.
- **Weber State University** is a regional/metropolitan university in Ogden with about 14,200 FTE students.
- **Southern Utah University** in Cedar City is a regional university with about 6,200 FTE students.
- **Snow College** in Ephraim is a comprehensive two-year college with about 3,200 FTE students.
- **Dixie State College of Utah** is a comprehensive community college in St. George with about 4,300 FTE students. It has authority to offer three baccalaureate degree programs.
- **College of Eastern Utah** in Price is a regional, comprehensive community college with a Blanding campus and Moab and Castle Dale centers. It serves about 2,300 FTE students.
- **Utah Valley State College** (UVSC) in Orem is an urban college that provides a comprehensive community college program and over 20 baccalaureate degree programs. UVSC's FTE student enrollment is about 16,900.
- **Salt Lake Community College** is an urban comprehensive community college with campuses and centers in Salt Lake and Tooele counties and about 17,300 FTE students.
- **Utah State Board of Regents** is the governing board of the Utah System of Higher Education, which includes Utah's nine state colleges and universities. It is staffed by the Office of the Commissioner for Higher Education.
- **Utah College of Applied Technology** (UCAT) provides adults and secondary school students with job-related, open-entry/open-exit, competency-based instruction and training at 10 applied technology colleges and their satellite campuses and extended sites throughout Utah.
- **Utah Education Network** delivers electronic information, instruction, and communications services to homes, businesses, and education

institutions throughout the state through a collaboration of higher education, public education, business, KUED and KULC, and the statewide education technology networks of EDNET and UtahLINK.

- **Medical Education Council** analyzes health care needs in the state and seeks to obtain and distribute funds for graduate training of health care professionals and medical residents who will help meet those needs.

MAJOR BUDGET RECOMMENDATIONS

Budget Reductions

- The Utah System of Higher Education (USHE) applied across-the-board cuts in all operations and programs for FY 2002 and FY 2003. It is unlikely that any operation or program will be eliminated. Reductions in state funds total \$14,688,400 in FY 2002 and \$32,314,200 in FY 2003. For the capital budget, reductions in state funds total \$2,089,000 for FY 2002.
- The UCAT applied across-the-board cuts in all operations and programs for FY 2002 and FY 2003. The reduction could be offset in part if the legislature requires school districts to reimburse the college for some of the costs of providing technical education to the districts' students. Reductions in state

funds total \$992,500 for FY 2002 and \$2,182,900 for FY 2003.

- The Utah Education Network will make reductions in programs for network router replacement and software maintenance. In addition, funding for supplies, the rural regions help desk, and customer services will be reduced, but it is unlikely that any program or activity will be eliminated. Reductions in state funds total \$388,900 for FY 2002 and \$855,500 for FY 2003.

Higher Education

School Funds

- Help support costs for 8,576 FTE new students with \$29,534,200 additional funds, including \$12,250,000 school funds and \$17,284,200 dedicated credits from tuition of new students.
- Maintain basic operation and maintenance of existing and new facilities with an ongoing increase of \$1,324,800 school funds.
- Add \$3,000,000 school funds, including \$1,000,000 one-time funds for machinery, to the state's initiative to double and then triple the number of engineering, computer science, and technology related graduates.

Other Funds

- Increase tuition by 3.0 percent to provide \$5,617,000

dedicated credits for additional support of higher education.

- Bond to provide \$49,834,500, including \$28,891,000 for arts buildings at Snow and Dixie colleges and \$2,315,000 and \$18,628,500 to replace, respectively, an FY 2001 supplemental and FY 2002 appropriations for engineering buildings at the University of Utah and Utah State University.
- Provide \$500,000 Project Reserve Fund from the Division of Facilities Construction and Management for a study of library renovations at the University of Utah and Utah State University.

Utah College of Applied Technology

School Funds

- Support development of this new statewide college by providing \$200,000 ongoing school funds to replace one-time funding for administration.

Medical Education Council (MEC)

General Fund

- Continue state support for MEC with a one-time appropriation of \$100,000 for FY 2003, which would follow the previous one-time appropriation of \$110,000 made for FY 2002.

HIGHER EDUCATION**Operating Budget**

Governor Leavitt's Recommendations								
	Actual FY 2001	Authorized FY 2002	Supplementals & Budget Cuts	Recommended FY 2002	Base FY 2003	Budget Cuts	Ongoing & One-time Adj.	Total FY 2003
Plan of Financing								
General Fund	\$383,781,300	\$420,091,900	\$55,807,700	\$475,899,600	\$410,499,300	(\$381,800)	\$10,611,400	\$420,728,900
School Funds	211,819,300	248,061,500	(71,875,100)	176,186,400	233,037,600	(34,970,800)	15,142,800	213,199,600
Federal Funds	5,995,200	4,793,700	0	4,793,700	4,793,700	0	67,200	4,860,900
Dedicated Credits	201,318,500	213,984,500	(94,100)	213,890,400	214,061,100	(94,100)	23,519,500	237,486,500
Mineral Lease	1,115,900	1,028,200	0	1,028,200	963,900	0	0	963,900
Restricted and Trust Funds	4,060,200	6,053,700	0	6,053,700	4,885,500	0	11,100	4,896,600
Transfers	817,000	0	0	0	0	0	0	0
Other Funds	0	0	0	0	0	0	24,400	24,400
Beginning Balances	33,156,800	43,244,500	0	43,244,500	43,077,000	0	0	43,077,000
Closing Balances	(43,244,500)	(43,077,000)	0	(43,077,000)	(43,077,000)	0	0	(43,077,000)
Total Financing	\$798,819,700	\$894,181,000	(\$16,161,500)	\$878,019,500	\$868,231,100	(\$35,446,700)	\$49,376,400	\$882,160,800
Programs								
Higher Education								
University of Utah	\$261,238,900	\$299,197,600	(\$5,367,300)	\$293,830,300	\$295,397,600	(\$11,807,900)	\$4,572,700	\$288,162,400
Utah State University	165,224,600	177,813,600	(3,228,800)	174,584,800	176,759,300	(7,103,200)	2,727,000	172,383,100
Weber State University	77,856,700	83,584,200	(1,431,000)	82,153,200	83,584,200	(3,148,200)	1,137,900	81,573,900
Southern Utah University	33,391,700	37,238,800	(679,700)	36,559,100	37,238,800	(1,495,300)	476,000	36,219,500
Snow College	17,963,600	19,828,300	(394,900)	19,433,400	19,828,300	(868,700)	301,900	19,261,500
Dixie State College of Utah	20,857,000	22,655,700	(421,400)	22,234,300	22,655,700	(927,200)	388,800	22,117,300
College of Eastern Utah	13,705,200	14,346,800	(297,900)	14,048,900	14,346,800	(655,500)	203,400	13,894,700
Utah Valley State College	60,580,500	70,580,800	(1,123,600)	69,457,200	70,130,800	(2,273,900)	778,500	68,635,400
Salt Lake Community College	72,328,200	78,783,000	(1,365,100)	77,417,900	78,283,000	(3,003,200)	898,800	76,178,600
Regents/Statewide Programs	20,551,000	23,801,600	(468,200)	23,333,900	9,891,900	(1,031,100)	37,114,800	45,975,600
Subtotal Higher Education	743,697,400	827,830,400	(14,778,400)	813,052,000	808,116,400	(32,314,200)	48,599,800	824,402,000
Utah Education Network								
Operations	16,933,900	18,621,300	(388,900)	18,232,400	15,554,500	(855,500)	72,500	14,771,500
Subtotal Utah Education Network	16,933,900	18,621,300	(388,900)	18,232,400	15,554,500	(855,500)	72,500	14,771,500
Utah College of Applied Technology								
Operations	34,038,500	43,212,800	(842,100)	42,470,700	40,938,700	(2,124,900)	604,100	39,417,900
Custom Fit	3,691,600	3,866,500	(152,100)	3,714,400	3,366,500	(152,100)	0	3,214,400
Subtotal College of Applied Tech.	37,730,100	47,179,300	(994,200)	46,185,100	44,305,200	(2,277,000)	604,100	42,632,300
Medical Education Council								
Operations	458,300	550,000	0	550,000	255,000	0	100,000	355,000
Subtotal Medical Ed. Council	458,300	550,000	0	550,000	255,000	0	100,000	355,000
Total Budget	\$798,819,700	\$894,181,000	(\$16,161,500)	\$878,019,500	\$868,231,100	(\$35,446,700)	\$49,376,400	\$882,160,800
% Change from Base FY 2003 to Total FY 2003								1.6%

HIGHER EDUCATION

Capital Budget

Governor Leavitt's Recommendations									
	Actual FY 2001	Authorized FY 2002	Supplemental & Budget Cuts	Recommended FY 2002	Base FY 2003	Budget Cuts	Ongoing & One-time Adj.	Total FY 2003	FY 2003 Bond
Plan of Financing									
General Fund	\$1,836,500	\$7,775,000	(\$2,089,000)	\$5,686,000	\$0	\$0	\$0	\$0	\$0
School Funds	93,260,100	17,298,000	(12,685,000)	4,613,000	0	0	0	0	0
Restricted and Trust Funds	0	0	0	0	0	0	500,000	500,000	0
FY 2003 General Obligation Bond	0	0	0	0	0	0	0	0	49,834,500
Other Funds	0	387,000	0	387,000	0	0	0	0	0
Beginning Balances	0	5,943,500	(5,943,500)	0	0	0	0	0	0
Closing Balances	(15,943,500)	0	0	0	0	0	0	0	0
Total Financing	\$89,581,100	\$31,403,500	(\$20,717,500)	\$10,686,000	\$0	\$0	\$500,000	\$500,000	\$49,834,500
Projects									
Utah Cancer Inst. Architecture building ^(a)	\$0	\$22,685,000	(\$12,685,000)	\$10,000,000	\$0	\$0	\$0	\$0	\$15,000,000
Utah State University architecture building ^(a)	17,204,400	5,943,500	(5,943,500)	0	0	0	0	0	5,943,500
Utah State University heating plant	38,912,200	0	0	0	0	0	0	0	0
Utah State University renovation study	0	0	0	0	0	0	500,000	500,000	0
WSU - Dark Center renovation ^(a)	0	0	0	0	0	0	0	0	0
Snow College performance arts building ^(a)	1,411,800	0	0	0	0	0	0	0	15,583,000
Dixie State College fine arts building ^(a)	1,308,800	0	0	0	0	0	0	0	13,308,000
College of Eastern Utah main building	10,827,100	0	0	0	0	0	0	0	0
UVSC classroom building	20,169,700	0	0	0	0	0	0	0	0
BATC Brigham City renovation ^(a)	0	2,089,000	(2,089,000)	0	0	0	0	0	0
OWIATC maintenance building	1,669,800	0	0	0	0	0	0	0	0
OWIATC land purchase	0	500,000	0	500,000	0	0	0	0	0
UBATC property acquisition in Vernal	0	186,000	0	186,000	0	0	0	0	0
Classroom package savings	(2,012,200)	0	0	0	0	0	0	0	0
Total Budget	\$89,581,100	\$31,403,500	(\$20,717,500)	\$10,686,000	\$0	\$0	\$500,000	\$500,000	\$49,834,500
% Change from Base FY 2003 to Total FY 2003								--	
<p>(a) An FY 2001 school funds supplemental of \$2,315,000 for the Utah engineering building was held back by the governor due to declining state revenue collections. The governor also recommends replacing with bonds \$12,685,000 of school funds appropriated for FY 2002.</p> <p>(b) In order to help address declining state revenue collections, the governor recommends that \$5,943,500 of unspent school funds from the Utah State University engineering building project be returned to the state and replaced with bond proceeds.</p> <p>(c) An FY 2001 school funds supplemental included \$23,113,600 for a Davis County campus for Weber State. This was eliminated by a gubernatorial holdback and a consequent loss of \$2,613,300 in classroom savings.</p> <p>(d) An FY 2001 school funds supplemental of \$16,511,800 included \$425,000 for Snow College South land purchase and \$16,086,000 for a Snow College fine arts building. The amount for the fine arts building was reduced to \$886,800 by a gubernatorial holdback due to declining revenue collections. The governor recommends issuing bonds to complete this facility.</p> <p>(e) An FY 2001 school funds supplemental appropriation of \$14,308,800 was reduced to \$1,308,800 by a gubernatorial holdback due to declining state revenue collections. The governor recommends issuing bonds to complete this facility.</p> <p>(f) An FY 2001 school funds appropriation of \$652,000 and an FY 2002 appropriation of General Fund \$2,089,000 for the BATC property purchase were eliminated by a gubernatorial holdback due to declining state revenue collections.</p>									

HIGHER EDUCATION

UTAH SYSTEM OF HIGHER EDUCATION FY 2003 OPERATING BUDGET						
	General Fund	School Funds	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds
Beginning Base Budget						
11 FY 2002 appropriated budget	\$415,971,800	\$89,903,200	\$4,593,700	\$201,292,900	\$6,053,700	\$839,500
12 Less one-time FY 2002 appropriations	(9,482,600)	(8,867,100)	0	0	(1,300,000)	0
13 Retirement funding allocation from Division of Finance to agencies	35,400	0	0	0	0	0
14 Adjustment to estimate savings for non-state funding levels	0	0	0	8,951,300	0	124,400
Total Beginning Base Budget - USHE	406,524,600	181,036,100	4,593,700	210,244,400	4,753,700	963,900
Base Budget Reductions						
15 University of Utah (UofU)	(31,900)	(11,776,000)	0	0	0	0
16 Utah State University (USU)	0	(7,103,200)	0	0	0	0
17 Weber State University (WSU)	0	(3,148,200)	0	0	0	0
18 Southern Utah University	(700)	(1,494,600)	0	0	0	0
19 Snow College	(1,900)	(866,800)	0	0	0	0
20 Dixie State College of Utah	(1,800)	(925,400)	0	0	0	0
21 College of Eastern Utah	(6,800)	(648,700)	0	0	0	0
22 Utah Valley State College	(4,200)	(2,269,700)	0	0	0	0
23 Salt Lake Community College	(10,600)	(2,992,600)	0	0	0	0
24 State Board of Regents/statewide programs	(236,800)	(794,300)	0	0	0	0
Total Base Budget Reductions - USHE	(294,700)	(32,019,500)	0	0	0	0
Statewide Ongoing Adjustments						
25 Internal service fund adjustments	72,800	21,300	200	36,900	600	0
Subtotal Statewide Ongoing Adjustments - USHE	72,800	21,300	200	36,900	600	0
Ongoing Adjustments						
26 Transfer facility lease funds from UWSC to National Guard	0	(90,000)	0	0	0	0
27 Operation and maintenance for new facilities	1,324,800	0	0	0	0	0
28 Enroll ment growth	12,250,000	0	0	17,284,200	0	0
29 Tuition increase of 3.0 percent	0	0	0	3,199,000	0	0
30 Engineering and information technology initiative	2,000,000	0	0	0	0	0
31 Compensation package	4,518,300	2,123,600	48,300	2,418,000	10,300	17,300
32 Switch funding sources	(12,070,700)	12,070,700	0	0	0	0
Subtotal Ongoing Adjustments - USHE	8,022,400	14,104,300	48,300	22,901,200	10,300	17,300
One-time Adjustments						
33 Equipment or expanded engineering and IT programs	1,000,000	0	0	0	0	0
34 Fuel and power rate increase	1,150,100	619,300	18,300	568,800	0	6,900
Subtotal One-time Adjustments - USHE	2,150,100	619,300	18,300	568,800	0	6,900
Total FY 2003 USHE Adjustments	10,245,300	14,744,900	67,200	23,506,900	11,100	24,400
Total FY 2003 USHE Operating Budget	\$406,475,200	\$363,761,500	\$4,660,900	\$233,751,300	\$4,764,800	\$988,300
UTAH SYSTEM OF HIGHER EDUCATION FY 2002 OPERATING BUDGET ADJUSTMENTS						
Base Budget Reductions						
35 University of Utah	(\$14,200)	(\$5,352,800)	\$0	\$0	\$0	\$0
36 Utah State University	0	(3,238,800)	0	0	0	0
37 Weber State University	0	(1,431,000)	0	0	0	0
Total FY 2002 USHE Adjustments	(\$14,200)	(\$9,781,600)	\$0	\$0	\$0	\$0
Total FY 2002 USHE Operating Budget	\$406,475,200	\$363,761,500	\$4,660,900	\$233,751,300	\$4,764,800	\$988,300
Total FY 2003 USHE Operating Budget	\$406,475,200	\$363,761,500	\$4,660,900	\$233,751,300	\$4,764,800	\$988,300

HIGHER EDUCATION - CONTINUED

	General Fund	School Funds	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
128 Southern Utah University	(300)	(679,400)	0	0	0	0	(679,700)
129 Snow College	(900)	(394,000)	0	0	0	0	(394,900)
130 Dixie State College of Utah	(800)	(420,600)	0	0	0	0	(421,400)
131 College of Eastern Utah	(3,100)	(294,800)	0	0	0	0	(297,900)
132 Utah Valley State College	0	(1,033,600)	0	0	0	0	(1,033,600)
133 Salt Lake Community College	(4,800)	(1,360,300)	0	0	0	0	(1,365,100)
134 State Board of Regents/statewide programs	(107,600)	(361,100)	0	0	0	0	(468,700)
Subtotal Base Budget Reductions - USHE	(132,000)	(4,558,400)	0	0	0	0	(4,690,400)
Supplemental Adjustments							
135 Transfer facility lease funds from UVSC to National Guard	0	(90,000)	0	0	0	0	(90,000)
136 Switch funding sources	55,990,000	(55,990,000)	0	0	0	0	0
Subtotal Supplemental Adjustments - USHE	55,990,000	(56,080,000)	0	0	0	0	(90,000)
Total FY 2002 USHE Budget Adjustments	\$55,858,000	(\$70,636,400)	\$0	\$0	\$0	\$0	(\$14,778,400)
UTAH SYSTEM OF HIGHER EDUCATION FY 2003 CAPITAL BUDGET							
Base Budget							
137 FY 2002 appropriated budget	\$7,775,000	\$17,298,000	\$0	\$0	\$0	\$387,000	\$25,460,000
138 Less one-time FY 2002 appropriations	0	0	0	0	0	(387,000)	(387,000)
139 Shift capital budget to other departments back to cap facilities	(7,775,000)	(17,298,000)	0	0	0	0	(25,073,000)
Total FY 2003 USHE Capital Base Budget	0	0	0	0	0	0	0
One-time Adjustments							
140 UofU/USU library renovation study	0	0	0	0	500,000	0	500,000
Subtotal One-time Capital Adjustments - USHE	0	0	0	0	500,000	0	500,000
Total FY 2003 USHE Capital Adjustments	0	0	0	0	500,000	0	500,000
Total FY 2003 USHE Capital Budget	\$0	\$0	\$0	\$0	\$500,000	\$0	\$500,000
UTAH SYSTEM OF HIGHER EDUCATION FY 2002 CAPITAL BUDGET ADJUSTMENTS							
Base Budget Reductions							
141 B.A.T.C. Brigham City Property	(\$2,089,000)	\$0	\$0	\$0	\$0	\$0	(\$2,089,000)
Subtotal Base Budget Reductions - USHE	(2,089,000)	0	0	0	0	0	(2,089,000)
Supplemental Adjustments							
142 Bond for engineering buildings at USU and UofU	0	(12,685,000)	0	0	0	(5,943,500)	(18,628,500)
Subtotal Supplemental Adjustments - USHE	0	(12,685,000)	0	0	0	(5,943,500)	(18,628,500)
Total FY 2002 Utah System of Higher Ed. Capital Adjustments	(\$2,089,000)	(\$12,685,000)	\$0	\$0	\$0	(\$5,943,500)	(\$20,717,500)
UTAH EDUCATION NETWORK FY 2003 OPERATING BUDGET							
Beginning Base Budget							
143 FY 2002 appropriated budget	\$2,649,700	\$15,971,100	\$0	\$0	\$0	\$0	\$18,620,800
144 Less one-time FY 2002 appropriations	0	(3,066,800)	0	0	0	0	(3,066,800)
145 Retirement funding allocation from Division of Finance to agencies	500	0	0	0	0	0	500
Total Beginning Base Budget - Utah Education Network	2,650,200	12,904,300	0	0	0	0	15,554,500

HIGHER EDUCATION - CONTINUED

	General Fund	School Funds	Federal Funds	Dedicated Credits	Retiree Funds	Other Funds	Total Funds
Base Budget Reductions							
156 Reduction in UEN/CEU distance learning	(5,100)	0	0	0	0	0	(5,100)
157 Reduction in UEN/OSU state life	(28,000)	0	0	0	0	0	(28,000)
158 Reduction in UEN UtahLINK	0	(433,900)	0	0	0	0	(433,900)
159 UEN-determined reductions in administration and programs	(54,000)	(334,900)	0	0	0	0	(388,900)
Total Base Budget Reductions - Utah Education Network	(87,100)	(768,800)	0	0	0	0	(855,900)
Statewide Ongoing Adjustments							
150 Internal service fund adjustments	400	2,100	0	200	0	0	2,700
<i>Subtotal Statewide Ongoing Adjustments - Utah Education Network</i>	<i>400</i>	<i>2,100</i>	<i>0</i>	<i>200</i>	<i>0</i>	<i>0</i>	<i>2,700</i>
Ongoing Adjustments							
157 Compensation package	10,000	53,300	0	6,300	0	0	69,600
<i>Subtotal Ongoing Adjustments - Utah Education Network</i>	<i>10,000</i>	<i>53,300</i>	<i>0</i>	<i>6,300</i>	<i>0</i>	<i>0</i>	<i>69,600</i>
Total FY 2003 Utah Education Network Adjustments	10,400	55,600	0	6,500	0	0	72,500
Total FY 2003 Utah Education Network Operating Budget	\$2,573,500	\$12,191,500	\$0	\$6,500	\$0	\$0	\$14,771,500
UTAH EDUCATION NETWORK FY 2002 OPERATING BUDGET ADJUSTMENTS							
Base Budget Reductions							
157 Administration and programs	(54,000)	(334,900)	0	0	0	0	(388,900)
<i>Subtotal Base Budget Reductions - Utah Education Network</i>	<i>(54,000)</i>	<i>(334,900)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>(388,900)</i>
Total FY 2002 Utah Education Network Budget Adjustments	(54,000)	(334,900)	0	0	0	0	(388,900)
UTAH COLLEGE OF APPLIED TECHNOLOGY FY 2003 OPERATING BUDGET							
Beginning Base Budget							
157 FY 2002 appropriated budget	\$1,324,500	\$42,181,600	\$0	\$3,667,600	\$131,800	\$0	\$47,305,500
158 Less one-time FY 2002 appropriations	0	(3,100,000)	0	0	0	0	(3,100,000)
159 Retirement funding allocation from Division of Finance to agencies	0	5,600	0	0	0	0	5,600
160 Adjustment to estimates for non-state funding levels	0	0	0	94,100	0	0	94,100
Total Beginning Base Budget - UCAT	1,324,500	39,087,200	0	3,761,700	131,800	0	44,305,200
Base Budget Reductions							
157 Reduction in administration and programs	0	(2,182,900)	0	(94,100)	0	0	(2,277,000)
Total Base Budget Reductions - UCAT	0	(2,182,900)	0	(94,100)	0	0	(2,277,000)
Statewide Ongoing Adjustments							
158 Internal service fund adjustments	300	6,200	0	0	0	0	6,500
<i>Subtotal Statewide Ongoing Adjustments - UCAT</i>	<i>300</i>	<i>6,200</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>6,500</i>
Ongoing Adjustments							
159 Replace one-time funding for UCAT administration	0	200,000	0	0	0	0	200,000
160 Compensation package	251,700	47,400	0	6,100	0	0	305,200
<i>Subtotal Ongoing Adjustments - UCAT</i>	<i>251,700</i>	<i>247,400</i>	<i>0</i>	<i>6,100</i>	<i>0</i>	<i>0</i>	<i>505,200</i>

HIGHER EDUCATION - CONTINUED

	General Fund	School Funds	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
One-time Adjustments							
167 Fuel and power rate increase	3,700	88,700	0	0	0	0	92,400
Subtotal One-time Adjustments - UCAT	3,700	88,700	0	0	0	0	92,400
Total FY 2003 UCAT Adjustments	255,700	342,300	0	6,100	0	0	604,100
Total FY 2003 UCAT Operating Budget	\$1,480,200	\$37,246,600	\$0	\$3,673,700	\$131,800	\$0	\$2,032,300
UTAH COLLEGE OF APPLIED TECHNOLOGY FY 2002 OPERATING BUDGET ADJUSTMENT \$							
Base Budget Reductions							
167 General reductions in administration	\$0	(\$840,400)	\$0	(\$94,100)	\$0	\$0	(\$934,500)
167 Custom fire reduction	0	(152,100)	0	0	0	0	(152,100)
Subtotal Base Budget Reductions - UCAT	0	(992,500)	0	(94,100)	0	0	(1,086,600)
Supplemental Adjustments							
168 Fuel and power rate increase	3,700	88,700	0	0	0	0	92,400
Subtotal Supplemental Adjustments - UCAT	3,700	88,700	0	0	0	0	92,400
Total FY 2002 UCAT Budget Adjustments	\$3,700	(\$903,800)	\$0	(\$94,100)	\$0	\$0	(\$894,200)
MEDICAL EDUCATION COUNCIL							
Beginning Base Budget							
163 FY 2002 appropriated budget	\$110,000	\$0	\$440,000	\$0	\$0	\$167,500	\$717,500
166 Less one-time FY 2002 appropriations	(110,000)	0	0	0	0	0	(110,000)
167 Adjustment to estimates for non-state funding levels	0	0	(240,000)	55,000	0	(167,500)	(352,500)
Total Beginning Base Budget - MEC	0	0	200,000	55,000	0	0	255,000
One-time Adjustments							
168 Maintain state support for the council	100,000	0	0	0	0	0	100,000
Subtotal One-time Adjustments - MEC	100,000	0	0	0	0	0	100,000
Total FY 2003 Medical Education Council Adjustments	100,000	0	0	0	0	0	100,000
Total FY 2003 Medical Education Council Operating Budget	\$300,000	\$0	\$200,000	\$55,000	\$0	\$0	\$555,000
HIGHER EDUCATION TOTALS							
FY 2003 Operating Base Budget	\$410,499,300	\$23,027,600	\$4,793,700	\$214,061,100	\$4,885,500	\$963,900	\$668,231,100
FY 2003 Operating Base Budget Reductions	(381,800)	(34,970,800)	0	(94,100)	0	0	(35,446,700)
FY 2003 Operating Ongoing and One-time Adjustments	10,611,400	15,142,800	67,200	23,519,500	11,100	24,400	49,376,400
FY 2003 Operating Recommendation	420,728,900	213,199,600	4,860,900	237,486,500	4,896,600	988,300	882,160,800
FY 2002 Operating Adjustments	55,807,700	(71,875,100)	0	(94,100)	0	0	(16,161,500)
FY 2003 Capital Adjustments	0	0	0	0	500,000	0	500,000
FY 2003 Capital Recommendation	0	0	0	0	500,000	0	500,000
FY 2002 Capital Adjustments	(2,089,000)	(12,685,000)	0	0	0	(5,943,300)	(20,717,300)

HUMAN SERVICES

Mission: *Help individuals and families resolve personal problems.*

PROGRAMS

- **Executive Director** conducts administrative and support functions for the department.
- **Drug Courts/Drug Board** provide substance abuse treatment to criminal drug offenders who are required to plead guilty, but instead of going to jail, must regularly report progress to a judge. If at any time the judge is unsatisfied with the offender's progress, the offender may be sent either temporarily or permanently to jail. While similar to drug courts, the drug board is a pilot program targeting services to those coming out of prison.
- **Mental Health** oversees local mental health centers and operates the Utah State Hospital for the severely mentally ill.
- **Substance Abuse** oversees substance abuse treatment and prevention services.
- **Services for People with Disabilities** provides a wide range of assistance for citizens with mental retardation and developmental disabilities.
- **Recovery Services** directs a number of collection and cost avoidance programs including the collection of child support for families on public assistance.
- **Child and Family Services** oversees child welfare and domestic violence programs.
- **Aging and Adult Services** acts as an advocate for elderly citizens, provides services through local agencies and other providers, and oversees adult protective services.

MAJOR BUDGET RECOMMENDATIONS

Budget Reductions

- The department addressed projected revenue shortfalls in both FY 2002 and

FY 2003 through a series of budget cuts. The department first identified administrative reductions, including travel, training and workshops, and office equipment and supplies. Additional cuts were taken by eliminating some staff positions and reducing proposed information technology equipment purchases in order to prevent curtailing programs critical to the department's mission. These reductions, however, will likely impact the functioning of programs. Although the department worked diligently to concentrate budget reductions in administrative areas, some reductions were also required from programs and services in order to meet a significantly lower budget.

Program reductions include the following items that received one-time legislative appropriations for ongoing programs: 1) \$800,000 General Fund in FY 2002 for aging services for transportation, in-home support, and home-delivered meals; and

2) \$300,000 General Fund in FY 2002 for children's mental health services.

Additional ongoing General Fund reductions include:

1) \$444,000 starting in FY 2003 to local mental health authorities; 2) \$285,800 starting in FY 2003 to local substance abuse authorities; 3) \$101,600 starting in FY 2003 to local aging authorities for a Medicaid waiver program; 4) \$500,000 starting in FY 2002 for family support grants to help families of individuals with disabilities; 5) \$929,700 starting midyear in FY 2002 to reduce services in a geriatric wing at the Utah State Hospital; and, 6) a number of smaller contracts for services throughout the Department of Human Services.

Reductions in state funds total \$7,455,700 for FY 2002 and \$8,554,200 for FY 2003. The budget cuts will reduce other funds by \$1,339,900 in FY 2002 and \$2,429,400 in FY 2003.

General Fund

- Add a total of \$1,007,500 in General Fund and federal funds in FY 2003 to meet a projected increase in required adoption assistance. This assistance is in place to support families who have adopted children previously in the state's custody.
- Increase services with \$5,718,500 in ongoing General Fund and federal Medicaid funding for individuals with disabilities.
- Replace \$1,800,000 one-time federal Temporary Assistance for Needy Families (TANF) funding with the same amount of ongoing General Fund. This TANF funding is currently being used to provide services for individuals with disabilities who would lose those services if this funding is not replaced.

Other Funds

- Include \$590,300 one-time from the Medicaid Restricted Account, along with \$171,500 in matching federal funds, to pay for implementing the Milestone Plan asso-

ciated with the *David C. v. Leavitt* lawsuit settlement agreement. Using Medicaid restricted funds for this purpose would require a change in statute.

FY 2002 PROPOSED LEGISLATIVE INTENT

Drug Courts/Drug Board

Funds appropriated to Drug Courts and the Drug Board from the Tobacco Settlement Restricted Account are non-lapsing.

Child and Family Services

The Division of Child and Family Services is authorized to purchase up to six vehicles for caseworkers in FY 2002 if funding is available.

For the fiscal year ending June 30, 2002, the Division of Child and Family Services is authorized to not lapse unexpended funds in the KHP Adoption Assistance appropriations unit. These funds are to be used for adoption assistance programs.

HUMAN SERVICES

Operating Budget

Governor Leavitt's Recommendations								
	Actual FY 2001	Authorized FY 2002	Supplementals & Budget Cuts	Recommended FY 2002	Base FY 2003	Budget Cuts	Ongoing & One-time Adj.	Total FY 2003
Plan of Financing								
General Fund	\$202,792,800	\$216,670,700	(\$7,358,100)	\$209,312,600	\$217,503,200	(\$8,554,200)	\$5,799,800	\$214,748,800
Federal Funds	103,601,300	117,411,400	(497,800)	116,913,600	114,867,200	(641,000)	846,200	115,072,400
Dedicated Credits	8,321,900	8,168,800	(10,100)	8,158,700	8,317,000	(87,400)	115,700	8,345,300
Restricted and Trust Funds	3,597,200	3,897,200	100,000	3,997,200	3,697,200	0	690,300	4,387,500
Transfers	121,730,300	127,887,500	(756,900)	127,130,600	126,485,600	(1,701,000)	6,725,200	131,509,800
Beginning Balances	5,100	1,450,200	0	1,450,200	0	0	0	0
Closing Balances	(1,450,200)	0	0	0	0	0	0	0
Lapsing Funds	(5,459,100)	0	0	0	0	0	0	0
Total Financing	\$433,139,300	\$475,485,800	(\$8,522,900)	\$466,962,900	\$470,870,200	(\$10,983,600)	\$14,177,200	\$474,063,800
Programs								
Human Services								
Executive Director	\$19,555,100	\$20,453,600	(\$467,300)	\$19,986,300	\$20,353,300	(\$362,900)	\$160,100	\$19,950,500
Drug Courts/Drug Board	1,421,000	2,647,200	(1,000,000)	1,647,200	2,647,200	(1,000,000)	0	1,647,200
Mental Health	73,790,300	76,246,400	(1,374,100)	74,872,300	75,876,800	(2,140,600)	1,155,700	74,891,900
Substance Abuse	27,818,100	32,528,900	(59,200)	32,469,700	31,458,400	(361,100)	86,800	31,184,100
Services for People w/ Disabilities	134,164,100	145,384,700	(1,507,400)	143,877,300	145,394,300	(2,519,200)	9,425,000	152,300,100
Recovery Services	41,978,100	44,156,300	(699,700)	43,456,600	44,327,100	(921,900)	(194,100)	43,211,100
Child and Family Services	115,995,300	132,139,900	(2,415,500)	129,724,400	130,017,300	(3,219,300)	3,441,300	130,239,300
Aging and Adult Services	18,417,300	21,928,800	(999,700)	20,929,100	20,795,800	(258,600)	102,400	20,639,600
Total Budget	\$433,139,300	\$475,485,800	(\$8,522,900)	\$466,962,900	\$470,870,200	(\$10,983,600)	\$14,177,200	\$474,063,800
% Change from Base FY 2003 to Total FY 2003								0.7%
FTE Positions	--	3,748.3	(44.5)	3,703.8	3,740.7	(70.7)	0.0	3,670.0

HUMAN SERVICES

HUMAN SERVICES FY 2003 OPERATING BUDGET						
Beginning Base Budget						
	General Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
J1 FY 2002 appropriated budget	\$216,369,500	\$109,451,200	\$8,286,400	\$3,887,200	\$123,907,200	\$461,911,500
J2 Less one-time FY2002 appropriations	(1,100,000)	(700,000)	0	0	(264,500)	(2,064,500)
J3 Adjustment for extra working day	327,400	0	0	0	0	327,400
J4 Legislative intent to replace restricted funds with General Fund	1,600,000	0	0	0	0	1,600,000
J5 Market comparability adjustment funding allocation from DHRM	276,600	0	0	0	0	276,600
J6 Retirement funding allocation from Division of Finance to agencies	24,600	0	0	0	0	24,600
J7 800 Megawatts allocation from Division of Finance to agencies	5,100	0	0	0	0	5,100
J8 Adjustment to estimates for non-state funding levels	0	6,116,000	30,600	(200,000)	2,842,900	8,789,500
Total Beginning Base Budget - Human Services	217,503,200	11,487,200	8,317,000	3,687,200	126,485,600	470,870,200
Base Budget Reductions						
J9 Administrative and across-the-board reductions	(2,128,200)	(560,300)	(17,600)	0	(437,100)	(3,143,200)
J10 Reduction in the Drug Courts/Drug Bo and program	(1,000,000)	0	0	0	0	(1,000,000)
J11 Reduction in the Division of Mental Health	(1,586,100)	0	(69,800)	0	(179,300)	(1,835,200)
J12 Reduction in the Division of Substance Abuse	(310,800)	0	0	0	0	(310,800)
J13 Reduction in the Division of Services for People with Disabilities	(1,189,300)	0	0	0	(689,300)	(1,878,600)
J14 Reduction in the Office of Recovery Services	(187,900)	(76,000)	0	0	(7,900)	(271,800)
J15 Reduction in the Division of Child and Family Services	(1,920,300)	(4,700)	0	0	(387,400)	(2,312,400)
J16 Reduction in the Division of Aging and Adult Services	(231,600)	0	0	0	0	(231,600)
Total Base Budget Reductions - Human Services	(8,554,200)	(641,000)	(87,400)	0	(1,701,000)	(10,983,600)
Statewide Ongoing Adjustments						
J17 Internal service fund adjustments	(218,800)	(495,400)	(3,700)	0	(61,600)	(779,500)
J18 Market comparability adjustments	414,500	199,500	2,800	0	174,000	790,800
J19 Benefit rate adjustments	1,267,200	611,400	81,600	0	680,600	2,640,800
<i>Subtotal Statewide Ongoing Adjustments - Human Services</i>	<i>1,462,900</i>	<i>315,500</i>	<i>80,700</i>	<i>0</i>	<i>793,000</i>	<i>2,652,100</i>
Ongoing Adjustments						
J20 State Hospital - savings due to federal match change	(87,900)	0	0	0	87,900	0
J21 State Hospital - medical costs	230,300	0	22,100	0	63,100	315,500
J22 Services for People with Disabilities - TANF replacement	1,800,000	0	0	0	0	1,800,000
J23 Services for People with Disabilities - emergency services	662,400	0	0	0	1,616,200	2,278,600
J24 Services for People with Disabilities - waiting list	1,000,000	0	0	0	2,439,900	3,439,900
J25 Services for People with Disabilities - savings due to federal match change	(730,200)	0	0	0	730,200	0

HUMAN SERVICES - CONTINUED

	General Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
J26 State Developmental Center - pharmacy medication	68,300	0	0	0	229,800	298,100
J27 Child and Family Services - adoption assistance	783,100	224,400	0	0	0	1,007,500
J28 Child and Family Services - savings due to federal match change	(219,000)	72,300	0	0	146,700	0
J29 Aging and Adult Services - savings due to federal match change	(700)	0	0	0	700	0
J30 Local provider increase - county mental health	174,000	0	0	0	0	174,000
J31 Local provider increase - county substance abuse	72,000	0	0	0	0	72,000
J32 Community provider increase - Services for People with Disabilities	255,000	0	0	0	495,000	750,000
J33 Community provider increase - Child and Family Services	254,000	61,700	0	0	47,200	362,900
J34 Local provider increase - county aging	48,000	0	0	0	0	48,000
<i>Subtotal Ongoing Adjustments - Human Services</i>	4,302,500	358,400	22,100	0	5,856,700	10,546,700
One-time Adjustments						
J25 State Hospital - fuel and power rate increase	107,800	0	10,100	0	25,900	143,800
J26 State Developmental Center - fuel and power rate increase	18,200	0	2,800	0	49,100	70,100
J27 Services for People with Disabilities - use Trust Fund in lieu of Gen. Fund	(100,000)	0	0	100,000	0	0
J28 Child and Family Services - fuel and power increase	1,400	800	0	0	500	2,700
J29 Child and Family Services - Milestone Plan implementation (a)	0	171,500	0	590,300	0	761,800
<i>Subtotal One-time Adjustments - Human Services</i>	27,400	172,300	12,900	690,300	75,500	978,400
Total FY 2003 Human Services Adjustments	\$1,799,800	\$46,200	\$15,700	\$690,300	\$6,725,200	\$14,177,200
Total FY 2003 Human Services Operating Budget	\$214,748,800	\$115,072,400	\$8,345,300	\$4,387,500	\$31,509,800	\$474,063,800
HUMAN SERVICES FY 2002 OPERATING BUDGET ADJUSTMENTS						
Base Budget Reductions						
J40 Administrative and across-the-board reductions	(\$1,525,500)	(\$350,100)	\$0	\$0	(\$202,600)	(\$2,078,200)
J41 Reduction of programs funded for one time only	(1,100,000)	0	0	0	0	(1,100,000)
J42 Reduction in the Drug Court/Drug Board program	(1,000,000)	0	0	0	0	(1,000,000)
J43 Reduction in the Division of Mental Health	(1,054,000)	0	(36,700)	0	(94,800)	(1,185,500)
J44 Reduction in the Division of Substance Abuse	(1,500,000)	0	0	0	0	(1,500,000)
J45 Reduction in the Division of Services for People with Disabilities	(889,300)	0	0	0	(389,300)	(1,278,600)
J46 Reduction in the Office of Recovery Services	(476,000)	(76,000)	0	0	(7,900)	(131,500)
J47 Reduction in the Division of Child and Family Services	(1,647,700)	53,600	0	0	(236,100)	(1,830,200)
J48 Reduction in the Division of Aging and Adult Services	(176,600)	0	0	0	0	(176,600)
<i>Subtotal Base Budget Reductions - Human Services</i>	(7,455,700)	(372,500)	(36,700)	0	(930,700)	(8,795,600)

HUMAN SERVICES - CONTINUED

Supplemental Adjustments						
	General Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
299 Internal services fund adjustments	(72,700)	(126,100)	(1,800)	0	(23,600)	(224,200)
300 State Hospital - fuel and power rate increase	214,900	0	20,100	0	51,800	286,800
301 State Developmental Center - fuel and power rate increase	54,000	0	8,300	0	145,300	207,600
302 Services for People with Disabilities - use Trust Fund in lieu of Gen Fund	(100,000)	0	0	100,000	0	0
303 Child and Family Services - fuel and power rate increase	1,400	800	0	0	500	2,700
Subtotal Supplemental Adjustments - Human Services	97,600	(125,300)	26,600	100,000	173,800	272,700
Total FY 2002 Human Services Budget Adjustments	(\$7,358,100)	(\$497,800)	(\$10,100)	\$100,000	(\$756,900)	(\$8,522,900)
HUMAN SERVICES TOTALS						
FY 2003 Operating Beginning Base Budget	\$217,503,200	\$114,867,200	\$8,317,000	\$3,697,200	\$126,485,600	\$470,870,200
FY 2003 Operating Base Budget Reductions	(8,554,200)	(641,000)	(87,400)	0	(1,701,000)	(10,983,600)
FY 2003 Operating Ongoing and One-time Adjustments	5,799,800	846,200	115,700	690,300	6,725,200	14,177,200
FY 2003 Operating Recommendation	214,748,800	115,072,400	8,345,300	4,387,500	131,509,800	474,063,800
FY 2002 Operating Adjustments	(7,358,100)	(497,800)	(10,100)	100,000	(756,900)	(8,522,900)

(a) This item is funded one-time from the Medicaid Restricted Account.

LEGISLATURE

Legislature consists of the House of Representatives, the Senate, and the offices of Legislative Research and General Counsel, Legislative Fiscal Analyst, Legislative Auditor General, Legislative Printing, Tax Review Commission, and Constitutional Revision Commission.

PROGRAMS

The state legislature consists of two houses—the House of Representatives with 75 members elected to two-year terms and the Senate with 29 members elected to four-year terms. Each representative represents about 30,670 constituents. Each senator represents about 79,310 constituents.

- The **Office of Legislative Research and General Counsel** is the research and legal staff arm of the legislature and assists the legislature in the development of sound public policy, ensures the integrity of the legislative process, and preserves the legislative branch in its proper constitutional role in state government.
- The **Legislative Fiscal Analyst** is charged by the leg-

islature with analyzing state fiscal matters, which includes projecting revenues, estimating costs, and recommending funding and management initiatives.

- The **Legislative Auditor General** conducts performance audits of state agencies and institutions, including school districts and state colleges and universities.
- **Legislative Printing** provides printing, typesetting, and graphics service to the legislature, its staff offices, and other state agencies.
- The **Tax Review Commission** provides an ongoing and comprehensive review of state tax law and makes recommendations to the governor and the legislature on taxation issues and policies.
- The **Constitutional Revision Commission** is responsible

for making comprehensive reviews of the state constitution and recommending amendments to the legislature.

MAJOR BUDGET RECOMMENDATIONS

- The governor is recommending the statewide adjustments for changes in internal service funds and employee benefit rates.
- As per state statute, with the above exceptions, the governor is including the legislature's budget request without revision. Therefore, the increases for the legislature as submitted are included here. Any budget reductions for the legislature in FY 2002 and/or FY2003 are subject to the legislature's discretion during the legislative session.

LEGISLATURE

Operating Budget

Governor Leavitt's Recommendations							
	Actual FY2001	Authorized FY2002	Legislature's Request FY2003 (a)	Base FY2003	Budget Cuts	Ongoing & One-time Adj.	Total FY2003
Plan of Financing							
General Fund	\$13,802,100	\$14,544,950	\$14,428,400	\$14,371,000	\$0	\$148,600	\$14,519,600
Dedicated Credits	291,100	319,600	319,600	319,600	0	0	319,600
Transfers	50,000	0	0	0	0	0	0
Beginning Balances	2,624,400	3,304,100	3,254,100	3,304,100	0	0	3,304,100
Closing Balances	(3,304,100)	(3,304,100)	(3,105,300)	(3,304,100)	0	0	(3,304,100)
Total Financing	\$13,463,500	\$14,864,550	\$14,896,800	\$14,690,600	\$0	\$148,600	\$14,839,200
Programs							
Legislature							
Senate	\$1,656,900	\$1,752,850	\$1,675,800	\$1,670,500	\$0	\$6,900	\$1,677,400
House of Representatives	2,729,600	2,816,100	2,713,600	2,732,700	0	(18,700)	2,714,000
Legislative Printing	746,100	851,600	852,200	853,300	0	5,000	858,300
Legislative Research	4,434,500	5,199,400	5,248,500	5,179,400	0	115,000	5,294,400
Tax Review Commission	50,800	50,000	50,000	50,000	0	0	50,000
Legislative Fiscal Analyst	1,873,600	2,132,300	2,163,700	2,136,900	0	18,800	2,155,700
Legislative Auditor General	1,753,100	2,007,300	2,138,000	2,012,800	0	21,600	2,034,400
Dues - NCSL (b)	92,400	0	0	0	0	0	0
Dues - Council of State Gov'ts (b)	74,600	0	0	0	0	0	0
Constitutional Revision Comm.	51,900	55,000	55,000	55,000	0	0	55,000
Total Budget	\$13,463,500	\$14,864,550	\$14,896,800	\$14,690,600	\$0	\$148,600	\$14,839,200
% Change from Base FY 2003 to Total FY 2003							1.0%
FTE Positions	--	114.0	114.0	114.0	0.0	0.0	114.0

(a) As per statute, the Legislature's request is included without changes.

(b) Starting in FY 2002, the membership dues for these two programs have been absorbed within the budgets of the Senate and the House of Representatives.

(a) As per statute, the Legislature's request is included without changes.

(b) Starting in FY 2002, the membership dues for these two programs have been absorbed within the budgets of the Senate and the House of Representatives.

LEGISLATURE

LEGISLATURE FY 2003 OPERATING BUDGET									
Beginning Base Budget									
	General Fund	School Funds	Federal Funds	Dedicated Credits	Mineral Lease	Other Funds	Total Funds		
K1 FY2002 appropriated budget	\$14,542,550	\$0	\$0	\$319,600	\$0	\$3,48,700	\$15,010,850		
K2 Less one-time FY2002 appropriations	(197,750)	0	0	0	0	0	(197,750)		
K3 Adjustment for extra working day	23,800	0	0	0	0	0	23,800		
K4 Retirement funding allocation from Division of Finance to agencies	2,400	0	0	0	0	0	2,400		
K5 Adjustment to estimates for non-state funding levels	0	0	0	0	0	(148,700)	(148,700)		
Total Beginning Base Budget - Legislature	14,371,000	0	0	319,600	0	0	14,690,600		
Total Base Budget Reductions - Legislature	0	0	0	0	0	0	0		
Statewide Ongoing Adjustments									
K6 Internal service fund adjustments	(6,200)	0	0	0	0	0	(6,200)		
K7 Beneficiary adjustments	71,100	0	0	0	0	0	71,100		
<i>Subtotal Statewide Ongoing Adjustments - Legislature</i>	<i>64,900</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>64,900</i>		
Ongoing Adjustments									
K8 Senate	1,400	0	0	0	0	0	1,400		
K9 House of Representatives	(27,400)	0	0	0	0	0	(27,400)		
K10 Legislative Printing	600	0	0	0	0	0	600		
K11 Legislative Research and General Counsel	81,300	0	0	0	0	0	81,300		
K12 Legislative Fiscal Analyst	6,900	0	0	0	0	0	6,900		
K13 Legislative Auditor General	6,300	0	0	0	0	0	6,300		
K14 Increase in annual dues - National Conference of State Legislatures	7,100	0	0	0	0	0	7,100		
K15 Increase in annual dues - Council of State Governments	7,100	0	0	0	0	0	7,100		
<i>Subtotal Ongoing Adjustments - Legislature</i>	<i>83,700</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>83,700</i>		
Total FY 2003 Legislature Adjustments	148,600	0	0	0	0	0	148,600		
Total FY 2003 Legislature Operating Budget	\$14,519,600	\$0	\$0	\$319,600	\$0	\$0	\$14,839,200		

LEGISLATURE - CONTINUED

LEGISLATURE FY 2002 OPERATING BUDGET ADJUSTMENTS									
Base Budget Reductions									
K26 Program and administrative across-the-board reductions									
Subtotal Base Budget Reductions - Legislature									
Supplemental Adjustments									
K27 Internal service fund adjustments									
Subtotal Supplemental Adjustments - Legislature									
Total FY 2002 Legislature Budget Adjustments									
	General Fund	School Funds	Federal Funds	Dedicated Credits	Mineral Lease	Other Funds	Total Funds		
	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
	0	0	0	0	0	0	0		0
	(8,500)	0	0	0	0	0	0		(8,500)
	(8,500)	0	0	0	0	0	0		(8,500)
	(\$8,500)	\$0	\$0	\$0	\$0	\$0	\$0		(\$8,500)
LEGISLATURE TOTALS									
FY 2003 Operating Base Budget	\$14,371,000	\$0	\$0	\$319,600	\$0	\$0	\$14,690,600		
FY 2003 Operating Base Budget Reductions	0	0	0	0	0	0	0		0
FY 2003 Operating Ongoing and One-time Adjustments	148,600	0	0	0	0	0	148,600		
FY 2003 Operating Recommendation	14,519,600	0	0	319,600	0	0	14,839,200		
FY 2002 Operating Adjustments	(8,500)	0	0	0	0	0	(8,500)		

NATIONAL GUARD

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

PROGRAMS

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

MAJOR BUDGET RECOMMENDATIONS

Budget Reductions

- The National Guard focused on reducing administrative

and current expenses. In addition, the National Guard will eliminate a significant portion of its budget used for contract labor or material purchases for building repairs. Remaining funds will be used for everyday utilities and maintenance. Over time, reduced funding in building repairs may need to be reviewed for the impact on the condition of armories and other National Guard buildings. Reductions in state funds total \$183,600 for FY 2002 and \$186,600 for FY 2003.

General Fund/School Funds

- Recommend \$90,000 ongoing Uniform School Fund appropriated to Utah Valley State College (UVSC) for operating and maintenance expenses of the Orem Readiness Center instead be appropriated to the National Guard budget for FY 2002 and FY 2003. This would eliminate the need for UVSC to transfer the funds to the National Guard. The

National Guard has the responsibility for paying all operating and maintenance expenses of the Orem Readiness Center.

- Recommend \$50,000 in ongoing General Fund to pay for ongoing expenses associated with the administrative transfer of the Veterans' Nursing Home from the Department of Health to the National Guard. Any remaining funding needs will likely come from increased daily rates paid by patients.
- Recommend \$93,100 one-time General Fund and a \$93,100 General Fund supplemental for projected utility cost increases.

FY 2002 PROPOSED LEGISLATIVE INTENT

National Guard — Administration

Funds for tuition assistance are nonlapsing.

Funds for the Office of Veterans' Affairs are nonlapsing.

Funds for the Veterans' Cemetery are nonlapsing.

**FY 2003 PROPOSED
LEGISLATIVE INTENT**

National Guard — Administration

Funds for tuition assistance are nonlapsing.

Funds for the Office of Veterans' Affairs are nonlapsing.

Funds for the Veterans' Cemetery are nonlapsing.

Funds for the Veterans' Nursing Home are nonlapsing.

NATIONAL GUARD

Operating Budget

Governor Leavitt's Recommendations								
	Actual FY 2001	Authorized FY 2002	Supplementals & Budget Cuts	Recommended FY 2002	Base FY 2003	Budget Cuts	Ongoing & One-time Adj.	Total FY 2003
Plan of Financing								
General Fund	\$3,932,100	\$4,375,500	(\$90,500)	\$4,285,000	\$4,100,100	(\$186,600)	\$184,100	\$4,097,600
School Funds	0	0	90,000	90,000	0	0	90,000	90,000
Federal Funds	15,571,800	15,580,500	(172,900)	15,407,600	15,591,700	(248,400)	188,100	15,531,400
Dedicated Credits	206,000	1,831,100	0	1,831,100	1,835,600	0	110,600	1,946,200
Transfers	64,300	165,500	0	165,500	165,500	0	0	165,500
Beginning Balances	86,100	53,000	0	53,000	41,500	0	0	41,500
Closing Balances	(53,000)	(41,500)	0	(41,500)	(1,900)	0	0	(1,900)
Total Financing	\$19,807,300	\$21,964,100	(\$173,400)	\$21,790,700	\$21,732,500	(\$435,000)	\$572,800	\$21,870,300
Programs								
National Guard								
Administration	\$621,900	\$679,500	(\$1,600)	\$677,900	\$681,500	(\$2,200)	\$5,100	\$684,400
Armory Maintenance	12,808,400	12,600,600	(151,000)	12,449,600	12,506,200	(412,000)	326,200	12,420,400
Camp Williams	1,750,600	1,775,100	0	1,775,100	1,777,600	0	14,000	1,791,600
Air National Guard	2,952,500	3,051,200	0	3,051,200	3,058,200	0	61,800	3,120,000
Veterans' Affairs	182,600	189,700	(9,300)	180,400	190,000	(9,300)	900	181,600
Veterans' Cemetery	0	423,900	(11,500)	412,400	246,800	(11,500)	4,200	239,500
Veterans' Nursing Home	1,491,300	3,244,100	0	3,244,100	3,272,200	0	160,600	3,432,800
Total Budget	\$19,807,300	\$21,964,100	(\$173,400)	\$21,790,700	\$21,732,500	(\$435,000)	\$572,800	\$21,870,300
% Change from Base FY 2003 to Total FY 2003								
FTE Positions	--	139.0	0.0	139.0	138.0	0.0	1.0	139.0

NATIONAL GUARD

NATIONAL GUARD FY 2003 OPERATING BUDGET									
Beginning Base Budget									
	General Fund	School Fund	Federal Fund	Dedicated Credits	Restricted Funds	Other Funds	Total Funds		
N1 FY 2002 appropriated budget	\$4,372,000	\$0	\$11,676,900	\$78,000	\$0	\$40,500	\$16,167,400		
N2 Less one-time FY 2002 appropriations	(282,000)	0	0	0	0	0	(282,000)		
N3 Adjustment for extra working day	6,600	0	0	0	0	0	6,600		
N4 Market comparability adjustment funding allocation from DHRM	3,000	0	0	0	0	0	3,000		
N5 Retirement funding allocation from Division of Finance to agencies	500	0	0	0	0	0	500		
N6 Transfer Veterans' Nursing Home from Health	0	0	1,477,400	1,765,400	0	0	3,242,800		
N7 Adjustment to estimates for non-state funding levels	0	0	2,437,400	(7,800)	0	164,600	2,594,200		
Total Beginning Base Budget - National Guard	4,100,100	0	15,591,700	1,835,600	0	205,100	21,732,500		
Base Budget Reductions									
N8 Ammunition maintenance	(106,600)	0	(240,000)	0	0	0	(346,600)		
N9 Administrative and across-the-board reductions	(23,300)	0	(8,400)	0	0	0	(31,900)		
N10 Veterans' Cemetery equipment	(11,300)	0	0	0	0	0	(11,300)		
N11 Tuition assistance	(20,000)	0	0	0	0	0	(20,000)		
N12 Fort Douglas Museum	(25,000)	0	0	0	0	0	(25,000)		
Total Base Budget Reductions - National Guard	(186,600)	0	(248,400)	0	0	0	(435,000)		
Statewide Ongoing Adjustments									
N13 Market comparability adjustments	9,700	0	29,800	0	0	0	39,500		
N14 Benefit rate adjustments	31,300	0	82,800	0	0	0	114,100		
<i>Subtotal Statewide Adjustments - National Guard</i>	<i>41,000</i>	<i>0</i>	<i>112,600</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>153,600</i>		
Ongoing Adjustments									
N15 Transfer funds from higher education for Omen Readiness Center	0	90,000	0	0	0	0	90,000		
N16 Veterans' Nursing Home	50,000	0	0	110,600	0	0	160,600		
<i>Subtotal Ongoing Adjustments - National Guard</i>	<i>50,000</i>	<i>90,000</i>	<i>0</i>	<i>110,600</i>	<i>0</i>	<i>0</i>	<i>250,600</i>		
One-time Adjustments									
N17 Fuel and power rate increase	93,100	0	75,500	0	0	0	168,600		
<i>Subtotal One-time Adjustments - National Guard</i>	<i>93,100</i>	<i>0</i>	<i>75,500</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>168,600</i>		
Total FY 2003 National Guard Adjustments	184,100	90,000	188,100	110,600	0	0	\$72,800		
Total FY 2003 National Guard Operating Budget	\$4,097,600	\$90,000	\$15,831,400	\$1,946,200	\$0	\$205,100	\$21,870,300		

NATIONAL GUARD - CONTINUED

NATIONAL GUARD FY 2002 OPERATING BUDGET ADJUSTMENTS						
Base Budget Reductions						
	General Fund	School Fund	Federal Fund	Dedicated Credits	Restricted Fund	Other Fund
N16 Army maintenance	(\$112,000)	\$0	(\$240,000)	\$0	\$0	\$0
N19 Administrative and across-the-board reductions	(20,100)	0	(8,400)	0	0	0
N20 Veterans' Cemetery equipment	(11,500)	0	0	0	0	0
N21 Tuition assistance	(20,000)	0	0	0	0	0
N22 Fort Douglas Museum	(20,000)	0	0	0	0	0
<i>Subtotal Base Budget Reductions - National Guard</i>	<i>(183,600)</i>	<i>0</i>	<i>(248,400)</i>	<i>0</i>	<i>0</i>	<i>0</i>
Supplemental Adjustments						
N23 Transfer funds from higher education for Orem Readiness Center	0	90,000	0	0	0	0
N24 Fuel and power rate increase	93,100	0	75,500	0	0	0
<i>Subtotal Supplemental Adjustments - National Guard</i>	<i>93,100</i>	<i>90,000</i>	<i>75,500</i>	<i>0</i>	<i>0</i>	<i>0</i>
Total FY 2002 National Guard Budget Adjustments	(\$90,500)	\$90,000	(\$172,900)	\$0	\$0	\$0
NATIONAL GUARD TOTALS						
FY 2003 Operating Base Budget	\$4,100,100	\$0	\$15,591,700	\$1,835,600	\$0	\$205,100
FY 2003 Operating Base Budget Reductions	(186,600)	0	(248,400)	0	0	0
FY 2003 Operating Ongoing and One-time Adjustments	184,100	90,000	188,100	110,600	0	0
FY 2003 Operating Recommendation	4,097,600	90,000	15,531,400	1,946,200	0	205,100
FY 2002 Operating Adjustments	(90,500)	90,000	(172,900)	0	0	0
						(173,400)

NATURAL RESOURCES

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

PROGRAMS

- **Natural Resources**

Administration provides administrative support for the department.

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

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

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

Parks and Recreation (Parks) provides safe outdoor recreational opportunities;

administers boating and recreational vehicle programs; and preserves natural, historic, and scenic resources.

Geological Survey (UGS) inventories geological resources, investigates geological hazards, and provides geological information for economic development.

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

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

- **Agriculture and Food** promotes agricultural resources and protects consumer health and safety by monitoring the marketing of agricultural products.

- **Trust Lands Administration** manages trust assets for trust beneficiaries, which primarily include public schools, universities, hospitals, and correctional institutions.

MAJOR BUDGET RECOMMENDATIONS

Budget Reductions

- The departments of Agriculture and Natural Resources divided budget cuts equally across divisions. Cuts focused on reducing travel and other current expense costs while limiting the erosion of programs and initiatives critical to the mission of each agency. Reductions in state funds total \$3,424,500 for FY 2002 and \$2,410,400 for FY 2003, with the largest cut coming from the \$1,500,000 excess balance in the Fire Suppression Fund. For the capital budget, reductions in state funds total \$47,700 for FY 2002.

Natural Resources*General Fund*

- Recommend \$16,100 one-time General Fund and a \$16,100 General Fund supplemental for increased utility costs.
- No other new General Fund except for market comparability, employee benefit, and internal service fund adjustments.

Other Funds

- Provide \$500,000 in ongoing restricted funds to the Division of Wildlife Resources to continue the Blue Ribbon Fisheries Initiative.
- Appropriate a \$1,200,000 restricted fund supplemental for construction and improvement of state boating facilities.
- Recommend the establishment of a task force to examine state parks currently being subsidized by General Fund. This process should be carried out utilizing a model similar to the Base Realignment and Closure (BRAC) process.

Agriculture and Food*General Fund*

- Appropriate a \$120,000 General Fund and \$10,000 federal funds supplemental to combat Mormon cricket and

grasshopper infestations that are the largest in over 60 years. This is a critical health and safety concern that must be addressed.

- No other new General Fund except for market comparability, employee benefit, and internal service fund adjustments.

Trust Lands Administration*Other Funds*

- Provide \$120,000 in ongoing Land Grant Management Fund to hire an associate director for the department.
- Provide \$100,000 in ongoing Land Grant Management Fund to hire an assistant director for the Development Program.
- Provide \$1,000,000 in ongoing Land Grant Management Fund for additional capital projects.

**FY 2002 PROPOSED
LEGISLATIVE INTENT****Natural Resources**

Funds for the Cooperative Water Conservation Program are nonlapsing.

Funds from the Federal Emergency Management Agency for updating and preserving Utah's dam safety records are nonlapsing.

Agriculture and Food

Any FY 2002 nonlapsing funds may be used to purchase two state vehicles.

**FY 2003 PROPOSED
LEGISLATIVE INTENT****Natural Resources**

The General Fund appropriation for the Species Protection program is nonlapsing.

The Utah Geological Survey will be allowed to contribute up to \$200,000 in contributed capital to the DNR Warehouse internal service fund in order to pay down existing debt on the core sample library.

Wide Hollow Water Conservancy District funding is nonlapsing.

Thistle water tunnel improvement project carry-forward is nonlapsing.

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

Funds appropriated for the Minerals Reclamation Program are nonlapsing.

Funds for the Division of Parks and Recreation's

capital budget are nonlapsing.

Mineral lease funds for the Utah Geological Survey are nonlapsing.

Funds for the Water Conservation Program are nonlapsing.

Funds for the Bear River/Wasatch Front Program are nonlapsing.

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

Restricted General Fund to the Wildlife Habitat Account is nonlapsing.

A minimum of \$265,000 of the Wildlife Resources budget will be used to improve deer herds according to management plan objectives.

Funds for Wildlife Resources capital budgets are nonlapsing.

Restricted General Fund for Cooperative Environmental Studies is nonlapsing.

Restricted General Fund for Contributed Research is nonlapsing.

Agriculture and Food

Grants to charitable organizations specified in Section 57-18-3 UCA or held by the Department of Agriculture and Food should be used for the purchase of conservation easements for agricultural protection and are considered nonlapsing.

Funds for Soil Conservation District elections are nonlapsing and are to be spent only during even numbered calendar years when the elections take place.

Funds appropriated for Agribusiness are nonlapsing.

Funds for the Research Program are nonlapsing.

Funds for the Pesticide Control Program are nonlapsing.

Funds collected from the Organic Certification Program are nonlapsing.

Any lapsing unrestricted balances from FY 2002 appropriations will be transferred to the FY 2003 Grain Inspection Program.

Funds appropriated for Predatory Animal Control are nonlapsing.

Funds for Auction Market Veterinarian collection are nonlapsing.

Soil conservation districts are to 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 reports will be reviewed and reported to the governor and the 2003 legislature.

Collections for Ag Tag license plates are nonlapsing.

Funds for the biological control of weeds are nonlapsing.

Any unexpended funds from the appropriation for pesticide disposal amnesty are nonlapsing.

Funds collected in the Organic Certification program are nonlapsing.

Funds for private grazing lands improvements are nonlapsing.

Funds for grazing lands are nonlapsing.

NATURAL RESOURCES

Operating Budget

Governor Leavitt's Recommendations								
	Actual FY 2001	Authorized FY 2002	Supplementals & Budget Cuts	Recommended FY 2002	Base FY 2003	Budget Cuts	Ongoing & One-time Adj.	Total FY 2003
Plan of Financing								
General Fund	\$48,315,100	\$45,166,200	(\$3,424,500)	\$41,741,700	\$44,734,000	(\$2,410,400)	\$552,000	\$42,875,600
Federal Funds	20,727,800	19,834,700	40,400	19,875,100	20,758,200	11,800	176,900	20,946,900
Debt-related Credits	12,702,400	13,627,900	8,700	13,636,600	14,084,000	11,500	155,200	14,250,700
Mineral Lease	1,118,000	1,030,500	0	1,030,500	966,100	0	0	966,100
Restricted and Trust Funds	46,439,900	44,065,500	1,718,000	45,783,500	46,717,900	(500)	1,837,600	48,555,000
Transfers	1,682,500	1,383,200	100	1,383,300	1,257,900	0	4,200	1,262,100
Other Funds	84,700	2,300,000	0	2,300,000	2,300,000	0	0	2,300,000
Pass-through Funds	(32,000)	0	0	0	300,000	0	0	300,000
Beginning Balances	6,588,200	7,537,800	0	7,537,800	1,087,500	0	0	1,087,500
Closing Balances	(7,537,800)	(1,087,500)	0	(1,087,500)	(306,800)	0	0	(306,800)
Lapsing Funds	(9,149,800)	0	0	0	(1,418,900)	0	0	(1,418,900)
Total Financing	\$120,939,000	\$133,858,300	(\$1,657,300)	\$132,201,000	\$130,479,900	(\$2,387,600)	\$2,725,900	\$130,818,200
Programs								
Natural Resources								
Administration	\$2,934,100	\$3,201,400	(\$93,100)	\$3,108,300	\$3,111,700	(\$82,000)	\$115,300	\$3,145,000
Endangered Species	986,900	3,250,000	(179,400)	3,070,600	3,613,100	(190,900)	0	3,422,200
Building Operations	1,608,500	1,608,500	0	1,608,500	1,608,500	0	0	1,608,500
Energy Services	849,200	1,071,800	(17,500)	1,054,300	3,085,300	(43,700)	(300)	3,041,300
Forestry, Fire, and State Lands	13,187,000	12,045,100	(132,700)	11,912,400	9,881,600	(166,600)	179,900	9,894,900
Oil, Gas, and Mining	5,709,400	7,346,600	(100,800)	7,245,800	6,897,200	(124,500)	215,200	6,987,900
Wildlife Resources	32,265,700	35,931,700	(186,200)	35,745,500	35,985,200	(264,300)	796,000	36,516,900
Contributed Research	344,700	336,700	0	336,700	336,700	0	0	336,700
Cooperative Studies	2,569,100	3,574,200	0	3,574,200	3,579,800	0	0	3,579,800
Parks and Recreation	22,328,200	23,840,000	(127,400)	23,712,600	23,560,700	(507,900)	453,700	23,506,500
Geological Survey	4,581,900	5,120,500	(100,800)	5,019,700	4,518,400	(77,100)	39,900	4,481,200
Water Resources	7,627,900	4,865,800	(114,700)	4,751,100	5,038,600	(144,600)	35,100	4,929,100
Water Rights	5,930,700	6,984,500	(249,300)	6,735,200	7,001,100	(219,500)	67,600	6,849,200
<i>Subtotal Natural Resources</i>	<i>100,923,300</i>	<i>109,176,800</i>	<i>(1,301,900)</i>	<i>107,874,900</i>	<i>108,217,900</i>	<i>(1,821,100)</i>	<i>1,902,400</i>	<i>108,299,200</i>
Agriculture and Food								
Administration	14,565,200	17,731,100	(355,400)	17,375,700	15,357,500	(566,500)	238,500	15,029,500
<i>Subtotal Agriculture and Food</i>	<i>14,565,200</i>	<i>17,731,100</i>	<i>(355,400)</i>	<i>17,375,700</i>	<i>15,357,500</i>	<i>(566,500)</i>	<i>238,500</i>	<i>15,029,500</i>
Trust Lands Administration								
Administration	5,450,500	6,950,400	0	6,950,400	6,904,500	0	585,000	7,489,500
<i>Subtotal Trust Lands Admin.</i>	<i>5,450,500</i>	<i>6,950,400</i>	<i>0</i>	<i>6,950,400</i>	<i>6,904,500</i>	<i>0</i>	<i>585,000</i>	<i>7,489,500</i>
Total Budget	\$120,939,000	\$133,858,300	(\$1,657,300)	\$132,201,000	\$130,479,900	(\$2,387,600)	\$2,725,900	\$130,818,200
% Change from Base FY 2003 to Total FY 2003								0.3%
FTE Positions	--	1,494.0	(6.0)	1,488.0	1,503.0	(10.2)	11.0	1,503.8

NATURAL RESOURCES

Capital Budget

Governor Leavitt's Recommendations								
	Actual FY 2001	Authorized FY 2002	Supplementals & Budget Cuts	Recommended FY 2002	Base FY 2003	Budget Cuts	Ongoing & One-time Adj.	Total FY 2003
Plan of Financing								
General Fund	\$8,507,300	\$5,016,300	(\$47,700)	\$4,968,600	\$3,507,300	\$0	\$0	\$3,507,300
Federal Funds	3,448,600	1,861,000	0	1,861,000	1,861,000	0	0	1,861,000
Dedicated Credits	1,893,700	175,000	0	175,000	175,000	0	0	175,000
Restricted and Trust Funds	4,430,000	3,730,000	1,200,000	4,930,000	3,730,000	0	1,000,000	4,730,000
Transfers	405,100	(1,652,500)	0	(1,652,500)	(1,652,500)	0	0	(1,652,500)
Beginning Balances	11,365,000	17,612,700	0	17,612,700	800,000	0	0	800,000
Closing Balances	(17,612,700)	(800,000)	0	(800,000)	0	0	0	0
Lapsing Funds	(949,500)	0	0	0	0	0	0	0
Total Financing	\$11,487,500	\$25,942,500	\$1,152,300	\$27,094,800	\$8,420,800	\$0	\$1,000,000	\$9,420,800
Projects								
Natural Resources								
Wildlife Resources	\$10,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Information and Education	4,388,800	4,669,300	0	4,669,300	4,116,000	0	0	4,116,000
Fisheries	128,000	2,640,200	(18,300)	2,621,900	0	0	0	0
Game Management								
Parks and Recreation								
Park Renovation	178,700	5,137,300	0	5,137,300	100,000	0	0	100,000
Acquisition and Development	3,159,400	3,497,100	(18,900)	3,478,200	179,800	0	0	179,800
Boating Access Grants	558,800	3,053,400	1,200,000	4,253,400	900,000	0	0	900,000
Off-Highway Vehicle Grants	229,400	1,330,200	0	1,330,200	175,000	0	0	175,000
Riverway Enhancement and Trails	1,137,300	3,615,000	(10,500)	3,604,500	950,000	0	0	950,000
Water Resources								
Revolving Construction Fund	563,000	563,000	0	563,000	563,000	0	0	563,000
Conservation/Development Fund	1,089,500	1,089,500	0	1,089,500	1,089,500	0	0	1,089,500
Transfer Appropriations to Loan Funds	(1,652,500)	(1,652,500)	0	(1,652,500)	(1,652,500)	0	0	(1,652,500)
<i>Subtotal Natural Resources</i>	<i>9,790,600</i>	<i>23,942,500</i>	<i>1,152,300</i>	<i>25,094,800</i>	<i>6,420,800</i>	<i>0</i>	<i>0</i>	<i>6,420,800</i>
Trust Lands Administration								
Development and Improvement	1,696,900	2,000,000	0	2,000,000	2,000,000	0	1,000,000	3,000,000
<i>Subtotal Trust Lands Adm.</i>	<i>1,696,900</i>	<i>2,000,000</i>	<i>0</i>	<i>2,000,000</i>	<i>2,000,000</i>	<i>0</i>	<i>1,000,000</i>	<i>3,000,000</i>
Total Budget	\$11,487,500	\$25,942,500	\$1,152,300	\$27,094,800	\$8,420,800	\$0	\$1,000,000	\$9,420,800
% Change from Base FY 2003 to Total FY 2003								11.9%

NATURAL RESOURCES

NATURAL RESOURCES FY 2003 OPERATING BUDGET							
Beginning Base Budget							
	General Fund	Federal Fund	Dedicated Credits	Mineral Lease	Restricted Fund	Other Fund	Total Fund
M2 FY 2002 appropriated budget	\$24,352,900	\$17,128,000	\$14,361,000	\$827,100	\$3,563,800	\$1,167,300	\$103,200,100
M2 Less one-time FY 2002 appropriations	(12,500)	0	0	0	0	0	(12,500)
M3 Adjustment for extra working day	77,400	0	0	0	71,400	0	148,800
M4 Market comparability adjustment funding allocation from DHEM	166,900	0	0	0	0	0	166,900
M5 Retirement funding allocation from Division of Finance to agencies	5,000	0	0	0	4,000	0	9,000
M6 800 Megahertz allocation from Division of Finance to agencies	2,200	0	0	0	0	0	2,200
M7 Transfer land management from Governor's Office	124,600	150,000	0	0	0	0	274,600
M8 Transfer Energy Office from Community and Economic Dev.	42,800	1,796,600	0	0	2,632,000	0	4,471,400
M9 Adjustment to estimates for non-state funding levels	0	(370,400)	(1,206,800)	139,000	254,400	12,94,100	70,300
Total Beginning Base Budget - Natural Resources	34,646,400	18,704,200	13,154,200	966,100	38,325,600	2,421,400	108,217,900
Base Budget Reductions							
M10 Administration across-the-board reductions	(23,300)	0	0	0	0	0	(23,300)
M11 Administration program reductions	(293,300)	0	0	0	0	0	(293,300)
M12 Forestry, Fire, and State Lands across-the-board reductions	(21,000)	0	0	0	0	0	(21,000)
M13 Forestry, Fire, and State Lands program reductions	(14,500)	0	0	0	0	0	(14,500)
M14 Oil, Gas, and Mining across-the-board reductions	(23,200)	0	0	0	0	0	(23,200)
M15 Oil, Gas, and Mining program reductions	(37,100)	(44,200)	0	0	0	0	(101,300)
M16 Parks and Recreation across-the-board reductions	(29,900)	0	0	0	0	0	(29,900)
M17 Parks and Recreation program reductions	(478,000)	0	0	0	0	0	(478,000)
M18 Geological Survey across-the-board reductions	(27,100)	0	0	0	0	0	(27,100)
M19 Geological Survey program reductions	(65,000)	0	15,000	0	0	0	(50,000)
M20 Wildlife Resources across-the-board reductions	(69,000)	0	0	0	0	0	(69,000)
M21 Wildlife Resources program reductions	(262,300)	67,000	0	0	0	0	(195,300)
M22 Water Resources across-the-board reductions	(17,000)	0	0	0	0	0	(17,000)
M23 Water Resources program reductions	(127,600)	0	0	0	0	0	(127,600)
M24 Water Rights across-the-board reductions	(17,800)	0	0	0	0	0	(17,800)
M25 Water Rights program reductions	(201,200)	0	0	0	0	0	(201,200)
Total Base Budget Reductions - Natural Resources	1,858,900	22,800	15,000	0	0	0	1,921,100
Statewide Ongoing Adjustments							
M26 Internal service fund adjustments	59,900	(6,200)	(9,100)	0	(15,100)	(200)	29,300
M27 Market comparability adjustments	45,400	12,600	29,200	0	27,300	100	115,100
M28 Benefit rate adjustments	257,300	109,200	75,600	0	286,800	1,900	680,800
Subtotal Statewide Ongoing Adjustments - Natural Resources	362,600	115,600	95,200	0	249,000	1,800	825,200

NATURAL RESOURCES - CONTINUED

Ongoing Adjustments									
	General Fund	Federal Funds	Dedicated Credits	Mineral Lease	Restricted Funds	Other Funds	Total Funds		
M29 FWQ/G monitoring and evaluation system (FFSL)	0	33,000	0	0	33,000	0	66,000		
M30 Native American grave protection (FFSL)	0	0	0	0	15,000	0	15,000		
M31 Oil and Gas Program work load expansion (OIHAD)	0	0	0	0	166,300	0	166,300		
M32 Blue Ribbon Fisheries (DWR)	0	0	0	0	500,000	0	500,000		
M33 Outdoor Women's registration (DWR)	0	0	30,000	0	0	0	30,000		
M34 Boating and OHV activities (Parks)	0	0	0	0	250,000	0	250,000		
Subtotal Ongoing Adjustments - Natural Resources	0	33,000	30,000	0	969,300	0	1,027,300		
One-time Adjustments									
M35 Fuel and power rate increase	16,100	5,200	11,200	0	17,400	0	49,900		
Subtotal One-time Adjustments - Natural Resources	16,100	5,200	11,200	0	17,400	0	49,900		
Total FY 2003 Status Revenues Adjustments	378,700	153,800	137,400	0	1,230,700	1,800	1,902,400		
Total FY 2003 Status Revenues Operating Budget	\$32,166,200	\$18,880,800	\$13,206,600	\$966,100	\$39,556,300	\$2,423,200	\$108,299,200		

NATURAL RESOURCES FY 2002 OPERATING BUDGET ADJUSTMENTS									
Base Budget Reductions									
M36 Administration across-the-board reductions	(\$9,300)	\$0	\$0	\$0	\$0	\$0	(\$9,300)		
M37 Administration program reductions	(280,700)	0	0	0	0	0	(280,700)		
M38 Forestry, Fire, and State Lands across-the-board reductions	(12,100)	0	0	0	0	0	(12,100)		
M39 Forestry, Fire, and State Lands program reductions	(121,500)	0	0	0	0	0	(121,500)		
M40 Oil, Gas, and Mining across-the-board reductions	(8,200)	0	0	0	0	0	(8,200)		
M41 Oil, Gas, and Mining program reductions	(53,100)	(39,700)	0	0	0	0	(92,800)		
M42 Parks and Recreation across-the-board reductions	(16,300)	0	0	0	0	0	(16,300)		
M43 Parks and Recreation program reductions	(342,000)	0	0	0	0	0	(342,000)		
M44 Geological Survey across-the-board reductions	(10,800)	0	0	0	0	0	(10,800)		
M45 Geological Survey program reductions	(90,000)	0	0	0	0	0	(90,000)		
M46 Wildlife Resources across-the-board reductions	(35,200)	0	0	0	0	0	(35,200)		
M47 Wildlife Resources program reductions	(235,500)	67,000	0	0	0	0	(168,500)		
M48 Water Resources across-the-board reductions	(7,200)	0	0	0	0	0	(7,200)		
M49 Water Resources program reductions	(107,600)	0	0	0	0	0	(107,600)		
M50 Water Rights across-the-board reductions	(7,700)	0	0	0	0	0	(7,700)		
M51 Water Rights program reductions	(241,800)	0	0	0	0	0	(241,800)		
Subtotal Base Budget Reductions - Natural Resources	(1,579,100)	27,300	0	0	0	0	(1,551,800)		

NATURAL RESOURCES - CONTINUED

	General Fund	Federal Funds	Dedicated Credits	Mineral Lease	Restricted Funds	Other Funds	Total Funds
Supplemental Adjustments							
452 Boating and OHV operations	0	0	0	0	200,000	0	200,000
453 Fire Suppression/expenditure of excess funds	(1,500,000)	0	0	0	1,500,000	0	0
454 Fuel and power rate increase	16,100	5,200	11,200	0	17,400	0	49,900
Subtotal Supplemental Adjustments - Natural Resources	(1,483,900)	5,200	11,200	0	1,717,400	0	249,900
Total FY 2002 Natural Resources Budget Adjustments	(\$3,063,000)	\$32,500	\$11,200	\$0	\$1,717,400	\$0	(\$1,301,900)
NATURAL RESOURCES FY 2003 CAPITAL BUDGET							
Base Budget							
455 FY 2002 appropriated budget (excluding appropriations for loans)	\$5,016,200	\$1,861,000	\$175,000	\$0	\$1,730,000	(\$1,152,500)	\$7,629,800
456 Less one-time FY 2002 appropriations	(1,509,000)	0	0	0	0	0	(1,509,000)
457 Adjustments in non-state funding levels	0	0	0	0	0	300,000	300,000
Total FY 2003 Natural Resources Capital Base Budget	3,507,200	1,861,000	175,000	0	1,730,000	(\$852,500)	6,420,800
Total FY 2003 Natural Resources Capital Budget	\$3,507,200	\$1,861,000	\$175,000	\$0	\$1,730,000	(\$852,500)	\$6,420,800
NATURAL RESOURCES FY 2002 CAPITAL BUDGET ADJUSTMENTS							
Base Budget Reductions							
458 Parks and Recreation	(\$29,400)	\$0	\$0	\$0	\$0	\$0	(\$29,400)
459 Wildlife Resources	(18,200)	0	0	0	0	0	(18,200)
Subtotal Base Budget Reductions - Natural Resources	(\$47,600)	0	0	0	0	0	(\$47,600)
Supplemental Adjustments							
460 Boating capital (Parks)	0	0	0	0	1,200,000	0	1,200,000
Subtotal Supplemental Adjustments - Natural Resources	0	0	0	0	1,200,000	0	1,200,000
Total FY 2002 Natural Resources Capital Adjustments	(\$47,600)	\$0	\$0	\$0	\$1,200,000	\$0	\$1,152,300
AGRICULTURE AND FOOD FY 2003 OPERATING BUDGET							
Beginning Base Budget							
461 FY 2002 appropriated budget	\$10,580,300	\$2,054,000	\$929,800	\$0	\$1,806,000	\$608,500	\$15,978,600
462 Less one-time FY 2002 appropriations	(579,700)	0	0	0	0	0	(579,700)
463 Adjustment for extra working day	23,100	0	0	0	2,500	0	25,600
464 Market comparability adjustment funding allocation from DHEM	59,700	0	0	0	0	0	59,700
465 Retirement funding allocation from Division of Finance to agencies	1,800	0	0	0	200	0	2,000
466 800 Mile grant allocation from Division of Finance to agencies	2,400	0	0	0	0	0	2,400
467 Adjustment to estimates for non-state funding levels	0	0	0	0	(320,900)	189,800	(131,100)
Total Beginning Base Budget - Agriculture and Food	10,087,600	2,054,000	929,800	0	1,487,800	798,300	15,357,500

NATURAL RESOURCES - CONTINUED

	General Fund	Federal Funds	Dedicated Credits	Mineral Lease	Restricted Funds	Other Funds	Total Funds
Base Budget Reductions							
M 02 Administrative and across-the-board reductions	(140,700)	0	0	0	0	0	(140,700)
M 09 Program reductions	(410,800)	(11,000)	(3,500)	0	(500)	0	(425,800)
Total Base Budget Reductions - Agriculture and Food	(551,500)	(11,000)	(3,500)	0	(500)	0	(566,500)
Statewide Ongoing Adjustments							
M 10 Internal service fund adjustments	56,900	7,700	5,300	0	6,100	800	76,800
M 11 Market comparability adjustments	8,200	1,000	800	0	900	100	11,000
M 12 Benefits adjustments	108,200	14,400	11,700	0	14,900	1,500	150,700
Subtotal Statewide Ongoing Adjustments - Agriculture and Food	173,300	23,100	17,800	0	21,900	2,400	238,500
Total FY 2003 Agriculture and Food Adjustments	173,300	23,100	17,800	0	21,900	2,400	238,500
Total FY 2003 Agriculture and Food Operating Budget	\$9,709,400	\$2,066,100	\$9,441,100	\$0	\$1,509,200	\$800,700	\$15,029,500
AGRICULTURE AND FOOD FY 2002 OPERATING BUDGET ADJUSTMENTS							
Base Budget Reductions							
M 11 Administrative and across-the-board reductions	(\$134,600)	\$0	\$0	\$0	\$0	\$0	(\$134,600)
M 14 Program reductions	(357,300)	(3,500)	(3,500)	0	(500)	0	(364,800)
Subtotal Base Budget Reductions - Agriculture and Food	(491,900)	(3,500)	(3,500)	0	(500)	0	(499,400)
Supplemental Adjustments							
M 15 Internal service fund adjustments	10,400	1,400	1,000	0	1,100	100	14,000
M 16 Grasshopper and Mormon cricket infestations	120,000	10,000	0	0	0	0	130,000
Subtotal Supplemental Adjustments - Agriculture and Food	130,400	11,400	1,000	0	1,100	100	144,000
Total FY 2002 Agriculture and Food Budget Adjustments	(\$361,500)	\$7,900	(\$2,500)	\$0	\$600	\$100	(\$355,400)
TRUST LANDS ADMINISTRATION FY 2003 OPERATING BUDGET							
Beginning Base Budget							
M 17 FY 2002 appropriated budget	\$0	\$0	\$0	\$0	\$6,949,500	\$0	\$6,949,500
M 18 Less one-time FY 2002 appropriations	0	0	0	0	(57,900)	0	(57,900)
M 19 Adjustment for extra working day	0	0	0	0	12,000	0	12,000
M 20 Retirement funding allocation from Division of Finance to agencies	0	0	0	0	900	0	900
Total Beginning Base Budget - Trust Lands Administration	0	0	0	0	6,904,500	0	6,904,500

NATURAL RESOURCES - CONTINUED

	General Fund	Federal Fund	Dedicated Credits	Mineral Lease	Restricted Fund	Other Fund	Total Fund
Statewide Ongoing Adjustments							
AS1 Internal service fund adjustments	0	0	0	0	5,500	0	5,500
AS2 Market comparability adjustments	0	0	0	0	1,700	0	1,700
AS3 Benefit rate adjustments	0	0	0	0	42,200	0	42,200
Subtotal Base Adjustments - Trust Lands Administration	0	0	0	0	49,400	0	49,400
Ongoing Adjustments							
AS4 Associate director	0	0	0	0	120,000	0	120,000
AS5 Data processing hardware	0	0	0	0	60,000	0	60,000
AS6 Rental increase	0	0	0	0	36,000	0	36,000
AS7 Professional and technical auditing	0	0	0	0	15,000	0	15,000
AS8 Block Management office technician	0	0	0	0	44,000	0	44,000
AS9 Out-of-state travel audit	0	0	0	0	3,500	0	3,500
AS0 Surface archaeologist	0	0	0	0	46,800	0	46,800
AS1 Development assistant director	0	0	0	0	100,000	0	100,000
AS2 Realty specialist	0	0	0	0	45,200	0	45,200
AS3 Data processing programmer analyst III	0	0	0	0	64,600	0	64,600
Subtotal Ongoing Adjustments - Trust Lands Administration	0	0	0	0	535,600	0	535,600
Total FY 2003 Trust Lands Administration Adjustments	0	0	0	0	585,000	0	585,000
Total FY 2003 Trust Lands Administration Operating Budget	\$0	\$0	\$0	\$0	\$7,489,500	\$0	\$7,489,500
TRUST LANDS ADMINISTRATION FY 2003 CAPITAL BUDGET							
Base Budget							
AS4 FY 2002 appropriated budget	\$0	\$0	\$0	\$0	\$2,000,000	\$0	\$2,000,000
Total FY 2003 Trust Lands Capital Base Budget	0	0	0	0	2,000,000	0	2,000,000
Ongoing Adjustments							
AS5 Block Management capital	0	0	0	0	500,000	0	500,000
AS6 Development capital	0	0	0	0	500,000	0	500,000
Subtotal Ongoing Capital Adjustments - Trust Lands	0	0	0	0	1,000,000	0	1,000,000
Total FY 2003 Trust Lands Administration Capital Budget	\$0	\$0	\$0	\$0	\$3,000,000	\$0	\$3,000,000

NATURAL RESOURCES - CONTINUED

NATURAL RESOURCES TOTALS							
	General Fund	Federal Fund	Dedicated Credits	Mineral Lease	Restricted Fund	Other Fund	Total Fund
FY 2003 Operating Base Budget	\$84,734,000	\$20,738,200	\$14,084,000	\$966,100	\$8,671,790	\$2,219,700	\$130,479,900
FY 2003 Operating Base Budget Reductions	(24,104,000)	11,800	11,500	0	(500)	0	(2,287,600)
FY 2003 Operating Ongoing and One-time Adjustments	552,000	176,900	155,200	0	1,837,600	4,200	2,725,900
FY 2003 Operating Recommendation	42,875,600	20,946,900	14,230,700	966,100	48,555,000	3,223,900	130,818,200
FY 2002 Operating Adjustments	(3,424,500)	40,400	8,700	0	1,718,000	100	(1,657,300)
FY 2003 Capital Base Budget	3,507,300	1,861,000	175,000	0	3,730,000	(852,500)	8,420,800
FY 2003 Capital Ongoing and One-time Adjustments	0	0	0	0	1,000,000	0	1,000,000
FY 2003 Capital Recommendation	3,507,300	1,861,000	175,000	0	4,730,000	(852,500)	9,420,800
FY 2002 Capital Adjustments	(47,200)	0	0	0	1,200,000	0	1,152,800

PUBLIC EDUCATION

Mission: *Provide the opportunities for each student to be literate and to possess the basic knowledge and life skills necessary to become a contributing citizen in today's society.*

PROGRAMS

- **Utah State Office of Education (USOE)** provides administrative support for the State Board of Education. It also gives support to local school districts through the distribution of state and federal funding, programmatic resources, and professional development.
- **Nutrition Programs** improve the nutritional well-being of Utah children so they may reach their full potential. Research shows that children who are well nourished learn and develop much better than those who lack adequate nutrition.
- **Utah State Office of Rehabilitation (USOR)** provides assistance to individuals with disabilities to prepare for and obtain employment, and increase their independence.
- **Educational Contracts** maintain contractual services for the Utah State Hospital, Utah State Developmental Center, and the Department of Corrections in continuing the educational opportunities for students in those facilities.
- **Science and Arts** supports science and art programs presented to school children by various arts and sciences entities funded through continuing grants and requests for proposals.
- **Utah Schools for the Deaf and the Blind (USDB)** afford high quality direct and indirect services to sensory impaired children from birth through age 21 throughout the state.
- **Minimum School Program (MSP)** equitably distributes state funds to the 40 local school districts in the state. Annual amendments to this legislation reflect current and ongoing needs under the con-

straints that the state encounters. Most notably, the state uses a Weighted Pupil Unit (WPU) as the method of determining the local school district need.

MAJOR BUDGET RECOMMENDATIONS

Budget Reductions

- USOE reduced the Uniform School Fund (USF) in its FY 2002 and FY 2003 budgets by \$1,083,600 and \$3,025,000, respectively, through cutbacks in administrative positions and expenses and in applied technology education printing and media relations. The state office reconfigured its duties and assignments among the reduced staff and budget accounts in order to accommodate the day-to-day needs of public education. Where possible, USOE will require a registration fee for various professional development conferences.

- USDB was virtually held harmless with an FY 2002 and FY 2003 reduction of only \$25,000 USF for outside contracts dealing with physical plant maintenance.
 - USOR decreased its FY 2002 and FY 2003 USF by \$215,400 and \$365,000, respectively, in the areas of assistive technology and administrative staff and in the divisions of Services for the Blind and Visually Impaired and Services for the Deaf and Hard of Hearing.
 - The governor requested that the Utah State Board of Education decrease the Capital Outlay Foundation expenditure by \$10,000,000 USF, returning the appropriated FY 2003 balance to the FY 2002 base of \$28,358,000.
 - MSP has a balance of approximately \$14,000,000 USF, which the governor recommends be used in conjunction with another \$20,000,000 USF from a USOE rainy day fund to help meet the needs of the state.
- Uniform School Fund*
- Provide \$5,800,000 ongoing USF for the third phase of the Utah Performance Assessment System for Students implementation block, which will help fund the writing assessments of 6th and 9th graders across the state.
 - To continue his support for reading, the governor recommends that the University of Utah Reading Clinic receives \$500,000 of ongoing USF to identify and correct reading disabilities among children and help deliver professional development to school district personnel.
 - USOR faces continued growth with the expectation that the number of clients will increase more this year than prior years. The governor recommends \$325,000 ongoing USF and three full-time-equivalents to offset the growth in clients that agency will confront.
- Student enrollment growth of an estimated 1,795 WPUs requires \$4,781,500 ongoing USF to pay for the necessary additional resources.
 - In the current fiscal climate, the governor recommends that the WPU increase by 1.35 percent, or \$21,863,700 ongoing USF.
 - Governor Leavitt recommends that those programs previously indexed to the WPU receive the same relative increase as the WPU, for a total of \$1,536,700 USF. Furthermore, he supports the philosophy of the Utah State Board of Education proposal to reconfigure the Block Grants into a more efficient and clear system of locally controlled finance.
 - Local school districts will receive a portion of the interest from Utah's trust lands, which will provide for a supplemental of \$3,800,000 restricted USF for FY 2002 and an ongoing increase of \$5,400,000 restricted USF in FY 2003.

PUBLIC EDUCATION

Operating Budget

Governor Leavitt's Recommendations								
	Actual FY 2001	Authorized FY 2002	Supplementals & Budget Cuts	Recommended FY 2002	Base FY 2003	Budget Cuts	Ongoing & One-time Adj.	Total FY 2003
Plan of Financing								
General Fund	\$254,900	\$254,900	\$0	\$254,900	\$254,900	\$0	\$0	\$254,900
School Funds	1,625,507,600	1,709,582,500	2,489,500	1,712,072,000	1,677,669,900	(3,415,400)	35,149,400	1,709,403,900
Federal Funds	235,910,000	236,827,100	(8,200)	236,818,900	236,522,500	0	157,400	236,679,900
Dedicated Credits	25,081,700	21,591,800	0	21,591,800	21,720,800	412,700	13,200	22,146,700
Mineral Lease	1,152,800	1,068,600	0	1,068,600	1,001,900	0	0	1,001,900
Restricted and Trust Funds	578,500	541,700	100	541,800	530,900	0	600	531,500
Transfers	6,965,500	8,029,500	(200)	8,029,300	7,624,900	0	12,300	7,637,200
Beginning Balances	29,956,900	27,844,400	0	27,844,400	4,955,100	0	0	4,955,100
Closing Balances	(27,844,400)	(4,955,100)	0	(4,955,100)	(5,099,900)	0	0	(5,099,900)
Lapsing Funds	(20,587,900)	(60,000)	0	(60,000)	0	0	0	0
Local Property Tax	331,712,700	356,458,400	0	356,458,400	356,458,400	0	12,697,400	369,155,800
Total Financing	\$2,208,688,300	\$2,357,183,800	\$2,481,200	\$2,359,665,000	\$2,301,639,400	(\$3,002,700)	\$48,030,300	\$2,346,667,000
Programs								
Public Education								
State Office of Education	\$160,114,100	\$172,342,700	(\$1,043,600)	\$171,299,100	\$167,748,300	(\$2,612,300)	\$6,483,900	\$171,619,900
State Office of Rehabilitation	45,367,800	49,633,700	(243,200)	49,390,500	49,843,200	(365,400)	612,400	50,090,200
Schools for Deaf and Blind	19,944,500	22,213,600	(32,000)	22,181,600	21,400,300	(25,000)	233,800	21,609,100
Science and the Arts	2,687,100	3,544,500	0	3,544,500	3,044,500	0	0	3,044,500
Education Contracts	4,329,100	3,937,300	0	3,937,300	3,928,300	0	0	3,928,300
Nutrition Programs	87,109,500	87,745,500	0	87,745,500	87,745,900	0	0	87,745,900
Minimum School Program	1,880,630,400	2,008,649,900	0	2,008,649,900	1,958,809,100	0	35,300,200	1,994,109,300
Utah Education Network	79,200	205,200	0	205,200	205,900	0	0	205,900
Trust Fund Interest to Schools	4,950,000	5,200,000	3,800,000	9,000,000	5,200,000	0	5,400,000	10,600,000
Indirect Cost Pool	3,476,600	3,711,400	0	3,711,400	3,713,900	0	0	3,713,900
Total Budget	\$2,208,688,300	\$2,357,183,800	\$2,481,200	\$2,359,665,000	\$2,301,639,400	(\$3,002,700)	\$48,030,300	\$2,346,667,000
% Change from Base FY 2003 to Total FY 2003								
FTE Positions	--	988.1	(4.5)	983.6	1,004.2	(11.5)	3.0	995.7
								2.0%

PUBLIC EDUCATION

Capital Budget

Governor Leavitt's Recommendations								
	Actual FY 2001	Authorized FY 2002	Supplementals & Budget Cuts	Recommended FY 2002	Base FY 2003	Budget Cuts	Ongoing & One-time Adj.	Total FY 2003
Plan of Financing								
School Funds	\$29,460,000	\$38,358,000	(\$10,000,000)	\$28,358,000	\$38,358,000	(\$10,000,000)	\$0	\$28,358,000
Restricted and Trust Funds	0	0	0	0	0	0	40,000	40,000
Total Financing	\$29,460,000	\$38,358,000	(\$10,000,000)	\$28,358,000	\$38,358,000	(\$10,000,000)	\$40,000	\$28,398,000
Projects								
Capital Outlay Program	\$28,358,000	\$38,358,000	(\$10,000,000)	\$28,358,000	\$38,358,000	(\$10,000,000)	\$0	\$28,358,000
Center for Deaf expansion	1,102,000	0	0	0	0	0	0	0
US DB - Connor St. replacement	0	0	0	0	0	0	40,000	40,000
Total Budget	\$29,460,000	\$38,358,000	(\$10,000,000)	\$28,358,000	\$38,358,000	(\$10,000,000)	\$40,000	\$28,398,000
% Change from Base FY 2003 to Total FY 2003								(26.0%)

MINIMUM SCHOOL PROGRAM FY 2003

	Appropriation H.B. 3		Governor Recommendations		Difference	
	FY 2002 WPU's @	FY 2002 \$2,116	FY 2003 WPU's @	FY 2003 \$2,145	FY 2002 - FY 2003 \$ Amount	FY 2002 - FY 2003 WPU Percent
Plan of Financing						
Local Revenue						
1. Basic Levy		\$196,908,771		\$206,690,578	\$9,781,807	5.0%
2. Voted Leeway		124,307,548		126,433,740	2,126,192	1.7
3. Board Leeway		35,242,041		36,031,426	789,385	2.2
Total Local Contribution		\$356,458,360		\$369,155,744	\$12,697,384	3.6%
State Revenue						
1. Uniform School Fund		\$1,601,861,760		\$1,624,933,389	\$23,091,629	1.4%
2. Permanent Trust Fund Interest to Local Schools		5,200,000 (a)		10,600,000	5,400,000	103.8
Total State Revenue		\$1,607,061,760		\$1,635,533,389	\$28,491,629	1.8%
Total Revenue		\$1,963,520,120		\$2,004,709,133	\$41,189,013	2.1%
Programs						
A. Regular Basic School Programs						
1. Kindergarten	20,616	\$43,623,456	20,097	\$43,108,065	(\$515,391)	(1.2)%
2. Grades 1-12	427,244	904,048,304	429,871	922,073,295	18,024,991	2.0
3. Necessarily Existent Small Schools	7,336	15,522,976	7,386	15,842,970	319,994	2.1
4. Professional Staff	41,394	87,589,704	41,187	88,346,115	756,411	0.9
5. Administrative Costs	1,655	3,501,980	1,655	3,549,975	47,995	1.4
Total Regular Basic School Programs	498,245	\$1,054,286,420	500,196	\$1,072,920,420	\$18,634,000	1.8%
B. Restricted Basic School Programs						
1. Special Education--Regular Program	53,153	\$112,471,748	52,997	\$113,678,565	\$1,206,817	1.1%
a. Special Education Add-On WPU's						
b. Self-Contained Regular WPU's	12,466	26,378,056	12,466	26,739,570	361,514	1.4
2. Special Education Pre-School	6,109	12,926,644	6,109	13,103,805	177,161	1.4
3. Extended Year Program for Severely Disabled	237	501,492	237	508,365	6,873	1.4
4. Special Education--State Programs	1,330	2,856,600	1,330	2,895,750	39,150	1.4
5. Applied Technology Education						
a. Applied Technology Education--District	23,423	49,563,068	23,423	50,242,335	679,267	1.4
b. Applied Technology--District Set Aside	989	2,092,724	989	2,121,405	28,681	1.4
6. Class Size Reduction	29,577	62,584,932	29,577	63,442,665	857,733	1.4
Total Restricted Basic School Programs	127,304	\$269,375,264	127,148	\$272,732,460	\$3,357,196	1.2%
Total Basic School Program	625,549	\$1,323,661,684	627,344	\$1,345,652,880	\$21,991,196	1.7%

C. Related to Basic Program			
1. Social Security and Retirement	\$214,683,479	(a)	\$4,390,287
2. Pupil Transportation to and from School	55,745,940		752,570
3. Transportation Levy Guarantee	500,000		0
4. Professional Development Block Grant	68,821,511		703,337
5. Local Discretionary Block Grant	49,948,636		334,921
6. Math/Science Recruitment and Retention	2,400,000		0
Total Related to Basic Program	\$392,101,566		\$6,181,115
D. Special Populations			
1. Families, Agencies & Communities Together (FACT)	\$1,250,670		\$0
2. Alternative Language Services	3,528,564		0
3. Highly Impacted Schools	5,123,207		0
4. At-Risk Programs	25,023,588		288,231
5. Adult Education	8,368,247		98,803
6. Accelerated Learning Programs	9,551,074		111,389
Total Special Purpose Programs	\$62,845,350		\$498,423
E. Special Purpose Programs			
1. Experimental Development	\$3,102,369		\$0
2. Electronic High School	200,000		0
3. Block Grant Hold Harmless	3,897,110		0
4. Permanent Trust Fund Interest to Local Schools	5,200,000		5,400,000
Total Special Purpose Programs	\$12,399,479		\$5,400,000
F. Board and Voted Leeway Programs			
1. Voted Leeway Program	\$141,362,359		\$5,099,738
2. Board Leeway Program	41,149,682		2,018,541
Total Board and Voted Leeway Programs	\$182,512,041		\$7,118,279
Total Minimum School Program	\$1,963,520,120		\$41,189,013
			2.1%

(a) Does not reflect the \$1,800,000 supplemental for FY 2002.

(b) Does not reflect \$688,900 USF allocated after the 2001 General Session.

(c) Reflects the \$688,900 USF allocated after the 2001 General Session.

PUBLIC EDUCATION

PUBLIC EDUCATION FY 2003 OPERATING BUDGET							
Beginning Base Budget							
	General Fund	School Fund	Federal Fund	Dedicated Credits	Other Fund	Property Tax Fund	Total Fund
M1 FY 2002 approved budget	\$254,900	\$1,708,978,200	\$237,427,400	\$21,010,600	\$4,908,600	\$556,458,400	\$2,329,038,100
M2 Less one-time FY 2002 appropriations	0	(32,035,000)	0	0	0	0	(32,035,000)
M3 Adjustment for extra working day	0	122,400	0	0	200	0	122,600
M4 Market comparability adjustment funding allocation from DHRM	0	106,900	0	0	0	0	106,900
M5 Retirement funding allocation from Division of Pensions to agencies	0	497,400	0	0	100	0	497,500
M6 Adjustment to estimates for non-state funding levels	0	0	(904,900)	710,200	4,104,000	0	3,909,300
Total Beginning Base Budget - Public Education	254,900	1,677,669,900	236,522,500	21,720,800	9,012,900	356,458,400	2,301,639,400
Base Budget Reductions							
M7 USOE administrative and across-the-board reductions	0	(3,025,000)	0	412,700	0	0	(2,612,300)
M8 USOR administrative and across-the-board reductions	0	(365,400)	0	0	0	0	(365,400)
M9 USDB administrative and across-the-board reductions	0	(25,000)	0	0	0	0	(25,000)
Total Base Budget Reductions - Public Education	0	(3,415,400)	0	412,700	0	0	(3,002,700)
Statewide Ongoing Adjustments							
M10 Internal service fund adjustment	0	3,000	7,000	500	500	0	11,000
M11 Market comparability adjustment	0	48,900	15,700	1,200	1,200	0	67,000
M12 Seat/strive adjustment	0	446,400	154,700	11,500	11,200	0	603,800
Subtotal Statewide Ongoing Adjustments - Public Education	0	497,300	157,400	12,200	12,900	0	667,800
Ongoing Adjustments							
M13 USOE - U-PASS implementation block	0	5,800,000	0	0	0	0	5,800,000
M14 USOE - University of Utah Reading Clinic	0	500,000	0	0	0	0	500,000
M15 MSP - Voted and Board/Leeway Guarantee	0	4,202,700	0	0	0	2,915,600	7,118,300
M16 MSP - WPU increase	0	21,863,700	0	0	0	0	21,863,700
M17 MSP - Block Grants increase relative to WPU	0	1,536,700	0	0	0	0	1,536,700
M18 MSP - Enrollment growth	0	4,781,500	0	0	0	0	4,781,500
M19 MSP - Property tax offset	0	(9,781,800)	0	0	0	9,781,800	0
M20 MSP - Permanent trust fund interest to local schools	0	5,400,000	0	0	0	0	5,400,000
M21 USOR - Vocational rehabilitation growth	0	325,000	0	0	0	0	325,000
Subtotal Ongoing Adjustments - Public Education	0	14,627,600	0	0	0	12,697,400	17,125,000

PUBLIC EDUCATION - CONTINUED

One-time Adjustments									
	General Fund	School Funds	Federal Funds	Dedicated Credits	Other Funds	Property Tax Funds	Total Funds		
N22 Fuel and power rate increase	0	23,300	0	0	0	0	23,300		
<i>Subtotal One-time Adjustments - Public Education</i>	0	23,300	0	0	0	0	23,300		
Total FY 2003 Public Education Adjustments	0	351,491,400	157,400	132,000	12,900	12,697,400	48,030,300		
Total FY 2003 Public Education Operating Budget	\$254,900	\$1,709,403,900	\$236,679,900	\$22,146,700	\$9,025,300	\$369,155,800	\$2,346,667,000		
PUBLIC EDUCATION FY 2002 OPERATING BUDGET ADJUSTMENTS									
Base Budget Reductions									
N21 USOE administrative and across-the-board reductions	\$0	(\$1,083,600)	\$0	\$0	\$0	\$0	(\$1,083,600)		
N24 USOE administrative and across-the-board reductions	0	(215,400)	0	0	0	0	(215,400)		
N25 USOE administrative and across-the-board reductions	0	(25,000)	0	0	0	0	(25,000)		
<i>Subtotal Base Budget Reductions - Public Education</i>	0	(1,324,000)	0	0	0	0	(1,324,000)		
Supplemental Adjustments									
N26 Internal service fund adjustments	0	(9,800)	(\$8,200)	0	(100)	0	(18,100)		
N27 Reimbursement fund interest to local schools	0	3,800,000	0	0	0	0	3,800,000		
N28 Fuel and power rate increase	0	23,300	0	0	0	0	23,300		
<i>Subtotal Supplemental Adjustments - Public Education</i>	0	3,813,500	(\$8,200)	0	(100)	0	3,805,200		
Total FY 2002 Public Education Budget Adjustments	\$0	\$2,489,500	(\$8,200)	\$0	(\$100)	\$0	\$2,481,200		
PUBLIC EDUCATION FY 2003 CAPITAL BUDGET									
Base Budget									
N29 FY 2002 appropriated budget	\$0	\$38,358,000	\$0	\$0	\$0	\$0	\$38,358,000		
Total FY 2003 Public Education Capital Base Budget	0	38,358,000	0	0	0	0	38,358,000		
Base Budget Reductions									
N30 Reduce capital outlay program to FY02 database	0	(10,000,000)	0	0	0	0	(10,000,000)		
Total Base Budget Reductions - Public Education	0	(10,000,000)	0	0	0	0	(10,000,000)		

PUBLIC EDUCATION - CONTINUED

One-time Adjustments									
	General Fund	School Fund	Federal Fund	Dedicated Credits	Other Fund	Property Tax Fund	Total Fund		
K01 USDB Condor Street replacement	0	0	0	0	40,000	0	40,000		40,000
Subtotal One-time Capital Adjustments - Public Education	0	0	0	0	40,000	0	40,000		40,000
Total FY 2003 Public Education Capital Adjustments	0	0	0	0	40,000	0	40,000		40,000
Total FY 2003 Public Education Capital Budget	\$0	\$28,358,000	\$0	\$0	\$40,000	\$0	\$28,398,000		\$28,398,000
PUBLIC EDUCATION FY 2002 CAPITAL BUDGET SUPPLEMENTALS									
K02 Reduce capital outlay program	\$0	(\$10,000,000)	\$0	\$0	\$0	\$0	(\$10,000,000)		
Total FY 2002 Public Education Capital Supplementals	\$0	(\$10,000,000)	\$0	\$0	\$0	\$0	(\$10,000,000)		
PUBLIC EDUCATION TOTALS									
FY 2003 Operating Base Budget	\$254,900	\$1,477,669,900	\$236,522,500	\$21,720,800	\$9,012,900	\$356,458,400	\$2,301,639,400		
FY 2003 Operating Base Budget Reductions	0	(\$3,415,400)	0	412,700	0	0	(\$3,002,700)		
FY 2003 Operating Ongoing and One-time Adjustments	0	\$5,149,400	137,400	13,200	12,900	12,697,400	48,030,300		
FY 2003 Operating Recommendation	254,900	1,409,403,900	236,679,900	22,146,700	9,025,800	\$69,155,800	2,346,667,000		
FY 2002 Operating Adjustments	0	2,489,500	(8,200)	0	(100)	0	2,481,200		
FY 2003 Capital Base Budget	0	\$8,358,000	0	0	0	0	\$8,358,000		
FY 2003 Capital Base Budget Reductions	0	(10,000,000)	0	0	0	0	(10,000,000)		
FY 2003 Capital Ongoing and One-time Adjustments	0	0	0	0	40,000	0	40,000		
FY 2003 Capital Recommendation	0	\$8,358,000	0	0	40,000	0	\$8,398,000		
FY 2002 Capital Adjustments	0	(10,000,000)	0	0	0	0	(10,000,000)		

PUBLIC SAFETY

Mission: *Provide quality services, ensure a safe environment, and protect the rights of Utah's citizens.*

PROGRAMS

- **Commissioner's Office** provides oversight and policy direction for all departmental functions.
- **Comprehensive Emergency Management** prepares, implements, and maintains programs that plan for, respond to, recover from, and mitigate emergencies and disasters of all types that threaten the lives and property of the citizens of Utah or the environment of the state.
- **Utah Safety Council** provides resources, services, and education to influence safety, health, and environmental policies and practices.
- **Police Officer Standards and Training (POST)** provides training for law enforcement personnel and investigates and adjudicates allegations of peace officer misconduct.
- **Criminal Investigations and Technical Services** provides communication support for public safety agencies; comprehensive forensic analysis of evidence from crime scenes; computerized criminal background information; and investigative support for white collar crime, narcotics, liquor enforcement, and intelligence.
- **Driver License Division** examines and licenses Utah motorists and takes corrective action against substandard drivers.
- **Utah Highway Patrol (UHP)** facilitates traffic flow on state highways and protects life and property by helping prevent traffic accidents. In addition, UHP administers federal contracts for state safety projects.
- **Management Information** oversees department information processing systems and provides criminal justice information to law enforcement agencies throughout the state.
- **Fire Marshal** enforces public building codes, conducts fire service training, coordinates prevention efforts, and investigates suspicious fires.
- **Liquor Law Enforcement** focuses almost exclusively on the enforcement of the state's liquor laws.

MAJOR BUDGET RECOMMENDATIONS

Budget Reductions

- Major reductions in the Department of Public Safety did not occur because of the emphasis on homeland security and safety during the 2002 Olympic Winter Games. However, the state's financial support to the Utah Safety Council was discontinued, thus necessitating the Safety Promotion program to find alternative funding sources. Most reductions in state funds for FY 2002 and FY 2003

were offset by increases in restricted funds.

General Fund

- Provide \$150,000 in ongoing General Fund to the Division of Comprehensive Emergency Management to cover the increase in federal matching requirements. These funds are used to provide training and technical assistance to local units of government and community groups to prepare for disaster prevention and recovery.

Other Funds

- Provide \$400,000 ongoing from the Transportation Fund Restricted - Public Safety account to hire 10 additional driver license examiners and processors.
- Provide \$286,000 ongoing from the Transportation Fund Restricted - Public Safety account to open a new downtown Salt Lake City office with five new employees.
- Provide \$85,000 ongoing from dedicated credits to hire a liquid petroleum gas inspector.

FY 2002 PROPOSED LEGISLATIVE INTENT

Peace Officer Standards and Training

Funds appropriated to upgrade and maintain the

records management system are nonlapsing.

FY 2003 PROPOSED LEGISLATIVE INTENT

Commissioner's Office

Receipts above \$15,000 of reimbursable aircraft flight time are nonlapsing and are to be used for major aircraft maintenance.

The Department of Public Safety is authorized to advance officers to the Senior Trooper III level from existing appropriations and savings.

The Department of Public Safety may increase the fleet should funding sources become available during the fiscal year.

Funds for the Commissioner's Office are nonlapsing.

Comprehensive Emergency Management

Funds for Comprehensive Emergency Management are nonlapsing.

Safety Council

Funds for the Safety Council are nonlapsing.

Peace Officer Standards and Training

Funds for POST are nonlapsing.

Criminal Investigations and Technical Services

Funds for Criminal Investigations and Technical Services are nonlapsing.

Driver License

Funds for the Driver License Division are nonlapsing.

Highway Patrol

Funds for the Utah Highway Patrol are nonlapsing.

Management Information Services

Funds for Management Information Services are nonlapsing.

Fire Marshal

Funds for the Utah Fire Marshal are nonlapsing.

Liquor Law Enforcement

Funds for Liquor Law Enforcement are nonlapsing.

Highway Safety

The Highway Safety Office may transfer federal funds from this item of appropriation to any other item of appropriation.

Funds for the Highway Safety Office are nonlapsing.

PUBLIC SAFETY

Operating Budget

Governor Leavitt's Recommendations								
	Actual FY 2001	Authorized FY 2002	Supplementals & Budget Cuts	Recommended FY 2002	Base FY 2003	Budget Cuts	Ongoing & One-time Adj.	Total FY 2003
Plan of Financing								
General Fund	\$44,359,900	\$46,406,100	(\$1,137,100)	\$45,269,000	\$46,442,900	(\$1,193,900)	\$668,500	\$45,917,500
Transportation Fund	5,487,300	5,495,500	0	5,495,500	5,495,500	0	0	5,495,500
Federal Funds	22,563,700	35,250,300	(1,700)	35,248,600	22,035,000	0	40,900	22,075,900
Dedicated Credits	5,112,700	3,962,200	414,900	4,377,100	4,109,100	456,900	116,800	4,682,800
Restricted and Trust Funds	24,947,300	26,438,000	627,900	27,065,900	26,299,400	552,000	1,085,700	27,937,100
Transfers	2,717,000	3,186,000	0	3,186,000	2,035,500	0	8,100	2,043,600
Other Funds	1,722,300	0	0	0	0	0	0	0
Pass-through Funds	1,900	0	0	0	0	0	0	0
Beginning Balances	3,344,100	5,333,800	0	5,333,800	1,362,400	0	0	1,362,400
Closing Balances	(5,333,800)	(1,362,400)	0	(1,362,400)	(1,364,200)	0	0	(1,364,200)
Lapsing Funds	(2,092,100)	(1,793,300)	0	(1,793,300)	(1,793,300)	0	0	(1,793,300)
Total Financing	\$102,830,300	\$122,916,200	(\$96,000)	\$122,820,200	\$104,622,300	(\$185,000)	\$1,920,000	\$106,357,300
Programs								
Public Safety								
Commissioner's Office	\$10,694,400	\$19,498,800	(\$3,300)	\$19,495,500	\$5,927,500	(\$8,500)	\$22,500	\$5,941,500
Emergency Management	11,753,500	11,450,000	(2,500)	11,447,500	11,929,300	(1,800)	192,600	12,120,100
Safety Promotion	147,900	152,000	0	152,000	152,300	0	2,300	154,600
Peace Officer Standards and Training	4,726,500	8,259,400	74,200	8,333,600	7,730,100	(7,000)	101,400	7,824,500
Criminal Investigations and Tech. Svcs.	14,812,600	16,329,600	(113,800)	16,215,800	15,390,500	(30,800)	132,300	15,472,000
Liquor Law Enforcement	949,400	1,057,500	(48,300)	1,009,200	999,500	(2,800)	9,800	1,006,500
Driver License	15,345,200	19,378,000	1,800	19,379,800	17,643,600	0	918,400	18,562,000
Highway Patrol	38,270,600	40,413,500	(2,800)	40,410,700	35,625,700	(106,400)	408,300	35,927,600
Highway Safety Office	0	0	0	0	2,921,300	(500)	8,100	2,928,900
Management Information Systems	2,199,500	2,064,600	(300)	2,064,300	2,025,400	(5,200)	900	2,021,100
Fire Marshal	3,930,700	4,312,800	(1,000)	4,311,800	4,277,100	(2,000)	123,400	4,398,500
Total Budget	\$102,830,300	\$122,916,200	(\$96,000)	\$122,820,200	\$104,622,300	(\$185,000)	\$1,920,000	\$106,357,300
% Change from Base FY 2003 to Total FY 2003								
FTE Positions	--	1,088.3	0.0	1,088.3	1,087.3	0.0	16.0	1,103.3
								1.7%

PUBLIC SAFETY

PUBLIC SAFETY FY 2003 OPERATING BUDGET						
Beginning Base Budget						
	General Fund	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds
01 FY 2002 appropriated budget	\$4,351,600	\$5,495,500	\$32,310,700	\$3,934,500	\$26,435,200	\$115,888,300
02 Less one-time FY 2002 appropriations	(150,000)	0	0	0	(90,000)	0
03 Adjustment for extra working day	135,200	0	0	0	38,800	0
04 Market comparability adjustment funding allocation from DHEM	1,052,000	0	0	0	0	1,052,000
05 Retirement funding allocation from Division of Finance to agencies	2,500	0	0	0	2,800	5,300
06 800 McGovern allocation from Division of Finance to agencies	51,600	0	0	0	0	51,600
07 Adjustment to estimates for non-state funding levels	0	0	(10,275,700)	174,600	(87,400)	(2,120,400)
Total Beginning Base Budget - Public Safety	46,442,900	5,495,500	22,035,000	4,109,100	26,299,400	104,622,300
Base Budget Reductions						
08 Eliminate state funding support to the Utah Safety Council	(146,900)	0	0	146,900	0	0
09 Administrative and across-the-board reductions	(121,800)	0	0	0	0	(121,800)
10 Increase dedicated credits to replace General Fund in the Aero Bureau	(60,000)	0	0	60,000	0	0
11 Increase fees from self-sponsored enrollees in POST	(7,000)	0	0	0	0	(7,000)
12 Criminal Investigation and Technical Services reductions	(258,200)	0	0	250,000	0	(8,200)
13 Highway Patrol fleet operation reduction	(48,000)	0	0	0	0	(48,000)
14 Fund the DUI Squad from the Transportation Fund Restricted Account	(552,000)	0	0	0	552,000	0
Total Base Budget Reductions - Public Safety	(1,193,900)	0	0	456,900	552,000	(185,000)
Statewide Ongoing Adjustments						
15 Internal service fund adjustments	83,400	0	0	0	2,500	85,900
16 Market comparability adjustments	9,200	0	1,800	700	45,300	57,300
17 Benefits adjustments	394,400	0	39,100	31,100	212,000	684,500
Subtotal Statewide Ongoing Adjustments - Public Safety	487,100	0	40,900	31,800	259,800	827,700
Ongoing Adjustments						
18 Increases in state matching requirements - CEM	150,000	0	0	0	0	150,000
19 Update and maintain records management system - POST	0	0	0	0	75,000	75,000
20 Additional driver license examiners and processors	0	0	0	0	400,000	400,000
21 Additional downtown SLIC driver license facility	0	0	0	0	286,000	286,000
22 Office space lease increase - UHP	30,000	0	0	0	0	30,000
23 Motorcycle Safety Education Insurance Increase	0	0	0	0	43,000	43,000
24 Liquid petroleum gas inspector	0	0	0	85,000	0	85,000
Subtotal Ongoing Adjustments - Public Safety	180,000	0	0	85,000	804,000	1,069,000

PUBLIC SAFETY - CONTINUED

One-time Adjustments									
	General Fund	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds		
025 Vehicle for Fire Academy Liaison Officer	0	0	0	0	20,000	0	20,000		
026 Fuel and power rate increase	1,400	0	0	0	1,900	0	3,300		
Subtotal One-time Adjustments - Public Safety	1,400	0	0	0	21,900	0	23,300		
Total FY 2003 Public Safety Adjustments	668,500	0	40,900	116,800	1,085,700	8,100	1,920,000		
Total FY 2003 Public Safety Operating Budget	\$48,917,500	\$5,495,500	\$22,075,900	\$4,682,800	\$27,937,100	\$2,485,500	\$106,357,300		
PUBLIC SAFETY FY 2002 OPERATING BUDGET ADJUSTMENTS									
Base Budget Reductions									
027 Eliminate state funding support to the Utah Safety Council	(\$97,900)	\$0	\$0	\$97,900	\$0	\$0	\$0		
028 Increase dedicated credits to replace General Fund in the Aero Bureau	(60,000)	0	0	60,000	0	0	0		
029 Increase fees from self-sponsored enrollees in POST	(7,000)	0	0	7,000	0	0	0		
030 Criminal investigation and Technical Services reductions	(345,700)	0	0	250,000	0	0	(95,700)		
031 Highway Patrol fleet operation reduction	(48,000)	0	0	0	0	0	(48,000)		
032 Fund the DUI Squad from the Transportation Fund Restricted Account	(552,000)	0	0	0	552,000	0	0		
Subtotal Base Budget Reductions - Public Safety	(1,110,600)	0	0	414,900	552,000	0	(143,700)		
Supplemental Adjustments									
033 Internal service fund adjustments	(27,900)	0	(1,700)	0	(1,000)	0	(30,600)		
034 Update and maintain records management system - POST	0	0	0	0	75,000	0	75,000		
035 Fuel and power rate increase	1,400	0	0	0	1,900	0	3,300		
Subtotal Supplemental Adjustments - Public Safety	(26,500)	0	(1,700)	0	75,900	0	47,700		
Total FY 2002 Public Safety Budget Adjustments	(\$1,137,100)	\$0	(\$1,700)	\$414,900	\$627,900	\$0	(\$96,000)		
PUBLIC SAFETY TOTALS									
FY 2003 Operating Base Budget	\$46,442,900	\$5,495,500	\$22,035,000	\$4,109,100	\$26,299,400	\$2,484,400	\$104,622,300		
FY 2002 Operating Base Budget Reductions	(1,192,900)	0	0	456,900	552,000	0	(185,000)		
FY 2003 Operating Ongoing and One-time Adjustments	668,500	0	40,900	116,800	1,085,700	8,100	1,920,000		
FY 2003 Operating Recommendation	45,917,500	5,495,500	22,075,900	4,682,800	27,937,100	248,500	106,357,300		
FY 2002 Operating Adjustments	(1,137,100)	0	(1,700)	414,900	627,900	0	(96,000)		

TRANSPORTATION

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

PROGRAMS

- **Support Services** provides administrative, data processing, and maintenance support for the department.
- **Engineering Services** designs, plans, and engineers Utah highways.
- **Construction Management** oversees highway projects from design through completion.
- **Region Management** plans highway maintenance and rehabilitation and performs laboratory work in close proximity to highway or construction sites.
- **Maintenance Management** provides litter control, highway striping, snow removal, and road and sign repair.
- **Aeronautics** conducts statewide aeronautical plan-

ning, provides navigational and weather assistance, coordinates air safety standards, certifies public airports, and assists with local airport construction projects.

MAJOR BUDGET RECOMMENDATIONS

Budget Reductions

- General Fund reductions in the operating budget were minimal as the operating budget is funded mainly from Transportation Fund. Reductions in state funds total \$65,000 for FY 2002 and \$83,000 for FY 2003.

General Fund

- Recommend the scheduled ongoing General Fund increase of \$11,000,000 to the Centennial Highway Fund.

Other Funds

- Recommend Maintenance Management receive an additional \$1,500,000 in ongoing Transportation Fund for costs

associated with 342 additional lane miles.

- Provide \$100,000 supplemental and \$210,000 ongoing Transportation Fund for the Blue Stakes program, which requires the department to mark utility lines whenever work is being done on state highways by entities other than the department.
- Recommend \$1,000,000 in one-time Transportation Fund to purchase equipment used in maintenance and snow removal for Interstate 15.
- Fund \$989,000 from the Aeronautics Restricted Account for early payoff of the balance remaining on the lease contract of an aircraft recently purchased. This will save the state over \$200,000 in interest expense.
- Provide ongoing Transportation Fund of \$305,000 for contract

console operators at the Traffic Operations Center.

FY 2003 PROPOSED LEGISLATIVE INTENT

The amount of federal money in Department of Transportation operational line items varies from year to year depending on the level of federal funding and the types of projects being worked on by the department. Therefore, the department may transfer federal funds and Transportation Fund between line items as long as the net effect in each line item is zero.

Engineering Services

Funds for the location reference engine systems development are nonlapsing.

Maintenance Management

Any and all collections or cash income from the sale or salvage of land and buildings are to be lapsed to the Transportation Fund or the Corridor Preservation Fund, unless previously approved otherwise by the Transportation Commission.

Construction Management

Funds in the Transportation Fund not otherwise appropri-

ated may be used by the department for the construction, rehabilitation, and preservation of state highways in Utah.

This 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.

Private industry engaged in the development of the state's natural resources is encouraged to participate in the construction of roadways leading to their facilities.

Funds for improvement or reconstruction of energy-impacted roads that are not on the state road system are nonlapsing.

Transportation Fund for pedestrian safety projects is nonlapsing and is to be used to correct pedestrian hazards on state highways.

Local authorities are to be encouraged to participate in the construction of pedestrian safety devices. The appropriated funds are to be used

according to the criteria set forth in Section 72-8-104 UCA.

Aeronautics

Funds in the Transportation Fund's Aeronautics Restricted Account otherwise not appropriated may be used by the department for the construction, improvement, operation, and maintenance of publicly used airports in the state.

Funds for rural airport maintenance are nonlapsing.

Mineral Lease

Mineral lease funds are nonlapsing and are to be used for improving or reconstructing roads that have been heavily impacted by mineral or energy development.

Sidewalk Construction

Funds for sidewalk construction are nonlapsing. Local participation in the sidewalk construction program is on a 75 percent state, 25 percent local match basis. If local governments cannot use their allocation of sidewalk safety funds in two years, these funds will then be available for other governmental entities which are prepared to use the resources.

TRANSPORTATION

Operating Budget

Governor Leavitt's Recommendations								
	Actual FY 2001	Authorized FY 2002	Supplementals & Budget Cuts	Recommended FY 2002	Base FY 2003	Budget Cuts	Ongoing & One-time Adj.	Total FY 2003
Plan of Financing								
General Fund	\$1,246,600	\$13,611,800	(\$32,200)	\$13,579,600	\$1,300,100	(\$83,000)	\$7,200	\$1,224,300
Transportation Fund	143,026,900	152,036,100	418,900	152,455,000	149,733,900	0	6,004,600	155,738,500
Federal Funds	46,047,600	30,246,900	(9,000)	30,237,900	30,514,600	0	281,500	30,796,100
Dedicated Credits	22,875,900	15,998,700	6,800	16,005,500	16,014,700	0	245,800	16,260,500
Restricted and Trust Funds	11,491,400	9,492,200	1,300	9,493,500	9,494,700	0	1,003,700	10,498,400
Transfers	166,000	0	0	0	0	0	0	0
Other Funds	1,688,400	166,000	0	166,000	166,000	0	0	166,000
Beginning Balances	1,064,800	597,100	0	597,100	0	0	0	0
Closing Balances	(597,100)	0	0	0	0	0	0	0
Lapsing Funds	(3,615,400)	0	0	0	0	0	0	0
Total Financing	\$223,395,100	\$222,148,800	\$385,800	\$222,534,600	\$207,224,000	(\$83,000)	\$7,542,800	\$214,683,800
Programs								
Transportation								
Support Services	\$23,824,800	\$35,418,100	\$46,000	\$35,464,100	\$24,618,100	(\$37,600)	\$795,800	\$25,376,300
Engineering Services	23,748,500	21,611,700	(10,000)	21,601,700	21,505,700	0	394,100	21,899,800
Maintenance Management	73,307,300	78,857,300	92,800	78,950,100	78,028,000	(12,000)	2,642,200	80,658,200
Region District Management	20,834,700	22,720,700	264,800	22,985,500	22,333,000	0	1,143,900	23,476,900
Equipment Management	23,411,800	18,471,100	4,400	18,475,500	17,837,200	(16,400)	1,256,000	19,076,800
Aeronautics	35,142,000	22,880,100	(3,700)	22,876,400	20,430,600	(17,000)	1,003,700	21,417,300
Construction Management	23,126,000	22,189,800	(8,500)	22,181,300	22,471,400	0	307,100	22,778,500
Total Budget	\$223,395,100	\$222,148,800	\$385,800	\$222,534,600	\$207,224,000	(\$83,000)	\$7,542,800	\$214,683,800
% Change from Base FY 2003 to Total FY 2003								3.6%
FTE Positions	--	1,832.0	0.0	1,832.0	1,832.0	0.0	1.0	1,833.0

TRANSPORTATION

Capital Budget

Governor Leavitt's Recommendations									
	Actual FY 2001	Authorized FY 2002	Supplementals & Budget Cuts	Recommended FY 2002	Base FY 2003	Budget Cuts	Ongoing & One-time Adj.	Total FY 2003	FY 2003 Bond
Plan of Financing									
General Fund	\$136,975,000	\$146,050,000	\$0	\$146,050,000	\$146,000,000	\$0	\$11,000,000	\$157,000,000	\$0
Transportation Fund	230,083,500	224,953,200	0	224,953,200	225,015,500	0	0	225,015,500	0
Federal Funds	223,937,900	157,827,800	0	157,827,800	151,485,400	0	0	151,485,400	0
Dedicated Credits	8,735,100	2,810,000	0	2,810,000	1,260,000	0	0	1,260,000	0
Mineral Lease	22,304,500	20,566,000	0	20,566,000	19,643,500	0	0	19,643,500	0
Restricted and Trust Funds	18,885,700	29,998,500	0	29,998,500	30,278,400	0	0	30,278,400	0
FY 2003 G.O. Bond	0	0	0	0	0	0	0	0	3,000,000
Transfers	(38,183,400)	(76,657,500)	5,639,900	(71,017,600)	(76,657,500)	0	0	(76,657,500)	0
Other Funds	300,000	0	0	0	0	0	0	0	0
Beginning Balances	1,279,800	1,490,300	0	1,490,300	0	0	0	0	0
Closing Balances	(1,490,300)	0	0	0	0	0	0	0	0
Lapsing Funds	(8,828,100)	0	0	0	0	0	0	0	0
Total Financing	\$593,999,700	\$507,038,300	\$5,639,900	\$512,678,200	\$497,025,300	\$0	\$11,000,000	\$508,025,300	\$3,000,000
Projects									
Construction	\$176,788,300	\$195,328,200	\$0	\$195,328,200	\$185,842,100	\$0	\$0	\$185,842,100	\$0
Sidewalk Construction	289,500	2,040,300	0	2,040,300	500,000	0	0	500,000	0
B and C Road Account	106,222,300	113,269,800	0	113,269,800	114,469,800	0	0	114,469,800	0
Maintenance Sheds	911,000	1,399,000	0	1,399,000	0	0	0	0	0
Centennial Highway Fund	287,484,100	174,435,000	5,639,900	180,074,900	176,569,900	0	11,000,000	187,569,900	3,000,000
Mineral Lease Programs	22,304,500	20,566,000	0	20,566,000	19,643,500	0	0	19,643,500	0
Total Budget	\$593,999,700	\$507,038,300	\$5,639,900	\$512,678,200	\$497,025,300	\$0	\$11,000,000	\$508,025,300	\$3,000,000
% Change from Base FY 2003 to Total FY 2003									2.2%

TEN-YEAR TRANSPORTATION FUNDING PLAN

(In Millions of Dollars)

	Thru	FY1998	FY1999	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	Total
Annual Funding Available												
1	Beginning Balance		514.8	318.2	160.3	51.2	50.0	0.2	0.3	37.6	132.0	
2	General Fund/Sales Tax Revenue	188.0	110.0	124.3	142.8	150.8	161.9	173.1	189.3	205.5	221.7	1,667.5
3	Transit Tax Revenue	0.0	0.0	0.0	1.6	10.0	10.3	10.7	11.1	11.6	12.0	67.3
4	Transportation Funds	55.7	56.6	58.3	60.0	61.8	(a)	63.7	67.6	69.6	71.7	630.5
5	Department Contribution	13.4	4.6	7.4	6.0	6.0	6.0	6.0	6.0	6.0	6.0	67.4
6	Registration Fee Increase	14.3	16.0	17.6	17.5	17.5	17.7	17.9	18.1	18.3	18.5	173.5
7	Investment Income	25.1	15.8	8.4	3.6	1.0	0.4	0.1	0.0	0.4	3.6	58.3
8	General Obligation/VRD Bonds Issued	840.0	68.0	0.0	0.0	334.3	0.0	0.0	0.0	0.0	0.0	1,442.3
9	Premiums on Bonds Issued	11.1	8.8	0.0	0.0	5.0	0.0	0.0	0.0	0.0	0.0	34.8
10	Less: Insurance Costs	(2.9)	(1.4)	(0.1)	0.0	(0.5)	0.0	0.0	0.0	0.0	0.0	(4.9)
11	Less: Debt Service - Interest and Fees	(24.4)	(40.4)	(42.2)	(44.2)	(43.2)	(47.1)	(43.2)	(39.7)	(36.1)	(32.2)	(392.7)
12	Less: Debt Service - Principal	0.0	0.0	0.0	0.0	(241.8)	(35.6)	(37.4)	(70.2)	(73.6)	(77.3)	(535.8)
13	Federal Sources	11.5	70.3	46.9	102.6	(a)	36.5	36.5	36.5	36.5	36.2	480.0
14	Local Governments	0.4	0.0	0.0	14.9	1.3	1.3	1.3	0.3	0.0	0.0	19.4
Recommended Bonding												
15	General Obligation Bonds Issued	0.0	0.0	0.0	0.0	0.0	3.0	46.0	0.0	0.0	0.0	49.0
16	Less: Insurance Costs	0.0	0.0	0.0	0.0	0.0	(0.0)	(0.3)	0.0	0.0	0.0	(0.3)
17	Less: Debt Service - Interest and Fees	0.0	0.0	0.0	0.0	0.0	(0.1)	(2.2)	(2.2)	(2.2)	(2.1)	(8.8)
18	Less: Debt Service - Principal	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.2)	(2.9)	(3.0)
19	Total Annual Funding Available	1,132.1	823.1	538.9	465.1	389.7	267.9	274.3	217.1	273.5	387.3	3,504.4
Project Expenditures												
20	I-15 Project Costs	536.8	457.8	315.9	194.2	85.3	0.0	0.0	0.0	0.0	0.0	1,590.0
21	I-15 Project Costs Savings		0.0	0.0	0.0	(32.0)	(b)	0.0	0.0	0.0	0.0	(32.0)
22	Other Projects (c)	80.6	47.0	62.7	219.8	286.4	267.8	274.0	179.5	141.5	128.1	1,687.2
23	Total Project Expenditures	617.3	504.8	378.6	413.9	339.7	267.8	274.0	179.5	141.5	128.1	3,245.2
24	Ending Balance	514.8	318.2	160.3	51.2	50.0	0.2	0.3	37.6	132.0	259.1	
25	Bond Debt Outstanding	840.0	908.0	908.0	908.0	1,000.5	967.9	976.5	906.4	832.6	752.5	
26	Net Cash Balance (line 24 less line 25)										(493.4)	

(a) This schedule does not show \$15 million federal funds in FY 2001 that is to be switched with Transportation Fund in FY 2002 to accommodate federal spending restrictions as the net effect is zero. The \$15 million is to be used for Olympic related snow removal and traffic operations, therefore a Transportation Fund supplemental from the Centennial Highway Fund to UDOT operations will be needed in FY 2002.

(b) Part or all of the I-15 project cost savings may be rebated to the General Fund to offset the state's projected revenue shortfall in FY 2002.

(c) This schedule assumes targeted construction and completion dates for all projects.

TRANSPORTATION

TRANSPORTATION FY 2003 OPERATING BUDGET									
Beginning Base Budget									
	General Fund	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds		
P1 FY 2002 appropriated budget	\$13,611,800	\$151,583,000	\$30,076,600	\$15,678,700	\$9,492,200	\$166,000	\$220,606,300		
P2 Less one-time FY 2002 appropriations	(12,312,000)	(2,585,500)	0	0	0	0	(14,897,500)		
P3 Adjustment for extra working day	300	289,400	0	0	3,200	0	272,900		
P4 Refinement funding allocation from Division of Finance to agencies	0	20,700	0	0	0	0	20,700		
P5 Adjustment to estimates for funding levels	0	446,300	438,000	336,000	(700)	0	1,219,600		
Total Beginning Base Budget - Transportation	1,300,100	149,733,900	30,514,600	16,014,700	9,494,700	166,000	207,234,000		
Base Budget Reductions									
P6 Aeronautics - airport construction	(17,000)	0	0	0	0	0	(17,000)		
P7 Support Services - data processing	(12,000)	0	0	0	0	0	(12,000)		
P8 Support Services - current expense	(25,600)	0	0	0	0	0	(25,600)		
P9 Maintenance Management - land and buildings	(12,000)	0	0	0	0	0	(12,000)		
P10 Equipment Purchases - equipment	(16,400)	0	0	0	0	0	(16,400)		
Total Base Budget Reductions - Transportation	(83,000)	0	0	0	0	0	(83,000)		
Statewide Ongoing Adjustments									
P11 Internal service fund adjustments	7,200	365,300	(19,000)	135,000	(1,000)	0	487,500		
P12 Market comparability adjustments	0	20,200	1,100	0	0	0	21,300		
P13 Benefit rate adjustments	0	1,496,800	295,600	100,600	13,700	0	1,906,700		
<i>Subtotal Statewide Ongoing Adjustments - Transportation</i>	<i>7,200</i>	<i>1,882,300</i>	<i>277,700</i>	<i>235,600</i>	<i>12,700</i>	<i>0</i>	<i>2,415,500</i>		
Ongoing Adjustments									
P14 Support Services - Echo Canyon Port of Entry building expense	0	44,400	0	0	0	0	44,400		
P15 Support Services - one FTE for tow truck certification program	0	40,000	0	0	0	0	40,000		
P16 Engineering Services - equipment repairs and testing	0	15,000	0	0	0	0	15,000		
P17 Maintenance Management - expenses for increased lane rules	0	1,500,000	0	0	0	0	1,500,000		
P18 Maintenance Management - Lake Powell ferry operating expense	0	104,000	0	0	0	0	104,000		
P19 Region Management - service contract for console operations	0	305,000	0	0	0	0	305,000		
P20 Region Management - Blue Stakes program	0	210,000	0	0	0	0	210,000		
P21 Region Management - Region 3 additional building expense	0	50,000	0	0	0	0	50,000		
P22 Region Management - Region 4 additional building expense	0	35,900	0	0	0	0	35,900		
P23 Region Management - road weather information system	0	100,000	0	0	0	0	100,000		
<i>Subtotal Ongoing Adjustments - Transportation</i>	<i>0</i>	<i>2,404,300</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>2,404,300</i>		

TRANSPORTATION - CONTINUED

One-time Adjustments									
	General Fund	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds		
224 Engineering Services - portable gas detector	0	9,800	0	0	0	0	9,800		
225 Engineering Services - location reference systems development	0	100,000	0	0	0	0	100,000		
226 Maintenance Management - drywell cleanup expense	0	130,000	0	0	0	0	130,000		
227 Maintenance Management - maintenance shed land purchase	0	300,000	0	0	0	0	300,000		
228 Equipment Management - additional equipment for Interstate 15	0	1,000,000	0	0	0	0	1,000,000		
229 Aeronautics - airplane lease payoff	0	0	0	0	989,000	0	989,000		
230 All divisions - fuel and power rate increase	0	138,200	3,800	10,200	2,000	0	174,200		
<i>Subtotal One-time Adjustments - Transportation</i>	0	1,718,000	3,800	10,200	991,000	0	2,723,000		
Total FY 2003 Transportation Adjustments	7,200	6,004,600	281,500	245,800	1,003,700	0	7,542,800		
Total FY 2003 Transportation Operating Budget	\$1,224,300	\$155,738,500	\$30,796,100	\$16,260,500	\$10,498,400	\$166,000	\$214,683,800		
TRANSPORTATION FY 2002 OPERATING BUDGET ADJUSTMENTS									
Base Budget Reductions									
231 Aeronautics - airport construction	(\$5,000)	\$0	\$0	\$0	\$0	\$0	(\$5,000)		
232 Spaceport authority	(60,000)	0	0	0	0	0	(60,000)		
<i>Subtotal Base Budget Reductions - Transportation</i>	(65,000)	0	0	0	0	0	(65,000)		
Supplemental Adjustments									
233 Internal services fund adjustments	32,800	(23,800)	(12,800)	(3,400)	(700)	0	(7,700)		
234 Support Services - Echo Canyon Port of Entry building expense	0	44,400	0	0	0	0	44,400		
235 Maintenance Management - Lake Powell ferry operating expense	0	104,000	0	0	0	0	104,000		
236 Region Management - Blue Stakes program	0	100,000	0	0	0	0	100,000		
237 Region Management - Region 4 additional building expense	0	35,900	0	0	0	0	35,900		
238 All divisions - fuel and power rate increase	0	138,200	3,800	10,200	2,000	0	174,200		
<i>Subtotal Supplemental Adjustments - Transportation</i>	32,800	418,900	(9,000)	6,800	1,300	0	450,800		
Total FY 2002 Transportation Budget Adjustments	(\$32,200)	\$418,900	(\$9,000)	\$6,800	\$1,300	\$0	\$385,800		

TRANSPORTATION - CONTINUED

TRANSPORTATION FY 2003 CAPITAL BUDGET						
Base Budget						
	General Fund	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds
299 FY 2002 appropriated budget	\$146,050,000	\$241,130,500	\$164,014,000	\$7,010,000	\$30,135,000	(\$59,897,500)
300 Less one-time FY 2002 appropriations	(50,000)	(1,389,000)	0	0	0	0
301 Adjustments in funding levels	0	(14,716,000)	(12,528,600)	(5,750,000)	143,400	2,883,500
Total FY 2003 Transportation Capital Base Budget	146,000,000	225,015,500	151,485,400	1,260,000	30,278,400	(\$7,014,000)
Ongoing Adjustments						
302 Central Highway Fund	11,000,000	0	0	0	0	0
Subtotal Ongoing Capital Adjustments - Transportation	11,000,000	0	0	0	0	0
Total FY 2003 Transportation Capital Adjustments	11,000,000	0	0	0	0	0
Total FY 2003 Transportation Capital Budget	\$157,000,000	\$225,015,500	\$151,485,400	\$1,260,000	\$30,278,400	(\$7,014,000)
TRANSPORTATION FY 2002 CAPITAL BUDGET SUPPLEMENTALS						
303 Central Highway Fund - debt service transfer	\$0	\$0	\$0	\$0	\$0	\$5,639,900
Total FY 2002 Transportation Capital Supplementals	\$0	\$0	\$0	\$0	\$0	\$5,639,900
TRANSPORTATION TOTALS						
FY 2003 Operating Base Budget	\$1,300,100	\$149,733,900	\$30,514,600	\$16,014,700	\$9,494,700	\$166,000
FY 2003 Operating Base Budget Reductions	(83,000)	0	0	0	0	0
FY 2003 Operating Ongoing and One-time Adjustments	7,200	6,004,800	281,500	245,800	1,003,700	0
FY 2003 Operating Recommendation	1,224,300	155,738,700	30,796,100	16,260,500	10,498,400	166,000
FY 2002 Operating Adjustments	(32,200)	418,900	(9,000)	6,800	1,300	0
FY 2003 Capital Base Budget	146,000,000	225,015,500	151,485,400	1,260,000	30,278,400	(\$7,014,000)
FY 2003 Capital Ongoing and One-time Adjustments	11,000,000	0	0	0	0	0
FY 2003 Capital Recommendation	157,000,000	225,015,500	151,485,400	1,260,000	30,278,400	(\$7,014,000)
FY 2002 Capital Adjustments	0	0	0	0	0	5,639,900

OTHER

Included are the non-departmental budget items requiring legislative appropriation for complete budgeting of state operations.

PROGRAMS

- **Mineral Lease** - These revenues represent the state's share of mineral lease taxes assessed by the federal government. Statute specifies

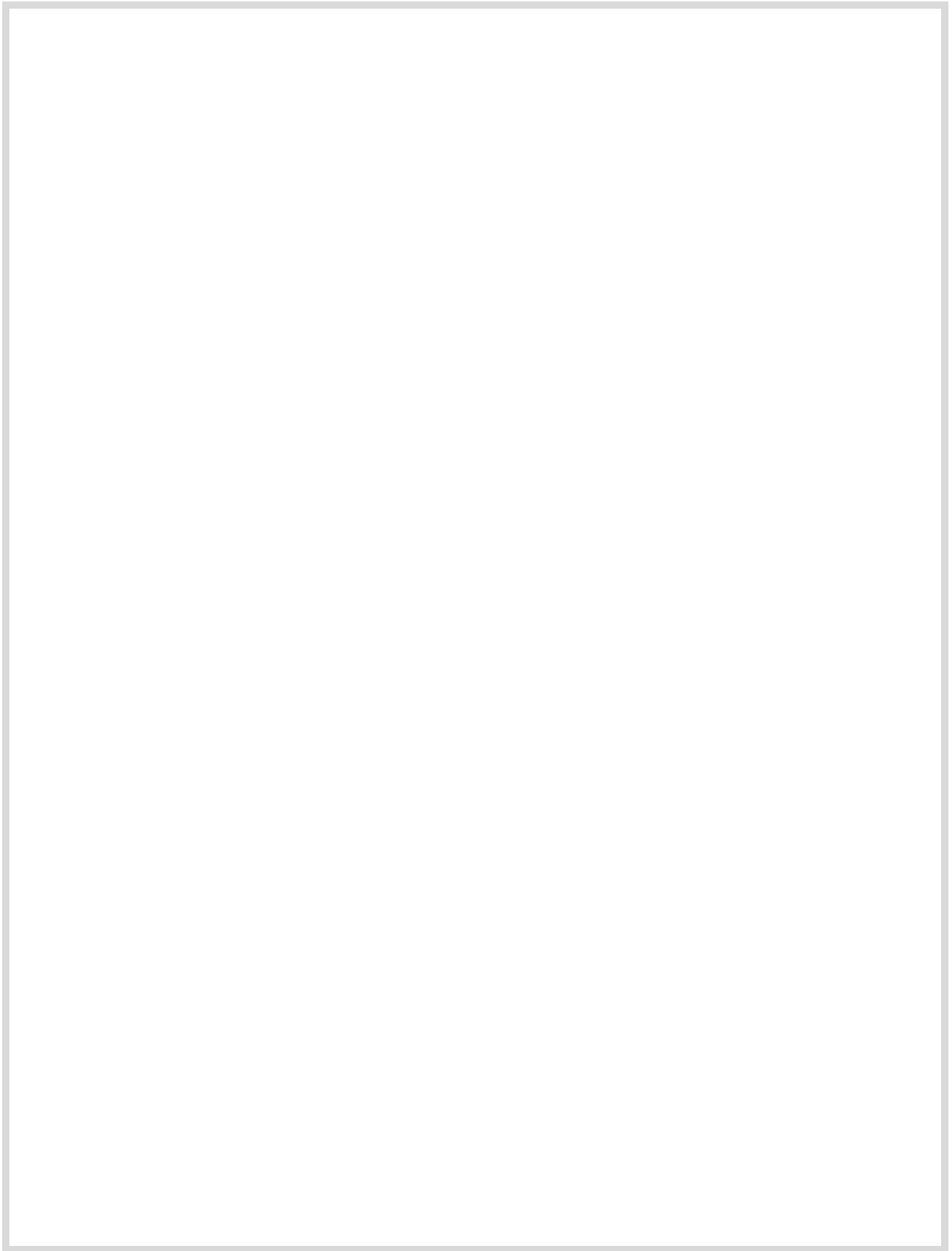
the allocation and appropriation of these revenues by formula. Some mineral lease revenue is appropriated directly to state departments. In these cases, the mineral lease revenue is shown as a funding source in the appropriate department tables. However, some mineral lease

revenue is deposited into various state restricted accounts or funds and not appropriated directly to agencies. Mineral lease revenues that are deposited directly into restricted accounts and other funds are included in this section.

OTHER

Operating Budget

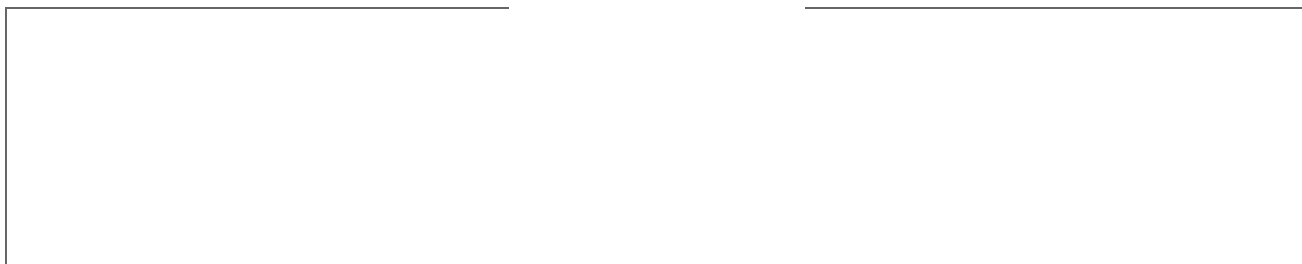
Governor Leavitt's Recommendations							
	Actual FY 2001	Authorized FY 2002	Supplementals & Budget Cuts	Recommended FY 2002	Base FY 2003	Budget Cuts	Ongoing & One-time Adj.
Total							
Plan of Financing							
Mineral Lease	\$27,948,200	\$30,149,600	\$0	\$30,149,600	\$25,682,500	\$0	\$0
Total Financing	\$27,948,200	\$30,149,600	\$0	\$30,149,600	\$25,682,500	\$0	\$0
Programs							
Mineral Lease Deposits to Other Funds							
General Fund	\$0	\$3,527,800	\$0	\$3,527,800	\$870,000	\$0	\$0
Permanent School Fund	16,400	17,900	0	17,900	16,900	0	0
Community Impact Fund	24,440,900	23,404,600	0	23,404,600	21,615,500	0	0
Constitutional Defense Fund	2,139,400	2,000,000	0	2,000,000	2,000,000	0	0
Rural Development Fund	470,600	449,300	0	449,300	430,100	0	0
Rural Electronic Development Fund	880,900	750,000	0	750,000	750,000	0	0
Total Budget	\$27,948,200	\$30,149,600	\$0	\$30,149,600	\$25,682,500	\$0	\$0
% Change from Base FY 2003 to Total FY 2003							0.0%



State of Utah

Capital Budget Summary and Debt Service

- Capital budget table guide
- Capital budget overview
- Bonding limit
- Capital budget table showing three-year comparison of appropriations by department
- Outline of budget reductions for FY 2001 through FY 2003
- Capital facility projects recommended as FY 2002 supplementals
- Capital facility projects recommended for FY 2003
- Debt service table showing three-year comparisons



CAPITAL BUDGET

OVERVIEW

The capital budget includes acquisition, development, construction, and improvement of fixed public assets. Capital funds from Environmental Quality, Economic Development, and Public Education help finance projects for local agencies and school districts. A portion of the Natural Resources capital budget goes toward local water projects. All other agencies' capital projects are classified as developments, improvements, or planning.

Capital developments include any of the following: 1) a remodeling, 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. For FY 2003, this amount is \$49,386,000. The Utah State Building Board allocates capital improvement funds to priority projects.

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

tion debt is \$1,193,200,000, which is \$1,092,094,000 below the constitutional debt limit.

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, school funds, and Transportation Fund, less debt service. Considering \$1,000,450,000 of transportation bonds are exempt from this limit, the state's net outstanding general obligation debt is \$618,869,000 below the appropriation debt limit.

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

BONDING LIMIT

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, 2001, the state's total outstanding general obliga-

REVIEW PROCESS

Before recommending a capital budget, the governor considers agency requests and recommendations of the Utah State Building Board. The Board's seven voting members are appointed by the governor and serve as policy makers for the Division of Facilities Construction and Management.

Other boards that play a role in the capital budget process include the Board of Regents, Board of Education, Transportation Commission, Solid and Hazardous Waste Control Board, Board of Water Resources, Water Pollution Control Committee, Safe Drinking Water Committee, Permanent Community Impact Fund Board, Board of Parks and Recreation, Wildlife Board, State Armory Board, and Soil Conservation Commission.

RECOMMENDATIONS

Governor Leavitt recommends a total FY 2003 capital budget of \$605,972,500. The capital budget table found in this section shows a three-year comparison by department for all state agencies. This includes roads, appropriations to loan funds, environmental site remediation, state park improvements, etc.

Budget Reductions

- Held \$56,567,000 from state parks renovation, construction of four buildings, and purchase of one building in order to balance the budget for FY 2001.
- Held an additional \$2,089,000 from purchase of the one building mentioned above for FY 2002.
- Held \$47,400 from natural resource capital projects in FY 2002.
- Reduced capital improvement funds by \$4,400,000 to statutory minimum in FY 2002.
- Reduced Public Education's Capital Outlay Program by the new funding amount of \$10,000,000 for FY 2002 and FY 2003.

General Fund/School Funds

- Provide the scheduled \$11,000,000 ongoing General Fund to Centennial Highway Fund for transportation projects.
- Recommend a \$38,105,400 negative ongoing General Fund and \$1,906,000 negative ongoing school funds adjustment to Department of Administrative Service's capital budget to help address the revenue shortfall.
- Recommend the \$18,628,500 school funds appropriated in the 2001 General Session for engineering buildings at Utah

State University and the University of Utah be replaced by bonds.

Other Funds

- Recommend one-time federal VOITIS funds of \$7,900,300 for two youth correction facilities.
- Recommend one-time restricted funds of \$740,000 for planning and study of five capital facility projects.
- Recommend general obligation bonding of \$76,722,200 and lease revenue bonding of \$1,836,000 for capital facility projects.
- Support several higher education non-state funded projects. The state's colleges and universities have requested permission to build four new facilities and to expand or remodel three facilities on their campuses at a total cost of \$55,500,000, all of which will be funded through private donations, student fees, and operating revenue.
- Support the National Guard non-state funded Fort Douglas Military Museum renovation of \$7,727,000 that will be funded by various foundations and grants.
- Support the land and building exchange for the Orem Driver License and Highway Patrol building only if like value is exchanged.

- Recommend a Centennial Highway Fund negative supplemental appropriation of \$5,639,900 for debt service.
- Recommend \$1,200,000 supplemental restricted funds for construction and improvement of state boating facilities.
- Recommend \$1,000,000 in ongoing Land Grant Management Fund for additional capital projects.

FY 2003 PROPOSED LEGISLATIVE INTENT

When necessary to meet interest requirements on variable rate demand obligations issued to finance highway construction projects, the Division of Finance may request a transfer of funds from the Department of Transportation. After receiving

such a request, the Department of Transportation shall transfer monies from the Centennial Highway Fund to the Debt Service Fund to pay interest on variable rate demand obligations issued to finance highway construction projects.

No state funds shall be used for the following projects or for operations and maintenance of the facility:

Moran Eye Center II -
University of Utah
Children's Dance Theatre -
University of Utah
Student Housing Complex -
Southern Utah University

No state funds shall be used for the following projects; however, state funds may be requested for operations and maintenance if the facility meets the approved purposes under Board of Regents policy R710:

Grand Theater Renovation/Addition - Salt Lake
Community College
Department of Chemistry
Gauss House - University of
Utah
Eccles Health Science Library
- University of Utah
Teaching Pavilion Animal
Science Farm - Utah State
University
Larry H. Miller Campus
Building Five - Salt Lake
Community College

No state funds shall be expended nor shall bonds be issued for the National Guard American Fork project until federal funds are formally appropriated.

No state funds may be used to renovate and expand the National Guard Fort Douglas Military Museum; however, state funds may be requested for operations and maintenance. ■

CAPITAL BUDGET

All Sources of Funding

Governor Leavitt's Recommendations							
	Actual FY 2001	Authorized FY 2002	Supplementals & Budget Cuts	Recommended FY 2002	Base FY 2003	Budget Cuts	Ongoing & One-time Adj.
							Total FY 2003
							FY 2003 Bond
Plan of Financing							
General Fund	\$194,737,600	\$216,166,700	(\$6,536,700)	\$209,630,000	\$214,606,700	\$0	(\$35,005,400)
School Funds	122,720,100	72,656,000	(22,685,000)	49,971,000	62,656,000	(10,000,000)	4,938,000
Trans. Fund	230,083,500	224,953,200	0	224,953,200	225,015,500	0	1,056,000
Federal Funds	231,531,300	159,688,800	0	159,688,800	153,346,400	0	7,900,300
Dedicated Credits	11,056,800	2,985,000	0	2,985,000	1,435,000	0	1,435,000
Mineral Lease	24,784,300	22,850,900	0	22,850,900	21,785,600	0	21,785,600
Res./Trust Funds	23,315,700	64,115,200	1,200,000	65,315,200	34,008,400	0	1,740,000
FY 2003 GO Bond	0	0	0	0	0	0	0
FY 2003 Rev. Bond	0	0	0	0	0	0	0
Transfers	(37,778,300)	(78,310,000)	5,639,900	(72,670,100)	(78,310,000)	0	(78,310,000)
Other Funds	2,355,700	387,000	0	387,000	0	0	0
Beginning Balances	12,644,800	25,046,500	(5,943,500)	19,103,000	800,000	0	800,000
Closing Balances	(25,046,500)	(800,000)	0	(800,000)	0	0	0
Lapsing Funds	(9,777,600)	0	0	0	0	0	0
Total Financing	\$780,627,400	\$709,739,300	(\$28,325,300)	\$681,414,000	\$635,343,600	(\$10,000,000)	(\$19,371,100)
							\$605,972,500
Departments							
Admin. Services	\$53,269,300	\$104,712,100	(\$4,400,000)	\$100,312,100	\$89,397,400	\$0	(\$31,911,100)
DCED/Human Res.	2,829,800	2,284,900	0	2,284,900	2,142,100	0	2,142,100
Higher Education	89,581,100	31,403,500	(20,717,500)	10,686,000	0	0	500,000
Natural Resources	11,487,500	25,942,500	1,152,300	27,094,800	8,420,800	0	1,000,000
Public Education	29,460,000	38,358,000	(10,000,000)	28,358,000	38,358,000	(10,000,000)	40,000
Transportation	593,999,700	507,038,300	5,639,900	512,678,200	497,025,300	0	11,000,000
Total Budget	\$780,627,400	\$709,739,300	(\$28,325,300)	\$681,414,000	\$635,343,600	(\$10,000,000)	(\$19,371,100)
							\$605,972,500
% Change from Base FY 2003 to Total FY 2003							
							(4.6%)

CAPITAL BUDGET - FY 2001 Governor Leavitt's Budget Reductions

All Sources of Funding

	General Fund	School Fund	Restricted/Trust	Other	Total Appropriated	Donations / Private	Total Project	Future State 0 and M
Higher Education								
1 UofU - engineering building	(\$2,315,000)	\$0	\$0	\$0	(\$2,315,000)	\$0	(\$2,315,000)	\$0
2 Snow - performing arts center	(15,100,000)	0	0	0	(15,100,000)	0	(15,100,000)	(200,000)
3 Dixie - Excelsior Performing Arts Center	(13,000,000)	0	0	0	(13,000,000)	(3,500,000)	(16,500,000)	(281,200)
4 WSU - Davis campus	(23,113,600)	0	0	0	(23,113,600)	0	(23,113,600)	(470,800)
5 Classroom package savings	2,613,600	0	0	0	2,613,600	0	2,613,600	0
6 BATC - Brigham City property	(652,000)	0	0	0	(652,000)	0	(652,000)	0
Total Higher Education	(\$1,567,000)	0	0	0	(\$1,567,000)	(\$3,500,000)	(\$5,067,000)	(\$52,000)
Natural Resources								
7 Parks and Recreation	(5,000,000)	0	0	0	(5,000,000)	0	(5,000,000)	0
Total Natural Resources	(\$5,000,000)	0	0	0	(\$5,000,000)	0	(\$5,000,000)	0
TOTAL CAPITAL BUDGET	(\$6,567,000)	\$0	\$0	\$0	(\$6,567,000)	(\$3,500,000)	(\$60,067,000)	(\$952,000)

CAPITAL BUDGET - FY 2002 Governor Leavitt's Supplementals and Budget Reductions

All Sources of Funding

	General Fund	School Fund	Restricted/Trust	Other	Total Appropriated	Donations / Private	Total Project	Future State 0 and M
CAPITAL FACILITY PROJECTS								
Administrative Services								
8 Statewide capital improvements	(\$4,400,000)	\$0	\$0	\$0	(\$4,400,000)	\$0	(\$4,400,000)	\$0
Total Administrative Services	(4,400,000)	0	0	0	(4,400,000)	0	(4,400,000)	0
Higher Education								
9 UofU - engineering building	0	(12,685,000)	0	0	(12,685,000)	(30,000,000)	(42,685,000)	(489,000)
10 USU - engineering building renovation	0	0	0	(5,943,500)	(5,943,500)	(10,000,000)	(15,943,500) (a)	0
11 BATC - Brigham City property	(2,089,000)	0	0	0	(2,089,000)	0	(2,089,000)	0
Total Higher Education	(2,089,000)	(12,685,000)	0	(5,943,500)	(20,717,500)	(40,000,000)	(60,717,500)	(489,000)
TOTAL CAPITAL FACILITY PROJECTS	(\$6,489,000)	(\$12,685,000)	\$0	(\$5,943,500)	(\$25,117,500)	(\$40,000,000)	(\$65,117,500)	(\$489,000)
OTHER CAPITAL FACILITY PROJECTS								
Natural Resources								
12 Wildlife Resources	(\$18,300)	\$0	\$0	\$0	(\$18,300)	\$0	(\$18,300)	\$0
13 Parks and Recreation	(29,400)	0	1,200,000	0	1,170,600	0	1,170,600	0
Total Natural Resources	(47,700)	0	1,200,000	0	1,152,300	0	1,152,300	0
Public Education								
14 Capital Outlay Program	0	(10,000,000)	0	0	(10,000,000)	0	(10,000,000)	0
Total Public Education	0	(10,000,000)	0	0	(10,000,000)	0	(10,000,000)	0
Transportation								
15 Centennial Highway Fund	0	0	0	5,639,900	5,639,900	0	5,639,900 (b)	0
Total Transportation	0	0	0	5,639,900	5,639,900	0	5,639,900	0
TOTAL OTHER CAPITAL PROJECTS	(\$47,700)	(\$10,000,000)	\$1,200,000	\$5,639,900	(\$3,207,800)	\$0	(\$3,207,800)	\$0
TOTAL CAPITAL BUDGET	(\$6,536,700)	(\$22,685,000)	\$1,200,000	(\$303,600)	(\$28,325,300)	(\$40,000,000)	(\$68,325,300)	(\$489,000)

(a) General Fund of \$5,943,500 appropriated in FY 2001 and carried forward as a beginning balance to FY 2002.

(b) Debt Service Fund.

CAPITAL BUDGET - FY 2003 Governor Leavitt's Recommendations All Sources of Funding

	General Fund	School Fund	Transportation	Federal Funds	Restricted Trust	Other	Total Appropriated	Donations / Private	Bonds	Total Project	Future State O and M
CAPITAL FACILITY PROJECTS											
Administrative Services											
¹ Statewide capital improvements	\$19,094,000	\$29,236,000	\$10,560,000	\$0	\$0	\$0	\$49,386,000	\$0	\$0	\$49,386,000	\$0 ¹
² DFCM Ogden Cr. planning	0	0	0	0	100,000	0	100,000	0	0	100,000	0 ²
³ DFCM Va. Cr. planning	0	0	0	0	100,000	0	100,000	0	0	100,000	0 ³
⁴ DYC Washington Crty. facility	0	0	0	5,424,300	0	0	5,424,300	0	1,792,700	7,217,000	272,200 ⁴
⁵ DYC Canyonlands facility	0	0	0	2,476,000	0	0	2,476,000	0	3,125,000	5,601,000	167,500 ⁵
⁶ CFB Capital restoration design	0	0	0	0	0	0	0	0	18,970,000	18,970,000	0 ⁶
⁷ ABC Toebe liquor store	0	0	0	0	0	0	0	0	1,836,000	1,836,000	35,000 ⁷
⁸ DPS Green drivers lic. Admin bldg.	0	0	0	0	0	0	0	0	0	0	50,000 ⁸
⁹ Nat. Gtl.-Rt. Douglas Museum	0	0	0	0	0	0	0	7,727,000	0	7,727,000	52,900 ⁹
Total Administrative Services	19,094,000	29,236,000	1,056,000	7,900,300	200,000	0	57,486,300	7,727,000	25,723,700	90,937,000	577,600
Higher Education											
¹⁰ Snow-performing arts center	0	0	0	0	0	0	0	2,000,000	15,583,000	17,583,000	200,000 ¹⁰
¹¹ Dance-performing arts center	0	0	0	0	0	0	0	3,500,000	13,308,000	16,808,000	281,200 ¹¹
¹² UofU-engineering building	0	0	0	0	0	0	0	30,000,000	15,000,000	45,000,000	489,000 ¹²
¹³ USU-engineering bldg. renovation	0	0	0	0	0	0	0	10,000,000	5,943,500	15,943,500	0 ¹³
¹⁴ UofU/USU library study	0	0	0	0	500,000	0	500,000	0	0	500,000	0 ¹⁴
¹⁵ UofU-Chem. Dept. Gauss House	0	0	0	0	0	0	0	1,500,000	0	1,500,000	67,700 ¹⁵
¹⁶ UofU-Ecles Health Sci. Library	0	0	0	0	0	0	0	7,500,000	0	7,500,000	34,700 ¹⁶
¹⁷ UofU-Moran Eye Center II addition	0	0	0	0	0	0	0	16,900,000	0	16,900,000	0 ¹⁷
¹⁸ UofU-Children's Dance Theatre	0	0	0	0	0	0	0	6,000,000	0	6,000,000	0 ¹⁸
¹⁹ USU-Pavilion Animal Sci. Farm	0	0	0	0	0	0	0	500,000	0	500,000	30,300 ¹⁹
²⁰ STU-Student Housing Complex	0	0	0	0	0	0	0	2,000,000	9,000,000	11,000,000	0 ²⁰
²¹ SLCC-Grand Theater renovation	0	0	0	0	0	0	0	12,000,000	0	12,000,000	240,000 ²¹
²² SLCC-L.H. Miller Campus Bldg. 5	0	0	0	0	0	0	0	0	0	0	180,000 ²²
Total Higher Education	0	0	0	0	500,000	0	500,000	97,000,000	58,834,500	151,334,500	1,522,900
Public Education											
²³ USDB-Comor 3. replace-planning	0	0	0	0	40,000	0	40,000	0	0	40,000	0 ²³
Total Public Education	0	0	0	0	40,000	0	40,000	0	0	40,000	0
TOTAL CAP. FACILITY PROJECTS	\$19,094,000	\$29,236,000	\$1,056,000	\$7,900,300	\$740,000	\$0	\$88,026,300	\$99,727,000	\$84,588,200	\$242,311,500	\$2,100,500
OTHER CAPITAL PROJECTS											
Economic Development											
²⁴ Community Assistance Program	\$0	\$0	\$0	\$0	\$0	\$2,142,100	\$2,142,100	\$0	\$0	\$2,142,100	\$0 ²⁴
Total Economic Development	0	0	0	0	0	2,142,100	2,142,100	0	0	2,142,100	0
Natural Resources											
²⁵ Wildlife Resources	800,000	0	0	1,311,000	1,205,000	800,000	4,116,000	0	0	4,116,000	0 ²⁵
²⁶ Parks and Recreation	1,054,800	0	0	530,000	525,000	175,000	2,304,800	0	0	2,304,800	0 ²⁶
²⁷ Water Resources	1,652,300	0	0	0	0	(1,652,300)	0	0	0	0	0 ²⁷
²⁸ Trust Lands Administration	0	0	0	0	3,000,000	0	3,000,000	0	0	3,000,000	0 ²⁸
Total Natural Resources	3,507,300	0	0	1,861,000	4,730,000	(677,500)	9,420,800	0	0	9,420,800	0

	General Fund	Sched Fund	Trans- portation	Federal Funds	Restricted Trust	Other	Total Appropriated	Donations / Private	Bonds	Total Project	Future State O and M
Public Education											
29 Capital Outlay Program	0	28,358,000	0	0	0	0	28,358,000	0	0	28,358,000	0 29
Total Public Education	0	28,358,000	0	0	0	0	28,358,000	0	0	28,358,000	0
Transportation											
30 Construction	0	0	653,567,000	119,485,400	1,000,000	0	185,842,100	0	0	185,842,100	0 30
31 Sidewalk Construction	0	0	500,000	0	0	0	500,000	0	0	500,000	0 31
32 B and C Road Account	0	0	9,546,800	0	19,000,000	0	114,469,800	0	0	114,469,800	0 32
33 Centennial Highway Fund	157,000,000	0	63,689,000	32,000,000	10,278,400	(75,397,500)	187,569,900	0	3,000,000	190,569,900 (b)	0 33
34 Mineral Lease Programs	0	0	0	0	0	19,643,500	19,643,500	0	0	19,643,500 (b)	0 34
Total Transportation	157,000,000	0	225,015,500	151,485,400	30,278,400	(55,754,000)	508,025,300	0	3,000,000	511,025,300	0
TOTAL OTHER CAP. PROJECTS	\$160,507,300	\$28,358,000	\$225,015,500	\$153,346,400	\$38,008,400	(\$54,289,400)	\$847,946,200	\$0	\$3,000,000	\$850,946,200	\$0
TOTAL CAPITAL BUDGET	\$179,601,300	\$87,594,000	\$226,071,500	\$161,246,700	\$38,746,400	(\$54,289,400)	\$805,971,500	\$99,727,000	\$87,558,200	\$793,257,700 (c)	\$2,100,500

(a) DFCM Project Reserve Fund. Total is \$390,000.
 (b) General obligation bond. Total is \$76,722,200. Total includes projects listed in footnotes (b), (c), (d), (e), (f), and (g).
 (c) Corporation's youth correction facility has previous funding of \$265,000. Total project cost is \$3,866,000.
 (d) USDOA lease revenue bond. Total is \$1,836,000.
 (e) Land and building exchange. Exchange 10,000 sq. ft. building on 9 acres for new 15,000 sq. ft. building on 2.75 acres.
 (f) Donations from various foundations and grants.
 (g) Snow performing arts center has previous funding of \$986,800. Total project cost is \$18,580,800.
 (h) Dose performing arts center has previous funding of \$1,308,800. Total project cost is \$18,116,800.
 (i) University of Utah engineering building has previous funding of \$387,000. Total project cost is \$95,387,000.
 (j) Board of Regents revenue bonds. Total is \$8,000,000. Debt service will be funded from operating income of the University's student housing auxiliary.
 (k) This project involves a partnership between Mr. Miller, Scottish Power, and the college. It will be jointly used by the college (25%) and Scottish Power (75%). Once complete the facility will be decided by Mr. Miller to the college. The project cost is expected to be approximately \$6.75 million and will be funded by a combination of donations and corporate revenue.
 (l) Higher Education bonds shown here are \$8,000,000 higher than that shown on the preceding capital budget table (three-year comparison). This is because Board of Regents revenue bonds are generally not shown on the state's budget rolls.

(m) Mineral Lease Fund

DEBT SERVICE

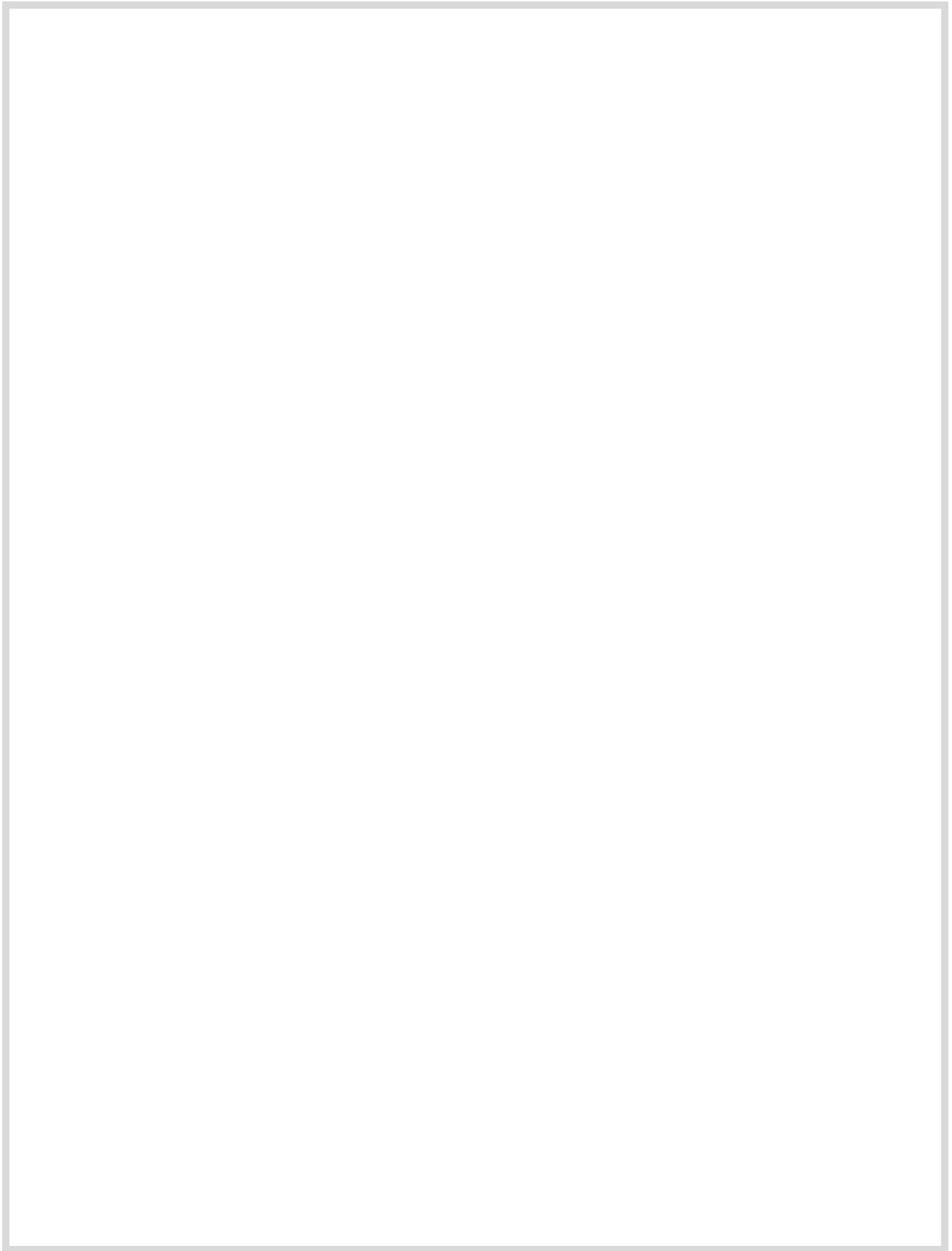
All Sources of Funding

Governor Leavitt's Recommendations								
Plan of Financing	Actual FY 2001	Authorized FY 2002	Supplementals & Budget Cuts	Recommended FY 2002	Base FY 2003	Budget Cuts	Ongoing & One-time Adj.	Total FY 2003
General Fund	\$73,223,900	\$43,629,800	\$0	\$43,629,800	\$43,629,800	\$0	\$0	\$43,629,800
School Funds	20,152,500	24,670,600	0	24,670,600	24,670,600	0	0	24,670,600
Dedicated Credits	20,044,000	29,342,000	0	29,342,000	31,555,400	0	0	31,555,400
Restricted and Trust Funds	44,183,400	82,657,500	(5,639,900)	77,017,600	82,657,500	0	0	82,657,500
Transfers	3,999,800	0	0	0	0	0	0	0
Beginning Balances	8,757,200	11,474,700	0	11,474,700	5,417,700	0	0	5,417,700
Closing Balances	(11,474,700)	(5,417,700)	0	(5,417,700)	(5,080,700)	0	0	(5,080,700)
Total Financing	\$158,886,100	\$186,356,900	(\$5,639,900)	\$180,717,000	\$182,850,300	\$0	\$0	\$182,850,300
Programs								
Debt Service								
G.O. Bond Principal	\$81,325,000	\$92,800,000	\$0	\$92,800,000	\$92,800,000	\$0	\$4,750,000	\$97,550,000
G.O. Bond Interest	53,233,600	63,402,500	(5,425,700)	57,976,800	57,689,700	0	(4,543,000)	53,146,700
G.O. Bond Fees	606,600	589,400	(214,200)	375,200	582,200	0	(207,000)	375,200
Revenue Bond Principal	11,633,500	12,408,300	0	12,408,300	13,058,300	0	0	13,058,300
Revenue Bond Interest	12,012,300	17,040,100	0	17,040,100	18,540,800	0	0	18,540,800
Revenue Bond Fees	75,100	116,600	0	116,600	179,300	0	0	179,300
Total Budget	\$158,886,100	\$186,356,900	(\$5,639,900)	\$180,717,000	\$182,850,300	\$0	\$0	\$182,850,300
% Change from Base FY 2003 to Total FY 2003								0.0%

State of Utah

Internal Service Funds and Enterprise Funds by Fund

- Function and purpose of internal service and enterprise funds
- Three-year comparison of internal service fund revenue, capital acquisitions, and full-time equivalent (FTE) positions, including the governor's FY 2003 recommendations



INTERNAL SERVICE AND ENTERPRISE FUNDS

Internal service and enterprise funds are managed much like private sector businesses and use balance sheets, income statements, and statements of cash flow to account for their activities.

INTERNAL SERVICE FUNDS

Internal service funds (ISFs) are maintained to account for the operation of state agencies that provide goods or services to other state agencies and other governmental units on a cost-reimbursement basis. ISFs are not designed to generate a profit, and retained earnings are limited. ISFs are also subject to the same administrative statutes as state government agencies.

The following ISF tables show estimated total revenue collected from user agencies, recommended capital acquisitions, and recommended staffing levels. Funding for ISF services is included in individual agency

budgets. The level of service provided by an ISF depends on the needs of state agencies.

ENTERPRISE FUNDS

Enterprise funds are maintained to account for the operations of state agencies that provide goods and services to the general public and private organizations. These agencies finance operations through user charges and are allowed to generate a profit. Enterprise funds may be exempted from administrative statutes. Enterprise funds are not included in the Governor's Budget Recommendations except for the liquor profit transfers from Alcoholic Beverage Control. These transfer amounts are as follows:

Liquor Profit Transfers	
FY 2001 Actual	\$30,253,000
FY 2002 Est.	\$32,500,000
FY 2003 Est.	\$33,000,000

MAJOR BUDGET RECOMMENDATIONS

Budget Reductions

- The General Fund appropriation for Information Technology Services' Automated Geographic Reference Center was cut by \$15,000. The General Fund appropriation for the LeRay McAllister Critical Land Conservation Enterprise Fund was cut by \$82,500. Fleet Operations continues to receive a General Fund base appropriation of \$4,000,000 for fleet capitalization.

FY 2003 PROPOSED LEGISLATIVE INTENT

Administrative Services internal service funds may add FTEs beyond the authorized level if it represents a benefit to the state and a decrease of FTEs in the user agency. Total FTEs within

state government shall not change with any shift of FTEs.

The Division of Facilities Construction and Management internal service fund may add FTEs beyond the authorized level if new facilities come on

line or maintenance agreements are requested. Any added FTEs will be reviewed and approved by the legislature at 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 onto the debtor including attorney fees, all legal costs, and administrative costs. ■

INTERNAL SERVICE FUNDS**Total Operating Revenue**

	Actual	Authorized	<u>Governor Leavitt's Recommendations</u>	
	FY 2001	FY 2002	Estimated FY 2002	Estimated FY 2003
Administrative Services				
Debt Collection	\$1,115,733	\$754,100	\$1,179,100	\$1,269,100
General Services - Administration	0 ^(a)	0 ^(a)	0 ^(a)	0 ^(a)
General Services - Mail	7,820,100	7,532,800	8,000,100	7,692,100
General Services - Publishing	4,924,800	5,617,000	5,370,800	5,858,300
General Services - Electronic Purchasing	290,200	268,900	300,000	300,000
<i>Subtotal General Services</i>	<i>13,035,100</i>	<i>13,418,700</i>	<i>13,670,900</i>	<i>13,850,400</i>
Information Technology Services	52,782,200	51,437,600	54,359,800	54,124,700
Fleet Operations - Administration	0 ^(b)	0 ^(b)	0 ^(b)	0 ^(b)
Fleet Operations - Motor Pool	20,760,600	21,881,800	21,776,900	22,815,200
Fleet Operations - Fuel Network	15,701,000	13,914,600	16,496,700	17,279,800
Fleet Operations - Surplus Property	935,500	1,314,100	1,086,900	1,145,100
<i>Subtotal Fleet Operations</i>	<i>37,397,100</i>	<i>37,110,500</i>	<i>39,360,500</i>	<i>41,240,100</i>
Risk Management	25,559,600	24,704,400	25,191,200	26,909,800
Workers' Compensation	7,019,800	6,544,600	7,112,600	7,390,900
<i>Subtotal Risk Management</i>	<i>32,579,400</i>	<i>31,249,000</i>	<i>32,303,800</i>	<i>34,300,700</i>
DFCM - Facilities Management	18,360,300	18,300,800	19,055,800	19,126,600
DFCM - Roofing and Paving	407,300	484,900	484,900	484,900
<i>Subtotal DFCM</i>	<i>18,767,600</i>	<i>18,785,700</i>	<i>19,540,700</i>	<i>19,611,500</i>
Total Administrative Services	155,677,133	152,755,600	160,414,800	164,396,500
Board of Education - General Svcs	1,300,600	1,157,500	1,157,500	1,203,300
Natural Resources				
Central Data Processing	702,000	702,000	702,000	702,000
Motor Pool	3,732,500	3,844,900	3,844,900	3,998,700
Warehouse	608,000	725,000	650,000	670,000
Total Natural Resources	5,042,500	5,271,900	5,196,900	5,370,700
Agriculture - Data Processing	282,500	251,600	251,600	251,600
Corrections - Data Processing	1,573,100	1,571,700	1,566,000	1,566,000
Human Services				
General Services	1,460,200	1,500,900	1,500,800	1,461,100
Electronic Data Processing	2,119,000	2,677,000	2,677,000	2,490,700
Total Human Services	3,579,200	4,177,900	4,177,800	3,951,800
TOTAL REVENUES	\$167,455,033	\$165,186,200	\$172,764,600	\$176,739,900
<p>(a) General Services - Administration does not charge fees or collect revenues. Its expenses are allocated to the other General Services internal service funds.</p> <p>(b) Fleet Operations - Administration does not charge fees or collect revenues. Its expenses are allocated to the other Fleet Operations internal service funds.</p>				

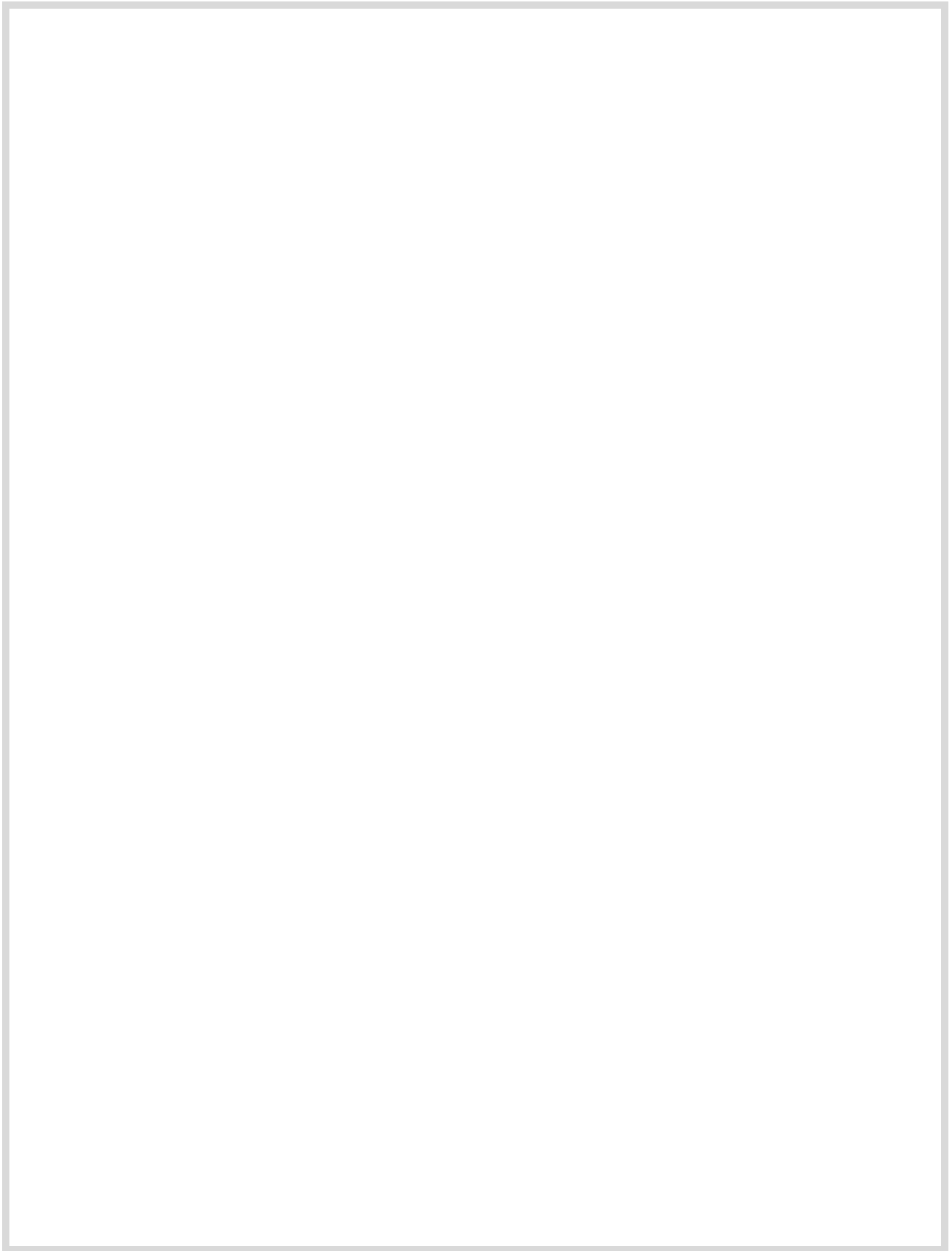
INTERNAL SERVICE FUNDS**Capital Acquisitions**

	Actual FY 2001	Authorized FY 2002	<u>Governor Leavitt's Recommendations</u>	
			Recommended FY 2002	Recommended FY 2003
Administrative Services				
General Services - Mail	\$182,700	\$140,000	\$140,000	\$160,000
General Services - Publishing	1,449,800	3,139,000	3,139,000	3,222,000
<i>Subtotal General Services</i>	<i>1,632,500</i>	<i>3,279,000</i>	<i>3,279,000</i>	<i>3,382,000</i>
Information Technology Services	10,141,500	5,604,700	5,904,800 ^(a)	5,745,800
Fleet Operations - Administration	20,500	0	0	21,300
Fleet Operations - Motor Pool	20,066,800	15,355,900	15,355,900	20,662,800
Fleet Operations - Fuel Network	20,100	115,000	115,000	0
Fleet Operations - Surplus Property	20,400	0	0	0
<i>Subtotal Fleet Operations</i>	<i>20,127,800</i>	<i>15,470,900</i>	<i>15,470,900</i>	<i>20,684,100</i>
Risk Management	12,800	50,000	50,000	0
DFCM - Facilities Management	12,500	80,000	186,700 ^(a)	0
Total Administrative Services	31,927,100	24,484,600	24,891,400	29,811,900
Board of Education - General Svcs.	40,600	17,300	17,300	17,300
Natural Resources - Data Processing	0	100,000	100,000	0
Agriculture - Data Processing	0	58,000	58,000	59,600
Corrections - Data Processing	355,000	417,000	417,000	442,000
Human Services - General Services	5,400	0	0	0
TOTAL CAPITAL ACQUISITIONS	\$32,328,100	\$25,076,900	\$25,483,700	\$30,330,800

(a) The amount in the Recommended FY 2002 column includes carryforward authorization from previous years.

INTERNAL SERVICE FUNDS**Full-time Equivalent (FTE) Positions**

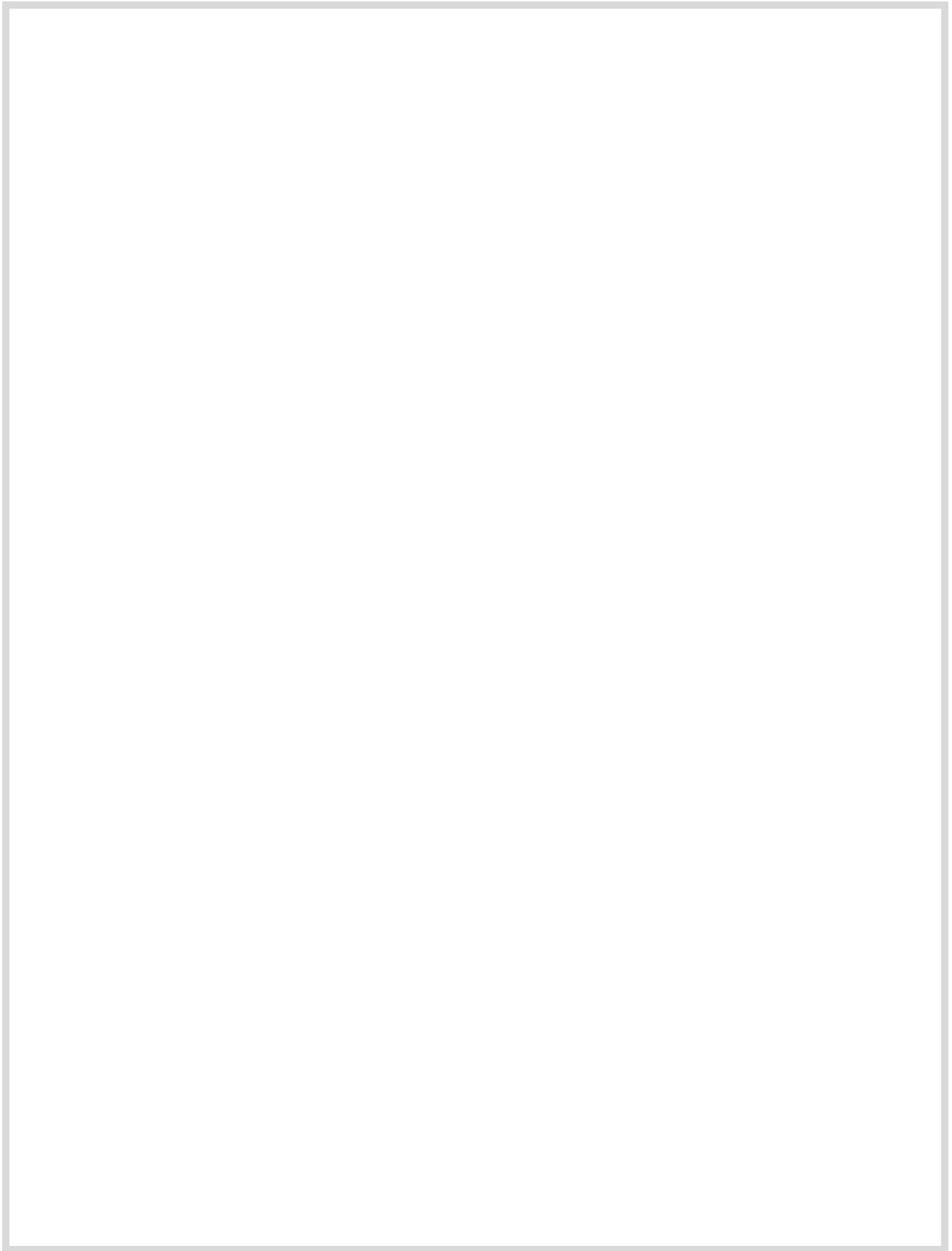
	Actual FY 2001	Authorized FY 2002	<u>Governor Leavitt's Recommendations</u>	
			Recommended FY 2002	Recommended FY 2003
Administrative Services				
Debt Collection	4.00	4.00	4.00	5.00
General Services - Administration	3.00	3.00	3.00	3.00
General Services - Mail	32.00	38.00	38.00	38.00
General Services - Publishing	17.00	17.00	17.00	17.00
General Services - Electronic Purchasing	2.00	5.00	5.00	5.00
<i>Subtotal General Services</i>	<i>54.00</i>	<i>63.00</i>	<i>63.00</i>	<i>63.00</i>
Information Technology Services	242.00	243.00	248.00 ^(a)	248.00
Fleet Operations - Administration	12.25	11.00	12.82	12.82
Fleet Operations - Motor Pool	19.36	21.95	18.35	18.35
Fleet Operations - Fuel Network	8.81	8.90	8.60	8.60
Fleet Operations - Surplus Property	10.58	10.15	10.23	10.23
<i>Subtotal Fleet Operations</i>	<i>51.00</i>	<i>52.00</i>	<i>50.00</i>	<i>50.00</i>
Risk Management	23.00	23.00	23.00	23.00
Workers' Compensation	2.00	2.00	2.00	2.00
<i>Subtotal Risk Management</i>	<i>25.00</i>	<i>25.00</i>	<i>25.00</i>	<i>25.00</i>
DFCM - Facilities Management	123.00	122.00	121.00 ^(a)	121.00
DFCM - Roofing and Paving	6.00	6.00	6.00	6.00
<i>Subtotal DFCM</i>	<i>129.00</i>	<i>128.00</i>	<i>127.00</i>	<i>127.00</i>
Total Administrative Services	505.00	515.00	517.00	518.00
Board of Education - General Svcs	8.25	9.00	9.00	9.00
Natural Resources				
Central Data Processing	4.00	4.00	4.00	4.00
Motor Pool	4.00	4.00	4.00	4.00
Warehouse	2.00	2.00	2.00	2.00
Total Natural Resources	10.00	10.00	10.00	10.00
Agriculture - Data Processing	3.00	3.00	3.00	3.00
Corrections - Data Processing	4.50	10.00	7.00	7.00
Human Services				
General Services	3.00	3.00	3.00	3.00
Electronic Data Processing	33.00	33.00	33.00	31.00
Total Human Services	36.00	36.00	36.00	34.00
TOTAL FTEs	566.75	583.00	582.00	581.00
<i>(a) Transferred 4.0 FTEs from DFCM Administration (not shown here because not an ISF fund) and 1.0 FTE from DFCM Facilities Management to Information Technology Services.</i>				



State of Utah

Loan Funds

- Function and purpose of loan funds
- Three-year comparison of loan fund activity, including the governor's FY 2003 recommendations



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LOAN FUNDS

OVERVIEW

Numerous revolving loan programs have been established by the State of Utah to promote economic development within the state. These loan funds are typically provided start-up General Fund appropriations when established. Some loan funds also receive periodic General Fund appropriations to enhance the loan programs. In addition, some loan programs receive federal funds and private contributions. Once established, loan repayments generally remain within the loan programs in order to provide additional monies for future loans. Thus, a revolving source of funding is provided.

Several revolving loan programs provide low-interest loans to local governments, such as cities and counties, for water and sewer systems or other vital infrastructure necessary for economic growth. Other revolving loan programs provide low-interest loans and grants for low-income housing, while others provide loans for agricultural development.

In addition, the Industrial Assistance Fund provides low-interest loans to businesses that create new jobs in rural Utah. If these businesses create an established number of new jobs, they are not required to repay all or part of the related loan.

Since the fund balances within loan programs are not a

source of operating or capital funding for state departments, their budgets and other financial information are generally not included in departmental budget tables. One exception is the appropriation of new state funds, such as General Fund and mineral lease revenue, to loan programs. When new state funds are appropriated, they are shown in departmental budget tables as a source of funding as well as an offsetting transfer to the loan program. This results in a net zero impact on the department's budget.

The following table, *Appropriated Revolving Loan Funds*, shows the total legislative appropriations to revolving loan funds, including new state funds, federal funds, and carryforward balances.

APPROPRIATED REVOLVING LOAN FUNDSFunds Available to Loan by Funding Source ^(a)

Three-Year Comparison

	General Fund	Federal Funds	Dedicated Credits	Mineral Lease	Restricted and Trust Funds	Other	Total Available
Industrial Assistance Fund							
Actual FY 2001	\$10,764,600	\$0	\$0	\$0	\$0	\$0	\$10,764,600
Authorized FY 2002	2,829,000	0	0	0	0	0	2,829,000
Recommended FY 2003	0	0	0	0	0	0	0
Permanent Community Impact Fund							
Actual FY 2001	0	0	0	24,440,900	0	(6,884,400)	17,556,500
Authorized FY 2002	0	0	0	22,767,600	0	0	22,767,600
Recommended FY 2003	0	0	0	20,850,500	0	0	20,850,500
Olene Walker Housing Trust Fund							
Actual FY 2001	2,020,000	0	0	0	0	0	2,020,000
Authorized FY 2002	2,347,600	2,703,900	0	0	0	0	5,051,500
Recommended FY 2003	2,033,400	2,690,000	0	0	0	0	4,723,400
Agriculture Resource Development Fund ^(b)							
Actual FY 2001	0	0	0	0	500,000	0	500,000
Authorized FY 2002	0	0	0	0	500,000	0	500,000
Recommended FY 2003	0	0	0	0	500,000	0	500,000
Water Resources Construction Fund							
Actual FY 2001	563,000	0	0	0	7,219,300	(2,714,400)	5,067,900
Authorized FY 2002	563,000	0	0	0	6,981,100	3,155,400	10,699,500
Recommended FY 2003	563,000	0	0	0	6,739,200	0	7,302,200
Water Resources Cities Water Loan Fund							
Actual FY 2001	0	0	0	0	2,912,100	67,900	2,980,000
Authorized FY 2002	0	0	0	0	1,629,800	116,000	1,745,800
Recommended FY 2003	0	0	0	0	1,569,300	0	1,569,300
Water Resources Conservation and Development Fund ^(b)							
Actual FY 2001	1,089,500	0	0	0	19,407,700	(10,709,000)	9,788,200
Authorized FY 2002	1,089,500	0	0	0	18,669,500	(1,661,100)	18,097,900
Recommended FY 2003	1,089,500	0	0	0	9,149,600	(5,592,700)	4,646,400
Water Quality Loan Fund ^(b)							
Actual FY 2001	0	6,979,700	5,829,100	0	4,580,800	0	17,389,600
Authorized FY 2002	0	6,000,000	7,691,000	0	4,640,400	0	18,331,400
Recommended FY 2003	0	5,000,000	8,015,800	0	0	0	13,015,800
Drinking Water Loan Fund ^(b)							
Actual FY 2001	0	6,515,900	136,400	0	4,580,800	0	11,233,100
Authorized FY 2002	0	6,542,800	907,300	0	4,640,400	0	12,090,500
Recommended FY 2003	0	6,550,000	1,171,000	0	2,523,000	0	10,244,000
TOTAL REVOLVING LOAN FUND APPROPRIATIONS							
Actual FY 2001	\$14,437,100	\$13,495,600	\$5,965,500	\$24,440,900	\$39,200,700	(\$20,239,900)	\$77,299,900
Authorized FY 2002	6,829,100	15,246,700	8,598,300	22,767,600	37,061,200	1,610,300	92,113,200
Recommended FY 2003	3,685,900	14,240,000	9,186,800	20,850,500	20,481,100	(5,592,700)	62,851,600
<i>(a) This table includes all new funding sources available for loan from each appropriated revolving loan fund. The appropriated budgets for revolving loan funds are not included in departmental budget tables since they do not provide operating or capital funds for use by state departments. The funds available are loaned or granted to local governmental entities, private businesses, or individuals. However, new state fund appropriations to loan funds are shown in the department operations and capital tables, along with an offsetting transfer out to the revolving loan fund.</i>							
<i>(b) These restricted funds come from the 1/16th of 1% state sales tax that is designated by law to go to these loan funds.</i>							

State of Utah

Recommended One-time Projects by Department

- Potential one-time projects under nonlapsing authority

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ONE-TIME PROJECTS FROM NONLAPSING FUNDS

The legislature gave state agencies more budget flexibility by passing the Budgetary Procedures Act - Nonlapsing Authority legislation in its 1994 General Session. Under Section 63-38-8.1 UCA, agencies submit a list of possible one-time uses of carryforward funds to the governor. The governor reviews these lists and includes a proposal in his budget recommendations for any carryforward funds that may occur. The legislature may approve some or all of the recommended projects and may rank them in priority order. This list does not assume there will be any carryforward funds, but rather directs spending in the event there are unused funds at the end of the fiscal year.

Governor Leavitt's Recommendations

	Computer Equipment Software	Training/ Incentives	Equipment/ Supplies	Capital Equipment or Improvements	Special Projects/ Other
Commerce and Revenue					
Insurance					
Administration	\$120,000	\$0	\$0	\$0	\$0
Labor Commission					
Administration	50,000	0	0	0	0
Public Service Commission					
Administration	10,000	5,000	5,000	5,000	10,000 (a)
(a) - Special projects and studies					
Health					
Health Systems Improvement	0	0	4,800	0	0
Epidemiology and Lab Services	0	0	0	100,000	0
Human Services					
Executive Director	100,000	0	0	0	0
Mental Health	0	0	25,000	0	0
Substance Abuse	12,500	0	0	0	0
Srvcs. for People with Disabilities	25,000	0	25,000	0	0
Child and Family Services	50,000	0	0	0	0

Continued

Continued

	Computer Equipment Software	Training/ Incentives	Equipment/ Supplies	Capital Equipment or Improvements	Special Projects/ Other
National Guard					
Maintenance	0	0	0	50,000	0
Veteran's Cemetery	0	0	0	50,000	0
Natural Resources					
Natural Resources					
Administration	8,000	5,000	0	67,000	74,000 (b)
Utah Geological Survey	20,000	5,000	0	0	0
Oil, Gas, and Mining	50,000	30,000	20,000	0	0
Parks and Recreation	25,000	50,000	40,000	0	35,000 (c)
Water Resources	35,000	5,000	30,000	0	0
Water Rights	25,000	25,000	0	0	0
Agriculture and Food					
Administration	400,000	80,000	35,000	20,000	60,000 (d)
Animal Industry	12,000	32,000	39,000	12,500	23,500 (e)
Regulatory Services	75,000	60,000	20,000	40,000	120,000 (e)
Plant Industry	78,800	27,500	23,000	19,200	10,000 (f)
Marketing and Conservation	34,000	31,500	42,500	23,000	13,000 (f)
(b) - Technical services and current expense items					
(c) - Special projects and park planning					
(d) - Hazardous waste disposal					
(e) - Special projects and vehicles					
(f) - Special projects and studies					
Transportation					
Support Services	350,000	100,000	0	0	80,000 (g)
Maintenance Management	0	0	0	800,000	0
Equipment Management	0	0	300,000	0	0
Aeronautics	0	0	0	100,000	0

(g) - Performance audits

