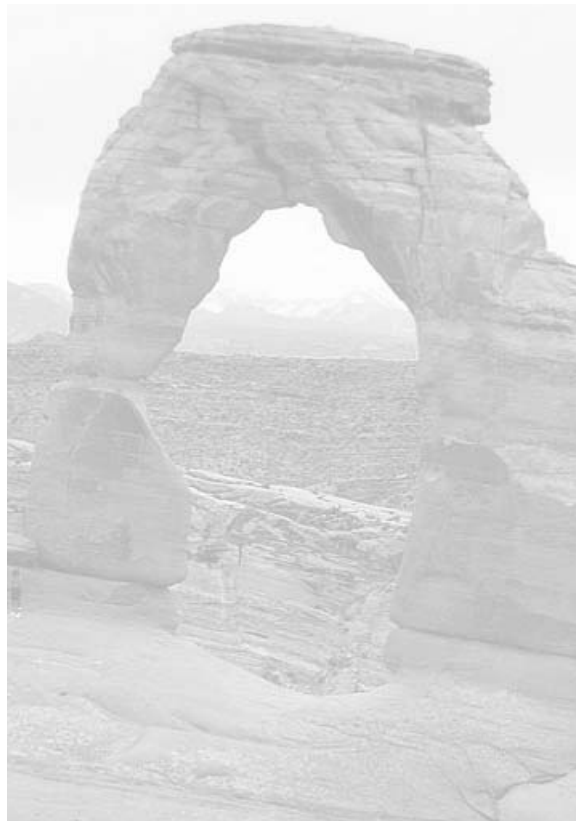

Budget Recommendations

Fiscal Year 2007
Fiscal Year 2006 Supplementals



Governor Jon M. Huntsman, Jr.
State of Utah





STATE OF UTAH

JON M. HUNTSMAN, JR.
GOVERNOR

OFFICE OF THE GOVERNOR
SALT LAKE CITY, UTAH
84114-2220

GARY R. HERBERT
LIEUTENANT GOVERNOR

December 9, 2005

My Fellow Utahns:

As the first year of my administration draws to a close, I am very proud of our accomplishments. We have successfully restructured the economic development efforts of the state and are launching new initiatives that will help benefit Utah businesses and entrepreneurs. Our focus will help bring new venture capital to the state, attract experienced talent as mentors and gain synergies through competitive industry clusters—all in an effort to create new higher-paying jobs.

Tax reform is at the forefront of my agenda. The tax structure in Utah has not changed in more than 50 years. I am committed to working with the legislature on a tax reform package during the upcoming session. To support this effort, I set aside \$60 million of ongoing revenue to cover any tax cuts that may result from this reform.

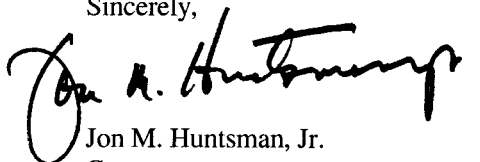
Utah's economy is robust with job growth at twice the rate of the national average. Population growth and in-migration are at an all-time high. Both these factors lead to a prosperous economy. However, with prosperity, there also comes an increased demand for essential state services.

Helping students achieve their academic potential is our challenge at a time when actual public education enrollment growth has exceeded projections. To meet this challenge requires a large commitment of state resources. An ever increasing population also increases the demand for additional state managed programs such as health and human services, public safety, correctional needs and transportation plans. Each day as we drive to work, we witness the increasing congestion on Utah's highways and roads.

The budget presented on the following pages is my effort to strike a balance between competing demands. Not every worthy program can be funded. Not every societal demand can be met. But we must make best efforts as we approach education and transportation knowing that brain power and quality of life will be our state's competitive advantages in the future.

The future for Utah is bright! Thank you for your confidence in me, and for the opportunity to serve this great state.

Sincerely,



Jon M. Huntsman, Jr.
Governor



TABLE OF CONTENTS

Governor's Letter	iii
Table of Contents	iv
Directory	vi
Agency Guide	vii
State Budget Summary	
Governor's Budget Overview	1
Summary Tables	
Table 1 State Fiscal Plan - General Fund and School Funds	14
Table 2 State Fiscal Plan - General Fund	15
Table 3 State Fiscal Plan - School Funds	16
Table 4 Revenue Collections and Estimates	17
Table 5 Sales and Use Tax Currently Earmarked	19
Table 6 Summary of Recommendations by Department - FY 2006 and FY 2007 Appropriations from General Fund and School Funds	20
Table 7 Summary of Recommendations by Department - FY 2006 and FY 2007 Appropriations from All Sources of Funding	22
Table 8 Summary Plan of Financing by Department and Sources of Funding	24
Table 9 Summary of FY 2007 Budget Adjustments	26
Table 10 Summary of FY 2006 Budget Adjustments	27
Table 11 Mineral Lease	28
Operating and Capital Budget Recommendations by Department (See Agency Guide, page vii)	
Table Guides	29
Departments	
Administrative Services	33
Commerce and Revenue	42
Community and Culture	54

Corrections (Adult and Juvenile)	62
Courts	69
Elected Officials	74
Environmental Quality	82
Health	87
Higher Education	93
Human Services	102
Legislature	109
National Guard	112
Natural Resources	117
Public Education	131
Public Safety	142
Technology Services	148
Transportation	153

Capital Budget and Debt Service Summary

Capital Budget and Debt Service

Capital Budget and Debt Service	163
Capital Budget - All Sources of Funding	165
Capital Facilities Budget - FY 2007 Governor Huntsman's Recommendations	166
Capital Facilities Budget - FY 2006 Governor Huntsman's Recommendations	167
Debt Service	168
General Obligation Bonds Outstanding - As of December 1, 2005	169
State Building Ownership Authority Revenue Bonds Outstanding - As of December 1, 2005	170

*This publication is available in alternative formats upon request.
Telephone Terrah Anderson (801) 538-1861 for more information.
<http://www.governor.utah.gov/gopb/budget.html>*



DIRECTORY

Governor's Office of Planning and Budget

Richard K. Ellis, Director

Marvin L. Dodge, Deputy Director

Budget and Policy Analysis (801) 538-1027

Marvin Dodge, Manager

Joe Brown, CPA, Assistant Manager
Transportation

Rich Amon
Environmental Quality
National Guard
Public Safety

Terrah Anderson
Agriculture and Food
Natural Resources
Public Lands Policy Coordinating Office
Trust Lands Administration
Utah State Fair Corporation

Randa Bezzant
Administrative Services
Capital Budget and Debt Service
Internal Service Funds

Sophia DiCaro-Goodick
Capitol Preservation Board
Career Service Review Board
Community and Culture
Federal Funds

Hunter Finch
Administrative Rules

Daniel Frei
Technology Services
Utah Education Network

Kim Hood
Higher Education
Medical Education Council
Utah College of Applied Technology

Stephen Jardine, CPA
Human Services

Phillip Jeffery
Public Education

Sandy Naegle, CGFM
Elected Officials
Legislature

Arlene Quickstrom
Desktop Publishing
Research Analyst

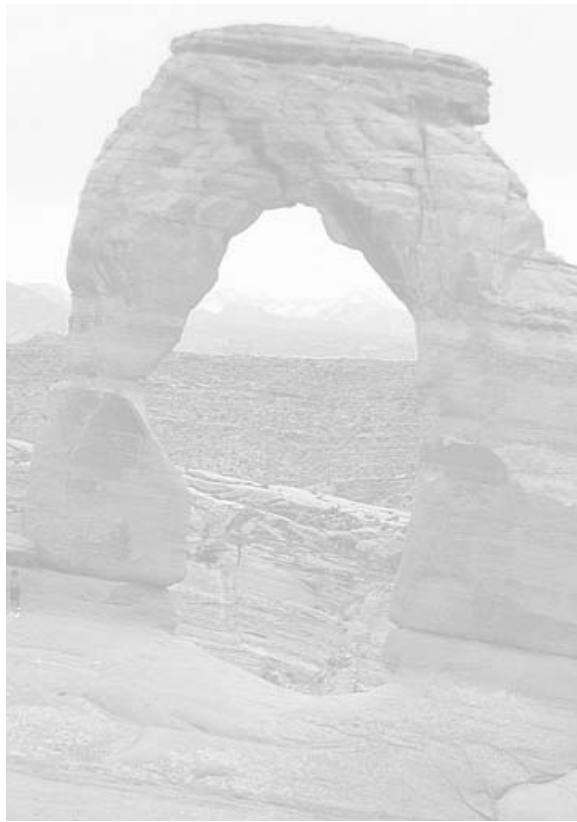
Dan Schuring
Health

David Walsh
Corrections (Adult and Juvenile)
Courts

Christian Ward
Alcoholic Beverage Control
Commerce
Financial Institutions
Insurance
Labor Commission
Public Service Commission
Tax Commission
Workforce Services

AGENCY GUIDE**Agency****See Section**

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



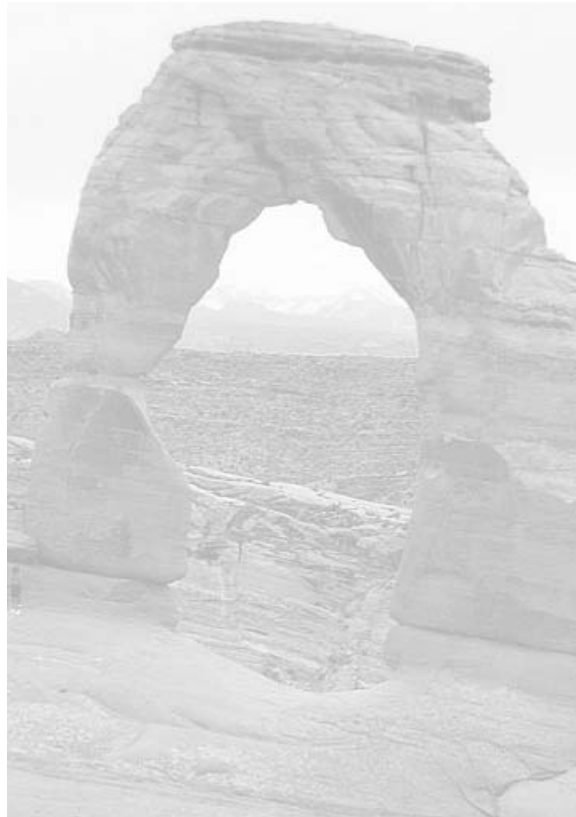
State of Utah

Budget Summary

The state's total recommended budget is \$9.6 billion. Although these recommendations deal with the total state budget, the primary focus is on the discretionary state funds, both General Fund and school funds, totaling \$4.7 billion. Federal funds, fees, licenses, and other revenue types account for the remaining \$4.9 billion.

- General Fund - primary funding source for most state government operations and includes all revenue not accounted for in other funds. Its major revenue sources are sales taxes; insurance premium taxes; and beer, cigarette, liquor, and severance taxes.
- School funds - restricted to the support of education. The major revenue sources are individual income and corporate franchise taxes. These funds include the Uniform School Fund.

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





GOVERNOR'S BUDGET OVERVIEW

OVERVIEW

Utah's economy has been strong throughout 2005. Recent economic forecasts show this strength continuing into 2006 and beyond, albeit at a slower rate of growth. Strong job growth, low unemployment, and an ever increasing population continue to drive the state's economy.

In 2005, *Governing* magazine once again recognized Utah as one of the top performing states in the nation. Utah was one of only two states that received an overall *A-* grade. Utah received *A* grades in both money and infrastructure management; an *A-* in information management; and a *B+* in people management.

In an effort to further improve services and increase efficiency, Governor Huntsman has implemented statewide consolidation of both information technology and human resource management services. Improvements in these areas will continue to make Utah the standard for all other states to follow.

Throughout his first year in office, Governor Huntsman has focused his efforts in four key policy areas:

- Economic revitalization
- Education
- Quality of life
- Governance

The recommendations contained in this budget reflect the governor's commitment to these policy areas. Budget increases recommended for FY 2007, including FY 2006 supplementals, are found in the following sections: 1) Table 1 in summary form, 2) Tables 6 through 10 by department, and 3) the itemized tables in the Departments section include a listing of all detailed budget items.

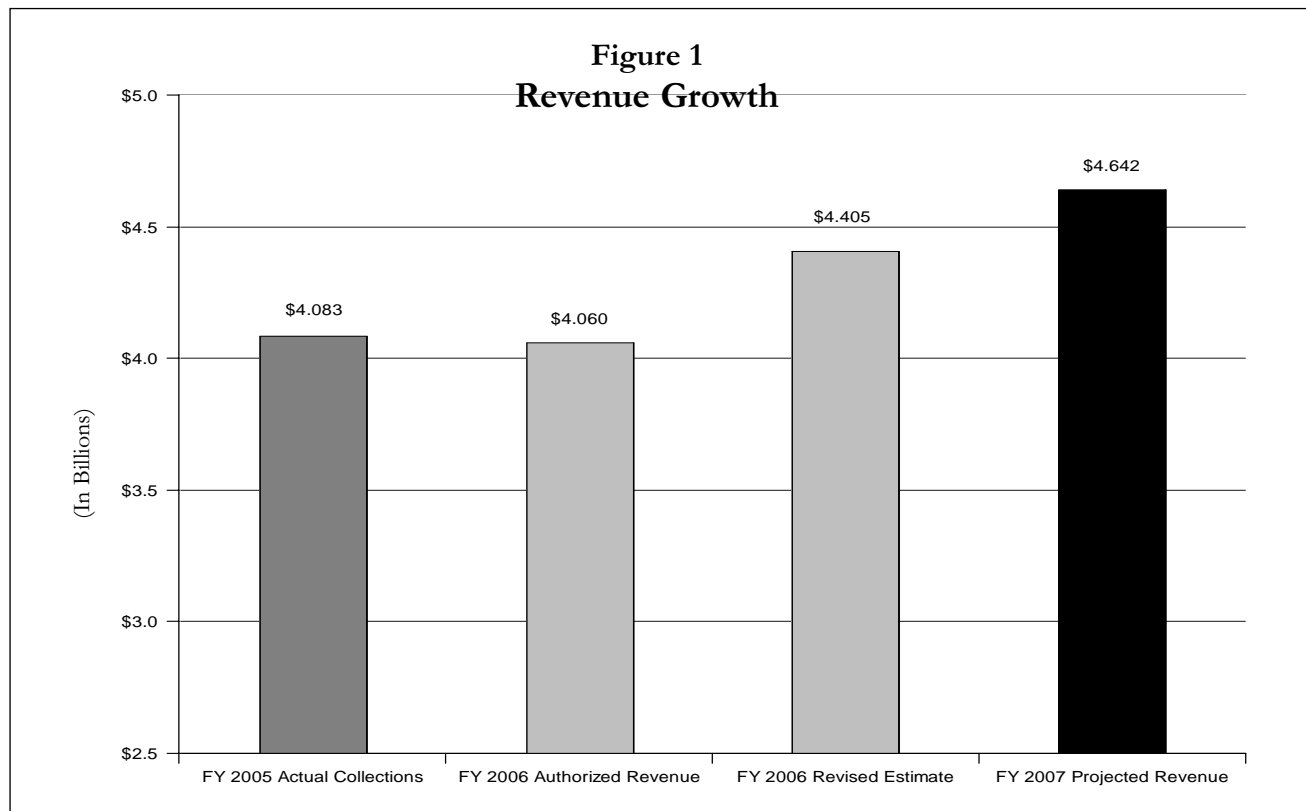
REVENUE FORECAST

The Governor's Office of Planning and Budget (GOPB), the Utah Tax Commission, and the Office of the Legislative Fiscal Analyst (LFA) reached consensus on the revised revenue estimates used for FY 2006 and the new revenues for FY 2007 contained within the governor's budget.

Revised revenue forecasts for the General Fund and Uniform School Funds for FY 2006 are \$344.3 million more than authorized during the 2005 legislative session. Revenue estimates for the FY 2007 budget are \$581.3 million above the FY 2006 authorized amount. (See Figure 1 on page 2.)

ECONOMIC REVITALIZATION

Governor Huntsman's primary focus is on growing and expanding the state's economy to ensure success for future generations. He is reinforcing this focus through three areas in his FY 2007 budget:



- Tax reform
- Utah Science, Technology and Research (USTAR)
- Economic Development

Tax Reform

Upon assuming office in January 2005, Governor Huntsman began pushing for tax reform in the state. Throughout the year business leaders from both inside and outside the state consistently recommended lowering the individual income tax rate.

Earlier this year the governor presented a “flatter, fairer, simpler” income tax proposal to the Legislative Tax Reform Task Force. The governor's proposal outlines a 5.0 percent flat tax including household and personal exemptions, and a 50 percent credit for charitable contributions and mortgage interest expense.

Governor Huntsman set aside \$60 million in his budget for tax reforms. This amount supports pro-

posals from the Legislative Tax Reform Task Force for individual income and sales tax reform.

Utah Science, Technology, and Research (USTAR)

For FY 2006 the legislature appropriated \$4.0 million of ongoing money to the University of Utah and Utah State University as the initial phase for funding the USTAR initiative. This money is to be used to attract top researchers in specialty fields of study in which Utah has a competitive advantage. The research of these scientists will yield patentable ideas that when commercialized will create new spin-off companies providing new, high-paying jobs in the state.

The governor is recommending \$11 million of additional ongoing money, for a total of \$15 million, to continue attracting new research teams into the state. He also recommends \$1.0 million of ongoing money for commercialization of research and the cre-

ation of Innovation Centers at certain institutions of higher education. In addition, he is recommending \$50 million of one-time money as the state's contribution toward building new research labs to house these teams. The governor also supports the creation of an independent oversight committee to oversee the use and disbursement of funds appropriated for USTAR.

Economic Development

Statewide economic development activities are now housed in the Governor's Office of Economic Development (GOED). Governor Huntsman is recommending \$1.0 million of additional one-time funding for the Film Incentive Program; and \$1.8 million in ongoing funding and \$3.6 million of one-time money to support GOED initiatives.

Governor Huntsman's Recommendations for Economic Development and USTAR

USTAR - Infrastructure	\$50,000,000
USTAR - Programs	12,000,000
Development Zone Rebates	1,528,000
Centers of Excellence	1,328,700
Film Initiative	1,000,000
Resource Centers	875,000
Development	465,000
Cluster Initiative	250,000
Technology Parks	250,000
Disadvantaged Rural Comm.	250,000
Marketing	200,000
Talent Acquisition	200,000
Recruiting	100,000
Total	\$68,446,700

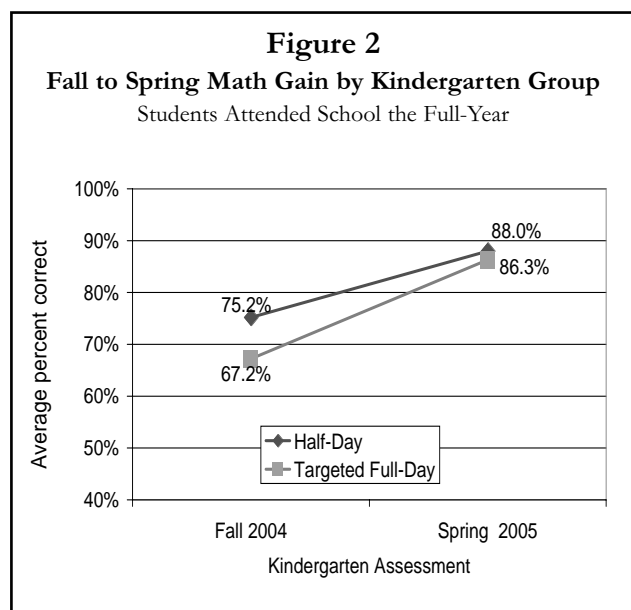
EDUCATION

Utah's school age population continues to increase at dramatic rates, consistently outpacing projections. Enrollment growth for the 2005-2006 school year reached 14,300 new students, over 4,600 more students than projected one year earlier. It is clear the

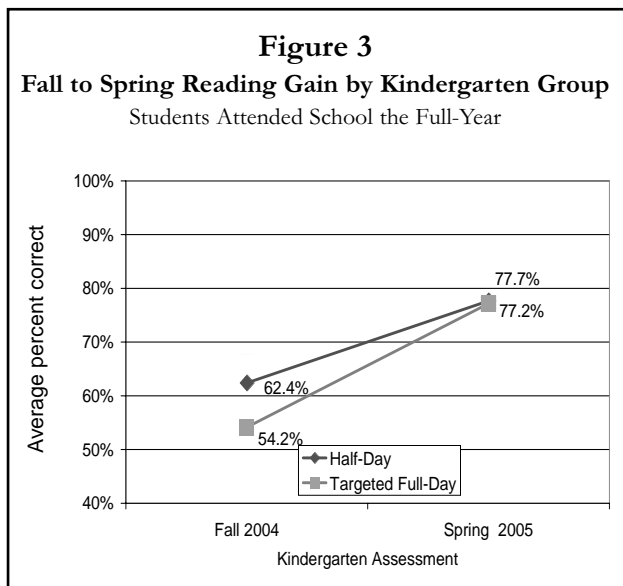
state is on the up-side of a growth bubble with enrollment for the 2006-2007 school year projected to increase by 14,668 students, requiring over \$63 million of additional ongoing funding.

Governor Huntsman is concerned about student achievement and the need to prepare K-12 students to succeed in college. He recognizes the key to a student's success lies in learning to read and in understanding basic math skills at a young age. With this principle in mind, he recommends the funding of two new public education programs.

First, the governor recommends \$7.0 million for funding all-day kindergarten at high risk elementary schools. Research shows at-risk students benefit greatly from full-day kindergarten programs. Salt Lake City School District, along with at least eight other Utah school districts, have implemented voluntary full-day kindergarten programs. Figures 2 and 3 below show results from the Salt Lake City School District. Participation in the recommended program is voluntary for students, as well as for schools. Schools must meet certain high-risk criteria and apply to the State Office of Education to receive funding. Qualified students will be invited to participate in the



Source: Salt Lake City School District



Source: Salt Lake City School District

program. Participating schools will be required to track achievement and report the results annually.

Second, Governor Huntsman recommends \$10 million of ongoing money for a 4th - 6th grade math initiative. The focus of this program is to help 4th - 6th grade students enhance their understanding of algebraic concepts, preparing them for advanced math which begins in the seventh grade. Funding will assist teachers in attaining an elementary math endorsement to further enhance their skills in the classroom.

Governor Huntsman recommends \$2.5 million of ongoing funds to replace one-time funds provided for the reading initiative, a companion to the math initiative. This funding will allow schools to continue the forward progress K-3rd grade students have made with reading and comprehension.

For FY 2007 the governor recommends a 5.5 percent increase in the Weighted Pupil Unit (WPU) from \$2,280 to \$2,405. The additional ongoing commitment to public education for this increase is \$109.9 million. This historic increase in funding results from Governor Huntsman's commitment to ensure children receive a quality education, and it reflects his

personal commitment to work with the legislature to establish a consensus 1.0 percent WPU to which both GOPB and the LFA agree. While reviewing all costs associated with the Minimum School Program, above and below the line, both offices agreed inflationary adjustments for most programs should be included in calculations.

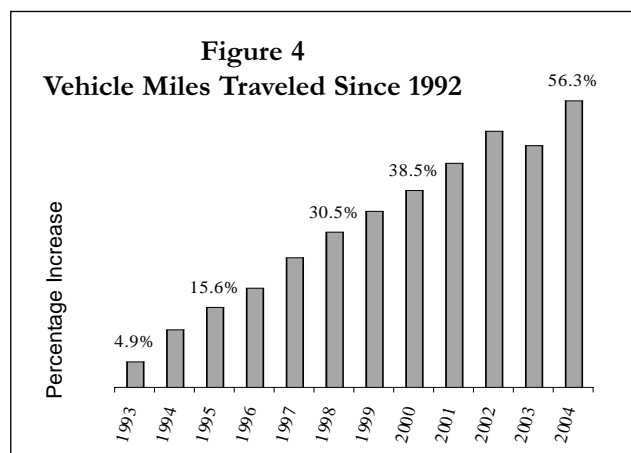
Concurrent Enrollment helps prepare students for college by providing relevant classes that earn both high school and college credits. Many high school students are able to take advantage of this program and graduate from high school with enough credits for an associate degree. Ongoing funding for this program has remained relatively flat, going up only \$581,000 (11.7 percent) since FY 2001 while semester hours earned has gone up 50,673 (39.9 percent). Governor Huntsman recommends an ongoing infusion of \$2.3 million to fund growth in the program.

Other one-time recommendations include \$10 million for replacement of outdated computers, \$10 million for Utah Performance Assessment System for Students (U-PASS) online testing infrastructure, \$6.1 million for teacher supplies and materials, and \$2.0 million for remediation of those students not passing the Utah Basic Skills Competency Test.

QUALITY OF LIFE

Transportation

Mitigating transportation congestion continues to be Utah's top infrastructure need. The number of



vehicle miles traveled on Utah roads has increased over 50 percent since the early 1990s as shown in Figure 4. The focus of transportation projects that add capacity has been limited mostly to those projects included as part of the Centennial Highway Fund (CHF).

Governor Huntsman recommends that the state take the following actions with regard to transportation needs:

- Complete all of the projects that are currently part of the CHF
- Begin construction on non-CHF projects as prioritized by the Transportation Commission

Currently the CHF has \$90 million of ongoing General Fund and \$65 million of dedicated sales tax for a total of \$155 million annually to finance projects and to pay debt service. Governor Huntsman recommends \$83 million of General Obligation bonds be authorized to finance the CHF projects in FY 2007. Current cash flow in the CHF, without any additional cash infusions, is sufficient to pay off all debt by July 1, 2016, including the \$83 million proposed for FY 2007 and the projected amounts for FY 2008.

The governor recommends \$40 million of ongoing and \$80 million in one-time General Fund be appropriated to the Transportation Investment Fund of 2005 (TIF). The state can use this cash to begin construction on other projects prioritized by the Transportation Commission. (See Figure 5.)

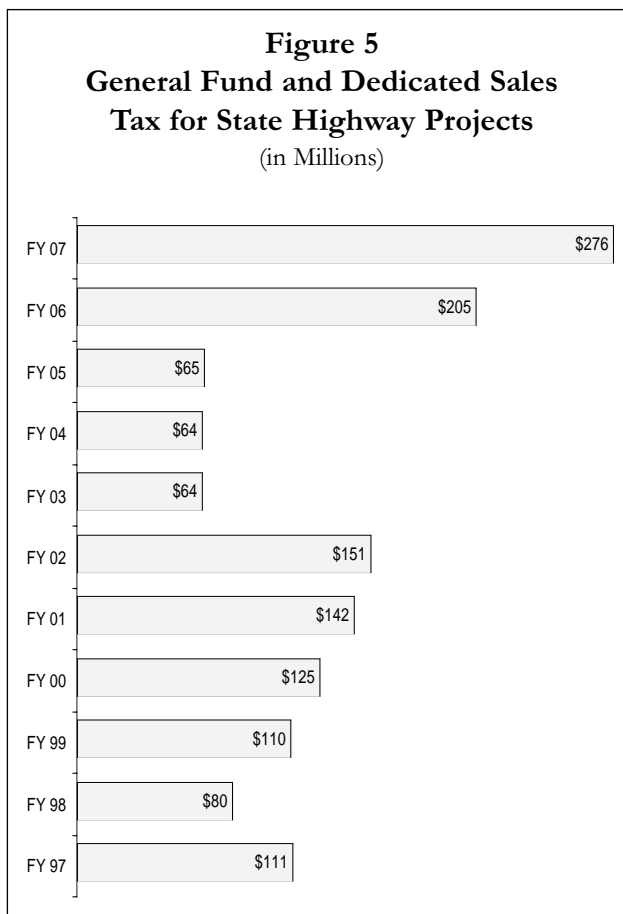
With construction inflation increasing over 70 percent in less than one year, Governor Huntsman believes a combination of bonds and cash are the optimal use of the state's money. Starting construction before projects become inflated is the key. Bonds may be issued at interest rates considerably lower than construction inflation. Issuing bonds is a prudent option as long as inflation is higher than the interest rate on the bonds and the state has demand for projects outside of the CHF. Cash may then be used to fund other priorities through the TIF.

The governor also recommends \$20 million of one-time General Fund be appropriated to the Corridor Preservation Fund in FY 2006. These funds will be used to preserve highway corridors by purchasing open or raw land that is available now, before homes and businesses are built. The potential cost savings to the state could reach hundreds of millions of dollars.

Buildings

Governor Huntsman believes the state should be conservative in issuing debt for buildings, paying cash when possible for capital development projects. In FY 2006 the state was able to use cash to reduce the backlog of building projects on the capital development list. For FY 2007 the state again has significant

Figure 5
General Fund and Dedicated Sales
Tax for State Highway Projects
(in Millions)



Includes appropriations or transfers to the Centennial Highway Restricted Account, the Transportation Investment Fund of 2005, and the Corridor Preservation Fund.

amounts of one-time money that can be used for building construction.

Governor Huntsman recommends \$138 million supplemental and one-time funds plus \$37.7 million of existing ongoing funds for a total of \$175.7 million to pay for the following building projects:

State Capitol Restoration	\$ 50,000,000
UVSC Digital Learning Center	48,000,000
WSU Classroom/Chiller Plant	24,650,000
CUCF Prison Expansion	20,000,000
USDB Connor Street Replacement	10,760,000
UBATC/USU Vernal Campus	9,942,000
DNR Midway Fish Hatchery	5,000,000
ABC - Holladay Store	4,446,000
ABC - Redwood Road Store	1,633,000
ABC - Kimball Junction Store	<u>1,292,000</u>
Total	\$175,723,000

Water

The Water Delivery Financing Task Force was charged with developing a way to finance the Bear

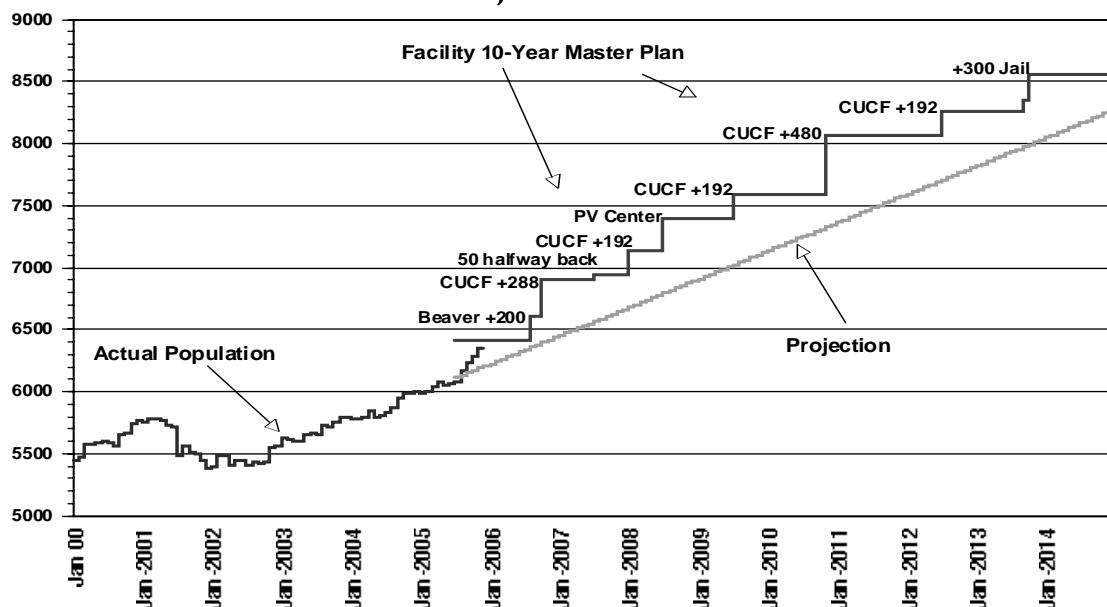
River project and the Lake Powell pipeline. It reported to the governor in September 2005 and recommended the state begin preliminary work on these projects. To help finance the preliminary work, the task force recommended removing the cap on the 1/16 cent sales tax dedicated for water development. Governor Huntsman supports the task force's recommendation.

GOVERNANCE

Governor Huntsman has reshaped the structure of the executive branch by implementing statewide consolidation of both information technology and human resource management. Fiscal year 2007 will be the first full year of operation for the consolidated functions providing greater efficiencies and better service to state government.

In addition to structural changes, the governor has recognized the demands on other government services and has included budget recommendations that will allow state agencies to continue providing effi-

Figure 6
Corrections: Projected 10-Year Bed Need



cient services at the level of service expected by the citizens of the state.

Corrections

The number of incarcerated inmates in Utah's prison system continues to grow. A new 288-bed facility is currently under construction at the Central Utah Correctional Facility with completion expected during the first quarter of FY 2007. Governor Huntsman is recommending \$4.1 million to hire additional staff to operate this new facility. He also recommends \$4.9 million for growth in jail reimbursement and increases in the inmate core rate. In addition, the governor's recommendations include \$1.3 million for a private provider contract to open a women's halfway back facility. (See Figure 6 on page 6.)

Governor Huntsman also recommends \$2.0 million for the highly successful Drug Court program administered by the Department of Human Services in partnership with the courts. Investment in treat-

ment and similar diversion programs has a positive impact on offenders and their families. It also slows the growth in incarcerated inmates.

Medicaid

While Utah has experienced a slowing in Medicaid caseload growth, medical inflation continues at high rates. Additionally, pressures on the federal budget are forcing Congress to consider cuts to entitlement programs like Medicaid. This may have significant impacts for Medicaid funding in the future depending on the actions of Congress. To maintain Utah's commitment to Medicaid recipients and providers, Governor Huntsman is recommending \$45.6 million in ongoing General Fund for utilization and provider increases and federal match rate changes.

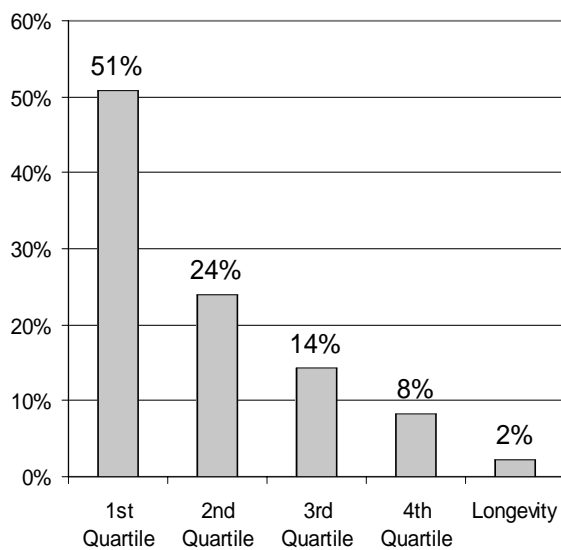
Compensation

Actions taken by the legislature during the 2005 General Session to fully fund a market comparability adjustment along with a cost-of-living adjustment (COLA) improved state employee pay from 19.9 percent below market to 16 percent below market pay. Total compensation improved from 18.7 percent below market to 13.6 percent below market. However, wage compression continues to be a problem for state employees with 51 percent of employees in the first quartile of their pay range. (See Figure 7 on page 7.)

Calendar year 2005 is expected to finish off with an increase of 3.4 percent in the consumer price index (CPI). Increases in the CPI have been driven by oil and natural gas prices. To offset inflation, Governor Huntsman recommends a 2.5 percent COLA for all state employees. He also recommends fully funding increases in employee health insurance and retirement contribution rates of 10.4 percent and 7.0 percent, respectively. These salary and benefit increases require \$28.5 million for state employees alone.

Compensation increases for public and higher education are tied to comparable increases for state employees. These combined increases equate to

Figure 7
State of Utah Employee
Salaries by Quartile



\$109.9 million for public education teachers and staff in the form of a 5.5 percent increase in the WPU, plus \$11.1 million for retirement. The governor also recommends that higher education receive \$33.5 million, including \$10.9 million to retain key faculty and staff, to meet compensation and benefits needs.

The governor recommends \$9.9 million for discretionary salary increases for state agencies. Executive directors will use this money to reward top performers and ease compression hot spots within agencies. The governor wants to begin the process of moving employees through salary ranges, thereby reducing the salary compression problem.

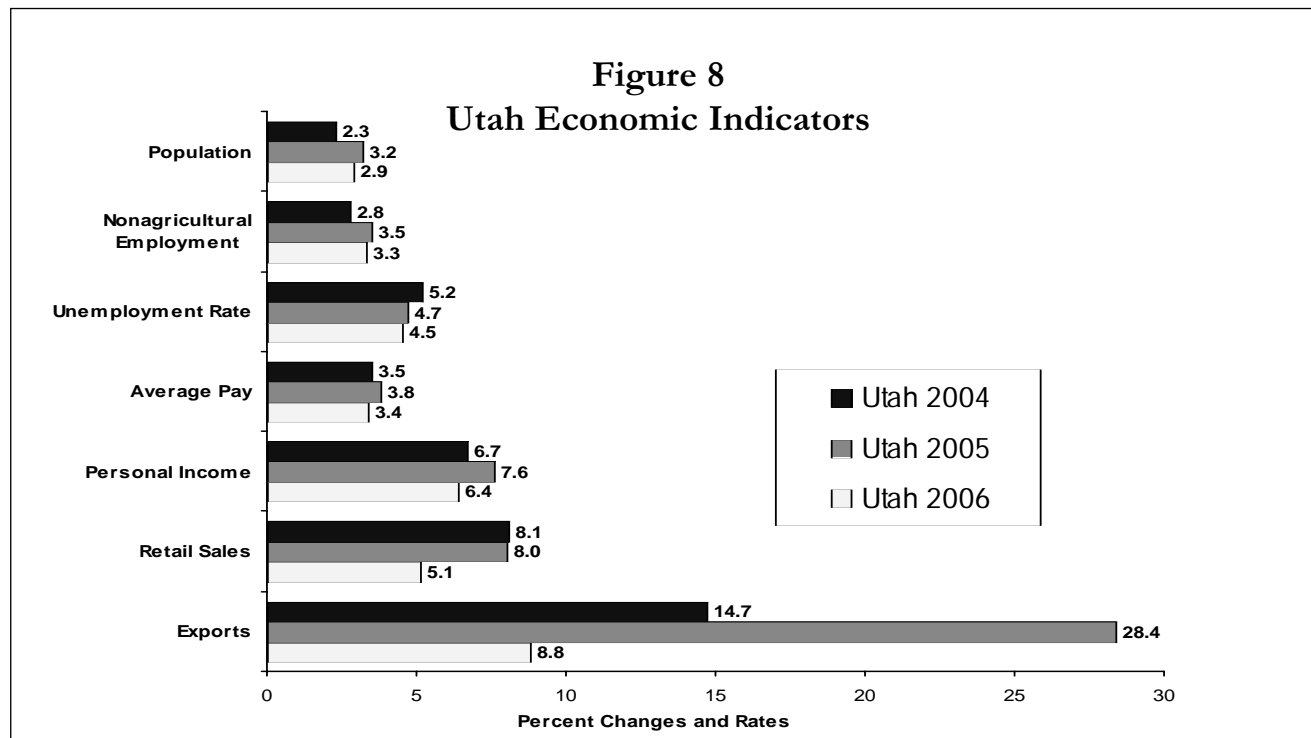
The Department of Corrections is experiencing difficulty attracting and retaining qualified correctional officers. Governor Huntsman recommends a two-step increase, or \$3.6 million, for all correctional officers at the captain level or below in addition to the compensation and benefit increases discussed above. This increase will make pay for correctional officers more competitive with the pay of county jail employees.

The legislature passed HB 213, *Unused Sick Leave at Retirement Amendments*, (Clark, D.) during the 2005 General Session. This action was taken as a response to new standards promulgated by the Governmental Accounting Standards Board (GASB). Subsequent to the legislative session the state retained an actuary to calculate the state's accrued liability. The actuary calculated an unfunded liability of \$536 million if the state begins funding the liability in FY 2007. Governor Huntsman recommends that the state create an irrevocable trust fund and begin funding the accrued liability as provided for under the new GASB standards. He recommends \$16.5 million of ongoing state funds be added to the termination pool to begin funding this liability.

ECONOMIC FORECASTS

(NOTE: unless stated otherwise, the years referred to here are calendar years.)

The Revenue Assumptions Committee determines the basic assumptions that lead to the governor's revenue forecasts. Members of the council represent GOPB, LFA, the Tax Commission, the University of



Utah, and various state agencies. Detailed information concerning Utah's economy and its outlook may be found in the *2006 Economic Report to the Governor* (available January 2006).

Utah's economy improved significantly in 2005 and this growth is expected to continue throughout 2006. The state is no longer experiencing the lingering effects of the 2001 national recession. The long-term economic outlook is positive for a number of reasons including the state's diversified economy, continued population growth, and other favorable demographic characteristics.

Figure 8 shows projected growth in economic indicators for Utah. It also shows estimated unemployment rates. The following data are for the calendar years indicated:

Population - According to the Utah Population Estimates Committee, Utah's population reached 2.5 million in 2005. The state's population is forecasted to increase by 2.9 percent in 2006. Comparatively, the national population will grow at a rate of 0.9 percent in 2006. Utah experienced net in-migration of approximately 40,600 people in 2005 and demographers project net in-migration of 37,000 individuals in 2006.

Employment - Utah nonagricultural employment is projected to increase 3.3 percent in 2006, continuing with a 3.0 percent employment increase in 2007.

Concurrently, national employment is estimated to grow by 1.6 percent in 2006. Economists forecast Utah's 2006 unemployment rate to hover around 4.5 percent, down from 4.7 percent in 2005 and 5.2 percent in 2004, while the national 2006 unemployment rate is projected to be 4.8 percent. The state unemployment rate for 2007 is forecasted to decrease by 0.3 percentage points.

Personal Income - The annual personal income for Utahns is forecasted to grow by 6.4 percent in

2006. Slightly higher, the national annual personal income will increase at approximately 6.5 percent in 2006. Utah's estimated aggregate annual personal income for 2005 is \$69.3 billion, up from \$64.4 billion in 2004.

Showing signs of improvement, the average annual pay in Utah was \$32,890 in 2005 with 2006 projections at \$34,002. Utahns' average annual pay was lower than the national average of \$41,239 in 2005. The gap between Utah and national average annual salaries is projected to increase in 2006 and 2007.

Retail Sales - Utah's aggregate retail sales were \$22 billion in 2005, up by approximately \$1.6 billion from 2004 actual expenditures. Economists project a 5.1 percent increase in retail sales in 2006 and 5.7 percent increase in 2007. Comparatively, national retail sales are estimated to increase by 4.2 percent in 2006 and 4.8 percent in 2007.

APPROPRIATIONS LIMIT

Section 63-38c-201 through 205, UCA, limits how much the state can spend from unrestricted General Fund sources and from non-Uniform School Fund income tax revenues. The limit allows state spending to increase only as population and inflation increase. The budget recommendations for both FY 2006 and FY 2007 are within the limit.

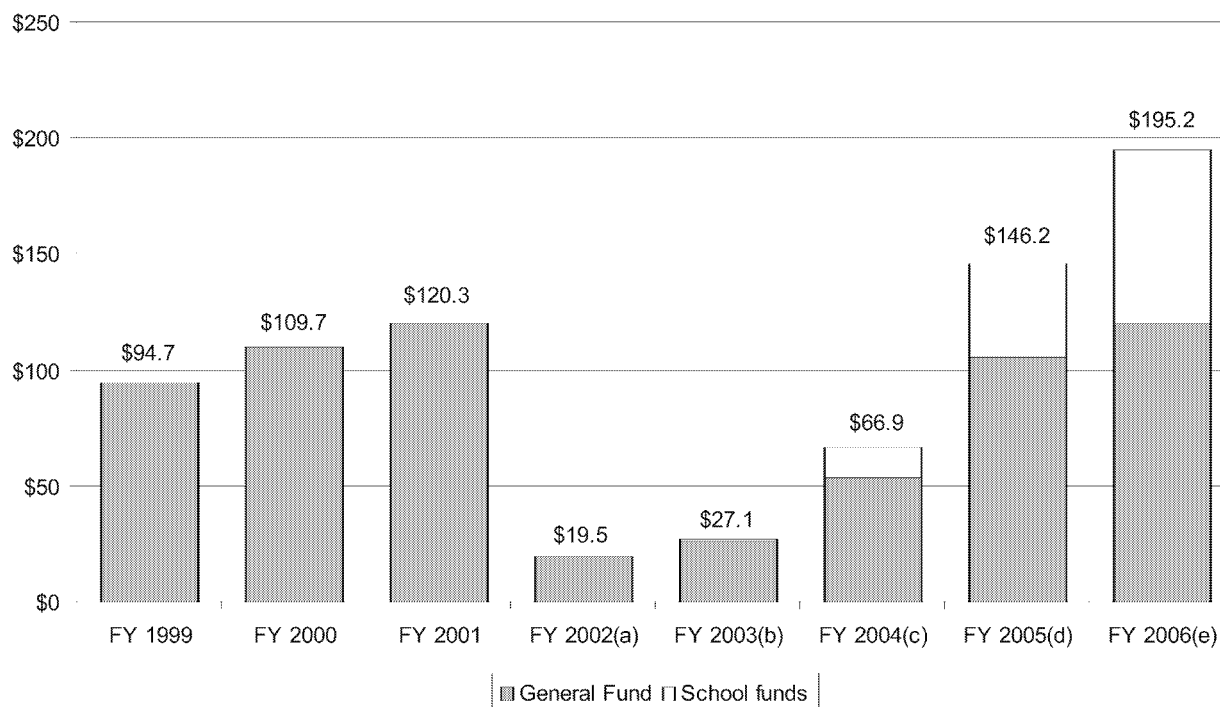
BUDGET RESERVE FUND AND EDUCATION BUDGET RESERVE FUND

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

Figure 9
State of Utah Rainy Day Fund - Historic Balances

General Fund and School Funds

(In Millions)



(a) \$105.3 million was transferred to the General Fund to help balance the FY 2002 budget. The ending balance is offset by \$3.4 million from interest earnings and \$1.0 million transferred from the FY 2001 surplus.

(b) House Bill 27, Budget Reserve Account Amendments, 2003 General Session, created a new Education Budget Reserve Account.

(c) Includes \$4.3 million transfer from the General Fund per House Bill 3, Supplemental Appropriations Act II, Item 83, 2004 General Session.

(d) Includes \$8.5 million transfer from the Permanent Tobacco Trust Fund per House Bill 330, Allocation of Tobacco Fund Amendments, 2004 General Session and \$10.4 million transferred during the 2005 General Session.

(e) Includes a \$24 million transfer from the USF during the 2005 General Session and a \$25 million transfer recommended by Governor Huntsman.

surplus at the end of a fiscal year is transferred to the Rainy Day Fund.

Since FY 2002 when the state used \$105.3 million from the Rainy Day Fund, an additional 25 percent of each General Fund surplus has been transferred to replenish the fund. Governor Huntsman recommends the transfer of additional one-time

funds in FY 2006. The \$105.3 million will be completely restored.

The 2003 legislature, pursuant to House Bill 27, *Budget Reserve Account Amendments* (Buttars, Craig), created the Education Budget Reserve Fund within the Uniform School Fund. The Education Budget Reserve Fund is a reserve to cover operating deficits

in the public and higher education systems. The Education Budget Reserve Fund is to receive 25 percent of any surplus in the Uniform School Fund at the end of each fiscal year. The total amount that may be held in the Rainy Day Fund and the Education Budget Reserve Fund may not exceed 6.0 percent of the combined total of appropriations for all purposes from the General Fund and the Uniform School Fund (\$238.7 million at the end of FY 2005).

Governor Huntsman recommends a total of \$25 million of one-time FY 2006 revenue be deposited into the Rainy Day Fund and the Education Budget Reserve Fund to rebuild the fund balances. The balance in the two rainy day funds after Governor Huntsman's proposed transfer would be \$195.2 million. (See Figure 9 on page 10.)

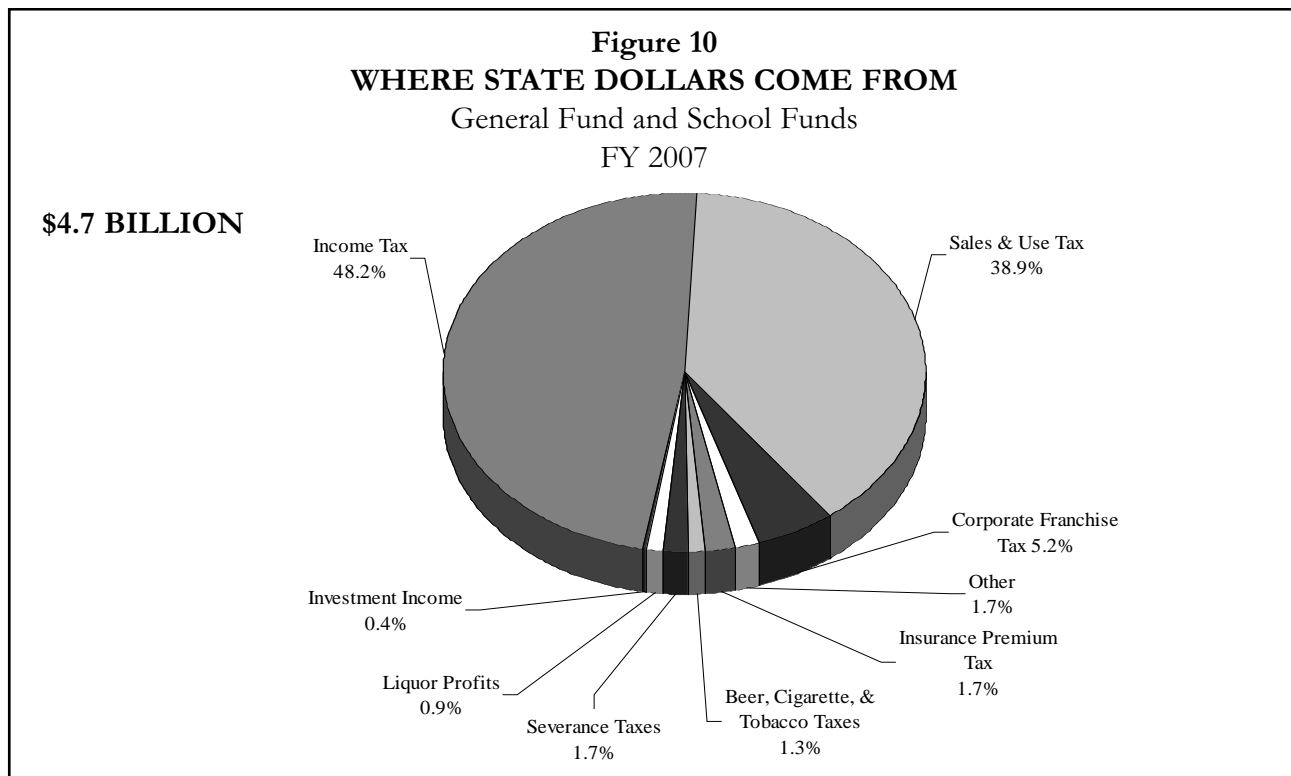


Figure 10 shows the estimated sources of state revenue (General Fund and school funds) for FY 2007.

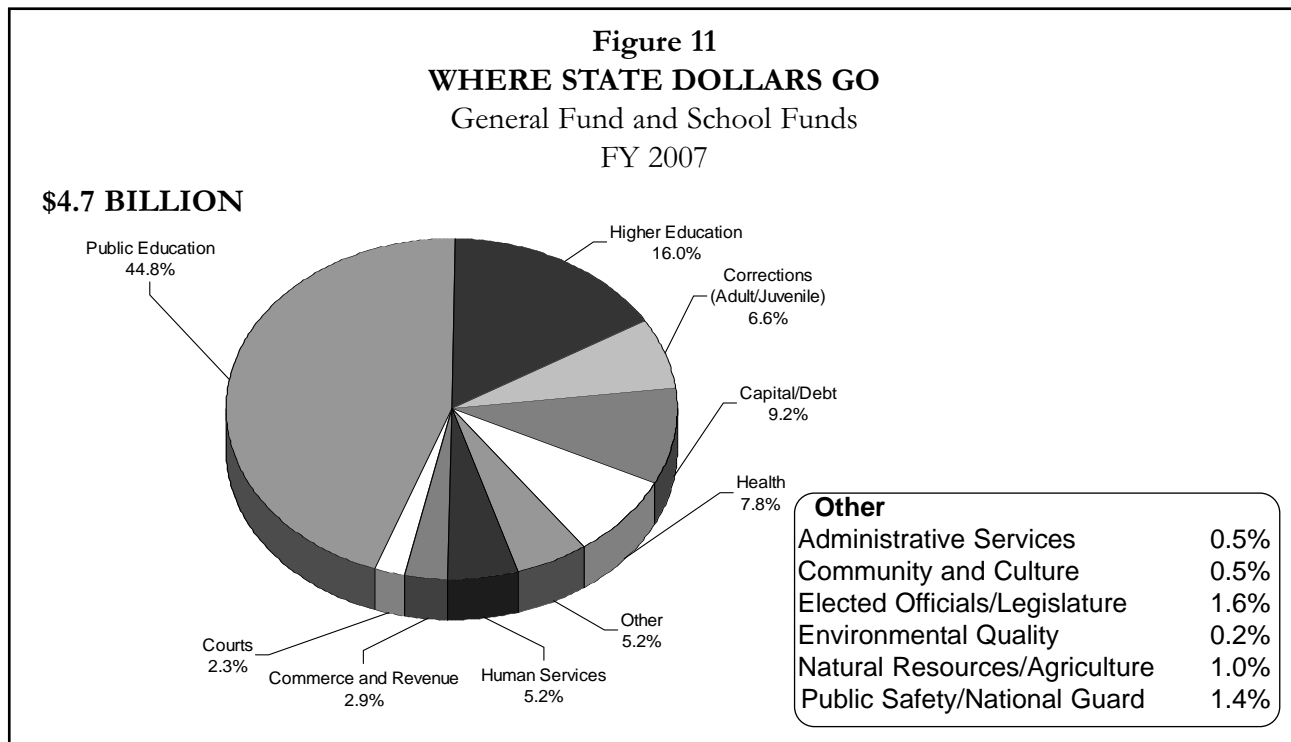


Figure 11 shows how state funds (General Fund and school funds) will be expended in FY 2007.
The largest portion, amounting to 60.8 percent, goes to Public and Higher Education.

Figure 12
WHERE ALL FUNDS COME FROM
 All Sources of Funding
 FY 2007

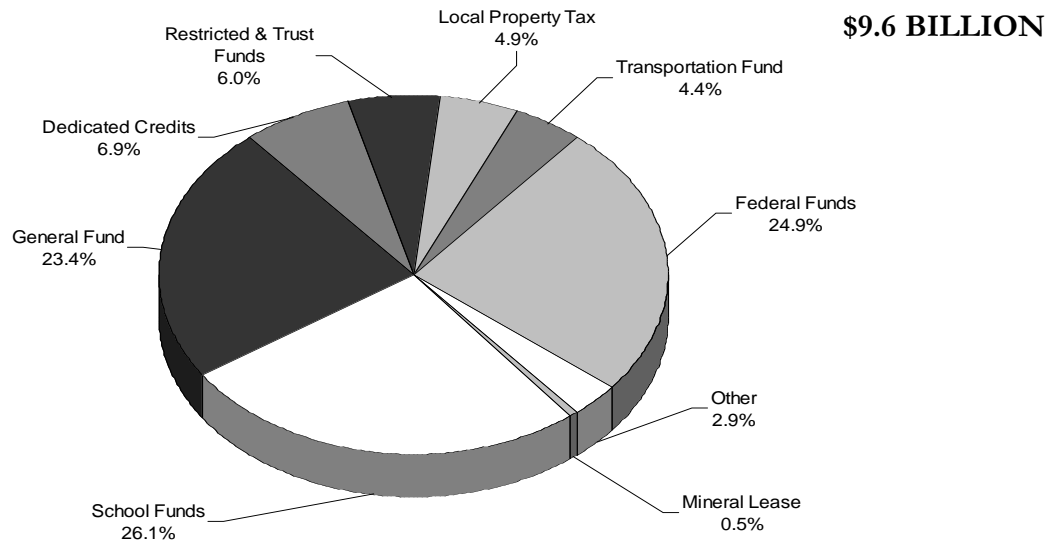


Figure 12 shows the total estimated sources of revenue for the FY 2007 budget. The General Fund and school funds, consisting primarily of sales and income taxes respectively, generate just under one-half (49.5 percent) of the total state budget.

Figure 13
WHERE ALL FUNDS GO
 All Sources of Funding
 FY 2007

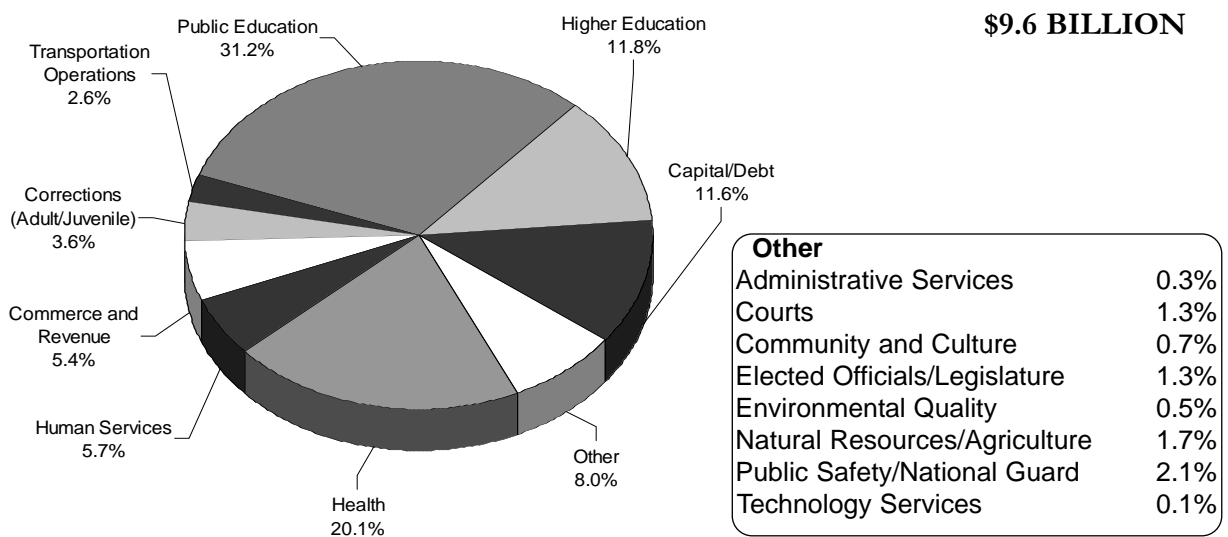


Figure 13 shows total budget expenditures for FY 2007 from all sources of funding.

Table 1

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

	Actual FY 2005	Authorized FY 2006	Governor Huntsman's Recommendations				
			Supple- mentals (a)	Recom- mended FY 2006 (b)	Base FY 2007 (c)	Ongoing and One-time (d)	Recom- mended FY 2007 (e)
Sources of Funding							
Beginning Balance	\$54,359	\$0	\$105,673	\$105,673	\$0	\$0	\$0
(f) General Fund Estimates	1,935,445	1,897,814	149,286	2,047,100	1,897,814	248,786	2,146,600
(f) School Funds Estimates	2,156,460	2,162,450	195,050	2,357,500	2,162,450	332,550	2,495,000
Subtotal GF/SF Estimates	4,091,905	4,060,264	344,336	4,404,600	4,060,264	581,336	4,641,600
Transfers - Other	2,221	(900)	0	(900)	0	0	0
Transfer - Mineral Lease	5,013	1,300	1,160	2,460	0	2,187	2,187
Washington Co. Disaster Loan Repayment	0	25,000	0	25,000	0	0	0
Lapsing Balances	5,000	0	0	0	0	0	0
Risk Management Retained Earnings	4,500	0	0	0	0	0	0
Other	2,989	(218)	0	(218)	0	0	0
Remove Cap on Water Funds	0	0	0	0	0	(7,000)	(7,000)
Corp. Tax Reform - Double Weighted Sales	0	7,000	0	7,000	0	0	0
Tax Reform	0	0	0	0	0	(60,000)	(60,000)
Surplus Designated for Other Uses	(4,128)	4,000	128	4,128	0	0	0
Transfer surplus to Rainy Day Fund	(69,257)	(24,000)	(25,000)	(49,000)	0	0	0
IAF Reserve from Prior Fiscal Year	4,443	0	3,263	3,263	0	0	0
IAF Reserve for Following Fiscal Year	(3,263)	0	0	0	0	0	0
Reserve from Prior Fiscal Year	107,220	117,653	0	117,653	187,470	0	187,470
Reserve for Following Fiscal Year	(117,653)	0	(187,470)	(187,470)	0	0	0
Total Sources of Funding	\$4,083,349	\$4,190,099	\$242,090	\$4,432,189	\$4,247,734	\$516,523	\$4,764,257
Appropriations							
Operations Budget	\$3,659,157	\$3,843,915	\$64,931	\$3,908,846	\$3,774,814	\$537,674	\$4,312,488
Capital Budget	237,950	259,471	192,979	452,450	213,625	150,476	364,101
Debt Service	80,569	77,044	(6,151)	70,893	74,346	(3,000)	71,346
Total Appropriations	\$3,977,676	\$4,180,430	\$251,759	\$4,432,189	\$4,062,785	\$685,150	\$4,747,935
Ending Balance	\$105,673	\$9,669	(\$9,669)	\$0	\$184,949	(\$168,627)	\$16,322
% Change from Authorized FY 2006				6.0%			13.6%

(a) The Supplementals column represents recommended changes to Authorized FY 2006.

(b) The Recommended FY 2006 column is based upon updated revenue projections and includes recommended supplemental appropriations.

(c) The Base FY 2007 column represents FY 2006 appropriations adjusted for one-time items and other base changes.

(d) The Ongoing and One-time column represents recommended changes to the FY 2007 base budget.

(e) The Recommended FY 2007 column is based upon updated revenue projections and includes recommended ongoing and one-time increases and adjustments.

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

NOTE: Minor differences on summary tables are due to rounding numbers to the nearest thousand.

Table 1 shows all the sources of funding used to balance the General Fund (Table 2) and school funds (Table 3) portions of the budget.

Table 2

STATE FISCAL PLAN
General Fund
(In Thousands of Dollars)

	Actual FY 2005	Authorized FY 2006	Supple- mentals (a)	Recom- mended FY 2006 (b)	Governor Huntsman's Recommendations		
					Base FY 2007 (c)	Ongoing and One-time (d)	Recom- mended FY 2007 (e)
Sources of Funding							
Beginning Balance	\$16,359	\$0	\$24,627	\$24,627	\$0	\$0	\$0
(f) General Fund Estimates	1,935,445	1,897,814	149,286	2,047,100	1,897,814	248,786	2,146,600
Transfers - Other	2,221	(900)	0	(900)	0	0	0
Transfer - Mineral Lease	5,013	1,300	1,160	2,460	0	2,187	2,187
Washington Co. Disaster Loan Repayment	0	25,000	0	25,000	0	0	0
Risk Management Retained Earnings	4,500	0	0	0	0	0	0
Other	2,988	882	0	882	0	0	0
Remove Cap on Water Funds	0	0	0	0	0	(7,000)	(7,000)
Corp. Tax Reform - Double Weighted Sales	0	0	0	0	0	0	0
Tax Reform	0	0	0	0	0	(35,000)	(35,000)
(g) Surplus Designated for Other Uses	(4,128)	4,000	128	4,128	0	0	0
Transfer surplus to Rainy Day Fund	(42,242)	0	(15,000)	(15,000)	0	0	0
IAF Reserve from Prior Fiscal Year	4,443	0	3,263	3,263	0	0	0
IAF Reserve for Following Fiscal Year	(3,263)	0	0	0	0	0	0
Reserve from Prior Fiscal Year	53,015	74,599	0	74,599	129,212	0	129,212
Reserve for Following Fiscal Year	(74,599)	0	(129,212)	(129,212)	0	0	0
Total Sources of Funding	\$1,899,752	\$2,002,695	\$34,252	\$2,036,947	\$2,027,026	\$208,973	\$2,235,999
Appropriations							
Operations Budget	\$1,671,815	\$1,757,944	(\$57,583)	\$1,700,361	\$1,706,496	\$176,079	\$1,882,575
Capital Budget	141,588	175,389	107,469	282,858	146,077	149,730	295,807
Debt Service	61,722	59,880	(6,152)	53,728	57,182	(3,000)	54,182
Total Appropriations	\$1,875,125	\$1,993,213	\$43,734	\$2,036,947	\$1,909,755	\$322,809	\$2,232,564
Ending Balance	\$24,627	\$9,482	(\$9,482)	\$0	\$117,271	(\$113,836)	\$3,435
% Change from Authorized FY 2006				2.2%			12.0%

(a) The Supplementals column represents recommended changes to Authorized FY 2006.

(b) The Recommended FY 2006 column is based upon updated revenue projections and includes recommended supplemental appropriations.

(c) The Base FY 2007 column represents FY 2006 appropriations adjusted for one-time items and other base changes.

(d) The Ongoing and One-time column represents recommended changes to the FY 2007 base budget.

(e) The Recommended FY 2007 column is based upon updated revenue projections and includes recommended ongoing and one-time increases and adjustments.

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

(g) Includes \$4,000,000 per SB1002, 2005 First Special Session, for Tourism Marketing Performance Account and \$128,000 for Jury and Witness Fees deficit in FY05.

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 2005	Authorized FY 2006	Supple- mentals (a)	Recom- mended FY 2006 (b)	Governor Huntsman's Recommendations		
					Base FY 2007 (c)	Ongoing and One-time (d)	Recom- mended FY 2007 (e)
Sources of Funding							
Beginning Balance	\$38,000	\$0	\$81,046	\$81,046	\$0	\$0	\$0
(f) School Funds Estimates	2,156,460	2,162,450	195,050	2,357,500	2,162,450	332,550	2,495,000
Lapsing Balances	5,000	0	0	0	0	0	0
Other	1	(1,100)	0	(1,100)	0	0	0
Corp. Tax Reform - Double Weighted Sales	0	7,000	0	7,000	0	0	0
Tax Reform	0	0	0	0	0	(25,000)	(25,000)
Transfer surplus to Rainy Day Fund	(27,015)	(24,000)	(10,000)	(34,000)	0	0	0
Reserve from Prior Fiscal Year	54,205	43,054	0	43,054	58,258	0	58,258
Reserve for Following Fiscal Year	(43,054)	0	(58,258)	(58,258)	0	0	0
Total Sources of Funding	\$2,183,597	\$2,187,404	\$207,838	\$2,395,242	\$2,220,708	\$307,550	\$2,528,258
Appropriations							
Operations Budget	\$1,987,342	\$2,085,971	\$122,515	\$2,208,486	\$2,068,317	\$361,596	\$2,429,913
Capital Budget	96,362	84,082	85,510	169,592	67,548	746	68,294
Debt Service	18,847	17,164	0	17,164	17,164	0	17,164
Total Appropriations	\$2,102,551	\$2,187,217	\$208,025	\$2,395,242	\$2,153,029	\$362,342	\$2,515,371
Ending Balance	\$81,046	\$187	(\$187)	\$0	\$67,679	(\$54,792)	\$12,887
% Change from Authorized FY 2006				9.5%			15.0%

(a) The Supplementals column represents recommended changes to Authorized FY 2006.

(b) The Recommended FY 2006 column is based upon updated revenue projections and includes recommended supplemental appropriations.

(c) The Base FY 2007 column represents FY 2006 appropriations adjusted for one-time items and other base changes.

(d) The Ongoing and One-time column represents recommended changes to the FY 2007 base budget.

(e) The Recommended FY 2007 column is based upon updated revenue projections and includes recommended ongoing and one-time increases and adjustments.

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

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

Table 4

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

	Actual FY 2005	Authorized FY 2006	Governor Huntsman's Recommendations ^(a)					
			Dollar Change A06-R06	Recom- mended FY 2006	Dollar Change A06-R07	Recom- mended FY 2007	Percent Change A06-R06	Percent Change A06-R07
			(b)	(c)	(d)	(e)	(f)	(g)
General Fund (GF)								
Sales and Use Tax	\$1,634,522	\$1,614,055	\$90,945	\$1,705,000	\$190,945	\$1,805,000	5.6%	11.8%
Cable/Satellite Excise Tax	11,652	12,000	9,000	21,000	10,000	22,000	75.0	83.3
Liquor Profits	38,071	40,000	(500)	39,500	500	40,500	(1.3)	1.3
Insurance Premiums	67,359	70,000	5,000	75,000	8,000	78,000	7.1	11.4
Beer, Cigarette, and Tobacco	61,942	59,000	0	59,000	0	59,000	0.0	0.0
Oil and Gas Severance Tax	53,484	41,000	30,000	71,000	26,000	67,000	73.2	63.4
Metal Severance Tax	11,447	8,500	3,900	12,400	3,500	12,000	45.9	41.2
Inheritance Tax	2,952	0	3,700	3,700	0	0	--	-- (h)
Investment Income	13,602	11,000	8,000	19,000	9,600	20,600	72.7	87.3
Other	46,363	47,859	(359)	47,500	641	48,500	(0.8)	1.3
Property and Energy Credit	(5,949)	(5,600)	(400)	(6,000)	(400)	(6,000)	7.1	7.1
<i>Subtotal General Fund</i>	<i>1,935,445</i>	<i>1,897,814</i>	<i>149,286</i>	<i>2,047,100</i>	<i>248,786</i>	<i>2,146,600</i>	<i>7.9</i>	<i>13.1</i>
School Funds (SF)								
Individual Income Tax	1,934,028	1,939,950	165,050	2,105,000	295,050	2,235,000	8.5	15.2
Corporate Franchise Tax	198,150	203,000	30,000	233,000	37,000	240,000	14.8	18.2
Permanent School Fund Interest	8,900	0	0	0	0	0	--	-- (i)
Gross Receipts Tax	8,580	8,500	1,000	9,500	1,000	9,500	11.8	11.8
Other	6,802	11,000	(1,000)	10,000	(500)	10,500	(9.1)	(4.5)
<i>Subtotal School Funds</i>	<i>2,156,460</i>	<i>2,162,450</i>	<i>195,050</i>	<i>2,357,500</i>	<i>332,550</i>	<i>2,495,000</i>	<i>9.0</i>	<i>15.4</i>
Subtotal GF/SF	4,091,905	4,060,264	344,336	4,404,600	581,336	4,641,600	8.5	14.3
Pass-thru Perm Sch Fund Int.	(8,900)	0	0	0	0	0	--	--
Total GF/SF	\$4,083,005	\$4,060,264	\$344,336	\$4,404,600	\$581,336	\$4,641,600	8.5%	14.3%
Transportation Fund								
Motor Fuel Tax	\$241,484	\$239,000	\$3,600	\$242,600	\$6,000	\$245,000	1.5%	2.5%
Special Fuel Tax	93,837	93,500	5,500	99,000	9,000	102,500	5.9	9.6
Other	69,967	70,000	2,700	72,700	4,000	74,000	3.9	5.7
Total Transportation Fund	\$405,288	\$402,500	\$11,800	\$414,300	\$19,000	\$421,500	2.9%	4.7%
Mineral Lease								
Royalties	\$85,640	\$74,000	\$18,500	\$92,500	\$18,500	\$92,500	25.0%	25.0%
Bonus	6,390	4,000	5,000	9,000	4,000	8,000	125.0	100.0
Total Mineral Lease	\$92,030	\$78,000	\$23,500	\$101,500	\$22,500	\$100,500	30.1%	28.8%

Continued on next page

Table 4 Continued**REVENUE COLLECTIONS AND ESTIMATES****Three Year Comparison****(In Thousands of Dollars)**

Continued from previous page

- (a) For other revenue and tax issues, see tables 1-3, State Fiscal Plan.
- (b) The change is from the Authorized FY 2006 column to the Recommended FY 2006 column.
- (c) The Recommended FY 2006 column is based upon updated economic projections from the Council of Economic Advisors' Revenue Assumptions Committee. These revenues represent consensus estimates adopted by GOPB and the LFA on November 21, 2005.
- (d) The change is from the Authorized FY 2006 column to the Recommended FY 2007 column.
- (e) The Recommended FY 2007 column is based upon updated economic projections from the Council of Economic Advisors' Revenue Assumptions Committee. These revenues represent consensus estimates adopted by GOPB and the LFA on November 21, 2005.
- (f) The percentage change is from the Authorized FY 2006 column to the Recommended FY 2006 column.
- (g) The percentage change is from the Authorized FY 2006 column to the Recommended FY 2007 column.
- (h) Inheritance tax was phased out by the federal government in the following increments: FY03 25%, FY04 50%, FY05 75% and FY06 100%.
- (i) Permanent School Fund Interest was moved to a restricted account based on the passage of HB 78, School Land Trust Program Restricted Account, passed during the 2004 General Session.

Table 4 shows actual revenue collections for FY 2005 and estimated revenue collections for FY 2006 and FY 2007. These include state revenues only; federal funds, licenses, fees, etc., are not included.

Table 5

SALES AND USE TAX CURRENTLY EARMARKED **Three-Year Comparison**

	Actual FY 2005	FY 2006	FY 2007
Reductions in Unrestricted Sales and Use Tax			
Section 59-12-103(4), UCA			
Water development loan funds	\$7,175,000	\$7,175,000	\$7,175,000
Drinking water loan fund	3,587,500	3,587,500	3,587,500
Water quality loan fund	3,587,500	3,587,500	3,587,500
Endangered species	2,450,000	2,450,000	2,450,000
Agriculture resource development	525,000	525,000	525,000
Water rights	175,000	175,000	175,000
Subtotal Section 59-12-103(4), UCA	17,500,000	17,500,000	17,500,000
Section 59-12-103(5), UCA			
Class B and C (city and county) roads	17,618,400	17,618,400	17,618,400
State park access roads	562,300	562,300	562,300
Transportation corridor preservation	562,300	562,300	562,300
Subtotal Section 59-12-103(5), UCA	18,743,000	18,743,000	18,743,000
Section 59-12-103(6), UCA			
Centennial Highway Fund Restricted Account (1/64% tax rate)	5,518,700	5,800,000	6,200,000
Section 59-12-103(8), UCA^(a)			
Centennial Highway Fund Restricted Account	0	59,594,700	59,594,700
Total Reductions in Unrestricted Sales and Use Tax	\$41,761,700	\$101,637,700	\$102,037,700

(a) House Bill 1008, Transportation Investment Act, passed in the 2005 First Special Session transfers \$59,594,700 of sales and use tax into the Centennial Highway Fund Restricted Account on an annual basis.

Table 5 shows state tax collections earmarked for specific purposes for FY 2005, FY 2006, and FY 2007. General Fund estimates found on Table 4 only include unrestricted sales and use tax and are therefore reduced by amounts detailed in this table.

Table 6

SUMMARY OF RECOMMENDATIONS BY DEPARTMENT
FY 2006 and FY 2007 Appropriations from General Fund and School Funds
(In Thousands of Dollars)

	Actual FY 2005	Authorized FY 2006	Supple- mentals (a)	Governor Huntsman's Recommendations			
				Recom- mended FY 2006 (b)	Base FY 2007 (c)	Ongoing and One-time Adj. (d)	Recom- mended FY 2007 (e)
Plan of Financing							
General Fund	\$1,875,125	\$1,993,213	\$43,734	\$2,036,947	\$1,909,755	\$322,809	\$2,232,564
School Funds	2,102,551	2,187,217	208,025	2,395,242	2,153,029	362,342	2,515,371
Total Financing	\$3,977,676	\$4,180,430	\$251,759	\$4,432,189	\$4,062,784	\$685,151	\$4,747,935
Programs							
Administrative Services	\$23,953	\$18,524	\$0	\$18,524	\$18,373	\$4,903	\$23,276
Commerce and Revenue	125,102	126,481	10,545	137,026	111,390	24,754	136,144
Corrections (Adult and Juvenile)	259,169	277,315	3,475	280,790	277,367	37,450	314,817
Courts	92,790	97,905	278	98,183	97,672	10,442	108,114
Community and Culture	21,370	22,954	2,818	25,772	19,128	2,105	21,233
Elected Officials	52,111	64,358	8,087	72,445	45,381	13,274	58,655
Environmental Quality	9,572	12,297	200	12,497	10,262	1,293	11,555
Health	287,597	323,979	13,253	337,232	319,258	53,191	372,449
Higher Education	651,570	685,994	3,912	689,906	683,198	77,110	760,308
Human Services	209,176	222,582	1,239	223,821	219,526	24,969	244,495
Legislature	14,842	16,109	0	16,109	15,791	906	16,697
National Guard	4,499	5,265	78	5,343	4,757	834	5,591
Natural Resources	45,487	45,078	12,954	58,032	45,621	4,376	49,997
Public Education	1,788,046	1,872,896	5,583	1,878,479	1,855,466	271,614	2,127,080
Public Safety	72,337	50,392	2,510	52,902	50,240	10,323	60,563
Technology Services	1,450	1,699	0	1,699	1,297	131	1,428
Transportation	88	88	0	88	88	0	88
<i>Subtotal Operations Budget</i>	<i>3,659,157</i>	<i>3,843,915</i>	<i>64,932</i>	<i>3,908,847</i>	<i>3,774,813</i>	<i>537,675</i>	<i>4,312,488</i>
Capital Budget	\$237,951	\$259,471	\$192,979	\$452,450	\$213,625	\$150,476	\$364,101
Debt Service	80,568	77,044	(6,152)	70,892	74,346	(3,000)	71,346
Total Budget	\$3,977,676	\$4,180,430	\$251,759	\$4,432,189	\$4,062,784	\$685,151	\$4,747,935

Continued on next page

Table 6 Continued

SUMMARY OF RECOMMENDATIONS BY DEPARTMENT
FY 2006 and 2007 Appropriations from General Fund and School Funds
(In Thousands of Dollars)

Continued from previous page

- (a) The Supplementals column represents recommended changes to Authorized FY 2006.*
- (b) The Recommended FY 2006 column is based on updated revenue projections and includes recommended supplemental appropriations.*
- (c) The Base FY 2007 column is the FY 2006 appropriated amount adjusted for one-time FY 2006 appropriations and program transfers between departments.*
- (d) Recommended adjustments are shown in more detail in the individual department sections of the book, and include internal service fund rate changes, employee compensation and benefit rate adjustments, and ongoing and one-time program increases.*
- (e) The Recommended FY 2007 column includes Governor Huntsman's budget recommendations for FY 2007.*

*Table 6 shows the budgeted use of major state tax revenue (sales and income taxes) by state agency.
 It is a summary of the department tables found in a following section.*

Table 7

SUMMARY OF RECOMMENDATIONS BY DEPARTMENT
FY 2006 and FY 2007 Appropriations from All Sources of Funding
(In Thousands of Dollars)

	Actual FY 2005	Authorized FY 2006	Supple- mentals (a)	Governor Huntsman's Recommendations				Percent Change B07-R07 (f)
				Recom- mended FY 2006 (b)	Base FY 2007 (c)	Ongoing and One-time Adj. (d)	Recom- mended FY 2007 (e)	
Plan of Financing								
General Fund	\$1,875,125	\$1,993,213	\$43,734	\$2,036,947	\$1,909,755	\$322,809	\$2,232,564	16.9%
School Funds	2,102,551	2,187,217	208,025	2,395,242	2,153,029	362,342	2,515,371	16.8
Transportation Fund	433,396	408,648	700	409,348	404,028	17,472	421,500	4.3
Federal Funds	2,247,813	2,306,794	21,105	2,327,899	2,272,041	119,232	2,391,273	5.2
Dedicated Credits	647,278	626,613	9,429	636,042	632,745	33,228	665,973	5.3
Mineral Lease	46,042	49,529	0	49,529	49,472	57	49,529	0.1
Restricted and Trust Funds	452,057	541,731	8,012	549,743	539,784	31,120	570,904	5.8
Transfers	184,229	182,833	67	182,900	179,472	11,105	190,577	6.2
Other Funds	(1,644)	(9,944)	0	(9,944)	(1,372)	396	(976)	--
Pass-through Funds	1,515	773	0	773	800	0	800	0.0
Beginning Balances	360,884	379,825	0	379,825	140,514	0	140,514	0.0
Closing Balances	(379,825)	(140,514)	0	(140,514)	(48,877)	0	(48,877)	0.0
Lapsing Funds	(27,502)	(2,325)	0	(2,325)	(1,934)	0	(1,934)	0.0
Local Property Tax	417,710	446,802	0	446,802	446,802	24,003	470,805	5.4
Total Financing	\$8,359,631	\$8,971,196	\$291,072	\$9,262,268	\$8,676,259	\$921,764	\$9,598,023	10.6%
Programs								
Administrative Services	\$25,077	\$35,507	\$0	\$35,507	\$27,484	\$1,418	\$28,902	5.2%
Commerce and Revenue	445,443	477,696	10,816	488,512	468,275	52,747	521,022	11.3 (g)
Corrections (Adult and Juvenile)	290,164	309,498	3,475	312,973	304,094	36,452	340,546	12.0 (b)
Courts	106,297	114,241	278	114,519	112,940	10,521	123,461	9.3
Community and Culture	57,269	67,620	3,183	70,803	61,766	2,199	63,965	3.6
Elected Officials	79,511	110,378	8,087	118,465	84,047	22,861	106,908	27.2 (i)
Environmental Quality	39,140	52,960	271	53,231	44,940	3,783	48,723	8.4
Health	1,656,093	1,803,803	34,236	1,838,039	1,780,822	150,968	1,931,790	8.5
Higher Education	1,010,978	1,060,592	3,912	1,064,504	1,048,139	87,209	1,135,348	8.3
Human Services	488,940	511,860	1,371	513,231	504,388	41,326	545,714	8.2
Legislature	14,952	16,429	0	16,429	16,198	914	17,112	5.6
National Guard	24,793	24,640	200	24,840	23,985	1,693	25,678	7.1
Natural Resources	148,511	167,936	13,858	181,794	154,853	11,461	166,314	7.4
Public Education	2,568,277	2,742,865	9,649	2,752,514	2,694,917	302,999	2,997,916	11.2 (j)
Public Safety	137,931	185,186	2,510	187,696	159,095	13,096	172,191	8.2
Technology Services	2,092	3,322	9,000	12,322	2,572	11,716	14,288	455.5 (k)
Transportation	246,816	238,353	700	239,053	237,110	14,596	251,706	6.2
<i>Subtotal Operations Budget</i>	<i>7,342,283</i>	<i>7,922,885</i>	<i>101,545</i>	<i>8,024,430</i>	<i>7,725,625</i>	<i>765,958</i>	<i>8,491,583</i>	<i>9.9%</i>
Capital Budget	\$743,670	\$799,369	\$195,679	\$995,048	\$710,496	\$157,223	\$867,719	22.1% (l)
Debt Service	273,678	248,942	(6,152)	242,790	240,138	(1,417)	238,721	(0.6)
Total Budget	\$8,359,631	\$8,971,196	\$291,072	\$9,262,268	\$8,676,259	\$921,764	\$9,598,023	10.6%

Continued on next page

Table 7 Continued

SUMMARY OF RECOMMENDATIONS BY DEPARTMENT
FY 2006 and FY 2007 Appropriations from All Sources of Funding
(In Thousands of Dollars)

Continued from previous page

- (a) The Supplementals column represents recommended changes to Authorized FY 2006.*
- (b) The Recommended FY 2006 column is based on updated revenue projections and includes recommended supplemental appropriations.*
- (c) The Base FY 2007 column is the FY 2006 appropriated amount adjusted for one-time FY 2006 appropriations, program transfers between departments, and changes in estimates of non-state funding sources.*
- (d) Recommended adjustments are shown in more detail in the individual department sections of the book and include internal service fund rate changes, employee compensation and benefit rate adjustments, and ongoing and one-time program increases.*
- (e) The Recommended FY 2007 column includes Governor Huntsman's budget recommendations for FY 2007.*
- (f) The percent change is the difference from the Base FY 2007 column to the Recommended FY 2007 column.*
- (g) The 11.3 percent increase is largely due to the increase caseload demands of the General Assistance program and the completion of eREP for the Department of Workforce Services. In addition, increased funding is being given to the Tax Commission to develop a new tax system to replace the current out-dated and over-burdened system.*
- (h) The 12.0 percent increase is largely due to the employee compensation package, expansion of prison beds at the Central Utah Correctional Facility, county jail reimbursement, core rate increases for jail reimbursement and jail contracting, and expansion of treatment programs for substance abuse and sex offenders.*
- (i) The 27.2 percent increase is largely due to increased funding for the Governor's Office of Economic Development initiatives and funding for a Western States Primary Election.*
- (j) The 11.2 percent increase is largely due to enrollment growth, a 5.5 percent increase in the value of the Weighted Pupil Unit, and Governor Huntsman's focus on enhancing math and reading in early grades.*
- (k) The 455.5 percent increase is due to the consolidation of information technology and does not increase the overall state budget. The funding gives technology services the authority to bill agencies for services rendered.*
- (l) The 22.1 percent increase is due mainly to a \$40 million ongoing and \$80 million one-time General Fund increase to the Transportation Investment Fund for choke point and safety highway projects.*

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

Table 8

SUMMARY PLAN OF FINANCING BY DEPARTMENT AND SOURCES OF FUNDING

	General Fund	School Funds	Transportation Fund	Federal Funds	Dedicated Credits	Mineral Lease	Restricted/Trust Funds	Other	Property Tax	Total
Administrative Services										
Actual FY 2005	\$23,952,600	\$0	\$450,000	\$0	\$2,985,200	\$0	\$5,229,100	(\$7,539,600)	\$0	\$25,077,300
Recommended FY 2006	18,524,200	0	450,000	4,500	2,789,100	0	5,338,500	8,400,800	0	35,507,100
Recommended FY 2007	23,276,200	0	450,000	69,000	3,034,900	0	3,309,300	(1,237,100)	0	28,902,300
Commerce and Revenue										
Actual FY 2005	107,671,700	17,430,500	5,857,400	223,203,100	20,049,800	0	86,648,200	(15,417,300)	0	445,443,400
Recommended FY 2006	115,854,700	21,171,400	5,857,400	221,733,600	18,220,100	0	89,308,100	16,367,000	0	488,512,300
Recommended FY 2007	116,310,700	19,833,600	5,857,400	240,121,100	19,863,500	0	102,809,300	16,226,200	0	521,021,800
Corrections (Adult and Juvenile)										
Actual FY 2005	259,169,300	0	0	3,084,600	5,439,500	0	2,613,400	19,857,300	0	290,164,100
Recommended FY 2006	280,789,600	0	0	2,850,600	5,634,800	0	2,773,300	20,924,600	0	312,972,900
Recommended FY 2007	314,816,800	0	0	1,629,800	5,674,100	0	1,203,100	17,221,800	0	340,545,600
Courts										
Actual FY 2005	92,790,300	0	0	173,100	994,600	0	12,129,100	210,200	0	106,297,300
Recommended FY 2006	98,182,900	0	0	174,500	1,075,400	0	12,747,400	2,338,100	0	114,518,300
Recommended FY 2007	108,113,400	0	0	174,500	1,201,500	0	12,701,900	1,269,100	0	123,460,400
Community and Culture										
Actual FY 2005	21,370,100	0	0	35,113,500	2,615,400	0	1,536,300	(3,366,700)	0	57,268,600
Recommended FY 2006	25,772,200	0	0	40,128,300	4,370,500	0	1,194,100	(662,200)	0	70,802,900
Recommended FY 2007	21,232,600	0	0	39,438,800	4,492,200	0	1,338,400	(2,537,100)	0	63,964,900
Elected Officials										
Actual FY 2005	52,111,200	0	118,000	14,638,900	16,205,100	0	4,923,800	(8,486,300)	0	79,510,700
Recommended FY 2006	72,444,900	0	118,000	14,177,400	18,751,500	0	8,012,000	4,960,900	0	118,464,700
Recommended FY 2007	58,655,200	0	118,000	11,063,700	21,506,800	0	14,192,900	1,371,800	0	106,908,400
Environmental Quality										
Actual FY 2005	9,571,500	0	0	13,911,000	7,292,400	0	8,857,000	(492,200)	0	39,139,700
Recommended FY 2006	12,496,600	0	0	22,642,200	7,906,700	0	10,372,200	(186,500)	0	53,231,200
Recommended FY 2007	11,554,300	0	0	17,598,100	8,234,800	0	10,515,400	820,600	0	48,723,200
Health										
Actual FY 2005	287,596,500	0	0	1,119,576,700	114,622,900	0	26,893,300	107,403,800	0	1,656,093,200
Recommended FY 2006	337,232,000	0	0	1,229,421,200	114,143,200	0	31,687,300	125,555,600	0	1,838,039,300
Recommended FY 2007	372,449,400	0	0	1,272,768,600	124,154,700	0	31,829,900	130,587,600	0	1,931,790,200
Higher Education										
Actual FY 2005	468,048,700	183,520,900	0	10,491,300	320,664,300	1,883,000	8,284,500	18,085,400	0	1,010,978,100
Recommended FY 2006	378,229,100	311,676,600	0	10,665,900	340,983,900	2,044,300	8,384,500	12,520,100	0	1,064,504,400
Recommended FY 2007	476,250,900	284,056,800	0	13,528,000	351,010,100	2,044,300	8,284,500	173,100	0	1,135,347,700
Human Services										
Actual FY 2005	209,176,100	0	0	120,480,100	9,206,900	0	3,947,200	146,129,400	0	488,939,700
Recommended FY 2006	223,821,000	0	0	124,720,200	8,534,400	0	4,359,400	151,795,200	0	513,230,200
Recommended FY 2007	244,495,400	0	0	127,626,500	9,202,200	0	4,359,400	160,030,200	0	545,713,700

	General Fund	School Funds	Transportation Fund	Federal Funds	Dedicated Credits	Mineral Lease	Restricted/Trust Funds	Other	Property Tax	Total
Legislature										
Actual FY 2005	14,842,000	0	0	0	173,400	0	0	(63,600)	0	14,951,800
Recommended FY 2006	16,109,000	0	0	0	320,600	0	0	(600)	0	16,429,000
Recommended FY 2007	16,697,300	0	0	0	248,400	0	0	166,700	0	17,112,400
National Guard										
Actual FY 2005	4,498,500	0	0	20,019,800	132,700	0	0	141,500	0	24,792,500
Recommended FY 2006	5,343,000	0	0	19,208,800	127,700	0	0	160,500	0	24,840,000
Recommended FY 2007	5,591,000	0	0	19,851,400	149,700	0	0	86,000	0	25,678,100
Natural Resources										
Actual FY 2005	45,486,700	0	0	29,209,600	14,561,700	1,885,800	63,854,800	(6,487,900)	0	148,510,700
Recommended FY 2006	58,032,200	0	0	31,044,900	13,303,100	2,045,200	66,860,400	10,508,000	0	181,793,800
Recommended FY 2007	49,996,700	0	0	31,608,400	13,436,000	2,045,100	67,297,400	1,929,500	0	166,313,100
Public Education										
Actual FY 2005	1,654,900	1,786,390,900	0	344,665,100	25,543,400	1,932,700	1,462,000	(11,081,900)	417,709,600	2,568,276,700
Recommended FY 2006	2,840,800	1,875,638,100	0	347,946,900	24,058,100	2,058,700	14,652,200	38,517,300	446,802,000	2,752,514,100
Recommended FY 2007	1,056,900	2,126,022,600	0	349,419,400	24,976,600	2,058,700	15,591,400	7,984,900	470,804,700	2,997,915,200
Public Safety										
Actual FY 2005	72,337,400	0	5,495,500	43,070,700	7,598,300	0	34,154,300	(24,725,600)	0	137,930,600
Recommended FY 2006	52,901,700	0	5,495,500	58,770,800	6,342,900	0	37,128,400	27,056,600	0	187,695,900
Recommended FY 2007	60,562,500	0	5,495,500	58,648,400	6,440,700	0	38,570,300	2,473,700	0	172,191,100
Technology Services										
Actual FY 2005	1,450,000	0	0	495,500	428,400	0	250,000	(531,900)	0	2,092,000
Recommended FY 2006	1,699,000	0	0	746,600	9,527,200	0	250,000	99,600	0	12,322,400
Recommended FY 2007	1,427,700	0	0	350,000	12,111,700	0	250,000	148,300	0	14,287,700
Transportation										
Actual FY 2005	88,100	0	156,304,300	58,299,200	25,540,200	0	8,175,100	(1,590,600)	0	246,816,300
Recommended FY 2006	88,100	0	166,814,200	42,023,800	22,873,900	0	6,752,500	500,000	0	239,052,500
Recommended FY 2007	88,100	0	180,260,200	41,447,200	23,090,500	0	6,820,000	0	0	251,706,000
TOTAL OPERATIONS BUDGET										
Actual FY 2005	\$1,671,815,600	\$1,987,342,300	\$168,225,200	\$2,036,432,200	\$574,054,200	\$5,701,500	\$268,958,100	\$212,044,000	\$417,709,600	\$7,342,282,700
Recommended FY 2006	1,700,361,000	2,208,486,100	178,735,100	2,166,260,200	598,963,100	6,148,200	299,820,300	418,855,000	446,802,000	8,024,431,000
Recommended FY 2007	1,882,575,100	2,429,913,000	192,181,100	2,225,342,900	628,828,400	6,148,100	319,073,200	336,715,300	470,804,700	8,491,581,800
Capital Budget										
Actual FY 2005	\$141,588,100	\$96,362,400	\$265,170,600	\$211,380,900	\$14,716,100	\$40,340,700	\$55,537,300	(\$81,425,800)	\$0	\$743,670,300
Recommended FY 2006	282,858,300	169,591,900	230,613,300	161,638,600	4,075,000	43,381,100	116,325,000	(13,435,000)	0	995,048,200
Recommended FY 2007	295,807,100	68,294,200	229,318,900	165,930,400	2,775,000	43,381,100	116,649,700	(54,437,500)	0	867,718,900
Debt Service										
Actual FY 2005	61,721,600	18,846,700	0	0	58,508,100	0	127,561,500	7,039,700	0	273,677,600
Recommended FY 2006	53,727,900	17,164,300	0	0	33,004,500	0	133,597,800	5,295,200	0	242,789,700
Recommended FY 2007	54,181,700	17,164,300	0	0	34,368,900	0	135,181,200	(2,174,300)	0	238,721,800
GRAND TOTALS										
Actual FY 2005	\$1,875,125,300	\$2,102,551,400	\$433,395,800	\$2,247,813,100	\$647,278,400	\$46,042,200	\$452,056,900	\$137,657,900	\$417,709,600	\$8,359,630,600
Recommended FY 2006	2,036,947,200	2,395,242,300	409,348,400	2,327,898,800	636,042,600	49,529,300	549,743,100	410,715,200	446,802,000	9,262,268,900
Recommended FY 2007	2,232,563,900	2,515,371,500	421,500,000	2,391,273,300	665,972,300	49,529,200	570,904,100	280,103,500	470,804,700	9,598,022,500

Table 9

SUMMARY OF FY 2007 BUDGET ADJUSTMENTS Ongoing and One-time Funding

Appropriations by Department	General Fund	School Funds	Transporta- tion Fund	Federal Funds	Dedicated Credits	Restricted and Trust Funds	Other	Property Tax	Total
Administrative Services	\$4,903,400	\$0	\$0	\$2,300	\$3,800	(\$973,700)	(\$2,517,400)	\$0	\$1,418,400
Commerce and Revenue	23,025,300	1,729,000	0	20,704,300	441,500	6,651,700	194,700	0	52,746,500
Corrections (Adult and Juv.)	37,450,200	0	0	(690,000)	13,100	(250,000)	(71,800)	0	36,451,500
Courts	10,441,800	0	0	0	68,400	(37,800)	48,200	0	10,520,600
Community and Culture	2,104,500	0	0	135,200	141,500	66,800	(248,700)	0	2,199,300
Elected Officials	13,274,200	0	0	269,400	2,216,700	6,599,100	501,800	0	22,861,200
Environmental Quality	1,292,700	0	0	880,800	496,100	1,113,700	0	0	3,783,300
Health	53,191,200	0	0	88,050,400	6,704,900	127,600	2,893,700	0	150,967,800
Higher Education	(11,945,200)	89,054,700	0	28,000	10,055,700	0	15,800	0	87,209,000
Human Services	24,969,200	0	0	5,278,700	775,300	0	10,302,700	0	41,325,900
Legislature	905,900	0	0	0	8,400	0	0	0	914,300
National Guard	834,000	0	0	856,600	700	0	1,600	0	1,692,900
Natural Resources	4,376,100	0	0	1,381,300	357,500	5,345,600	0	0	11,460,500
Public Education	802,000	270,812,000	0	1,811,700	159,500	5,005,300	405,300	24,002,700	302,998,500
Public Safety	10,323,000	0	0	523,500	199,900	2,018,500	31,400	0	13,096,300
Technology Services	131,200	0	0	0	11,584,500	0	0	0	11,715,700
Transportation	0	0	14,525,800	0	0	70,200	0	0	14,596,000
Total Operations Adj.	\$176,079,500	\$361,595,700	\$14,525,800	\$119,232,200	\$33,227,500	\$25,737,000	\$11,557,300	\$24,002,700	\$765,957,700
Capital Budget	\$149,729,800	\$746,500	\$2,946,400	\$0	\$0	\$3,800,000	\$0	\$0	\$157,222,700
Debt Service	(3,000,000)	0	0	0	0	1,583,400	0	0	(1,416,600)
Total Budget Adjustments	\$322,809,300	\$362,342,200	\$17,472,200	\$119,232,200	\$33,227,500	\$31,120,400	\$11,557,300	\$24,002,700	\$921,763,800

Table 10

SUMMARY OF FY 2006 BUDGET ADJUSTMENTS Supplementals, All Sources of Funding

Appropriations by Department	General Fund	School Funds	Transportation Fund	Federal Funds	Dedicated Credits	Restricted and Trust Funds	Other	Total
Administrative Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Commerce and Revenue	7,525,000	3,020,000	0	0	0	271,000	0	10,816,000
Corrections (Adult and Juvenile)	3,474,900	0	0	0	0	0	0	3,474,900
Courts	277,600	0	0	0	0	0	0	277,600
Community and Culture	2,818,100	0	0	0	364,800	0	0	3,182,900
Elected Officials	8,087,200	0	0	0	0	0	0	8,087,200
Environmental Quality	200,000	0	0	0	0	0	0	271,000
Health	13,253,100	0	0	20,983,100	0	71,000	0	34,236,200
Higher Education	(110,000,000)	113,912,100	0	0	0	0	0	3,912,100
Human Services	1,239,000	0	0	0	64,500	0	67,200	1,370,700
Legislature	0	0	0	0	0	0	0	0
National Guard	78,000	0	0	122,000	0	0	0	200,000
Natural Resources	12,954,000	0	0	0	0	903,800	0	13,857,800
Public Education	0	5,583,000	0	0	0	4,066,100	0	9,649,100
Public Safety	2,509,700	0	0	0	0	0	0	2,509,700
Technology Services	0	0	0	0	9,000,000	0	0	9,000,000
Transportation	0	0	700,000	0	0	0	0	700,000
Total Operations Adjustments	(\$57,583,400)	\$122,515,100	\$700,000	\$21,105,100	\$9,429,300	\$5,311,900	\$67,200	\$101,545,200
Capital Budget	\$107,469,000	\$85,510,000	\$0	\$0	\$0	\$2,700,000	\$0	\$195,679,000
Debt Service	(6,151,800)	0	0	0	0	0	0	(6,151,800)
Total Budget Adjustments	\$43,733,800	\$208,025,100	\$700,000	\$21,105,100	\$9,429,300	\$8,011,900	\$67,200	\$291,072,400

Table 10 shows recommended FY 2006 supplemental appropriations.

Table 11
MINERAL LEASE
Three-Year Comparison

	Actual FY 2005	Governor Huntsman's Recommendations	
		Recommended FY 2006 (a)	Recommended FY 2007 (a)
Sources of Funding			
Federal Mineral Lease Royalties	\$76,818,900	\$84,822,600	\$84,822,600
Exchanged Lands Mineral Lease Royalties	8,697,200	7,641,400	7,641,400
National Monument Mineral Lease Royalties	124,100	36,000	36,000
<i>Subtotal Mineral Lease Royalties</i>	<i>85,640,200</i>	<i>92,500,000</i>	<i>92,500,000</i>
Federal Mineral Lease Bonus	5,760,600	8,199,700	7,288,700
Exchanged Lands Mineral Lease Bonus	629,100	800,300	711,300
<i>Subtotal Mineral Lease Bonus</i>	<i>6,389,700</i>	<i>9,000,000</i>	<i>8,000,000</i>
Total Funding	\$92,029,900	\$101,500,000	\$100,500,000
Appropriations			
Board of Education	\$1,932,600	\$2,058,700	\$2,058,700
Community Impact Fund	37,749,600	41,359,600	41,359,600
DCC - county special service districts	4,184,500	4,543,000	4,543,000
Discretionary:			
Transfer to General Fund	1,728,200	2,459,900	2,186,600
Payment in Lieu of Taxes	2,630,700	2,480,000	2,480,000
Transportation - county special service districts	33,525,500	36,358,100	36,358,100
USU Water Research Laboratory	1,883,000	2,044,300	2,044,300
Utah Geological Survey	1,885,800	2,045,200	2,045,100
<i>Subtotal Appropriations</i>	<i>85,519,900</i>	<i>93,348,800</i>	<i>93,075,400</i>
Statutory Allocations			
Community Impact Fund	4,185,400	5,934,400	5,275,100
Constitutional Defense Restricted Account	1,034,400	1,007,900	972,300
Rural Development Fund	557,600	503,900	498,900
Rural Electronic Commerce Fund	710,600	698,600	671,900
Permanent State School Fund	22,000	6,400	6,400
<i>Subtotal Allocations</i>	<i>6,510,000</i>	<i>8,151,200</i>	<i>7,424,600</i>
Total Appropriations and Allocations	\$92,029,900	\$101,500,000	\$100,500,000
Ending Balance	\$0	\$0	\$0

(a) Governor Huntsman's recommendations for FY 2006 and FY 2007 are based upon updated revenue projections and statutory amendments enacted by Senate Bill 66, Revenues from Federal Land Exchange Parcels, that passed in the 2002 General Session.

Table 11 shows the actual and recommended allocation of Mineral Lease revenue. This revenue comes from mineral leases on federal lands in Utah. Statutory allocations are set by formula.

GUIDE TO OPERATING AND CAPITAL BUDGET TABLES IN NEXT SECTION

The departmental operating and capital budget tables show actual revenue and expenditures for the past fiscal year (FY 2005), authorized and recommended revenue and expenditures for the current fiscal year (FY 2006), and recommended revenue and expenditures for the budget fiscal year (FY 2007). The guide below illustrates how to read these tables.

PUBLIC SAFETY Operating Budget						
Governor Huntsman's Recommendations						
	Actual FY 2005	Authorized FY 2006	Recommended FY 2006	Base FY 2007	Adjust- ments	Total FY 2007
Plan of Financing						
General Fund	\$43,567,900	\$46,396,100	\$47,383,800	\$46,058,900	\$5,014,700	\$51,673,600
Transportation Fund	5,495,500	5,495,500	5,495,500	5,495,500	0	5,495,500
Federal Funds	22,029,600	22,029,600	22,029,600	22,029,600	370,100	20,199,500
Debt	970,600	970,600	970,600	970,600	217,800	6,160,900
Deductions	13,000	13,000	13,000	13,000	2,950,700	36,825,700
Beginning Balances	9,000	9,000	9,000	9,000	13,500	1,789,400
Closing Balances	0	0	0	0	12,800	12,800
Lapsing Funds	61,700	61,700	61,700	61,700	0	473,300
	2,675,600	2,675,600	2,675,600	2,675,600	0	1,396,300
	(3,019,300)	(3,019,300)	(3,019,300)	(3,019,300)	0	(990,500)
	(1,954,000)	(1,954,000)	(1,954,000)	(1,954,000)	0	(1,949,600)
Total Financing	\$127,631,000	\$116,290,500	\$91,378,400	\$89,322,900	\$9,179,600	\$121,086,900
		8,000	\$87,000			0
		5,700				
		9,700				
		2,800				
		0,600				
		8,400				
		7,037,200				
Management Information	1,520,100	1,638,300				
Fire Marshal	4,618,600	4,649,600				
Liquor Law Enforcement						
Total Budget			\$1,023,000			2,800
% Change from Recommended FY 2006 to Total FY 2007						
FTE Positions	--	1,082.0	1,084.0	1,082.0	2.0	1,084.0
						4.1%

GUIDE TO RECOMMENDATIONS TABLES IN NEXT SECTION

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

NATURAL RESOURCES				
NATURAL RESOURCES FY 2007 OPERATING BUDGET				
Beginning Base Budget				
A1	FY 2006 appropriated budget	\$0	\$0	\$0
A2	Less one-time FY 2006 appropriations			
Total Beginning Base Budget - Natural Resources				
Ongoing Adjustments				
A3	Brief title/description			
One-time Adjustments				
A4	Brief title/description here			
Total FY 2007 Natural Resources Adjustments		0	0	0
Total FY 2007 Natural Resources Operating Budget		\$0	\$0	\$0
NATURAL RESOURCES FY 2006 OPERATING BUDGET ADJUSTMENTS				
A5	Brief title/description here			\$0
Total FY 2006 Natural Resources Budget Adjustments				
NATURAL RESOURCES FY 2007 CAPITAL BUDGET				
One-time Adjustments				
A6	Brief title/description here			
Total FY 2007 Natural Resources Capital Adjustments				
Total FY 2007 Natural Resources Capital Budget				
AGRICULTURE FY 2007 OPERATING BUDGET				
Beginning Base Budget				
A7	FY 2006 appropriated budget			\$0
Total Beginning Base Budget - Agriculture				0
Total FY 2007 Agriculture Adjustments		0		0
Total FY 2007 Agriculture Operating Budget		\$0		\$0
NATURAL RESOURCES TOTALS				
FY 2007 Operating Base Budget		\$		\$0
FY 2007 Operating Adjustments				0
FY 2007 Operating Recommendation				0
FY 2006 Operating Supplementals				0
FY 2007 Capital Base Budget				0
FY 2007 Capital Adjustments				0
FY 2007 Capital Recommendation		0		0
FY 2006 Capital Supplementals		0	0	0

General Fund School Funds Other Funds Total Funds

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

These numbers are for ease in referencing.

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

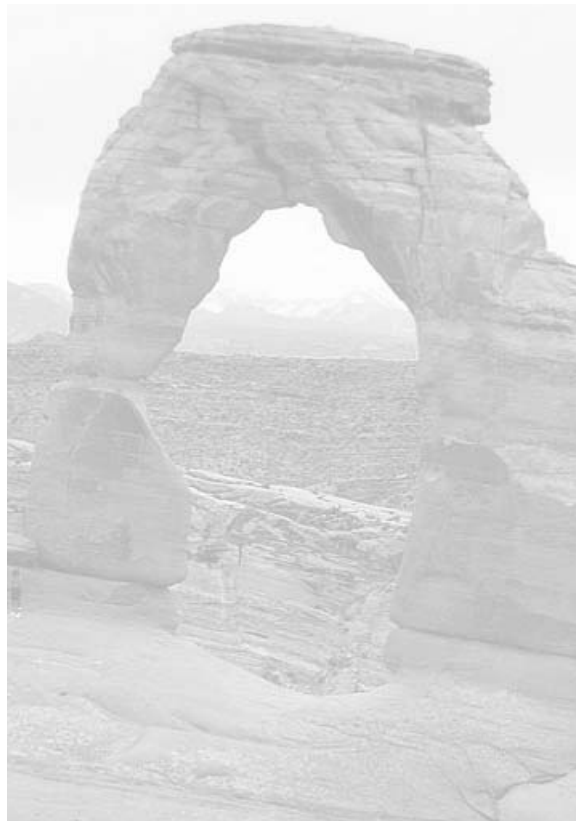
Each item has a brief description.

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

State of Utah

Operating and Capital Budget Recommendations by Department

- Agency categories in alphabetical order
- Major department accomplishments
- Governor Huntsman's major budget recommendations
- Intent statements recommended by the governor for the FY 2006 supplemental appropriations act and the FY 2007 appropriations act
- Three-year comparison of operating and capital budgets
- Detailed FY 2007 base adjustments, FY 2007 ongoing and one-time appropriations, and FY 2006 supplemental appropriations



ADMINISTRATIVE SERVICES

Randa Bezzant, Analyst



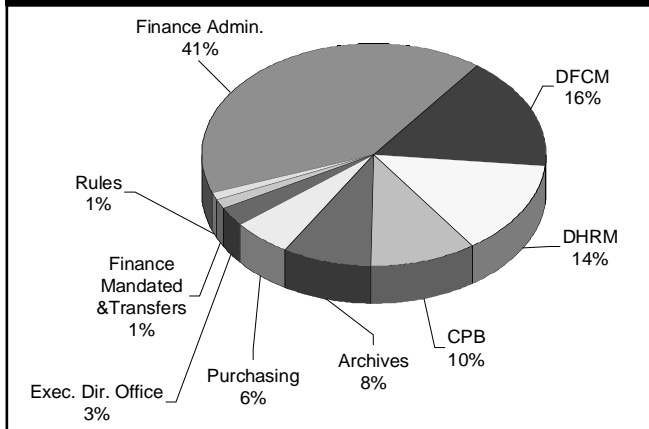
AGENCY BUDGET OVERVIEW

ADMINISTRATIVE SERVICES AGENCIES INCLUDE:

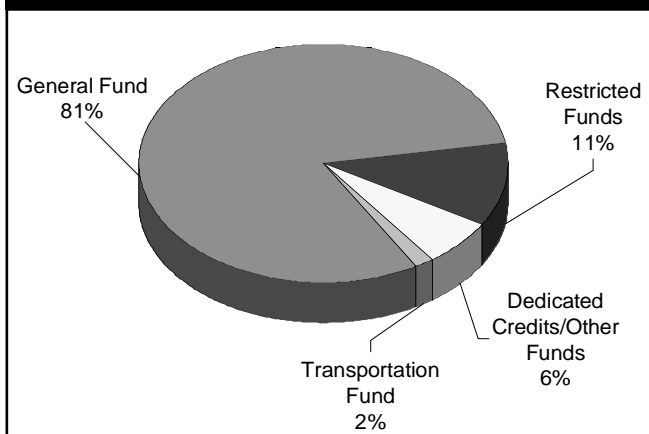
- Administrative Services
- Capitol Preservation Board

Mission: *Deliver centralized services at competitive costs while exceeding customer expectations and provide operation and maintenance for the Capitol Hill Complex*

Where Will My Taxes and Fees Go for Administrative Services?
(Total FY 2007 Operating Funding is \$28,902,300)



Financing of Administrative Services Agencies
(Based on FY 2007 Operating Budget Recommendations)



MAJOR ACCOMPLISHMENTS AND SERVICES

(Headings include funding in Governor's Recommendations)

Finance Administration - \$11.8 million

- Prepares the state's Comprehensive Annual Financial Report and received the Certificate of Achievement for Excellence in financial reporting for the twentieth year in a row, a record matched by only four other states
- Collected \$9.7 million of debts owed the state through the FINDER system
- Implemented time-saving technology through Employee Self Service (ESS) so employees can enter time directly into the payroll system

Facilities Construction and Management (DFCM) - \$4.7 million

- Oversaw an estimated 521 construction projects with total expenditures of \$228 million
- Managed 360 leases with annual rentals of \$24 million
- Completed 93 percent of capital improvement projects within one year of funding

Human Resource Management (DHRM) - \$4.0 million

- Created and implemented an annual workforce planning report to help understand and monitor the various trends and attitudes within the state's workforce
- Began consolidation of human resource programs and services to meet mandates and requirements identified in the 2005 General Session, House Bill 319, *Expansion of Department of Administrative Services Oversight to Include Human Resource Management* (Buxton)

Archives - \$2.4 million

- Completion of the new Archives repository facility and new Utah History Research Center has improved preservation and care of historical records as well as delivering expanded services to increased and new audiences

Purchasing - \$1.6 million

- Manages statewide contracts worth \$420 million of purchases
- Privatized state copy centers to provide annual savings to agencies

Capitol Preservation Board (CPB) - \$2.9 million

- Provides ongoing operation and maintenance for seven buildings on the Capitol Hill Complex

RECOMMENDATIONS: GOVERNOR'S GOALS AND INITIATIVES

(See itemized table for full list of recommendations)

Provide additional funding for LeRay McAllister Critical Land Conservation Fund

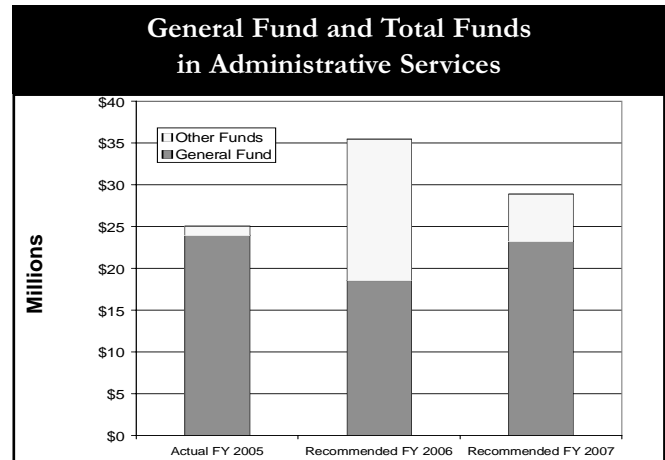
- Provide grants to communities and landowners with \$2,517,400 one-time General Fund to conserve or restore lands that are important to the community such as those with agricultural, wildlife habitat, watershed, recreational, and cultural or historical value
 - Since it was established in 1999, the Quality Growth Commission has approved 52 projects to conserve or restore over 54,500 acres of Utah's critical lands. In that time, it has spent \$13 million. This amount was matched nearly 5:1 with \$72 million from local governments, federal programs, and private donations.
 - Demand for land conservation dollars continues to increase at a rate greater than appropriations. Pre-applications for calendar year 2005 grants totaled nearly \$18 million, while appropriations to the fund in the 2005 General Session totaled \$3.3 million.

Consolidate the human resource function into one agency

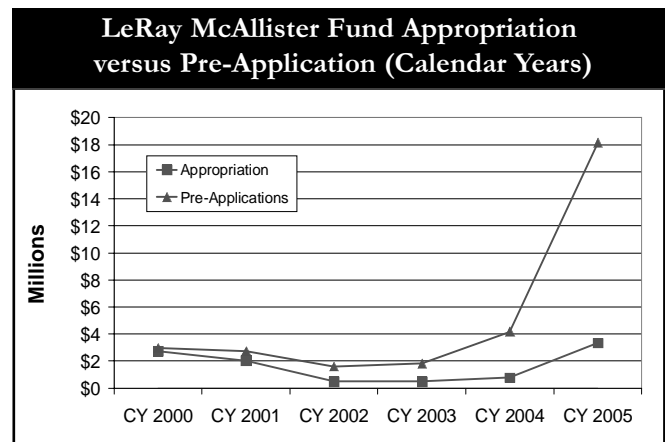
- Gain economies of scale and consistency in application of federal rules by transferring 165 human resource employees from individual agencies to the DHRM internal service fund (ISF)

Replace one-time funding for ongoing needs with ongoing funding

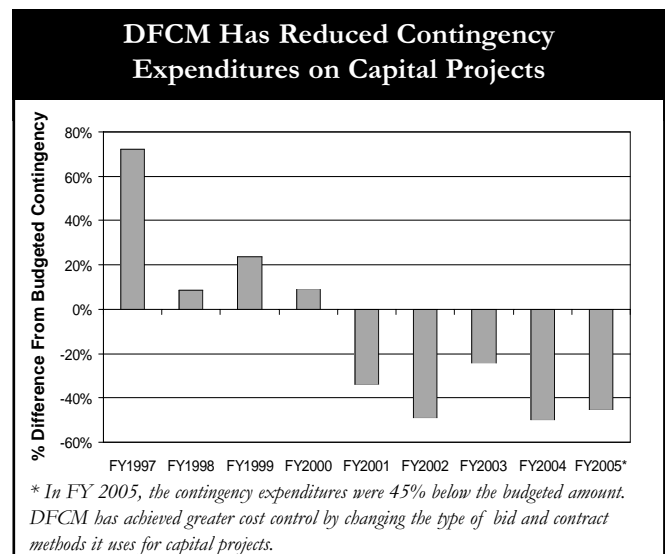
- Restore \$1,092,000 ongoing General Fund to DFCM for operating costs currently being funded by one-time capital reserve funds
 - Capital reserve funds are provided by statute to fund project change orders and unforeseen costs or conditions. Reserve funds are included as part of the original cost of a project. Unexpended reserve funds are available for the legislature to appropriate to other projects.
 - Over the past year construction costs have increased substantially, especially in concrete and steel. This has caused uncertainty about the amount of capital reserve funds available for DFCM operating costs.



Recommended FY 2006 is higher because of carryforward balances of \$4.0 million for the Salt Lake County convention facility and \$5.3 million for Finance computer systems. The Finance computer system carryforward is mainly for the new FINET system expected to come on line in July 2006.



Demand continues to increase at a rate greater than appropriations.



PROPOSED LEGISLATIVE INTENT LANGUAGE AND INTERNAL SERVICE FUNDS

FY 2006 Proposed Legislative Intent

Department of Administrative Services

- Funds for the Office of Child Welfare Parental Defense are nonlapsing.
- Proceeds from the privatization and sale of Copy Services equipment shall be returned to the Division of Purchasing and General Services, less a negotiated fee to cover the Surplus Property costs for processing and handling.
- The Division of Risk Management is authorized to increase its number of vehicles by one.

FY 2007 Proposed Legislative Intent

Department of Administrative Services

- Funds for the Executive Director's Office are nonlapsing.
- Funds for the Division of Administrative Rules are nonlapsing.
- Funds for Archives are nonlapsing and shall be used to digitize and microfilm documents generated by former Utah governors for preservation and access.
- The DFCM ISF may add up to three full-time equivalents (FTEs) and up to two vehicles beyond the authorized level if new facilities come online or maintenance agreements are requested. Any added FTEs will be reviewed and may be approved by the legislature in the next legislative session.
- DFCM is authorized to add two new vehicles through State Fleet Operations for use in maintaining Tooele and Ogden area buildings.

- Funds for the Division of Finance are nonlapsing and are to be used toward statewide accounting systems and an actuary study of post employment benefits.
- Funds for the Judicial Conduct Commission are nonlapsing.
- Funds for Post Conviction Indigent Defense are nonlapsing.
- Funds for LeRay McAllister Critical Land Fund are nonlapsing.
- Funds to implement the provisions of House Bill 213, *Unused Sick Leave At Retirement Amendments* (Clark, D.), passed in the 2005 General Session are nonlapsing.
- Funds for Purchasing are nonlapsing.
- Funds for DHRM are nonlapsing.

Capitol Preservation Board

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

Statewide

- Cost-of-living and discretionary salary compensation increases for FY 2007 shall become effective beginning the first pay period of FY 2007.
- A 2.0 percent compensation increase is to be used for discretionary salary increases to employees based upon performance or other salary-related issues as determined by the executive directors or commissioners of the state agencies and in accordance with the rules and procedures established by DHRM.

INTERNAL SERVICE FUND RECOMMENDATIONS

DAS includes several ISF divisions that provide products and services to state and other governmental agencies on a cost-reimbursement basis. They are set up to account for the cost of certain governmental services and to avoid duplication of effort among agencies, thus providing savings statewide. State agency budgets include funding for ISF services.

ISF divisions must receive legislative approval for rates charged to agencies, capital acquisitions, and FTEs. For FY 2007 the governor recommends the rate changes approved by the ISF rate committee. The governor also recommends FTEs and capital outlay authorizations for DAS ISF divisions as indicated on the following table.

ISF Description	Estimated Revenue	FTE Recommended	Capital Outlay Recommended
Debt Collection	\$1,407,000	5.0	\$0
General Services	12,818,600	49.0	2,408,400
DHRM	11,279,800 (a)	165.5	0
Fleet Operations	53,486,000 (b)	43.0	13,507,300
Risk Management	33,123,500 (c)	25.0	100,000
DFCM	20,512,100 (d)	122.0	51,500

(a) The FY 2007 revenue estimate includes a fee of \$520 per FTE for human resource services and \$130 per FTE for payroll services.

(b) The FY 2007 revenue estimate includes fuel rate increase of \$1,216,000.

(c) The FY 2007 revenue estimate includes liability insurance rate decreases of \$1,194,700, property insurance rate increases of \$746,000, and auto insurance rate decreases of \$35,000.

(d) The FY 2007 revenue estimate includes lease rate increases of \$187,000.

ADMINISTRATIVE SERVICES

Operating Budget

Governor Huntsman's Recommendations						
	Actual FY 2005	Authorized FY 2006	Recommended FY 2006	Base FY 2007	Ongoing and One-time Adj.	Total FY 2007
Plan of Financing						
General Fund	\$23,952,600	\$18,524,200	\$18,524,200	\$18,372,800	\$4,903,400	\$23,276,200
Transportation Fund	450,000	450,000	450,000	450,000	0	450,000
Federal Funds	0	4,500	4,500	66,700	2,300	69,000
Dedicated Credits	2,985,200	2,789,100	2,789,100	3,031,100	3,800	3,034,900
Restricted and Trust Funds	5,229,100	5,338,500	5,338,500	4,283,000	(973,700)	3,309,300
Transfers	(3,482,600)	(332,600)	(332,600)	(482,600)	(2,517,400)	(3,000,000)
Other Funds	141,400	141,400	141,400	141,400	0	141,400
Beginning Balances	6,568,600	10,525,000	10,525,000	1,870,200	0	1,870,200
Closing Balances	(10,525,000)	(1,870,200)	(1,870,200)	(207,400)	0	(207,400)
Lapsing Funds	(242,000)	(62,800)	(62,800)	(41,300)	0	(41,300)
Total Financing	\$25,077,300	\$35,507,100	\$35,507,100	\$27,483,900	\$1,418,400	\$28,902,300
Programs						
Administrative Services						
Executive Director's Office	\$818,300	\$1,006,400	\$1,006,400	\$1,004,200	(\$159,700)	\$844,500
Administrative Rules	350,300	403,000	403,000	294,700	42,600	337,300
Archives	2,035,700	2,303,400	2,303,400	2,195,700	168,500	2,364,200
DFCM - Administration	4,026,900	4,340,700	4,340,700	4,384,200	307,600	4,691,800
Finance						
Administration	10,087,600	13,696,900	13,696,900	11,216,000	604,300	11,820,300
Mandated - Judicial Conduct Comm.	230,600	231,700	231,700	232,100	15,800	247,900
Mandated - Indigent Defense	44,600	74,000	74,000	74,000	0	74,000
Mandated - Other	3,594,200	5,514,500	5,514,500	532,600	2,517,400	3,050,000
Human Resource Management	3,172,600	3,744,000	3,744,000	3,770,000	185,100	3,955,100
Purchasing	1,383,900	1,557,800	1,557,800	1,474,900	138,700	1,613,600
Parental Defense	111,300	127,700	127,700	0	0	0
Transfer Appropriations to Other Funds	(3,482,600)	(332,600)	(332,600)	(482,600)	(2,517,400)	(3,000,000)
<i>Subtotal Administrative Services</i>	<i>22,373,400</i>	<i>32,667,500</i>	<i>32,667,500</i>	<i>24,695,800</i>	<i>1,302,900</i>	<i>25,998,700</i>
Capitol Preservation Board						
Operations	2,703,900	2,839,600	2,839,600	2,788,100	115,500	2,903,600
<i>Subtotal Capital Preserv. Board</i>	<i>2,703,900</i>	<i>2,839,600</i>	<i>2,839,600</i>	<i>2,788,100</i>	<i>115,500</i>	<i>2,903,600</i>
Total Budget	\$25,077,300	\$35,507,100	\$35,507,100	\$27,483,900	\$1,418,400	\$28,902,300
% Change from Authorized FY 2006 to Total FY 2007						(18.6%)
FTE Positions	--	230.7	230.7	228.5	0.0	228.5

ADMINISTRATIVE SERVICES**Capital Budget**

Governor Huntsman's Recommendations							
	Actual FY 2005	Authorized FY 2006	Supple- mentals	Recommended FY 2006	Base FY 2007	Ongoing and One-time Adj.	Total FY 2007
Plan of Financing							
General Fund	\$78,516,900	\$50,902,800	\$37,302,000	\$88,204,800	\$53,600,800	\$26,579,800	\$80,180,600
School Funds	17,000,000	21,050,000	0	21,050,000	40,258,800	(14,195,500)	26,063,300
Transportation Fund	0	0	0	0	0	1,746,400	1,746,400
Federal Funds	1,024,300	1,383,800	0	1,383,800	0	0	0
Restricted and Trust Funds	3,051,000	919,000	0	919,000	0	0	0
Total Financing	\$99,592,200	\$74,255,600	\$37,302,000	\$111,557,600	\$93,859,600	\$14,130,700	\$107,990,300
Projects							
Statewide capital improvements	\$43,976,900	\$56,161,600	\$0	\$56,161,600	\$56,161,600	\$6,759,700	\$62,921,300
Ongoing funds to apply to one-time projects	0	0	0	0	37,698,000	(37,698,000)	0
Corrections - capital improvements	1,024,300	0	0	0	0	0	0
Corrections - inmate training facilities	1,540,000	0	0	0	0	0	0
CPB - Capitol restoration	50,000,000	0	12,302,000	12,302,000	0	37,698,000	37,698,000
DNR - Carbon County land	250,000	0	0	0	0	0	0
DWS - Logan employment center	2,801,000	0	0	0	0	0	0
Corrections - CUCF 288-bed facility	0	14,600,000	0	14,600,000	0	0	0
Courts - Provo land purchase	0	225,000	0	225,000	0	0	0
DHS - Development Center housing	0	2,575,000	0	2,575,000	0	0	0
DNR - fire management facility	0	694,000	0	694,000	0	0	0
Corrections - CUCF prison expansion	0	0	20,000,000	20,000,000	0	0	0
DNR - Midway fish hatchery	0	0	5,000,000	5,000,000	0	0	0
DABC - Holladay store replacement	0	0	0	0	0	4,446,000	4,446,000
DABC - Kimball Junction store expansion	0	0	0	0	0	1,292,000	1,292,000
DABC - Redwood Road store expansion	0	0	0	0	0	1,633,000	1,633,000
Total Budget	\$99,592,200	\$74,255,600	\$37,302,000	\$111,557,600	\$93,859,600	\$14,130,700	\$107,990,300
% Change from Authorized FY 2006 to Total FY 2007							45.4%

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 2007 OPERATING BUDGET							
Beginning Base Budget							
	General Fund	School Funds	Transportation Fund	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
A1	FY 2006 appropriated budget		\$0	\$450,000	\$2,329,600	\$5,338,500	\$2,012,400
A2	Adjustments for one-time FY 2006 appropriations		0	0	0	(1,047,800)	(150,000)
A3	Adjustments for extra working day		0	0	(2,400)	(7,700)	0
A4	Adjustments to funding levels		0	0	415,000	0	(656,800)
Total Beginning Base Budget - Administrative Services							
	16,015,000	0	450,000	2,742,200	4,283,000	1,205,600	24,695,800
Statewide Ongoing Adjustments							
A5	Cost-of-living adjustments of 2.5%		0	0	17,700	28,500	0
A6	Discretionary salary increase funding		0	0	14,200	21,200	0
A7	Internal service fund adjustments		0	0	0	4,500	(600)
A8	Human resources consolidation adjustments		0	0	(68,500)	(2,400)	0
A9	Health insurance rate adjustments		0	0	10,400	17,600	0
A10	Termination pool rate adjustments		0	0	25,400	41,300	0
A11	Retirement rate adjustments		0	0	4,600	7,600	0
	Subtotal Statewide Ongoing Adjustments - Administrative Services		0	0	3,800	118,300	2,300
Ongoing Adjustments							
A12	E-rules system maintenance		0	0	0	0	0
A13	Increase to Administrative Rules for compensation adjustment		0	0	0	0	0
A14	Increase for State Records Center lease		0	0	0	0	0
A15	Restore General Fund replaced by Capital Projects Fund in FY 2003		0	0	0	(1,092,000)	0
A16	U.S. Postal Service rate increase		0	0	0	0	0
	Subtotal Ongoing Adjustments - Administrative Services		0	0	0	(1,092,000)	0
One-time Adjustments							
A17	Alternative dispute resolution training		0	0	0	0	0
A18	Increase funds to LeRay McAllister Critical Land Conservation Fund		0	0	0	(2,517,400)	0
A19	Detailed employee benefit study		0	0	0	0	0
	Subtotal One-time Adjustments - Administrative Services		0	0	0	(2,517,400)	0
Total FY 2007 Administrative Services Adjustments							
	4,787,900	0	0	3,800	(973,700)	(2,515,100)	1,302,900
Total FY 2007 Administrative Services Operating Budget							
	\$20,802,900	\$0	\$450,000	\$2,746,000	\$3,309,300	(\$1,309,500)	\$25,998,700
ADMINISTRATIVE SERVICES FY 2007 CAPITAL BUDGET							
Base Budget							
A20	FY 2006 appropriated budget		\$21,050,000	\$0	\$0	\$919,000	\$1,383,800
A21	Adjustments for one-time FY 2006 appropriations		19,208,800	0	0	(919,000)	(1,383,800)
Total FY 2007 Admin. Services Capital Base Budget							
	53,600,800	40,258,800	0	0	0	0	93,859,600

ADMINISTRATIVE SERVICES - CONTINUED

		General Fund	School Funds	Transportation Fund	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
Ongoing Adjustments								
A22	Increase capital improvement funds mandated by statute	0	5,013,300	1,746,400	0	0	0	6,759,700
A23	Funding shift	19,208,800	(19,208,800)	0	0	0	0	0
	<i>Subtotal Ongoing Capital Adjustments - Administrative Services</i>	19,208,800	(14,195,500)	1,746,400	0	0	0	6,759,700
One-time Adjustments								
A24	Ongoing capital development funding applied to one-time projects	(37,698,000)	0	0	0	0	0	(37,698,000)
A25	CPB - Capitol restoration	37,698,000	0	0	0	0	0	37,698,000
A26	DABC - Holladay store replacement	4,446,000	0	0	0	0	0	4,446,000
A27	DABC - Kimball Junction store expansion	1,292,000	0	0	0	0	0	1,292,000
A28	DABC - Redwood Road store expansion	1,633,000	0	0	0	0	0	1,633,000
	<i>Subtotal One-time Capital Adjustments - Administrative Services</i>	7,371,000	0	0	0	0	0	7,371,000
	Total FY 2007 Admin. Services Capital Adjustments	26,579,800	(14,195,500)	1,746,400	0	0	0	14,130,700
Total FY 2007 Administrative Services Capital Budget		\$80,180,600	\$26,063,300	\$1,746,400	\$0	\$0	\$0	\$107,990,300
ADMINISTRATIVE SERVICES FY 2006 CAPITAL BUDGET ADJUSTMENTS								
Supplemental Adjustments								
A29	Corrections - Central Utah Correctional Facility prison expansion	\$20,000,000	\$0	\$0	\$0	\$0	\$0	\$20,000,000
A30	CPB - Capitol restoration	12,302,000	0	0	0	0	0	12,302,000
A31	DNR - Midway fish hatchery	5,000,000	0	0	0	0	0	5,000,000
	<i>Subtotal Supplemental Capital Adjustments - Administrative Services</i>	37,302,000	0	0	0	0	0	37,302,000
Total FY 2006 Administrative Services Capital Adjustments		\$37,302,000	\$0	\$0	\$0	\$0	\$0	\$37,302,000
CAPITOL PRESERVATION BOARD FY 2007 OPERATING BUDGET								
Beginning Base Budget								
A32	FY 2006 appropriated budget	\$2,358,400	\$0	\$0	\$288,900	\$0	\$141,400	\$2,788,700
A33	Adjustments for extra day	(600)	0	0	0	0	0	(600)
	Total Beginning Base Budget - Capitol Preservation Board	2,357,800	0	0	288,900	0	141,400	2,788,100
Statewide Ongoing Adjustments								
A34	Cost-of-living adjustments of 2.5%	4,500	0	0	0	0	0	4,500
A35	Discretionary salary increase funding	1,400	0	0	0	0	0	1,400
A36	Internal service fund adjustments	7,600	0	0	0	0	0	7,600
A37	Human resources consolidation adjustments	2,200	0	0	0	0	0	2,200
A38	Health insurance rate adjustments	3,100	0	0	0	0	0	3,100
A39	Termination pool rate adjustments	2,500	0	0	0	0	0	2,500
A40	Retirement rate adjustments	1,200	0	0	0	0	0	1,200
	<i>Subtotal Statewide Ongoing Adj. - Capitol Preservation Board</i>	22,500	0	0	0	0	0	22,500

ADMINISTRATIVE SERVICES - CONTINUED

Ongoing Adjustments									
A41	Office increases	8,000	0	0	0	0	0	0	8,000
Subtotal Ongoing Adjustments - Capital Preservation Board									
		8,000	0	0	0	0	0	0	8,000
One-time Adjustments									
A42	Commemorative book	35,000	0	0	0	0	0	0	35,000
A43	Printed materials	50,000	0	0	0	0	0	0	50,000
Subtotal One-time Adjustments - Capital Preservation Board									
		85,000	0	0	0	0	0	0	85,000
Total FY 2007 Capital Preservation Board Adjustments									
		115,500	0	0	0	0	0	0	115,500
Total FY 2007 Capital Preservation Board Operating Budget									
		\$2,473,300	\$0	\$0	\$288,900	\$0	\$141,400	\$0	\$2,903,600
ADMINISTRATIVE SERVICES TOTALS									
FY 2007 Operating Base Budget									
		\$18,372,800	\$0	\$450,000	\$3,031,100	\$4,283,000	\$1,347,000	\$27,483,900	
FY 2007 Operating Ongoing and One-time Adjustments									
		4,903,400	0	0	3,800	(973,700)	(2,515,100)	1,418,400	
FY 2007 Operating Recommendation									
		23,276,200	0	450,000	3,034,900	3,309,300	(1,168,100)	28,902,300	
FY 2007 Capital Base Budget									
		53,600,800	40,258,800	0	0	0	0	93,859,600	
FY 2007 Capital Ongoing and One-time Adjustments									
		26,579,800	(14,195,500)	1,746,400	0	0	0	14,130,700	
FY 2007 Capital Recommendation									
		80,180,600	26,063,300	1,746,400	0	0	0	107,990,300	
FY 2006 Capital Adjustments									
		37,302,000	0	0	0	0	0	37,302,000	

COMMERCE AND REVENUE

Christian Ward, Analyst



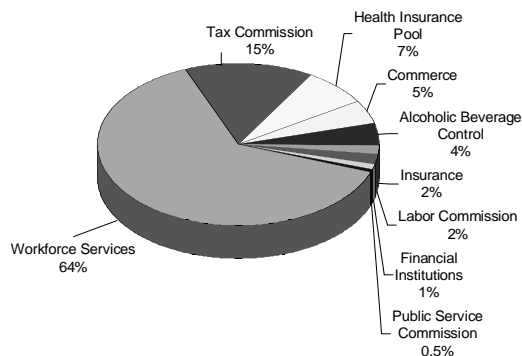
AGENCY BUDGET OVERVIEW

COMMERCE AND REVENUE AGENCIES INCLUDE:

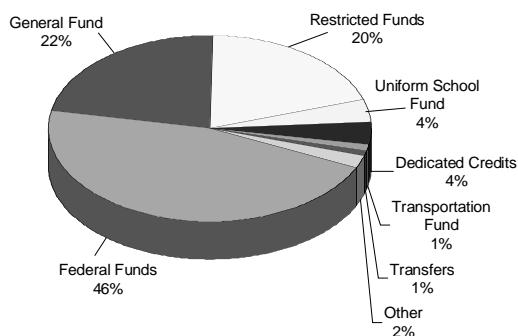
Department of Workforce Services
Tax Commission
Department of Commerce
Department of Alcoholic Beverage Control
Labor Commission
Department of Insurance
Department of Financial Institutions
Public Service Commission

Mission: *Encourage employment, provide temporary assistance, and maintain an appropriate balance between business and regulation*

Where Will My Taxes and Fees Go for Commerce and Revenue? (Total FY 2007 Funding is \$521,021,800)



Financing of Commerce and Revenue Agencies (Based on FY 2007 Recommendations)



MAJOR ACCOMPLISHMENTS AND SERVICES

(Headings include funding in Governor's Recommendations)

Workforce Services (DWS) - \$322.7 million

- Provides employment and support services to over 260,000 Utah residents
- Leads the nation in shifting clients from welfare to employment, job retention, and increased employee earnings

Tax Commission - \$75.5 million

- Collects, records, and distributes over \$5.5 billion in net revenues from over 40 different taxes and fees, resulting in deposits to over 200 different funds
- Processes over 2.6 million tax documents and over 2.7 million motor vehicle transactions

Commerce - \$24.3 million

- Regulates 277,000 occupational and professional licensees in 154 classifications
- Processes 600,000 Utah business filings

Alcoholic Beverage Control - \$22.9 million

- Regulates and operates the retail sales of \$180 million in alcoholic beverages throughout Utah

Labor Commission - \$10.5 million

- Nationally recognized for innovative and best practices in the Utah Anti-discrimination and Labor Division

Insurance - \$8.6 million

- Regulates 1,440 licensed insurers and 51,000 licensed agents with annual premiums exceeding \$8.1 billion

Financial Institutions - \$5.9 million

- Regulates 121 depository institutions with assets totaling \$121 billion

Public Service Commission - \$2.3 million

- Regulates 163 utility companies with gross intrastate revenues exceeding \$2.5 billion

RECOMMENDATIONS: GOVERNOR'S GOALS AND INITIATIVES

(See itemized table for full list of recommendations)

Workforce Services

- Complete the Electronic Resource Eligibility Project (eREP), a comprehensive system that will determine consumer eligibility for all federal programs, by granting \$4,085,000 in one-time General Fund and \$6,135,900 in one-time federal funds
- Manage the 74 percent increase in Food Stamp caseload over the last four years, despite economic improvements in Utah, with \$472,600 ongoing and \$472,600 one-time General Fund
- Support the 96 percent increase in General Assistance caseload over the last five years concurrent with decreased Wagner/Peyser federal funding with \$2,000,000 ongoing and \$4,000,000 one-time General Fund

Tax Commission

- Enhance tax audit and delinquent collection coverage with \$668,200 ongoing total funds for 10 additional full-time equivalents (FTEs) to correlate with the population increase in the state
- Develop a new tax system to replace the out-dated and over-burdened current system (phase one) with \$6,000,000 supplemental General Fund and \$3,000,000 supplemental Uniform School Fund

Commerce

- Continue funding one construction expert FTE to meet legislative and industry pressure for greater construction expertise on the managerial staff of the Division of Occupational and Professional Licensing, with \$104,000 ongoing restricted funds

Alcoholic Beverage Control

- Provide seven new FTEs to manage the 4.4 percent increase in case sales over the past seven years with \$226,100 ongoing restricted funds; increased case sales and lack of employees is hampering customer service in state stores

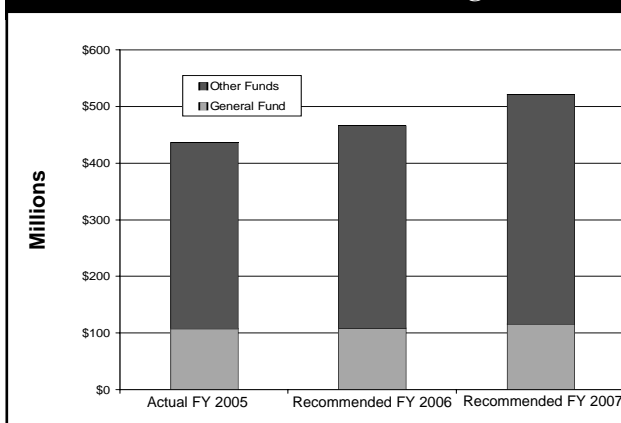
Labor Commission

- Support the Utah Occupational Safety and Health Division that lost federal funding critical to efficient and effective operations with \$145,000 ongoing General Fund

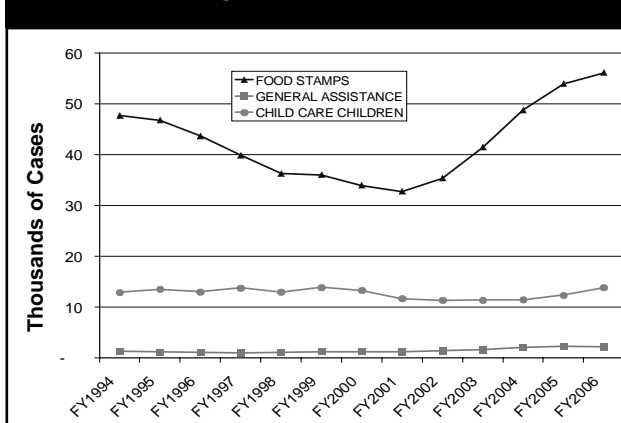
Financial Institutions

- Monitor the 145 percent increase in the assets supervised by the department over the last five years with \$495,900 ongoing restricted funds for five additional examiner FTEs

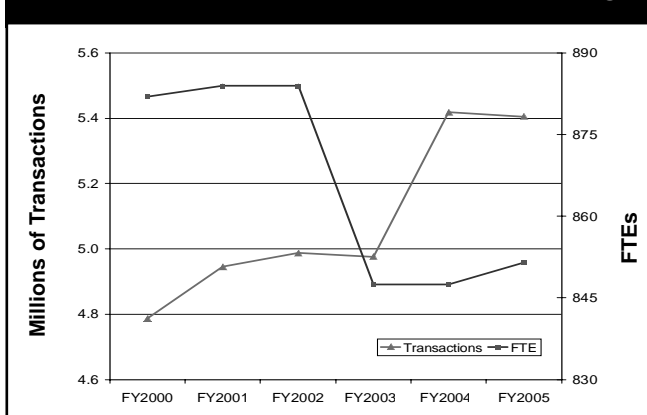
**General Fund and Total Funds
in Commerce and Revenue Agencies**



Average Fiscal Year Caseload



Efficiency in Tax & Motor Vehicle Processing



While the Tax Commission has achieved significant processing efficiencies, additional FTEs will be required to manage the increased processing transactions correlating with Utah's growing population.

PROPOSED LEGISLATIVE INTENT LANGUAGE

FY 2006 Proposed Legislative Intent

Insurance

- If funds are available, Insurance will not lapse up to \$120,000 for computer equipment and software and \$10,000 for employee training.

Labor Commission

- If funds are available, the Labor Commission will not lapse up to \$50,000 for computer equipment and software.

FY 2007 Proposed Legislative Intent

Commerce

- Public Utilities Professional and Technical funds are nonlapsing.
- Unused funds for the Committee of Consumer Services will lapse to the Committee's Professional and Technical Services Fund.
- Committee and Consumer Services Professional and Technical funds are nonlapsing.
- Unused funds for the Division of Public Utilities will lapse to the Division's Professional and Technical Services Fund.
- If funds are available, Commerce will not lapse up to \$100,000 to rebuild its Uniform Commercial Code Online Filing System.

Public Service Commission

- Administration funds are nonlapsing.
- Building Operations and Maintenance funds are nonlapsing.

- Speech and Hearing Impaired Fund are non-lapsing.
- Universal Telecommunications Service Support Fund are nonlapsing.
- Funds appropriated to the Public Service Commission are nonlapsing.

Tax Commission

- The Tax Commission will not lapse unexpended year-end balances. These funds are to be used for expenditures directly related to the modernization of the tax and motor vehicle systems and business processes.
- The Tax Commission will not lapse unexpended funds related to implementing Streamlined Sales Tax legislation.

Workforce Services

- Funds appropriated to DWS are nonlapsing.
- The \$2,161,600 appropriation from the Unemployment Compensation Trust derived from the March 13, 2002 Reed Act distribution will be used for employment service administration, consistent with Section 903(d) of the Federal Social Security Act.
- The \$5,213,000 total appropriation from the Unemployment Compensation Trust derived from the October 1999 (\$878,518), October 2000 (\$891,084), October 2001 (\$924,887), and March 2002 (\$2,518,511) Reed Act distributions will be used for Unemployment Insurance automation projects, consistent with Section 903(d) of the Federal Social Security Act.

COMMERCE AND REVENUE

Operating Budget

Governor Huntsman's Recommendations						
	Actual FY 2005	Authorized FY 2006	Supple- mentals	Recommended FY 2006	Base FY 2007	Ongoing and One-time Adj.
						Total FY 2007
Plan of Financing						
General Fund	\$107,671,700	\$108,329,700	\$7,525,000	\$115,854,700	\$93,285,400	\$23,025,300
School Funds	17,430,500	18,151,400	3,020,000	21,171,400	18,104,600	1,729,000
Transportation Fund	5,857,400	5,857,400	0	5,857,400	5,857,400	0
Federal Funds	223,203,100	221,733,600	0	221,733,600	219,416,800	20,704,300
Dedicated Credits	20,049,800	18,220,100	0	18,220,100	19,422,000	441,500
Restricted and Trust Funds	86,648,200	89,037,100	271,000	89,308,100	96,157,600	6,651,700
Transfers	5,241,900	11,157,900	0	11,157,900	4,721,300	66,200
Other Funds	0	0	0	0	0	128,500
Pass-through Funds	11,700	0	0	0	0	0
Beginning Balances	20,704,300	39,304,100	0	39,304,100	34,069,600	0
Closing Balances	(39,304,100)	(34,069,600)	0	(34,069,600)	(22,732,400)	0
Lapsing Funds	(2,071,100)	(25,400)	0	(25,400)	(27,000)	0
Total Financing	\$445,443,400	\$477,696,300	\$10,816,000	\$488,512,300	\$468,275,300	\$521,021,800
Programs						
Commerce and Revenue						
Alcoholic Beverage Control	\$19,311,900	\$20,498,400	\$0	\$20,498,400	\$20,469,000	\$22,909,000
Commerce	18,577,600	22,849,200	100,000	22,949,200	22,555,400	24,253,100
Financial Institutions	4,536,700	5,093,100	0	5,093,100	4,948,000	5,877,200
Insurance	6,960,700	7,244,800	121,000	7,365,800	7,834,700	8,576,300
Health Insurance Pool	24,069,900	30,459,200	0	30,459,200	34,913,400	37,913,400
Labor Commission	8,809,200	9,759,900	50,000	9,809,900	9,610,900	10,488,000
Public Service Commission	1,648,900	2,160,600	0	2,160,600	2,176,200	2,311,400
Speech and Hearing Impaired Fund	1,266,700	1,766,900	0	1,766,900	2,266,900	2,266,900
Universal Telecom. Service Fund	8,331,500	8,353,600	0	8,353,600	8,268,500	8,268,500
Tax Commission	63,766,200	69,806,900	9,045,000	78,851,900	69,656,900	75,474,500
Workforce Services	288,164,100	299,703,700	1,500,000	301,203,700	285,575,400	322,683,500
Total Budget	\$445,443,400	\$477,696,300	\$10,816,000	\$488,512,300	\$468,275,300	\$521,021,800
% Change from Authorized FY 2006 to Total FY 2007						
FTE Positions	--	3,751.0	0.0	3,751.0	3,715.7	3,745.7
						9.1%

COMMERCE AND REVENUE

ALCOHOLIC BEVERAGE CONTROL FY 2007 OPERATING BUDGET									
Beginning Base Budget									
	General and School Funds	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds		
B1	FY 2006 appropriated budget	\$0	\$0	\$0	\$20,498,400	\$0	\$20,498,400		
B2	Adjustments for extra working day	0	0	0	(29,400)	0	(29,400)		
Total Beginning Base Budget - Alcoholic Beverage Control									
Statewide Ongoing Adjustments									
B3	Cost-of-living adjustments of 2.5%	0	0	0	257,000	0	257,000		
B4	Discretionary salary increase funding	0	0	0	172,800	0	172,800		
B5	Internal service fund adjustments	0	0	0	16,200	0	16,200		
B6	Human resources consolidation adjustments	0	0	0	80,600	0	80,600		
B7	Health insurance rate adjustments	0	0	0	204,800	0	204,800		
B8	Termination pool rate adjustments	0	0	0	378,600	0	378,600		
B9	Retirement rate adjustments	0	0	0	55,200	0	55,200		
<i>Subtotal Statewide Ongoing Adj. - Alcoholic Beverage Control</i>									
Ongoing Adjustments									
B10	Bond payments	0	0	0	812,400	0	812,400		
B11	New store FTEs	0	0	0	226,100	0	226,100		
B12	ASRS warehouse maintenance	0	0	0	65,000	0	65,000		
B13	New package agency	0	0	0	56,600	0	56,600		
B14	Package agency increase due to sales volume	0	0	0	48,500	0	48,500		
B15	Package agency COLA of 2.5%	0	0	0	34,300	0	34,300		
B16	Maintenance for computer equipment	0	0	0	31,900	0	31,900		
<i>Subtotal Ongoing Adjustments - Alcoholic Beverage Control</i>									
Total FY 2007 Alcoholic Beverage Control Adjustments									
Total FY 2007 Alcoholic Beverage Control Operating Budget									
	\$0	\$0	\$0	\$0	\$22,909,000	\$0	\$22,909,000		

COMMERCE FY 2007 OPERATING BUDGET									
Beginning Base Budget									
B17	FY 2006 appropriated budget	\$150,000	\$0	\$245,900	\$1,716,500	\$446,200	\$22,553,600		
B18	Adjustments for one-time FY 2006 appropriations	(100,000)	0	0	0	0	(100,000)		
B19	Adjustments for extra working day	0	0	0	0	0	(42,800)		
B20	Adjustments to funding levels	0	0	0	10,000	134,600	144,600		
Total Beginning Base Budget - Commerce									
Total FY 2007 Commerce Adjustments									
Total FY 2007 Commerce Operating Budget									
	50,000	0	245,900	1,726,500	19,952,200	580,800	22,555,400		

COMMERCE AND REVENUE - CONTINUED

	General and School Funds	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
Statewide Ongoing Adjustments							
B21 Cost-of-living adjustments of 2.5%	0	0	0	2,000	326,000	0	328,000
B22 Discretionary salary increase funding	0	0	0	1,600	260,800	0	262,400
B23 Internal service fund adjustments	0	0	0	1,100	10,400	0	11,500
B24 Human resources consolidation adjustments	0	0	0	0	87,500	0	87,500
B25 Health insurance rate adjustments	0	0	0	2,000	221,700	0	223,700
B26 Termination pool rate adjustments	0	0	0	2,700	473,400	0	476,100
B27 Retirement rate adjustments	0	0	0	500	79,000	0	79,500
Subtotal Statewide Ongoing Adjustments - Commerce	0	0	0	9,900	1,458,800	0	1,468,700
Ongoing Adjustments							
B28 DOPL construction expert	0	0	0	0	104,000	0	104,000
B29 Proprietary school investigator	0	0	0	0	66,400	0	66,400
B30 Real estate investigator	0	0	0	0	58,600	0	58,600
Subtotal Ongoing Adjustments - Commerce	0	0	0	0	229,000	0	229,000
Total FY 2007 Commerce Adjustments	0	0	0	9,900	1,687,800	0	1,697,700
Total FY 2007 Commerce Operating Budget	\$50,000	\$0	\$245,900	\$1,736,400	\$21,640,000	\$580,800	\$24,253,100
COMMERCE FY 2006 OPERATING BUDGET ADJUSTMENTS							
Supplemental Adjustments							
B31 UCC online system rebuild	\$0	\$0	\$0	\$0	\$100,000	\$0	\$100,000
Subtotal Supplemental Adjustments - Commerce	0	0	0	0	100,000	0	100,000
Total FY 2006 Commerce Budget Adjustments	\$0	\$0	\$0	\$0	\$100,000	\$0	\$100,000
FINANCIAL INSTITUTIONS FY 2007 OPERATING BUDGET							
Beginning Base Budget							
B32 FY 2006 appropriated budget	\$0	\$0	\$0	\$0	\$5,093,100	\$0	\$5,093,100
B33 Adjustments for one-time FY 2006 appropriations	0	0	0	0	(133,000)	0	(133,000)
B34 Adjustments for extra working day	0	0	0	0	(12,100)	0	(12,100)
Total Beginning Base Budget - Financial Institutions	0	0	0	0	4,948,000	0	4,948,000
Statewide Ongoing Adjustments							
B35 Cost-of-living adjustments of 2.5%	0	0	0	0	94,800	0	94,800
B36 Discretionary salary increase funding	0	0	0	0	75,800	0	75,800
B37 Internal service fund adjustments	0	0	0	0	(1,600)	0	(1,600)
B38 Human resources consolidation adjustments	0	0	0	0	24,200	0	24,200

COMMERCE AND REVENUE - CONTINUED

	General and School Funds	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
B39 Health insurance rate adjustments	0	0	0	0	49,900	0	49,900
B40 Termination pool rate adjustments	0	0	0	0	136,100	0	136,100
B41 Retirement rate adjustments	0	0	0	0	25,100	0	25,100
<i>Subtotal Statewide Ongoing Adjustments - Financial Institutions</i>	0	0	0	0	404,300	0	404,300
Ongoing Adjustments							
B42 Increase in examiners	0	0	0	0	495,900	0	495,900
<i>Subtotal Ongoing Adjustments - Financial Institutions</i>	0	0	0	0	495,900	0	495,900
One-time Adjustments							
B43 Examiner increase setup costs	0	0	0	0	29,000	0	29,000
<i>Subtotal One-time Adjustments - Financial Institutions</i>	0	0	0	0	29,000	0	29,000
Total FY 2007 Financial Institutions Adjustments	0	0	0	0	929,200	0	929,200
Total FY 2007 Financial Institutions Operating Budget	\$0	\$0	\$0	\$0	\$5,877,200	\$0	\$5,877,200

INSURANCE FY 2007 OPERATING BUDGET

Beginning Base Budget

B44 FY 2006 appropriated budget	\$4,654,600	\$0	\$0	\$1,957,300	\$22,100	\$188,000	\$6,822,000
B45 Adjustments for extra working day	(12,600)	0	0	(1,900)	0	0	(14,500)
B46 Adjustments to funding levels	0	0	0	924,600	0	102,600	1,027,200
Total Beginning Base Budget - Insurance	4,642,000	0	0	2,880,000	22,100	290,600	7,834,700
Statewide Ongoing Adjustments							
B47 Cost-of-living adjustments of 2.5%	89,500	0	0	16,500	0	0	106,000
B48 Discretionary salary increase funding	71,600	0	0	13,200	0	0	84,800
B49 Internal service fund adjustments	4,500	0	0	2,900	0	0	7,400
B50 Human resources consolidation adjustments	4,900	0	0	0	0	0	4,900
B51 Health insurance rate adjustments	68,800	0	0	11,300	0	0	80,100
B52 Termination pool rate adjustments	132,600	0	0	23,800	0	0	156,400
B53 Retirement rate adjustments	24,500	0	0	4,400	0	0	28,900
<i>Subtotal Statewide Ongoing Adjustments - Insurance</i>	<i>396,400</i>	<i>0</i>	<i>0</i>	<i>72,100</i>	<i>0</i>	<i>0</i>	<i>468,500</i>
Ongoing Adjustments							
B54 Enterprise content management system maintenance	0	0	0	0	16,000	0	16,000
B55 Financial examiner	67,500	0	0	0	0	0	67,500
B56 Market conduct examiner - health division	63,600	0	0	0	0	0	63,600

COMMERCE AND REVENUE - CONTINUED

	General and		Transportation	Federal		Dedicated	Restricted	Other		Total
	School Funds	Fund		Funds	Funds			Funds	Funds	
B57 Financial analyst	62,400	0	0	0	0	0	0	0	0	62,400
B58 Insurance analyst - property and casualty division	63,600	0	0	0	0	0	0	0	0	63,600
<i>Subtotal Ongoing Adjustments - Insurance</i>	257,100	0	0	0	0	0	16,000	0	0	273,100
Total FY 2007 Insurance Adjustments	653,500	0	0	0	0	72,100	16,000	0	0	741,600
Total FY 2007 Insurance Operating Budget	\$5,295,500	\$0	\$0	\$0	\$2,952,100	\$38,100	\$290,600	\$0	\$0	\$8,576,300
INSURANCE FY 2006 OPERATING BUDGET ADJUSTMENTS										
Supplemental Adjustments										
B59 Insurance code books	\$0	\$0	\$0	\$0	\$0	\$0	\$16,000	\$0	\$0	\$16,000
B60 Enterprise content management system	0	0	0	0	0	0	50,000	0	0	50,000
B61 Sircon for states external application conversion	0	0	0	0	0	0	55,000	0	0	55,000
<i>Subtotal Supplemental Adjustments- Insurance</i>	0	0	0	0	0	0	121,000	0	0	121,000
Total FY 2006 Insurance Budget Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$121,000	\$0	\$0	\$121,000
LABOR COMMISSION FY 2007 OPERATING BUDGET										
Beginning Base Budget										
B62 FY 2006 appropriated budget	\$4,978,200	\$0	\$0	\$2,549,200	\$0	\$0	\$2,308,600	\$25,800	\$0	\$9,861,800
B63 Adjustments for extra working day	(12,700)	0	0	(6,600)	0	0	(4,300)	0	0	(23,600)
B64 Adjustments to funding levels	0	0	0	(226,500)	0	0	0	(800)	0	(227,300)
Total Beginning Base Budget - Labor Commission	4,965,500	0	0	2,316,100	0	0	2,304,300	25,000	0	9,610,900
Statewide Ongoing Adjustments										
B65 Cost-of-living adjustments of 2.5%	118,000	0	0	27,500	0	0	24,300	0	0	169,800
B66 Discretionary salary increase funding	92,400	0	0	22,000	0	0	19,400	0	0	133,800
B67 Human resources consolidation adjustments	41,200	0	0	9,900	0	0	9,700	200	0	61,000
B68 Health insurance rate adjustments	77,700	0	0	19,400	0	0	17,000	0	0	114,100
B69 Termination pool rate adjustments	169,900	0	0	39,600	0	0	34,900	0	0	244,400
B70 Retirement rate adjustments	30,800	0	0	7,300	0	0	6,300	0	0	44,400
<i>Subtotal Statewide Ongoing Adjustments - Labor Commission</i>	530,000	0	0	123,700	0	0	111,600	200	0	767,500
Ongoing Adjustments										
B71 Lost federal funds - UALD	97,000	0	0	(97,000)	0	0	0	0	0	0
B72 Lost federal funds - UOSH	145,000	0	0	(145,000)	0	0	0	0	0	0
B73 Funding change - Industrial Accidents	300,000	0	0	0	0	0	(300,000)	0	0	0
B74 Workplace Safety media campaign	0	0	0	0	0	0	109,600	0	0	109,600
<i>Subtotal Ongoing Adjustments - Labor Commission</i>	542,000	0	0	(242,000)	0	0	(190,400)	0	0	109,600
Total FY 2007 Labor Commission Adjustments	1,072,000	0	0	(116,300)	0	0	(78,800)	200	0	877,100
Total FY 2007 Labor Commission Operating Budget	\$6,037,500	\$0	\$0	\$2,199,800	\$0	\$0	\$2,225,500	\$25,200	\$0	\$10,488,000

COMMERCE AND REVENUE - CONTINUED

LABOR COMMISSION FY 2006 OPERATING BUDGET ADJUSTMENTS															
Supplemental Adjustments															
		General and School Funds	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds							
B75	Workplace Safety hospital fee research	\$0		\$0	\$0	\$50,000	\$0	\$50,000							
Subtotal Supplemental Adjustments - Labor Commission		0		0	0	50,000	0	50,000							
Total FY 2006 Labor Commission Budget Adjustments		\$0		\$0	\$0	\$50,000	\$0	\$50,000							
PUBLIC SERVICE COMMISSION FY 2007 OPERATING BUDGET															
Beginning Base Budget															
B76	FY 2006 appropriated budget	\$0		\$0	\$121,700	\$1,608,600	\$0	\$1,730,300							
B77	Adjustments for extra working day	0		0	0	(4,400)	0	(4,400)							
B78	Adjustments to funding levels	0		0	450,300	0	0	450,300							
Total Beginning Base Budget - Public Service Commission		0		0	572,000	1,604,200	0	2,176,200							
Statewide Ongoing Adjustments															
B79	Cost-of-living adjustments of 2.5%	0		0	0	33,000	0	33,000							
B80	Discretionary salary increase funding	0		0	0	26,400	0	26,400							
B81	Internal service fund adjustments	0		0	(200)	(2,100)	0	(2,300)							
B82	Human resources consolidation adjustments	0		0	0	7,600	0	7,600							
B83	Health insurance rate adjustments	0		0	0	14,300	0	14,300							
B84	Termination pool rate adjustments	0		0	0	47,400	0	47,400							
B85	Retirement rate adjustments	0		0	0	8,800	0	8,800							
Subtotal Statewide Ongoing Adjustments - PSC		0		0	(200)	135,400	0	135,200							
Total FY 2007 Public Service Commission Adjustments		0		0	(200)	135,400	0	135,200							
Total FY 2007 Public Service Commission Operating Budget		\$0		\$0	\$571,800	\$1,739,600	\$0	\$2,311,400							
TAX COMMISSION FY 2007 OPERATING BUDGET															
Beginning Base Budget															
B86	FY 2006 appropriated budget	\$40,331,900	\$5,857,400	\$438,200	\$10,731,800	\$11,367,000	\$1,341,900	\$70,068,200							
B87	Adjustments for extra working day	(103,300)	0	0	(14,500)	(16,700)	0	(134,500)							
B88	Adjustments to funding levels	0	0	(4,200)	(508,700)	0	236,100	(276,800)							
Total Beginning Base Budget - Tax Commission		40,228,600	5,857,400	434,000	10,208,600	11,350,300	1,578,000	69,656,900							

COMMERCE AND REVENUE - CONTINUED

Statewide Ongoing Adjustments								
	General and School Funds	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds	
B89	789,000	0	0	50,300	150,500	0	989,800	
B90	622,000	0	0	40,200	118,400	0	780,600	
B91	(10,900)	0	(200)	(2,700)	(4,900)	0	(18,700)	
B92	60,200	0	0	3,000	9,400	0	72,600	
B93	613,300	0	0	47,300	114,000	0	774,600	
B94	1,133,400	0	0	70,300	215,700	0	1,419,400	
B95	212,900	0	0	27,400	42,700	0	283,000	
	3,419,900	0	(200)	235,800	645,800	0	4,301,300	
Subtotal Statewide Ongoing Adjustments - Tax Commission								
Ongoing Adjustments								
B96	Beer tax distribution based on Section 59-15-109, UCA	0	0	0	608,100	0	608,100	
B97	Motor vehicle office lease	150,000	0	0	0	0	150,000	
B98	Enhance audit and collection services	465,700	0	41,700	160,800	0	668,200	
B99	Postage rate increase of 5.4%	90,000	0	0	0	0	90,000	
	705,700	0	0	41,700	768,900	0	1,516,300	
Subtotal Ongoing Adjustments - Tax Commission								
Total FY 2007 Tax Commission Adjustments								
	4,125,600	0	(200)	277,500	1,414,700	0	5,817,600	
Total FY 2007 Tax Commission Operating Budget								
	\$44,354,200	\$5,857,400	\$433,800	\$10,486,100	\$12,765,000	\$1,578,000	\$75,474,500	
TAX COMMISSION FY 2006 OPERATING BUDGET ADJUSTMENTS								
Supplemental Adjustments								
B100	New tax system phase 1 of 3 (DTS)	\$0	\$0	\$0	\$0	\$0	\$9,000,000	
B101	Postage rate increase of 5.4%	45,000	0	0	0	0	45,000	
	9,045,000	0	0	0	0	0	9,045,000	
Subtotal Supplemental Adjustments - Tax Commission								
Total FY 2006 Tax Commission Budget Adjustments								
	\$9,045,000	\$0	\$0	\$0	\$0	\$0	\$9,045,000	
WORKFORCE SERVICES FY 2007 OPERATING BUDGET								
Beginning Base Budget								
B102	FY 2006 appropriated budget	\$60,162,500	\$0	\$218,972,000	\$2,610,400	\$9,430,700	\$293,690,200	
B103	Adjustments for one-time FY 2006 appropriations	(4,762,500)	0	(3,607,000)	0	0	(8,369,500)	
B104	Adjustments for extra working day	(100,000)	0	(203,200)	0	0	(303,200)	
B105	Adjustments to funding levels	0	0	1,259,000	138,600	(5,699,700)	557,900	
Total Beginning Base Budget - Workforce Services								
	55,300,000	0	216,420,800	2,749,000	7,374,600	3,731,000	285,575,400	
Statewide Ongoing Adjustments								
B106	Cost-of-living adjustments of 2.5%	506,500	0	1,806,300	20,000	0	2,404,100	
B107	Discretionary salary increase funding	404,800	0	1,443,800	16,000	57,000	1,921,600	
B108	Internal service fund adjustments	3,600	0	14,800	200	0	19,200	

COMMERCE AND REVENUE - CONTINUED

	General and School Funds	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
B109 Human resources consolidation adjustments	(1,600)	0	(6,500)	(100)	0	0	(8,200)
B110 Health insurance rate adjustments	400,200	0	1,387,300	13,000	36,000	16,400	1,852,900
B111 Termination pool rate adjustments	727,900	0	2,597,200	28,600	59,900	42,500	3,456,100
B112 Retirement rate adjustments	129,200	0	444,400	4,500	10,900	7,300	596,300
<i>Subtotal Stateline Ongoing Adjustments - Workforce Services</i>	<i>2,170,600</i>	<i>0</i>	<i>7,687,300</i>	<i>82,200</i>	<i>107,400</i>	<i>194,500</i>	<i>10,242,000</i>
Ongoing Adjustments							
B113 Food Stamp caseload growth	472,600	0	0	0	0	0	472,600
B114 General Assistance caseload growth	2,000,000	0	0	0	0	0	2,000,000
<i>Subtotal Ongoing Adjustments - Workforce Services</i>	<i>2,472,600</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>2,472,600</i>
One-time Adjustments							
B115 eREP development (DTS)	4,085,000	0	6,135,900	0	0	0	10,220,900
B116 Childcare match	2,702,400	0	6,997,600	0	0	0	9,700,000
B117 General Assistance caseload growth	4,000,000	0	0	0	0	0	4,000,000
B118 Food Stamp caseload growth	472,600	0	0	0	0	0	472,600
<i>Subtotal One-time Adjustments - Workforce Services</i>	<i>11,260,000</i>	<i>0</i>	<i>13,133,500</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>24,393,500</i>
Total FY 2007 Workforce Services Adjustments	15,903,200	0	20,820,800	82,200	107,400	194,500	37,108,100
Total FY 2007 Workforce Services Operating Budget	\$71,203,200	\$0	\$237,241,600	\$2,831,200	\$7,482,000	\$3,925,500	\$322,683,500
WORKFORCE SERVICES FY 2006 OPERATING BUDGET ADJUSTMENTS							
Supplemental Adjustments							
B119 General Assistance caseload growth	\$1,500,000	\$0	\$0	\$0	\$0	\$0	\$1,500,000
<i>Subtotal Supplemental Adjustments - Workforce Services</i>	<i>1,500,000</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1,500,000</i>
Total FY 2006 Workforce Services Budget Adjustments	\$1,500,000	\$0	\$0	\$0	\$0	\$0	\$1,500,000
COMPREHENSIVE HEALTH INSURANCE POOL FY 2007 OPERATING BUDGET							
Beginning Base Budget							
B120 FY 2006 appropriated budget	\$16,203,900	\$0	\$0	\$0	\$20,681,900	\$11,554,700	\$48,440,500
B121 Adjustments for one-time FY 2006 appropriations	(10,000,000)	0	0	0	0	0	(10,000,000)
B122 Adjustments to funding levels	0	0	0	0	(649,900)	(2,877,200)	(3,527,100)
Total Beginning Base Budget - Comp. Health Ins. Pool	6,203,900	0	0	0	20,032,000	8,677,500	34,913,400

COMMERCE AND REVENUE - CONTINUED

		General and School Funds	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
One-time Adjustments								
B123	General Fund subsidy	3,000,000	0	0	0	0	0	3,000,000
	<i>Subtotal One-time Adjustments - Comp. Health Ins. Pool</i>	3,000,000	0	0	0	0	0	3,000,000
Total FY 2007 Comp. Health Ins. Pool Adjustments		3,000,000	0	0	0	0	0	3,000,000
Total FY 2007 Comp. Health Insurance Pool Operating Budget		\$9,203,900	\$0	\$0	\$0	\$20,032,000	\$8,677,500	\$37,913,400
SPEECH AND HEARING IMPAIRED FUND FY 2007 OPERATING BUDGET								
Beginning Base Budget								
B124	FY 2006 appropriated budget	\$0	\$0	\$0	\$1,386,900	\$0	\$199,600	\$1,586,500
B125	Adjustments to funding levels	0	0	0	(101,000)	0	781,400	680,400
Total Beginning Base Budget - Speech/Hearing Impaired		0	0	0	1,285,900	0	981,000	2,266,900
Total FY 2007 Speech and Hearing Impaired Operating Budget		\$0	\$0	\$0	\$1,285,900	\$0	\$981,000	\$2,266,900
UNIVERSAL TELECOMMUNICATIONS SERVICE SUPPORT FUND FY 2007 OPERATING BUDGET								
Beginning Base Budget								
B126	FY 2006 appropriated budget	\$0	\$0	\$0	\$0	\$8,245,700	(\$65,600)	\$8,180,100
B127	Adjustments to funding levels	0	0	0	0	(144,800)	233,200	88,400
Total Beginning Base Budget - Universal Telecom.		0	0	0	0	8,100,900	167,600	8,268,500
Total FY 2007 Universal Telecommunications Operating Budget		\$0	\$0	\$0	\$0	\$8,100,900	\$167,600	\$8,268,500
COMMERCE AND REVENUE TOTALS								
FY 2007 Operating Base Budget		\$111,390,000	\$5,857,400	\$219,416,800	\$19,422,000	\$96,157,600	\$16,031,500	\$468,275,300
FY 2007 Operating Ongoing and One-time Adjustments		24,754,300	0	20,704,300	441,500	6,651,700	194,700	52,746,500
FY 2007 Operating Recommendation		136,144,300	5,857,400	240,121,100	19,863,500	102,809,300	16,226,200	521,021,800
FY 2006 Operating Adjustments		10,545,000	0	0	0	271,000	0	10,816,000

COMMUNITY AND CULTURE

Sophia DiCaro-Goodick, Analyst



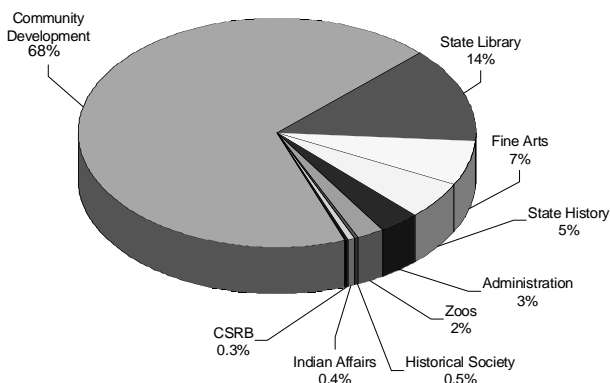
AGENCY BUDGET OVERVIEW

COMMUNITY AND CULTURE AGENCIES INCLUDE:

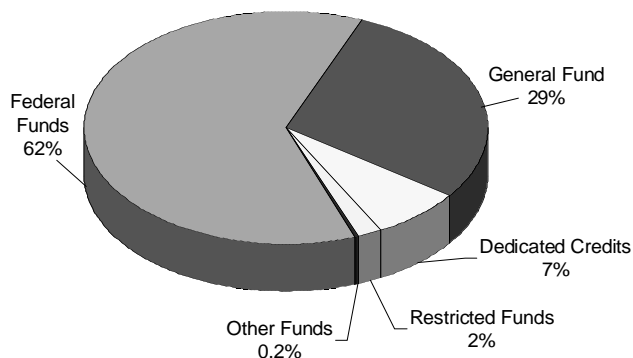
- Community and Culture
- Career Service Review Board

Mission: Enhance the quality of life for the people of the State of Utah, and administer state employee grievances and appeals procedures

Where Will My Taxes and Fees Go for Community and Culture? (Total FY 2007 Funding is \$63,964,900)



Financing of Community and Culture Agencies (Based on FY 2007 Recommendations)



MAJOR ACCOMPLISHMENTS AND SERVICES

(Headings include funding in Governor's Recommendations)

Housing and Community Development - \$43.7 million

- Rehabilitates homes for some of Utah's lowest income populations; roughly 1,900 homes were energy protected with outside grants, donations, and volunteer hours above legislative appropriations
- Creates and preserves approximately 650 housing units using the Olene Walker Housing Loan Fund

State Library - \$8.6 million

- Circulates 272,461 items to 16,101 patrons, supported by 51,164 volunteer hours (valued at \$879,500) at the Library for the Blind and Disabled
- Provides computer access to 633,400 articles and other resources from over 10,000 publications through the Internet (pioneer.utah.gov)

Fine Arts - \$4.0 million

- Provides \$1.4 million in matching grants to non-profit arts organizations
- Provides arts and cultural outreach for 850,000 school children and 130,000 underserved children

State History and Historical Society - \$3.7 million

- Offers services and information on State History's website; one million hits in FY 2005
- Identifies archaeological and historic sites; 186,423 sites identified in FY 2005

Ethnic Affairs - \$1.0 million

- Works closely with state agencies to improve responsiveness to the needs of Asians, Blacks, Hispanic/Latinos and Pacific Islanders
- Educates ethnic communities on state services and laws; held 14 town hall meetings providing outreach to 950 individuals on the Driving Privilege Card

Indian Affairs - \$0.3 million

- Coordinates relations between state, tribal, and federal governments to enhance services and find solutions to issues impacting Native American communities

Career Service Review Board (CSRB) - \$0.2 million

- Resolved 122 grievance cases in FY 2005

RECOMMENDATIONS: GOVERNOR'S GOALS AND INITIATIVES

(See itemized table for full list of recommendations)

Enhance cultural and heritage infrastructures

- Increase distribution of grants and technical assistance to history affiliates with \$200,000 ongoing General Fund to State History
- Identify and repatriate Native American human remains with \$100,000 in ongoing General Fund to State History

Improve Utah's quality of life through art

- Research the impact of arts and provide information about the results with \$45,000 in ongoing General Fund to Fine Arts
- Restore and preserve the State Fine Art Collection with \$300,000 one-time General Fund for Fine Arts

Provide assistance for winter heating

- Provide assistance for this winter's home heating bills with a \$1,500,000 General Fund supplemental appropriation to the Weatherization Assistance program

Provide more resources for those in need of housing

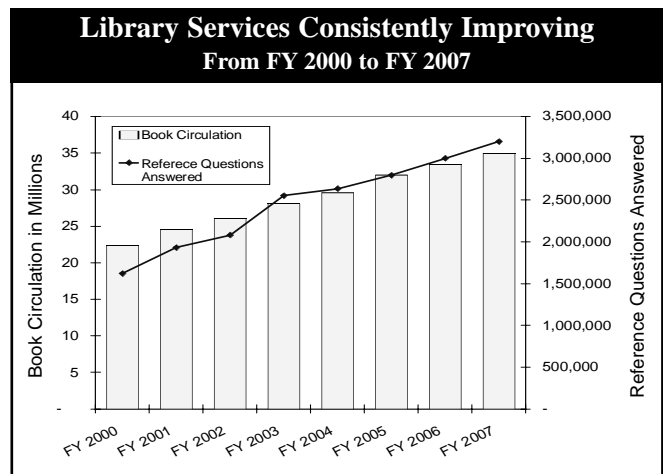
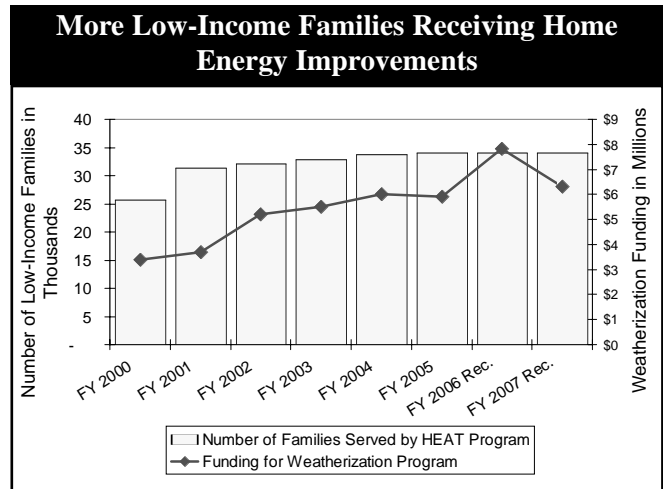
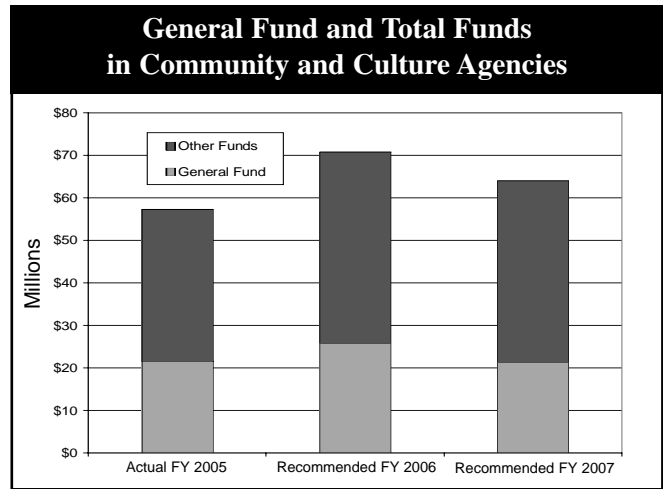
- Mitigate Utah's chronic homelessness with \$500,000 one-time General Fund to the Pamela Atkinson Homeless Trust Fund
- Improve availability and quality of affordable housing with \$250,000 one-time General Fund to the Olene Walker Housing Loan Fund

Improve data access

- Increase access to the Pioneer Online Library databases by funding State Library \$88,500 in ongoing General Fund

Fund increased hearing costs

- Absorb increased grievance hearing costs with \$13,000 of ongoing General Fund to CSRB



PROPOSED LEGISLATIVE INTENT LANGUAGE

FY 2006 Proposed Legislative Intent

Community and Culture

- Funds for the Historical Society are nonlapsing.

FY 2007 Proposed Legislative Intent

Community and Culture

- Funds for Administration are nonlapsing.
- Funds for State History are nonlapsing.
- Funds for the Historical Society are nonlapsing.

- Funds for Fine Arts are nonlapsing.

- Funds for State Library are nonlapsing.

- Funds for Indian Affairs are nonlapsing.

- Funds for Housing and Community Development are nonlapsing.

Career Service Review Board

- Funds for CSRB are nonlapsing.

COMMUNITY AND CULTURE

Operating Budget

Governor Huntsman's Recommendations						
	Actual FY 2005	Authorized FY 2006	Supple- mentals	Recommended FY 2006	Base FY 2007	Ongoing and One-time Adj.
						Total FY 2007
Plan of Financing						
General Fund	\$21,370,100	\$22,954,100	\$2,818,100	\$25,772,200	\$19,128,100	\$21,232,600
Federal Funds	35,113,500	40,128,300	0	40,128,300	39,303,600	39,438,800
Dedicated Credits	2,615,400	4,005,700	364,800	4,370,500	4,350,700	4,492,200
Restricted and Trust Funds	1,536,300	1,194,100	0	1,194,100	1,271,600	1,338,400
Other Funds	(2,527,000)	(2,863,500)	0	(2,863,500)	(2,288,400)	(2,537,100)
Pass-through Funds	377,500	0	0	0	0	0
Beginning Balances	1,223,100	2,201,300	0	2,201,300	0	0
Closing Balances	(2,201,300)	0	0	0	0	0
Lapsing Funds	(239,000)	0	0	0	0	0
Total Financing	\$57,268,600	\$67,620,000	\$3,182,900	\$70,802,900	\$61,765,600	\$63,964,900
Programs						
Community and Culture						
Administration	\$3,383,000	\$3,278,800	(\$194,900)	\$3,083,900	\$2,253,000	\$2,120,100
Housing and Community Development	38,489,000	46,354,600	3,364,800	49,719,400	42,902,900	43,725,500
Indian Affairs	220,700	254,300	0	254,300	253,600	267,800
Fine Arts	3,643,300	4,501,800	0	4,501,800	3,492,500	3,975,700
Historical Society	179,200	458,800	0	458,800	297,000	303,300
State History	2,410,900	2,904,800	0	2,904,800	2,881,600	3,359,700
State Library	7,282,000	8,277,500	0	8,277,500	8,097,000	8,596,700
Zoos	1,471,300	1,398,700	0	1,398,700	1,398,700	1,398,700
Fund Transfers						
Olene Walker Housing Loan Fund	2,170,900	2,736,400	0	2,736,400	2,236,400	2,486,400
Homeless Trust Fund	400,000	200,000	0	200,000	200,000	200,000
Transfer Appropriations to Other Funds	(2,570,900)	(2,936,400)	0	(2,936,400)	(2,436,400)	(2,686,400)
<i>Subtotal Community and Culture</i>	<i>57,079,400</i>	<i>67,429,300</i>	<i>3,169,900</i>	<i>70,599,200</i>	<i>61,576,300</i>	<i>63,747,500</i>
Career Service Review Board	189,200	190,700	13,000	203,700	189,300	217,400
Total Budget	\$57,268,600	\$67,620,000	\$3,182,900	\$70,802,900	\$61,765,600	\$63,964,900
% Change from Authorized FY 2006 to Total FY 2007						(5.4%)
FTE Positions	--	205.1	(3.5)	201.6	204.6	197.6

COMMUNITY AND CULTURE

Capital Budget

Governor Huntsman's Recommendations				
	Actual FY 2005	Authorized FY 2006	Recommended FY 2006	Base FY 2007
				Total FY 2007
Plan of Financing				
Mineral Lease	\$4,184,500	\$4,543,000	\$4,543,000	\$4,543,000
Total Financing	\$4,184,500	\$4,543,000	\$4,543,000	\$4,543,000
Projects				
Special Service Districts	\$4,184,500	\$4,543,000	\$4,543,000	\$4,543,000
Total Budget	\$4,184,500	\$4,543,000	\$4,543,000	\$4,543,000
% Change from Authorized FY 2006 to Total FY 2007				0.0%

COMMUNITY AND CULTURE

COMMUNITY AND CULTURE FY 2007 OPERATING BUDGET						
	General Fund	Federal Funds	Dedicated Credits	Mineral Lease	Restricted Funds	Other Funds
Beginning Base Budget						
C1 FY 2006 appropriated budget	\$22,764,300	\$48,910,100	\$3,981,500	\$0	\$1,194,100	(\$2,936,400)
C2 Adjustments for one-time FY 2006 appropriations	(3,790,000)	0	0	0	0	500,000
C3 Adjustments for extra working day	(35,500)	0	0	0	0	0
C4 Adjustments to funding levels	0	(9,606,500)	369,200	0	77,500	148,000
Total Beginning Base Budget - DCC	18,938,800	39,303,600	4,350,700	0	1,271,600	(2,288,400)
Statewide Ongoing Adjustments						
C5 Cost-of-living adjustments of 2.5%	193,300	30,500	30,800	0	16,500	300
C6 Discretionary salary increase funding	154,600	24,400	24,600	0	13,200	200
C7 Internal service fund adjustments	43,400	6,600	6,500	0	0	0
C8 Human resources consolidation adjustments	(33,200)	0	0	0	0	0
C9 Health insurance rate adjustments	119,500	22,000	27,400	0	9,300	300
C10 Termination pool rate adjustments	279,100	44,000	44,400	0	23,500	400
C11 Retirement rate adjustments	49,400	7,700	7,800	0	4,300	100
<i>Subtotal Statewide Ongoing Adjustments - DCC</i>	<i>806,100</i>	<i>135,200</i>	<i>141,500</i>	<i>0</i>	<i>66,800</i>	<i>1,300</i>
Ongoing Adjustments						
Administration						
C12 Parking garage lease increase	140,000	0	0	0	0	0
C13 DCC/GOED base funding switch	(353,200)	0	0	0	0	0
Fine Arts						
C14 Research and public information	45,000	0	0	0	0	0
State History						
C15 Native American human remains identification and repatriation	100,000	0	0	0	0	0
C16 Project grants	200,000	0	0	0	0	0
State Library						
C17 Pioneer Online Library databases	88,500	0	0	0	0	0
<i>Subtotal Ongoing Adjustments - DCC</i>	<i>220,300</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
One-time Adjustments						
Fine Arts						
C18 State Fine Art Collection	300,000	0	0	0	0	0
Housing and Community Development						
C19 Pamela Atkinson Homeless Trust Fund	500,000	0	0	0	(500,000)	0
C20 Homeless Trust Fund program	0	0	0	0	500,000	0
C21 Olene Walker Housing Loan Fund	250,000	0	0	0	0	(250,000)
<i>Subtotal One-time Adjustments - DCC</i>	<i>1,050,000</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>(250,000)</i>
Total FY 2007 DCC Adjustments	2,076,400	135,200	141,500	0	66,800	(248,700)
Total FY 2007 DCC Operating Budget	\$21,015,200	\$39,438,800	\$4,492,200	\$0	\$1,338,400	(\$2,537,100)
						\$63,747,500

COMMUNITY AND CULTURE - CONTINUED

COMMUNITY AND CULTURE FY 2006 OPERATING BUDGET ADJUSTMENTS							
	General Fund	Federal Funds	Dedicated Credits	Mineral Lease	Restricted Funds	Other Funds	Total Funds
Supplemental Adjustments							
Administration							
C22	\$70,000	\$0	\$0	\$0	\$0	\$0	\$70,000
C23	(264,900)	0	0	0	0	0	(264,900)
Housing and Community Development							
C24	0	0	153,000	0	0	0	153,000
C25	0	0	211,800	0	0	0	211,800
C26	1,500,000	0	0	0	0	0	1,500,000
C27	1,000,000	0	0	0	0	0	1,000,000
C28	500,000	0	0	0	0	0	500,000
	2,805,100	0	364,800	0	0	0	3,169,900
Subtotal Supplemental Adjustments - DCC							
Total FY 2006 DCC Budget Adjustments	\$2,805,100	\$0	\$364,800	\$0	\$0	\$0	\$3,169,900
COMMUNITY AND CULTURE FY 2007 CAPITAL BUDGET							
Base Budget							
C29	\$0	\$0	\$0	\$2,500,000	\$0	\$0	\$2,500,000
C30	0	0	0	2,043,000	0	0	2,043,000
Total FY 2007 DCC Capital Base Budget	0	0	0	4,543,000	0	0	4,543,000
Total FY 2007 DCC Capital Budget	\$0	\$0	\$0	\$4,543,000	\$0	\$0	\$4,543,000
CAREER SERVICE REVIEW BOARD FY 2007 OPERATING BUDGET							
Beginning Base Budget							
C31	\$189,800	\$0	\$0	\$0	\$0	\$0	\$189,800
C32	(500)	0	0	0	0	0	(500)
Total Beginning Base Budget - CSRB	189,300	0	0	0	0	0	189,300
Statewide Ongoing Adjustments							
C33	3,500	0	0	0	0	0	3,500
C34	2,800	0	0	0	0	0	2,800
C35	1,000	0	0	0	0	0	1,000
C36	2,000	0	0	0	0	0	2,000
C37	4,900	0	0	0	0	0	4,900
C38	900	0	0	0	0	0	900
	15,100	0	0	0	0	0	15,100
Subtotal Statewide Ongoing Adjustments - CSRB							

COMMUNITY AND CULTURE - CONTINUED

Ongoing Adjustments									
C39	Increased grievance hearing expenses	13,000	0	0	0	0	0	0	13,000
	<i>Subtotal Ongoing Adjustments - CSRB</i>	<i>13,000</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>13,000</i>
	Total FY 2007 CSRB Adjustments	28,100	0	0	0	0	0	0	28,100
	Total FY 2007 CSRB Operating Budget	\$217,400	\$0	\$0	\$0	\$0	\$0	\$0	\$217,400
CAREER SERVICE REVIEW BOARD FY 2006 OPERATING BUDGET ADJUSTMENTS									
Supplemental Adjustments									
C40	Increased grievance hearing expenses	\$13,000	\$0	\$0	\$0	\$0	\$0	\$0	\$13,000
	<i>Subtotal Supplemental Adjustments - CSRB</i>	<i>13,000</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>13,000</i>
	Total FY 2006 CSRB Budget Adjustments	\$13,000	\$0	\$0	\$0	\$0	\$0	\$0	\$13,000
COMMUNITY AND CULTURE TOTALS									
	FY 2007 Operating Base Budget	\$19,128,100	\$39,303,600	\$4,350,700	\$0	\$1,271,600	(\$2,288,400)	\$61,765,600	
	FY 2007 Operating Ongoing and One-time Adjustments	2,104,500	135,200	141,500	0	66,800	(248,700)	2,199,300	
	FY 2007 Operating Recommendation	21,232,600	39,438,800	4,492,200	0	1,338,400	(2,537,100)	63,964,900	
	FY 2006 Operating Adjustments	2,818,100	0	364,800	0	0	0	3,182,900	
	FY 2007 Capital Base Budget	0	0	0	4,543,000	0	0	4,543,000	
	FY 2007 Capital Recommendation	0	0	0	4,543,000	0	0	4,543,000	

CORRECTIONS (ADULT AND JUVENILE)

David Walsh, Analyst



AGENCY BUDGET OVERVIEW

CORRECTIONS AGENCIES INCLUDE:

- Department of Corrections
- Division of Juvenile Justice Services*
- Board of Pardons and Parole

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*

* The Division of Juvenile Justice Services is a division of the Department of Human Services but is included here for budgetary purposes.

MAJOR ACCOMPLISHMENTS AND SERVICES

(Headings include funding in Governor's Recommendations)

Adult Corrections - Programs and Operations - \$178.4 million

- Incarcerates approximately 6,500 inmates
- Supervises an estimated 14,000 offenders under probation or parole
- Established a specialized Day Reporting Center for female offenders
- Completed the second phase of a project to reduce the use of water, electricity, and natural gas at the Draper prison

Juvenile Justice Services - \$102.9 million

- Provides services for approximately 1,200 custody youth per day, including 200 juvenile offenders in secure facilities
- Improves programs by implementing intervention models based on cognitive behavior research
- Developed new assessment and classification instruments for a growing female population

Clinical Services - \$19.5 million

- Continues to be accredited by the National Commission on Correctional Health Care

Jail Contracting - \$ 22.4 million

- Provides housing for roughly 1,500 inmates

Jail Reimbursement - \$14.1 million

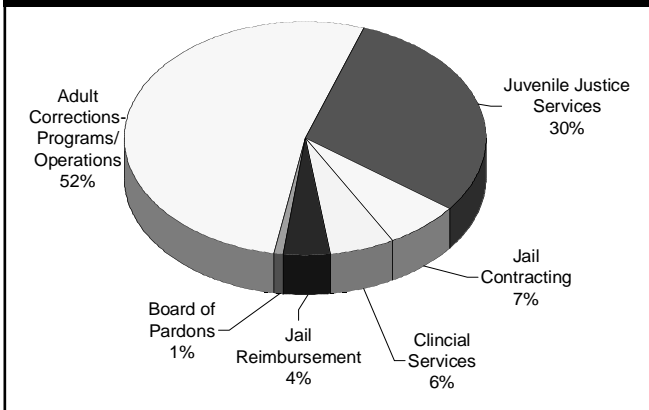
- Provides housing for approximately 1,200 offenders in jail as a condition of probation

Board of Pardons and Parole - \$3.2 million

- Makes approximately 11,100 decisions annually by a five member board (excludes Drug Board)
- Implemented a document management system which transfers information electronically between the Board and the Department of Corrections, reducing paper record retention

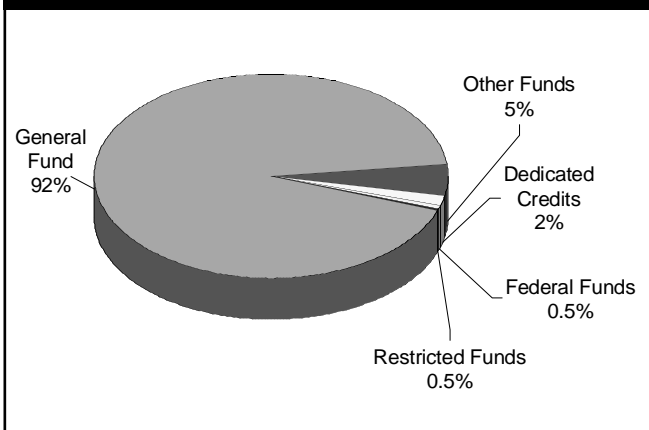
Where Will My Taxes and Fees Go for Corrections?

(Total FY 2007 Funding is \$340,545,600)



Financing of Corrections Agencies

(Based on FY 2007 Recommendations)



RECOMMENDATIONS: GOVERNOR'S GOALS AND INITIATIVES

(See itemized table for full list of recommendations)

Increase salaries to recruit and retain correctional officers

- Allow the department to give a two-step salary increase (5.5 percent) for correctional officers (captain and below) with \$3,614,400 in ongoing General Fund; this is in addition to the other compensation increases provided to all state employees

Increase resources to house and manage a growing adult offender population

- Fund the part-year operational costs of the 288-bed Central Utah Correctional Facility with \$4,106,400 in ongoing General Fund and \$172,900 in one-time General Fund
- Fund the Drug Offender Reform Act (DORA) pilot project with \$251,000 one-time General Fund
- Track 6,000 sex offenders by improving registration and enforcement with \$470,000 ongoing and \$75,000 one-time General Fund
- Provide treatment to more sex offenders and thereby reduce their rate of recidivism, by appropriating \$650,000 in ongoing General Fund
- Add two hearing officers and an office specialist for the Board of Pardons with \$198,100 in ongoing General Fund

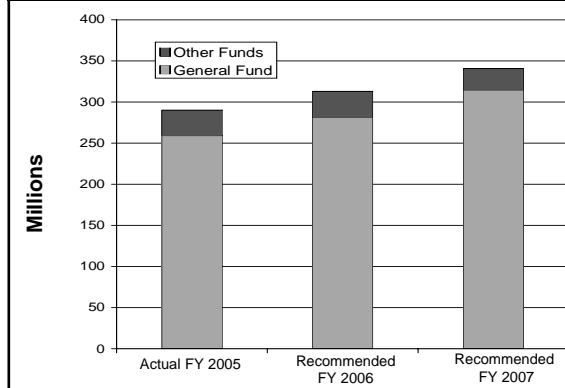
Compensate local government for housing offenders in jails by contract or as a condition of probation

- Provide jail reimbursement with \$4,259,700 in ongoing General Fund and \$3,474,900 in supplemental General Fund
- Pay for the increased core rate from \$42.32 per day to \$43.10 per day for jail contracting and jail reimbursement with \$658,700 in ongoing General Fund

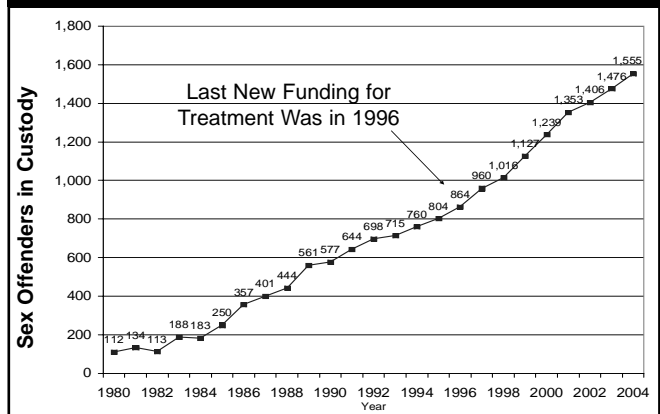
Ensure that cost-effective and model programs in Juvenile Justice Services continue

- Reduce reliance on the diminishing Victim Restitution Account with \$820,200 in ongoing General Fund to the division's work programs
- Replace \$728,400 federal funds with ongoing General Fund for cost-effective community and after care programs for youth offenders

General Fund and Total Funds
in Corrections Agencies

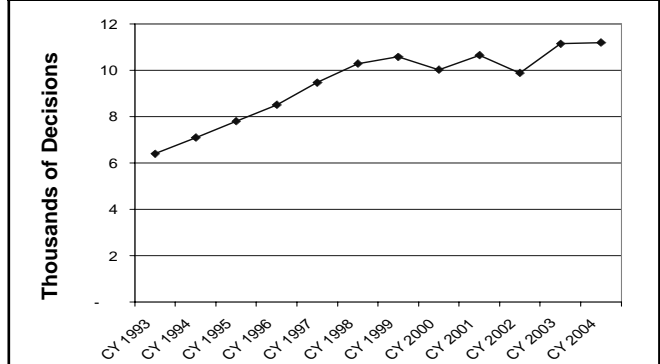


Custody of Sex Offenders in Prison



Increased numbers of sex offenders drives the need for additional treatment and enforcement of the sex offender registry.

Growth in the Number of Decisions
Made by the Board



Increased workload of 41 percent since 1995 warrants three additional full-time equivalents.

PROPOSED LEGISLATIVE INTENT LANGUAGE AND INTERNAL SERVICE FUNDS

FY 2007 Proposed Legislative Intent

Adult Corrections

- Funds for Programs and Operations, Medical Services, Jail Contracting, Jail Reimbursement, and Utah Correctional Industries are nonlapsing.
- Resources may be reallocated internally to fund additional adult probation and parole agents. For every two agents hired, one vehicle may be purchased with department funds.

Board of Pardons and Parole

- Funds for the board are nonlapsing.

Juvenile Justice Services

- Funds for the division are nonlapsing.

INTERNAL SERVICE FUNDS

Adult Corrections includes a data processing (DP) internal service fund (ISF) that provides DP services to the divisions within the department on a cost-reimbursement basis. For FY 2007 the governor recommends full-time equivalent employees (FTE) and capital outlay authorizations for the Adult Corrections ISF as indicated on the following table.

ISF Description	Estimated Revenue	FTE Recommended	Capital Outlay Recommended
DP Services	\$1,792,100	9.0	\$320,000

CORRECTIONS (ADULT AND JUVENILE)

Operating Budget

Governor Huntsman's Recommendations						
	Actual FY 2005	Authorized FY 2006	Supplementals	Recommended FY 2006	Base FY 2007	Ongoing and One-time Adj.
Plan of Financing						Total FY 2007
General Fund	\$259,169,300	\$277,314,700	\$3,474,900	\$280,789,600	\$277,366,600	\$314,816,800
Federal Funds	3,084,600	2,850,600	0	2,850,600	2,319,800	1,629,800
Dedicated Credits	5,439,500	5,634,800	0	5,634,800	5,661,000	5,674,100
Restricted and Trust Funds	2,613,400	2,773,300	0	2,773,300	1,453,100	1,203,100
Transfers	18,464,600	18,588,800	0	18,588,800	17,293,600	17,221,800
Beginning Balances	3,985,700	2,335,800	0	2,335,800	0	0
Closing Balances	(2,335,800)	0	0	0	0	0
Lapsing Funds	(257,200)	0	0	0	0	0
Total Financing	\$290,164,100	\$309,498,000	\$3,474,900	\$312,972,900	\$304,094,100	\$340,545,600
Programs						
Adult Corrections						
Administration	\$13,031,500	\$14,050,500	\$0	\$14,050,500	\$13,514,700	\$14,450,100
Adult Probation and Parole	41,365,200	44,123,700	0	44,123,700	42,703,200	49,601,300
Institutional Operations	91,741,900	99,467,600	0	99,467,600	98,510,000	114,392,300
Clinical Services	16,900,200	17,625,100	0	17,625,100	18,286,400	19,509,900
Jail Contracting	18,716,000	22,076,400	0	22,076,400	21,976,600	22,379,700
Jail Reimbursement	9,081,000	9,605,900	3,474,900	13,080,800	9,605,900	14,121,200
<i>Subtotal Adult Corrections</i>	<i>190,835,800</i>	<i>206,949,200</i>	<i>3,474,900</i>	<i>210,424,100</i>	<i>204,596,800</i>	<i>234,454,500</i>
Board of Pardons and Parole						
Operations	2,776,700	2,897,200	0	2,897,200	2,780,300	3,225,500
<i>Subtotal Board of Pardons and Parole</i>	<i>2,776,700</i>	<i>2,897,200</i>	<i>0</i>	<i>2,897,200</i>	<i>2,780,300</i>	<i>3,225,500</i>
Juvenile Justice Services						
Administration	3,793,900	3,924,200	0	3,924,200	3,805,300	4,059,300
Early Intervention	11,624,100	12,393,300	0	12,393,300	12,370,900	13,046,600
Community Placements	33,137,300	33,470,600	0	33,470,600	31,857,600	33,679,800
Correctional Facilities	25,112,400	25,829,100	0	25,829,100	25,780,000	27,094,700
Rural Programs	22,618,800	23,652,500	0	23,652,500	22,605,500	24,666,100
Youth Parole Authority	265,100	381,900	0	381,900	297,700	319,100
<i>Subtotal Juvenile Justice Services</i>	<i>96,551,600</i>	<i>99,651,600</i>	<i>0</i>	<i>99,651,600</i>	<i>96,717,000</i>	<i>102,865,600</i>
Total Budget	\$290,164,100	\$309,498,000	\$3,474,900	\$312,972,900	\$304,094,100	\$340,545,600
% Change from Authorized FY 2006 to Total FY 2007						
FTE Positions	--	3,352.1	0.0	3,352.1	3,339.3	10.0%
					94.0	3,433.3

CORRECTIONS (ADULT AND JUVENILE)

ADULT CORRECTIONS FY 2007 OPERATING BUDGET						
	General Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
Beginning Base Budget						
D1 FY 2006 appropriated budget	\$199,520,700	\$696,300	\$2,939,100	\$1,375,700	\$622,400	\$205,154,200
D2 Adjustments for one-time FY 2006 appropriations	587,700	0	0	0	0	587,700
D3 Adjustments for extra working day	(400,900)	0	(3,400)	0	0	(404,300)
D4 Adjustments to funding levels	0	(306,300)	29,600	0	(464,100)	(740,800)
Total Beginning Base Budget - Adult Corrections	199,707,500	390,000	2,965,300	1,375,700	158,300	204,596,800
Statewide Ongoing Adjustments						
D5 Cost-of-living adjustments of 2.5%	2,747,800	0	3,000	0	3,000	2,753,800
D6 Discretionary salary increase funding	2,130,800	0	2,400	0	2,400	2,135,600
D7 Internal service fund adjustments	17,500	0	0	0	0	17,500
D8 Human resources consolidation adjustments	(257,300)	0	0	0	0	(257,300)
D9 Health insurance rate adjustments	2,071,100	0	1,500	0	2,200	2,074,800
D10 Termination pool rate adjustments	3,738,500	0	3,900	0	4,000	3,746,400
D11 Retirement rate adjustments	2,374,200	0	2,300	0	2,900	2,379,400
<i>Subtotal Statewide Ongoing Adjustments - Adult Corrections</i>	<i>12,822,600</i>	<i>0</i>	<i>13,100</i>	<i>0</i>	<i>14,500</i>	<i>12,850,200</i>
Ongoing Adjustments						
D12 Correctional officer salary - 2 step increase	3,641,400	0	0	0	0	3,641,400
D13 Central Utah Correctional Facility 288-bed - partial year	4,106,400	0	0	0	0	4,106,400
D14 Women's privatized halfway back program	1,250,000	0	0	0	0	1,250,000
D15 Sex offender treatment expansion	650,000	0	0	0	0	650,000
D16 Substance abuse treatment expansion	422,400	0	0	0	0	422,400
D17 Sex offender registrations and enforcement	470,000	0	0	0	0	470,000
D18 Natural gas costs	800,000	0	0	0	0	800,000
D19 Restore General Fund for Crime Victim Fund	750,000	0	0	(750,000)	0	0
D20 Jail contracting core rate increase	403,100	0	0	0	0	403,100
D21 Jail reimbursement growth	4,259,700	0	0	0	0	4,259,700
D22 Jail reimbursement core rate increase	255,600	0	0	0	0	255,600
<i>Subtotal Ongoing Adjustments - Adult Corrections</i>	<i>17,008,600</i>	<i>0</i>	<i>0</i>	<i>(750,000)</i>	<i>0</i>	<i>16,258,600</i>
One-time Adjustments						
D23 Drug Offender Reform Act (DORA) continued pilot project	251,000	0	0	0	0	251,000
D24 Central Utah Correctional Facility 288-bed - partial year	172,900	0	0	0	0	172,900
D25 Offender tracking management system (DTS)	250,000	0	0	0	0	250,000
D26 Vehicles for probation and parole agents - sex offender enforcement	75,000	0	0	0	0	75,000
<i>Subtotal One-time Adjustments - Adult Corrections</i>	<i>748,900</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>748,900</i>
Total FY 2007 Adult Corrections Adjustments	30,580,100	0	13,100	(750,000)	14,500	29,857,700
Total FY 2007 Adult Corrections Operating Budget	\$230,287,600	\$390,000	\$2,978,400	\$625,700	\$172,800	\$234,454,500

CORRECTIONS (ADULT AND JUVENILE)

	General Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
ADULT CORRECTIONS FY 2006 OPERATING BUDGET ADJUSTMENTS						
Supplemental Adjustments						
D27 Jail reimbursement shortfall	\$3,474,900	\$0	\$0	\$0	\$0	\$3,474,900
<i>Subtotal Supplemental Adjustments - Adult Corrections</i>	<i>3,474,900</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>3,474,900</i>
Total FY 2006 Adult Corrections Budget Adjustments	\$3,474,900	\$0	\$0	\$0	\$0	\$3,474,900
BOARD OF PARDONS AND PAROLE FY 2007 OPERATING BUDGET						
Beginning Base Budget						
D28 FY 2006 appropriated budget	\$2,709,800	\$0	\$2,200	\$77,400	\$75,000	\$2,864,400
D29 Adjustments for extra working day	(9,100)	0	0	0	0	(9,100)
D30 Adjustments to funding levels	0	0	0	0	(75,000)	(75,000)
Total Beginning Base Budget - Board of Pardons and Parole	2,700,700	0	2,200	77,400	0	2,780,300
Statewide Ongoing Adjustments						
D31 Cost-of-living adjustments of 2.5%	51,500	0	0	0	0	51,500
D32 Discretionary salary increase funding	41,200	0	0	0	0	41,200
D33 Internal service fund adjustments	2,100	0	0	0	0	2,100
D34 Health insurance rate adjustments	24,800	0	0	0	0	24,800
D35 Termination pool rate adjustments	50,800	0	0	0	0	50,800
D36 Retirement rate adjustments	38,900	0	0	0	0	38,900
<i>Subtotal Statewide Ongoing Adj. - Board of Pardons and Parole</i>	<i>209,300</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>209,300</i>
Ongoing Adjustments						
D37 Hearing officers and office specialist	198,100	0	0	0	0	198,100
D38 Additional rents/pass through costs	37,800	0	0	0	0	37,800
<i>Subtotal Ongoing Adjustments - Board of Pardons and Parole</i>	<i>235,900</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>235,900</i>
Total FY 2007 Board of Pardons and Parole Adjustments	445,200	0	0	0	0	445,200
Total FY 2007 Board of Pardons and Parole Operating Budget	\$3,145,900	\$0	\$2,200	\$77,400	\$0	\$3,225,500
JUVENILE JUSTICE SERVICES FY 2007 OPERATING BUDGET						
Beginning Base Budget						
D39 FY 2006 appropriated budget	\$75,084,200	\$2,054,100	\$2,688,400	\$1,320,200	\$17,702,700	\$98,849,600
D40 Adjustments for extra working day	(125,800)	(8,800)	(500)	0	0	(135,100)
D41 Adjustments to funding levels	0	(115,500)	5,600	(1,320,200)	(567,400)	(1,997,500)
Total Beginning Base Budget - Juvenile Justice Services	74,958,400	1,929,800	2,693,500	0	17,135,300	96,717,000

CORRECTIONS (ADULT AND JUVENILE) - CONTINUED

Statewide Ongoing Adjustments						
	General Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
D42 Cost-of-living adjustments of 2.5%	985,000	11,000	0	0	9,000	1,005,000
D43 Discretionary salary increase funding	755,800	8,600	0	0	7,000	771,400
D44 Internal service fund adjustments	43,700	500	0	0	600	44,800
D45 Health insurance rate adjustments	863,500	10,100	0	0	9,200	882,800
D46 Termination pool rate adjustments	1,387,600	17,200	0	0	15,000	1,419,800
D47 Retirement rate adjustments	250,200	3,100	0	0	2,600	255,900
<i>Subtotal Statewide Ongoing Adjustments - Juvenile Justice Services</i>	<i>4,285,800</i>	<i>50,500</i>	<i>0</i>	<i>0</i>	<i>43,400</i>	<i>4,379,700</i>
Ongoing Adjustments						
D48 Replace restricted funds with General Fund	820,200	0	0	500,000	0	1,320,200
D49 Replace Juvenile Accountability Block Grant (JABG) federal funds	398,400	(398,400)	0	0	0	0
D50 Replace federal funds for Utah County After Care Program	330,000	(330,000)	0	0	0	0
D51 Caseload growth - Washington and Iron County	66,000	0	0	0	0	66,000
D52 Loss of federal match rate	141,800	(12,100)	0	0	(129,700)	0
D53 Local provider increase	382,700	0	0	0	0	382,700
<i>Subtotal Ongoing Adjustments - Juvenile Justice Services</i>	<i>2,139,100</i>	<i>(740,500)</i>	<i>0</i>	<i>500,000</i>	<i>(129,700)</i>	<i>1,768,900</i>
Total FY 2007 Juvenile Justice Services Adjustments	6,424,900	(690,000)	0	500,000	(86,300)	6,148,600
Total FY 2007 Juvenile Justice Services Operating Budget	\$81,383,300	\$1,239,800	\$2,693,500	\$500,000	\$17,049,000	\$102,865,600
CORRECTIONS TOTALS						
FY 2007 Operating Base Budget	\$277,366,600	\$2,319,800	\$5,661,000	\$1,453,100	\$17,293,600	\$304,094,100
FY 2007 Operating Ongoing and One-time Adjustments	37,450,200	(690,000)	13,100	(250,000)	(71,800)	36,451,500
FY 2007 Operating Recommendation	314,816,800	1,629,800	5,674,100	1,203,100	17,221,800	340,545,600
FY 2006 Operating Adjustments	3,474,900	0	0	0	0	3,474,900

COURTS

David Walsh, Analyst



AGENCY BUDGET OVERVIEW

COURTS

- Supreme Court
- Court of Appeals
- District Court
- Juvenile Court
- Administrative Office of the Courts
- Guardian ad Litem

Mission: *Provide the people an open, fair, efficient, and independent system for the advancement of justice under the law*

MAJOR ACCOMPLISHMENTS AND SERVICES

(Headings include funding in Governor's Recommendations)

District Court - \$39.7 million

- Handles 252,487 cases, including 20,301 domestic cases

Juvenile Court - \$33.6 million

- Receives 47,415 juvenile court referrals
- Receives 3,781 dependency, neglect, and abuse referrals
- Completed the new juvenile justice information system

Contracts and Leases - \$21.6 million

- Provides funding for 48 lease facilities and courthouses

Appellate Courts - \$5.6 million

- Files 635 cases in the Supreme Court
- Files 939 cases in the Court of Appeals

Guardian ad Litem (GAL) - \$5.1 million

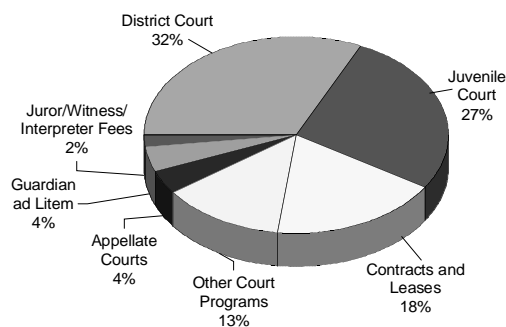
- Handles 5,220 open cases for children for whom there are allegations of abuse or neglect, or when dependency of a minor is an issue

Juror Witness/Interpreter Fee - \$1.9 million

- Meeting constitutional and statutory mandates, Utah state courts averaged over 700 interpreted proceedings monthly in the first half of 2005
- National certification testing was offered for the first time to Vietnamese interpreters, in addition to Spanish interpreters

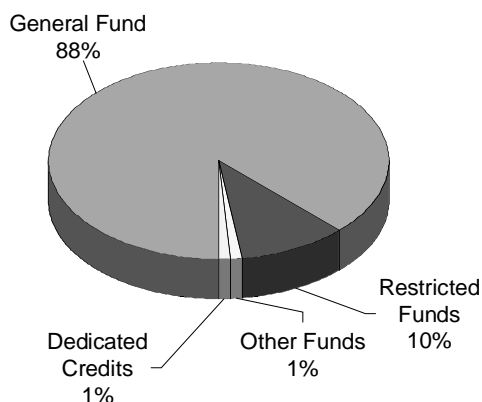
Where Will My Taxes and Fees Go for Courts?

(Total FY 2007 Funding is \$123,460,400)



Financing of Courts

(Based on FY 2007 Recommendations)



RECOMMENDATIONS: GOVERNOR'S GOALS AND INITIATIVES

(See itemized table for full list of recommendations)

Maintain the quality and timeliness of court decisions

- Increase the number of law clerks assigned to district court judges by adding \$409,600 in ongoing General Fund for five new law clerks
- Reduce workload in the 4th district and the 3rd district juvenile courts by funding two new judges and four support staff with \$515,000 ongoing General Fund

Attract and maintain highly qualified judges

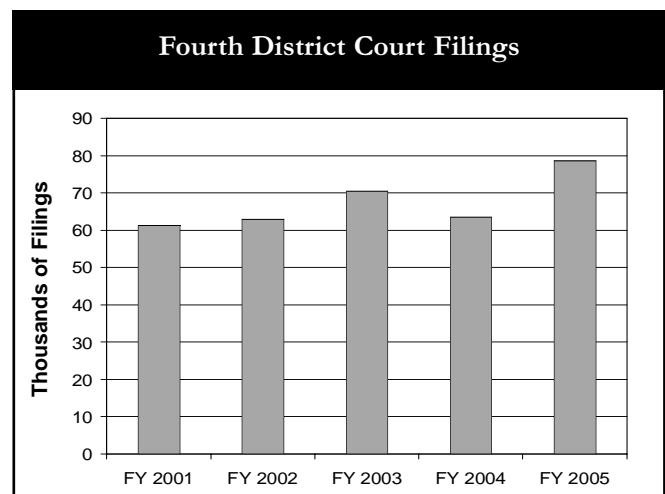
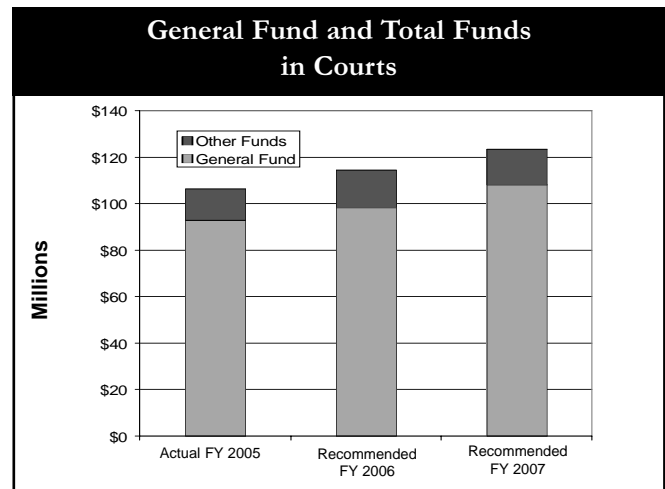
- Provide an ongoing General Fund appropriation of \$1,030,300 for a 7.0 percent salary and benefits increase recommended by the Executive and Judicial Compensation Commission for judges

Provide adequate funding for court facilities and security

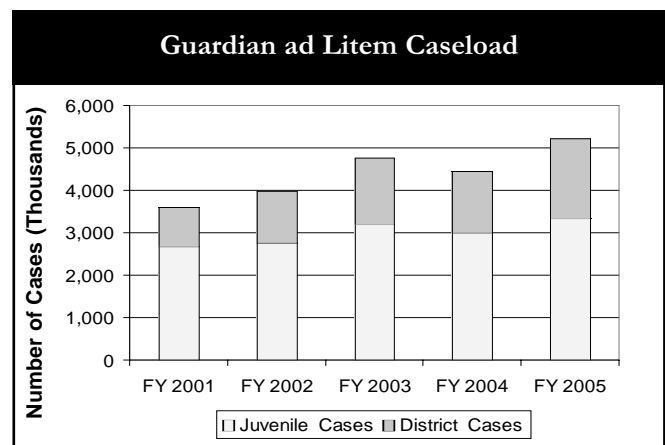
- Fund \$882,500 in ongoing General Fund and \$90,000 in one-time General Fund for contracts and leases
- Provide bailiff services for new judges added or reallocated to different districts during 2006 with \$170,000 ongoing restricted funds
- Replace outdated data processing equipment by appropriating \$240,000 one-time General Fund

Expand resources for GAL, Juror/Witness/Interpreter, Drug Court and the Drug Offender Reform Act (DORA) pilot project

- Decrease the average caseload assigned to each GAL attorney by funding nine attorneys with \$777,400 in ongoing General Fund and \$89,000 in one-time General Fund
- Pay for costs associated with the Juror/Witness/Interpreter Program with \$150,000 in ongoing General Fund and \$277,600 supplemental General Fund
- Expand the availability of the Drug Court to 471 additional individuals with \$260,000 ongoing General Fund
- Fully fund the DORA pilot project with a \$20,000 one-time General Fund appropriation



Increased filings require an additional district court judge.



Increased caseload requires nine new attorneys.

PROPOSED LEGISLATIVE INTENT LANGUAGE

FY 2007 Proposed Legislative Intent

- Funds for the Judicial Council/State Court Administrator, Contracts and Leases, Jury/Witness/Interpreter, Grand Jury, and GAL are nonlapsing.
- Under provisions of Section 67-6-2, UCA, salaries for district court judges are approved at \$118,100 for July 1, 2006 to June 30, 2007; other judicial salaries will be calculated in accordance with the statutory formula and rounded to the nearest \$50. These amounts reflect an increase of 7.0 percent.

COURTS

Operating Budget

Governor Huntsman's Recommendations						
	Actual FY 2005	Authorized FY 2006 ^(a)	Courts' Request FY 2007 ^(b)	Base FY 2007	Ongoing and One-time Adj.	Total FY 2007
Plan of Financing						
General Fund	\$92,790,300	\$97,905,300	\$101,868,400	\$97,671,600	\$10,441,800	\$108,113,400
Federal Funds	173,100	174,500	174,500	174,500	0	174,500
Dedicated Credits	994,600	1,075,400	1,133,100	1,133,100	68,400	1,201,500
Restricted and Trust Funds	12,129,100	12,747,400	12,609,700	12,739,700	(37,800)	12,701,900
Transfers	1,939,400	1,141,900	1,071,300	1,071,300	48,200	1,119,500
Beginning Balances	738,100	1,089,000	(107,200)	(107,200)	0	(107,200)
Closing Balances	(1,089,000)	107,200	256,800	256,800	0	256,800
Lapsing Funds	(1,378,300)	0	0	0	0	0
Total Financing	\$106,297,300	\$114,240,700	\$117,006,600	\$112,939,800	\$10,520,600	\$123,460,400
Programs						
Courts						
Supreme Court	\$2,014,000	\$2,169,000	\$2,164,700	\$2,164,700	\$209,300	\$2,374,000
Law Library	590,200	550,400	630,900	549,600	18,600	568,200
Court of Appeals	2,780,700	2,976,700	2,970,600	2,970,600	285,800	3,256,400
District Court	33,664,100	35,861,300	36,552,100	35,498,800	4,166,300	39,665,100
Juvenile Court	27,585,900	30,849,600	31,026,200	30,692,900	2,911,100	33,604,000
Justice Courts	599,100	1,033,400	1,033,000	1,033,000	18,900	1,051,900
Court Security	3,094,200	4,170,000	4,170,000	4,000,000	170,000	4,170,000
Administration	3,368,100	3,751,600	3,668,400	3,668,400	145,600	3,814,000
Judicial Education	611,800	667,800	580,000	580,000	23,900	603,900
Data Processing	5,420,600	4,579,600	4,696,000	4,456,000	480,200	4,936,200
Grants	1,545,200	792,900	723,400	723,400	15,800	739,200
Grand Jury	1,000	800	800	800	0	800
Contracts/Leases	19,480,000	21,079,100	21,552,500	20,880,000	732,800	21,612,800
Jury/Witness/Interpreter Fees	1,657,000	1,680,000	1,830,000	1,680,000	248,600	1,928,600
Guardian ad Litem	3,885,400	4,078,500	5,408,000	4,041,600	1,093,700	5,135,300
Total Budget	\$106,297,300	\$114,240,700	\$117,006,600	\$112,939,800	\$10,520,600	\$123,460,400
% Change from Authorized FY 2006 to Total FY 2007						8.1%
FTE Positions	--	1,242.0	1,263.8	1,228.3	25.0	1,253.3
<i>(a) In addition to the amounts listed in the authorized FY 2006 column, Governor Huntsman recommends a supplemental appropriation of \$277,600 from the General Fund for Jury/Witness/Interpreter fees.</i>						
<i>(b) As per statute, the Courts' request is included without changes (the Courts' request does not include salary or benefit amounts, which are recommended on a statewide basis).</i>						

COURTS

COURTS FY 2007 OPERATING BUDGET						
	General Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
Beginning Base Budget						
E1 FY 2006 appropriated budget	\$97,905,300	\$170,000	\$1,031,500	\$12,747,400	\$1,052,600	\$112,906,800
E2 Adjustments for one-time FY 2006 appropriations	(10,000)	0	0	0	0	(10,000)
E3 Adjustments for extra working day	(223,700)	0	0	(1,300)	0	(225,000)
E4 Adjustments to funding levels	0	4,500	101,600	(6,400)	168,300	268,000
Total Beginning Base Budget - Courts	97,671,600	174,500	1,133,100	12,739,700	1,220,900	112,939,800
Statewide Ongoing Adjustments						
E5 Cost-of-living adjustments of 2.5% (non-judicial staff)	1,194,800	0	15,500	22,000	11,000	1,243,300
E6 Discretionary salary increase funding	952,600	0	12,400	17,600	8,800	991,400
E7 Salary increase for judges of 7.0%	1,030,300	0	0	0	0	1,030,300
E8 Internal service fund adjustments	(7,400)	0	0	1,300	0	(6,100)
E9 Health insurance rate adjustments	1,064,700	0	14,400	14,200	9,900	1,103,200
E10 Termination pool rate adjustments	2,276,800	0	22,800	32,700	15,700	2,348,000
E11 Retirement rate adjustments	496,500	0	3,300	4,400	2,800	507,000
<i>Subtotal Statewide Ongoing Adjustments - Courts</i>	<i>7,008,300</i>	<i>0</i>	<i>68,400</i>	<i>92,200</i>	<i>48,200</i>	<i>7,217,100</i>
Ongoing Adjustments						
E12 Law clerks	409,600	0	0	0	0	409,600
E13 4th District Court Judge and support staff	257,500	0	0	0	0	257,500
E14 3rd District Juvenile Court Judge and support staff	257,500	0	0	0	0	257,500
E15 Bailiff services	0	0	0	170,000	0	170,000
E16 Juror/Witness/Interpreter fees	150,000	0	0	0	0	150,000
E17 Contracts and leases	882,500	0	0	(300,000)	0	582,500
E18 Guardian ad Litem personnel and operating expenses	777,400	0	0	0	0	777,400
E19 Expand Drug Courts - courts' portion for court clerks	260,000	0	0	0	0	260,000
<i>Subtotal Ongoing Adjustments - Courts</i>	<i>2,994,500</i>	<i>0</i>	<i>0</i>	<i>(130,000)</i>	<i>0</i>	<i>2,864,500</i>
One-time Adjustments						
E20 Data processing replacements	240,000	0	0	0	0	240,000
E21 Guardian ad Litem personnel and operating expenses	89,000	0	0	0	0	89,000
E22 Drug Offender Reform Act (DORA) continued pilot project	20,000	0	0	0	0	20,000
E23 Equipment for court buildings	90,000	0	0	0	0	90,000
<i>Subtotal One-time Adjustments - Courts</i>	<i>439,000</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>439,000</i>
Total FY 2007 Courts Adjustments	10,441,800	0	68,400	(37,800)	48,200	10,520,600
Total FY 2007 Courts Operating Budget	\$108,113,400	\$174,500	\$1,201,500	\$12,701,900	\$1,269,100	\$123,460,400
COURTS FY 2006 OPERATING BUDGET ADJUSTMENTS						
Supplemental Adjustments						
E24 Juror/Witness/Interpreter fees	\$277,600	\$0	\$0	\$0	\$0	\$277,600
<i>Subtotal Supplemental Adjustments - Courts</i>	<i>277,600</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>277,600</i>
Total FY 2006 Courts Operating Adjustments	\$277,600	\$0	\$0	\$0	\$0	\$277,600
COURTS TOTALS						
FY 2007 Operating Base Budget	\$97,671,600	\$174,500	\$1,133,100	\$12,739,700	\$1,220,900	\$112,939,800
FY 2007 Operating Ongoing and One-time Adjustments	10,441,800	0	68,400	(37,800)	48,200	10,520,600
FY 2007 Operating Recommendation	108,113,400	174,500	1,201,500	12,701,900	1,269,100	123,460,400
FY 2006 Operating Adjustments	277,600	0	0	0	0	277,600

ELECTED OFFICIALS

Sandy Naegle, Analyst



AGENCY BUDGET OVERVIEW

ELECTED OFFICIALS INCLUDE:

- Governor / Lt. Governor
- Attorney General
- State Auditor
- State Treasurer

Mission: Serve the people of the State of Utah; uphold the constitution, enforce the law, protect the interest of the state, its people, environment, and resources; and ensure the financial integrity and accountability of the state

MAJOR ACCOMPLISHMENTS AND SERVICES

(Headings include funding in Governor's Recommendations)

Governor's Office - \$55.2 million

- Recommended an income tax reform package
- Integrated the Economic Development and Tourism programs into the Governor's Office
- Increased focus on energy issues by adding an energy advisor and staff to the Governor's Office

Attorney General's Office - \$44.8 million

- Won major appellate cases regarding the standards to be applied in water rights and roads cases
- Continues to lead the country in per capita arrests and convictions for internet crimes against children
- Developed a database to assist victims of identity theft

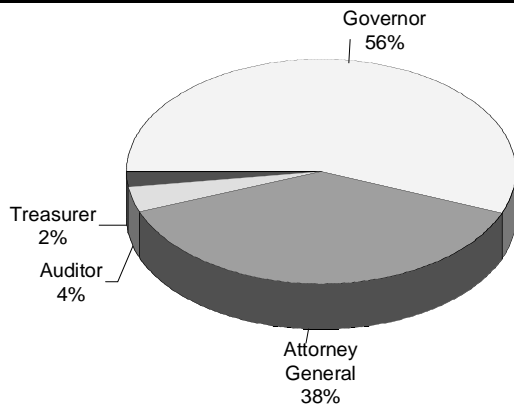
State Auditor's Office - \$4.4 million

- Completed audits totaling \$18.2 billion in expenditures/expenses
- Improved audit efficiency and effectiveness through increased training and use of analytical tools
- Received a positive peer review from the National State Auditors Association External Peer Review Team

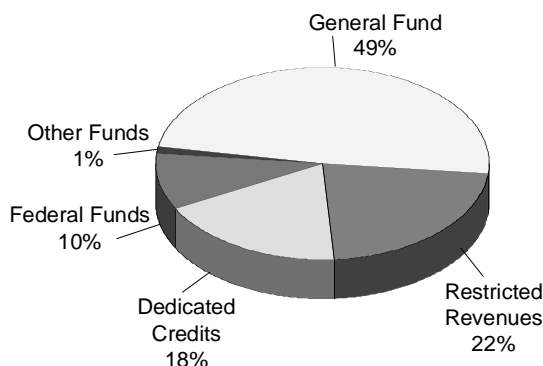
State Treasurer's Office - \$2.5 million

- Manages investment funds totaling over \$6.4 billion
- Earned \$14.1 million in the Permanent State School Fund
- Returned nearly \$10 million in unclaimed property to owners

Where Will My Taxes and Fees Go for Elected Officials?
(Total FY 2007 Funding is \$106,908,400)



Financing of Elected Official Offices
(Based on FY 2007 Recommendations)



RECOMMENDATIONS: GOVERNOR'S GOALS AND INITIATIVES

(See itemized table for full list of recommendations)

Governor's Office

- Fund a Western State Primary election with a one-time General Fund appropriation of \$850,000
- Complete the Help America Vote Act (HAVA) requirements with a supplemental General Fund appropriation of \$2,900,000
- Restore \$1,679,100 in ongoing General Funds to the Utah Commission on Criminal and Juvenile Justice (CCJJ) and reduce its allocation from the Crime Victim Reparation Trust Fund by the same amount
- Consolidate economic development services by providing an ongoing General Fund appropriation of \$830,000 for the integrated business resource centers

Attorney General

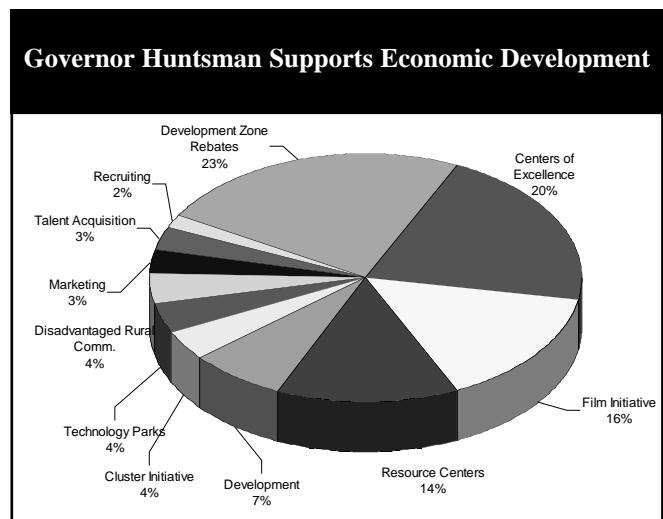
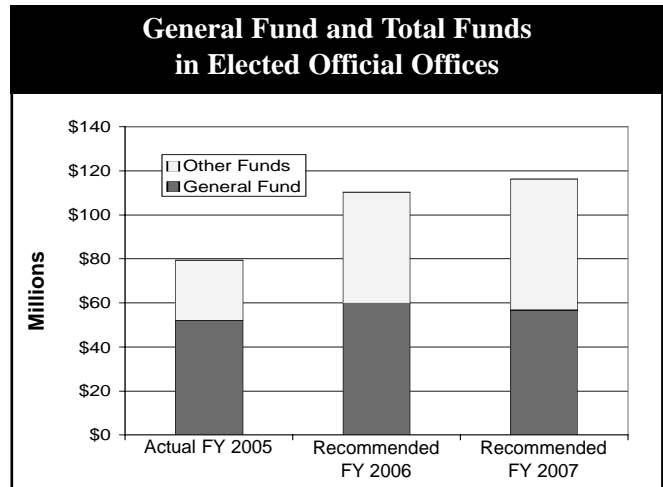
- Address the increasing demands of criminal appeals by providing an ongoing General Fund appropriation of \$86,200 for an attorney
- Increase the staff in the St. George office of the Child Protection Division with an ongoing General Fund appropriation of \$64,200 and a one-time General Fund appropriation of \$5,300
- Continue to fight identity theft by providing an ongoing General Fund appropriation of \$73,100 for an investigator
- Pay attorney fees for the *David C.* (foster care), *Spyware Control Act*, and *Worker's Compensation Fund* cases, and the *Highland High Settlement* with a \$1,342,900 General Fund supplemental

State Auditor

- Increase the ability to handle audits in a faster time frame by providing an ongoing General Fund appropriation of \$228,600 for three new auditor positions
- The Executive and Judicial Compensation Commission recommended a 6.0 percent salary and benefits increase for the State Auditor; the governor concurs and recommends an ongoing General Fund appropriation of \$6,300

State Treasurer

- The Executive and Judicial Compensation Commission recommend a 9.2 percent salary and benefits increase for the State Treasurer; the governor concurs and recommends an ongoing General Fund appropriation of \$9,500



PROPOSED LEGISLATIVE INTENT LANGUAGE

FY 2006 Proposed Legislative Intent

- Funds appropriated in FY 2006 of \$2,900,000 for the Elections HAVA Fund be invested and the Fund allowed to keep the interest that accrues. The funds are nonlapsing.

FY 2007 Proposed Legislative Intent

Attorney General

- Funds for the Attorney General's Office are nonlapsing.
- Funds for contract attorneys are nonlapsing.
- Funds for the Children's Justice Centers are nonlapsing.
- Funds for the Prosecution Council are nonlapsing.
- Funds for the prevention of domestic violence are nonlapsing.
- Funding sources and personnel cost billings to state agencies utilized by the Attorney General's Office shall be reviewed and approved by the legislature.

State Auditor

- Funds for the State Auditor are nonlapsing.

Governor's Office

- Funds for the Governor's Office are nonlapsing.
- Funds for the Governor's Office of Economic Development and Tourism are nonlapsing.
- Funds for the Governor's Elections Office 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 Governor's Office energy advisor are nonlapsing.
- Funds for the CCJJ are nonlapsing.

State Treasurer

- Funds for the State Treasurer are nonlapsing.

ELECTED OFFICIALS

Operating Budget

Governor Huntsman's Recommendations						
	Actual FY 2005	Authorized FY 2006 ^(a)	Elected Officials' Request FY 2007 ^(b)	Base FY 2007	Ongoing and One-time Adj.	Total FY 2007
Plan of Financing						
General Fund	\$52,111,200	\$64,357,700	\$69,160,750	\$45,381,000	\$13,274,200	\$58,655,200
Transportation Fund	118,000	118,000	118,000	118,000	0	118,000
Federal Funds	14,638,900	14,177,400	11,016,250	10,794,300	269,400	11,063,700
Dedicated Credits	16,205,100	18,751,500	20,250,800	19,290,100	2,216,700	21,506,800
Restricted and Trust Funds	4,923,800	8,012,000	8,094,500	7,593,800	6,599,100	14,192,900
Transfers	(4,169,700)	593,000	541,000	541,000	1,800	542,800
Other Funds	0	(8,000,000)	0	0	500,000	500,000
Beginning Balances	8,676,700	12,921,900	554,000	554,000	0	554,000
Closing Balances	(12,921,900)	(554,000)	(225,000)	(225,000)	0	(225,000)
Lapsing Funds	(71,400)	0	0	0	0	0
Total Financing	\$79,510,700	\$110,377,500	\$109,510,300	\$84,047,200	\$22,861,200	\$106,908,400
Programs						
Elected Officials						
Attorney General	\$38,394,000	\$41,174,500	\$44,702,200	\$41,140,600	\$3,619,300	\$44,759,900
Auditor	2,847,500	4,135,700	4,329,900	3,867,800	569,600	4,437,400
Office of the Governor	36,080,500	62,396,300	58,163,300	36,723,900	18,500,500	55,224,400
Treasurer	2,188,700	2,671,000	2,314,900	2,314,900	171,800	2,486,700
Total Budget	\$79,510,700	\$110,377,500	\$109,510,300	\$84,047,200	\$22,861,200	\$106,908,400
% Change from Authorized FY 2006 to Total FY 2007						(3.1%)
FTE Positions	--	663.3	676.8	656.3	18.5	674.8

(a) In addition to the amount listed in the Authorized FY 2006 column, Governor Huntsman recommends \$1,342,900 from the General Fund to the Attorney General's Office to meet attorney fees for the Workers Comp. Fund, David C., Spyware Control Act, and Highland High settlement. The Governor also recommends \$100,000 from the General Fund for the Governor's Emergency Fund replenishment, \$2,900,000 from the General Fund to the Lt. Governor's Office for HAV-A completion, \$25,000 from the General Fund to the Governor's Office of Planning and Budget for an economist, \$239,900 from the General Fund to the Governor's Office of Economic Development for Administrative base switch, and \$3,479,400 from the General Fund for Industrial Assistant Fund replenishment.

(b) As per statute, the Elected Officials' request is included without changes. They do not include compensations.

(a) In addition to the amount listed in the Authorized FY 2006 column, Governor Huntsman recommends \$1,342,900 from the General Fund to the Attorney General's Office to meet attorney fees for the Workers Comp. Fund, David C., Spyware Control Act, and Highland High settlement. The Governor also recommends \$100,000 from the General Fund for the Governor's Emergency Fund replenishment, \$2,900,000 from the General Fund to the Lt. Governor's Office for HAVA completion, \$25,000 from the General Fund to the Governor's Office of Planning and Budget for an economist, \$239,900 from the General Fund to the Governor's Office of Economic Development for Administrative base switch, and \$3,479,400 from the General Fund for Industrial Assistant Fund replenishment.

(b) As per statute, the Elected Officials' request is included without changes. They do not include compensation.

ELECTED OFFICIALS

ATTORNEY GENERAL FY 2007 OPERATING BUDGET						
Beginning Base Budget						
F1	General Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
FY 2006 appropriated budget	\$20,679,600	\$1,304,500	\$14,407,300	\$966,100	\$827,000	\$38,184,500
Adjustments for one-time FY 2006 appropriations	(30,000)	0	0	0	0	(30,000)
Adjustments for extra working day	(57,500)	0	(33,500)	(2,400)	(600)	(94,000)
Adjustments to funding levels	0	644,000	2,774,500	0	(338,400)	3,080,100
Total Beginning Base Budget - Attorney General	20,592,100	1,948,500	17,148,300	963,700	488,000	41,140,600
Statewide Ongoing Adjustments						
F3 Cost-of-living adjustments of 2.5%	429,300	25,300	294,300	13,000	0	761,900
F6 Discretionary salary increase funding	340,800	20,200	235,400	10,400	0	606,800
F7 Internal service fund adjustments	(19,200)	1,000	2,100	0	0	(16,100)
F8 Human resources consolidation adjustments	175,400	0	0	0	0	175,400
F9 Health insurance rate adjustments	202,400	12,400	150,100	5,300	0	370,200
F10 Termination pool rate adjustments	622,500	35,800	425,100	19,000	0	1,102,400
F11 Retirement rate adjustments	126,500	14,100	79,100	3,100	0	222,800
<i>Subtotal Statewide Ongoing Adjustments - Attorney General</i>	<i>1,877,700</i>	<i>108,800</i>	<i>1,186,100</i>	<i>50,800</i>	<i>0</i>	<i>3,223,400</i>
Ongoing Adjustments						
F12 Criminal appeals attorney	86,200	0	0	0	0	86,200
F13 Child protection attorney & legal secretary	64,200	42,800	0	0	0	107,000
F14 ID theft investigators	73,100	0	0	0	0	73,100
F15 Medicaid fraud investigator	0	72,500	0	0	0	72,500
F16 Children's Justice Center community provider increase	31,800	0	0	0	0	31,800
<i>Subtotal Ongoing Adjustments - Attorney General</i>	<i>255,300</i>	<i>115,300</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>370,600</i>
One-time Adjustments						
F17 Medicaid fraud investigator equipment	0	17,300	0	0	0	17,300
F18 Child protection staff equipment	5,300	2,700	0	0	0	8,000
<i>Subtotal One-time Adjustments - Attorney General</i>	<i>5,300</i>	<i>20,000</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>25,300</i>
Total FY 2007 Attorney General Adjustments	2,138,300	244,100	1,186,100	50,800	0	3,619,300
Total FY 2007 Attorney General Operating Budget	\$22,730,400	\$2,192,600	\$18,334,400	\$1,014,500	\$488,000	\$44,759,900
ATTORNEY GENERAL FY 2006 OPERATING BUDGET ADJUSTMENTS						
Supplemental Adjustments						
F19 Workers Compensation Fund outside counsel costs	\$169,600	\$0	\$0	\$0	\$0	\$169,600
F20 David C. litigation costs	210,600	0	0	0	0	210,600

ELECTED OFFICIALS - CONTINUED

	General Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
F21 <i>Synapse Control Act defense</i>	7,700	0	0	0	0	7,700
F22 <i>Highland High settlement agreement/Board of Examiners</i>	955,000	0	0	0	0	955,000
<i>Subtotal Supplemental Adjustments - Attorney General</i>	1,342,900	0	0	0	0	1,342,900
Total FY 2006 Attorney General Budget Adjustments	\$1,342,900	\$0	\$0	\$0	\$0	\$1,342,900
AUDITOR FY 2007 OPERATING BUDGET						
Beginning Base Budget						
F23 <i>FY 2006 appropriated budget</i>	\$2,958,300	\$0	\$784,200	\$0	\$0	\$3,742,500
F24 <i>Adjustments for extra working day</i>	(11,400)	0	0	0	0	(11,400)
F25 <i>Adjustments to funding levels</i>	0	0	136,700	0	0	136,700
Total Beginning Base Budget - Auditor	2,946,900	0	920,900	0	0	3,867,800
Statewide Ongoing Adjustments						
F26 <i>Cost-of-living adjustments of 2.5%</i>	77,500	0	0	0	0	77,500
F27 <i>Discretionary salary increase funding</i>	62,000	0	0	0	0	62,000
F28 <i>Internal service fund adjustments</i>	(800)	0	(400)	0	0	(1,200)
F29 <i>Human resources consolidation adjustments</i>	21,400	0	0	0	0	21,400
F30 <i>Health insurance rate adjustments</i>	43,600	0	0	0	0	43,600
F31 <i>Termination pool rate adjustments</i>	111,500	0	0	0	0	111,500
F32 <i>Retirement rate adjustments</i>	19,900	0	0	0	0	19,900
<i>Subtotal Statewide Ongoing Adjustments - Auditor</i>	<i>335,100</i>	<i>0</i>	<i>(400)</i>	<i>0</i>	<i>0</i>	<i>334,700</i>
Ongoing Adjustments						
F33 <i>Three auditor positions</i>	228,600	0	0	0	0	228,600
F34 <i>Comp. commission recommended 6.0% increase for State Auditor</i>	6,300	0	0	0	0	6,300
<i>Subtotal Ongoing Adjustments - Auditor</i>	<i>234,900</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>234,900</i>
Total FY 2007 Auditor Adjustments	570,000	0	(400)	0	0	569,600
Total FY 2007 Auditor Operating Budget	\$3,516,900	\$0	\$920,500	\$0	\$0	\$4,437,400
GOVERNOR FY 2007 OPERATING BUDGET						
Beginning Base Budget						
F35 <i>FY 2006 appropriated budget</i>	\$21,840,100	\$12,514,400	\$986,400	\$15,838,200	\$241,000	\$51,420,100
F36 <i>Adjustment for contingent appropriation from budget surplus</i>	4,000,000	0	0	0	(4,000,000)	0
F37 <i>Adjustments for one-time FY 2006 appropriations</i>	(4,850,000)	0	0	(10,250,000)	0	(15,100,000)
F38 <i>Adjustments for extra working day</i>	(25,200)	0	0	(3,200)	0	(28,400)
F39 <i>Adjustments to funding levels</i>	0	(3,668,600)	41,800	(200,000)	4,259,000	432,200
Total Beginning Base Budget - Governor	20,964,900	8,845,800	1,028,200	5,385,000	500,000	36,723,900
Statewide Ongoing Adjustments						
F40 <i>Cost-of-living adjustments of 2.5%</i>	225,300	6,500	6,500	18,700	0	257,000
F41 <i>Discretionary salary increase funding</i>	176,900	4,000	5,200	14,700	0	200,800

ELECTED OFFICIALS - CONTINUED

	General Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
F42 Internal service fund adjustments	8,700	0	300	0	0	9,000
F43 Human resources consolidation adjustments	27,000	0	0	0	0	27,000
F44 Health insurance rate adjustments	115,500	3,900	4,200	17,200	500	141,300
F45 Termination pool rate adjustments	337,700	9,200	7,600	36,700	1,100	392,300
F46 Retirement rate adjustments	60,000	1,700	1,300	6,600	200	69,800
<i>Subtotal Statewide Ongoing Adjustments - Governor</i>	<i>951,100</i>	<i>25,300</i>	<i>25,100</i>	<i>93,900</i>	<i>1,800</i>	<i>1,097,200</i>
Ongoing Adjustments						
F47 Lt. Governor's Office (LGO) annexation certification officer	71,000	0	0	0	0	71,000
F48 Comp. commission recommended 9.2% increase for Lt. Governor	9,500	0	0	0	0	9,500
F49 Governor's Office of Planning and Budget Economist	50,000	0	0	0	0	50,000
F50 GOED/Community and Culture base funding switch	303,200	0	0	0	0	303,200
F51 GOED business development	465,000	0	0	0	0	465,000
F52 GOED cluster initiative	250,000	0	0	0	0	250,000
F53 GOED technology park	250,000	0	0	0	0	250,000
F54 GOED business resource centers	830,000	0	1,000,000	0	0	1,830,000
F55 Commission on Criminal and Juvenile Justice (CCJJ) funding switch	1,679,100	0	0	(1,679,100)	0	0
F56 CCJJ Racial and Ethnic Fairness Commission	122,800	0	0	0	0	122,800
F57 Crime Victim Reparation claims technician	0	0	0	50,100	0	50,100
<i>Subtotal Ongoing Adjustments - Governor</i>	<i>4,030,600</i>	<i>0</i>	<i>1,000,000</i>	<i>(1,629,000)</i>	<i>0</i>	<i>3,401,600</i>
One-time Adjustments						
F58 LGO Western primary election	850,000	0	0	0	0	850,000
F59 GOED development zone rebates	1,528,000	0	0	0	0	1,528,000
F60 GOED business resource center equipment	45,000	0	0	0	0	45,000
F61 GOED cluster initiative	0	0	0	0	500,000	500,000
F62 GOED Centers of Excellence	1,328,700	0	0	0	0	1,328,700
F63 GOED marketing/advertising	200,000	0	0	0	0	200,000
F64 GOED disadvantaged rural communities	250,000	0	0	0	0	250,000
F65 GOED recruiting support	100,000	0	0	0	0	100,000
F66 GOED talent acquisition program	200,000	0	0	0	0	200,000
F67 GOED tourism initiative	0	0	0	8,000,000	0	8,000,000
F68 GOED film initiative	1,000,000	0	0	0	0	1,000,000
<i>Subtotal One-time Adjustments - Governor</i>	<i>5,501,700</i>	<i>0</i>	<i>0</i>	<i>8,000,000</i>	<i>500,000</i>	<i>14,001,700</i>
Total FY 2007 Governor Adjustments	10,483,400	25,300	1,025,100	6,464,900	501,800	18,500,500
Total FY 2007 Governor Operating Budget	\$31,448,300	\$8,871,100	\$2,053,300	\$11,849,900	\$1,001,800	\$55,224,400
GOVERNOR FY 2006 OPERATING BUDGET ADJUSTMENTS						
Supplemental Adjustments						
F69 Replenish Governor's emergency fund	\$100,000	\$0	\$0	\$0	\$0	\$100,000
F70 HAVA Elections completion	2,900,000	0	0	0	0	2,900,000

ELECTED OFFICIALS - CONTINUED

	General Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
F71 Governor's Office of Planning and Budget Economist	25,000	0	0	0	0	25,000
F72 GOED/Community and Culture base funding switch	239,900	0	0	0	0	239,900
F73 Industrial Assistance Fund replenish (surplus)	3,479,400	0	0	0	0	3,479,400
<i>Subtotal Supplemental Adjustments - Governor</i>	<i>6,744,300</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>6,744,300</i>
Total FY 2006 Governor Budget Adjustments	\$6,744,300	\$0	\$0	\$0	\$0	\$6,744,300
TREASURER FY 2007 OPERATING BUDGET						
Beginning Base Budget						
F74 FY 2006 appropriated budget	\$879,700	\$0	\$192,700	\$1,247,700	\$0	\$2,320,100
F75 Adjustments for extra working day	(2,600)	0	(200)	(2,600)	0	(5,400)
F76 Adjustments to funding levels	0	0	200	0	0	200
Total Beginning Base Budget - Treasurer	877,100	0	192,700	1,245,100	0	2,314,900
Statewide Ongoing Adjustments						
F77 Cost-of-living adjustments of 2.5%	14,500	0	1,300	19,300	0	35,100
F78 Discretionary salary increase funding	11,600	0	1,200	15,400	0	28,200
F79 Internal service fund adjustments	(600)	0	(500)	0	0	(1,100)
F80 Human resources consolidation adjustments	7,600	0	400	3,800	0	11,800
F81 Health insurance rate adjustments	11,000	0	1,100	12,100	0	24,200
F82 Termination pool rate adjustments	24,500	0	2,000	27,700	0	54,200
F83 Retirement rate adjustments	4,400	0	400	5,100	0	9,900
<i>Subtotal Statewide Ongoing Adjustments - Treasurer</i>	<i>73,000</i>	<i>0</i>	<i>5,900</i>	<i>83,400</i>	<i>0</i>	<i>162,300</i>
Ongoing Adjustments						
F84 Comp. commission recommended 9.2% increase for State Treasurer	9,500	0	0	0	0	9,500
<i>Subtotal Ongoing Adjustments - Treasurer</i>	<i>9,500</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>9,500</i>
Total FY 2007 Treasurer Adjustments	82,500	0	5,900	83,400	0	171,800
Total FY 2007 Treasurer Operating Budget	\$959,600	\$0	\$198,600	\$1,328,500	\$0	\$2,486,700
ELECTED OFFICIALS TOTALS						
FY 2007 Operating Base Budget	\$45,381,000	\$10,794,300	\$19,290,100	\$7,593,800	\$988,000	\$84,047,200
FY 2007 Operating Ongoing and One-time Adjustments	13,274,200	269,400	2,216,700	6,599,100	501,800	22,861,200
FY 2007 Operating Recommendation	58,655,200	11,063,700	21,506,800	14,192,900	1,489,800	106,908,400
FY 2006 Operating Adjustments	8,087,200	0	0	0	0	8,087,200

ENVIRONMENTAL QUALITY

Richard Amon, Analyst

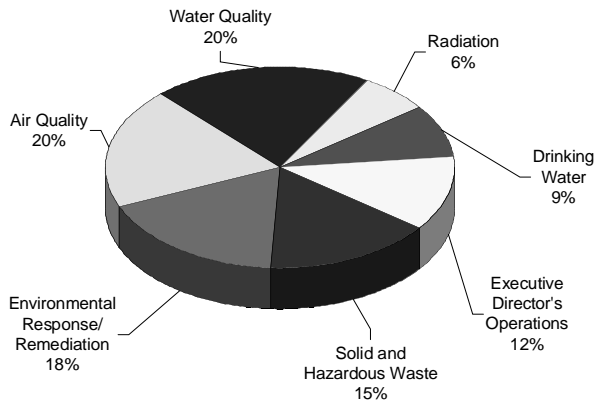


AGENCY BUDGET OVERVIEW

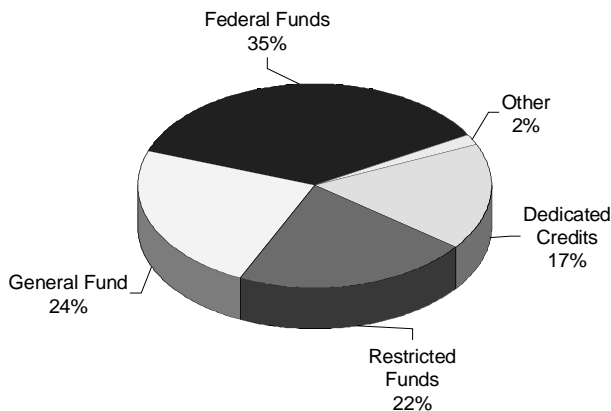
ENVIRONMENTAL QUALITY

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

Where Will My Taxes and Fees Go for Environmental Quality? (Total FY 2007 Funding is \$48,723,200)



Financing of Environmental Quality (Based on FY 2007 Recommendations)



MAJOR ACCOMPLISHMENTS AND SERVICES

(Headings include funding in Governor's Recommendations)

Water Quality - \$9.8 million

- Protects Utah streams, lakes, and surface water from contamination

Air Quality - \$9.5 million

- Protects the public against particulate matter and ozone in the outdoor air
- Enforces the Clean Air Act

Environmental Response - \$8.6 million

- Cleaned up 109 leaking underground storage tanks
- Inspected 1,412 sites for contamination

Solid and Hazardous Waste - \$7.4 million

- Regulated 64,408 tons of hazardous waste generated in Utah
- Collected 505,900 gallons of used oil for recycling
- Recycled 2.17 million tires

Executive Director Office - \$5.8 million

- Oversees high level nuclear waste opposition
- Maintains state primacy for implementing federal programs
- Coordinates department programs with local health departments

Drinking Water - \$4.1 million

- Protects the public against waterborne health risks and oversees the state's public drinking water systems

Radiation Control - \$3.1 million

- Monitors over 6,200 X-ray tubes licensed to hospitals, dentists, and others

RECOMMENDATIONS: GOVERNOR'S GOALS AND INITIATIVES

(See itemized table for full list of recommendations)

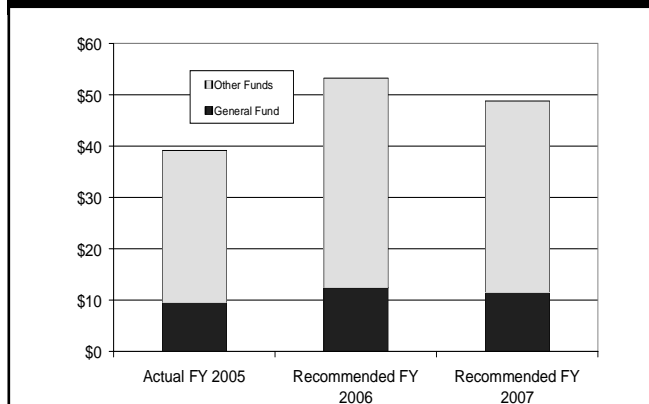
Leverage department resources to increase services and decrease costs

- Increase local health department assistance in environmental programs by restoring a \$70,000 General Fund budget cut and allocating \$10,500 General Fund increase for providers
- Secure the part-time services of an Underground Storage Tank cost recovery attorney with \$43,600 one-time restricted fund; over the past ten years, these attorney services have cost \$535,992, but recovered \$2,568,681

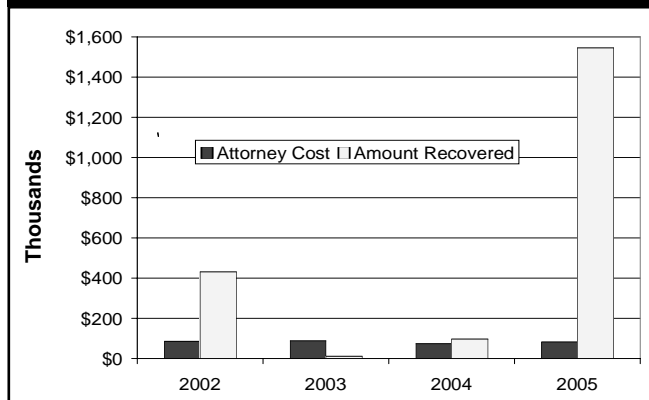
Protect people in Utah from pollutants and dangerous waste

- Provide funding for emergency response and cleanup of hazardous materials by increasing the Hazardous Substance Mitigation Fund with \$400,000 one-time restricted funds
- Oppose high level nuclear waste in Utah by providing \$400,000 in one-time General Fund for attorney costs and legal fees to keep high-level nuclear waste out of the state
- Initiate an air quality study of animal feeding operations to help producers know if they are in compliance with the Clean Air Act with a \$200,000 supplemental General Fund; federal funds provided through an agricultural bill will cover the operational costs of the study

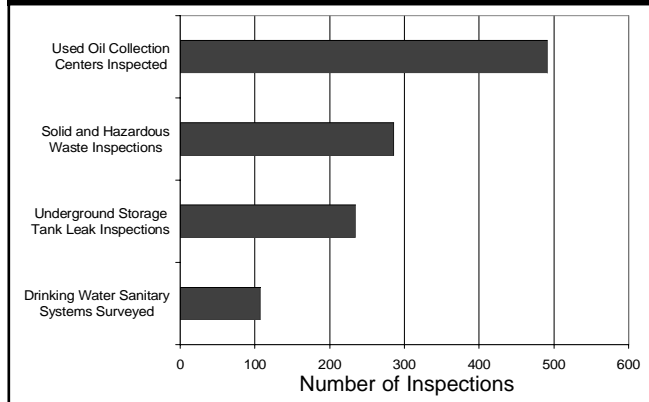
General Fund and Total Funds in Environmental Quality



Underground Storage Tank Cost Recovery Attorney by Fiscal Year



Local Health Department Environmental Accomplishments (Calendar Year 2004)



PROPOSED LEGISLATIVE INTENT LANGUAGE

FY 2006 Proposed Legislative Intent

- Any unspent funds in the Air Quality Animal Feeding Program are nonlapsing.

FY 2007 Proposed Legislative Intent

- Any unexpended funds in the Operating Permit Program are nonlapsing and authorized for use in the Operating Permits Program to reduce the fee in the second fiscal year following that in which the unexpended funds occurred.
- Any unexpended Groundwater Permit Administration fees are nonlapsing and authorized for use in the Groundwater Permit Administration Program in the following fiscal year to reduce the fees charged.
- An additional vehicle is authorized for the Department of Environmental Quality's new district engineer supporting the Tri-County region.

ENVIRONMENTAL QUALITY

Operating Budget

Governor Huntsman's Recommendations						
	Actual FY 2005	Authorized FY 2006	Supple- mentals	Recommended FY 2006	Base FY 2007	Ongoing and One-time Adj.
						Total FY 2007
Plan of Financing						
General Fund	\$9,571,500	\$12,296,600	\$200,000	\$12,496,600	\$10,261,600	\$11,554,300
Federal Funds	13,911,000	22,642,200	0	22,642,200	16,717,300	17,598,100
Dedicated Credits	7,292,400	7,906,700	0	7,906,700	7,738,700	8,234,800
Restricted and Trust Funds	8,857,000	10,301,200	71,000	10,372,200	9,401,700	10,515,400
Transfers	268,700	85,700	0	85,700	69,500	69,500
Beginning Balances	1,477,800	783,400	0	783,400	751,100	751,100
Closing Balances	(783,400)	(751,100)	0	(751,100)	0	0
Lapsing Funds	(1,455,300)	(304,500)	0	(304,500)	0	0
Total Financing	\$39,139,700	\$52,960,200	\$271,000	\$53,231,200	\$44,939,900	\$48,723,200
Programs						
Environmental Quality						
Executive Director's Operations	\$5,005,600	\$7,105,000	\$0	\$7,105,000	\$5,116,200	\$5,842,400
Air Quality	8,885,800	10,186,700	200,000	10,386,700	8,772,600	9,467,800
Drinking Water	3,566,800	3,862,300	71,000	3,933,300	3,787,600	4,120,600
Environ. Response/Remediation	5,512,000	12,172,300	0	12,172,300	8,072,600	8,591,000
Radiation	2,723,100	3,190,900	0	3,190,900	2,897,000	3,094,100
Solid and Hazardous Waste	5,785,900	6,915,600	0	6,915,600	6,977,200	7,425,200
Water Quality	7,660,500	9,127,400	0	9,127,400	9,316,700	9,782,100
Hazardous Substances Mitigation Fund	0	400,000	0	400,000	0	400,000
Total Budget	\$39,139,700	\$52,960,200	\$271,000	\$53,231,200	\$44,939,900	\$48,723,200
% Change from Authorized FY 2006 to Total FY 2007						(8.0%)
FTE Positions	--	421.0	0.0	421.0	421.0	0

ENVIRONMENTAL QUALITY

ENVIRONMENTAL QUALITY FY 2007 OPERATING BUDGET						
	General Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
Beginning Base Budget						
G1 FY 2006 appropriated budget	\$12,296,600	\$16,493,900	\$7,441,400	\$10,301,200	\$923,300	\$47,456,400
G2 Adjustments for one-time FY 2006 appropriations	(2,000,000)	0	0	(881,700)	0	(2,881,700)
G3 Adjustments for extra working day	(35,000)	0	0	(17,800)	0	(52,800)
G4 Adjustments to funding levels	0	223,400	297,300	0	(102,700)	418,000
Total Beginning Base Budget - Environmental Quality	10,261,600	16,717,300	7,738,700	9,401,700	820,600	44,939,900
Statewide Ongoing Adjustments						
G5 Cost-of-living adjustments of 2.5%	203,500	216,000	122,000	149,000	0	690,500
G6 Discretionary salary increase funding	162,800	172,800	97,600	119,200	0	552,400
G7 Internal service fund adjustments	800	2,100	0	(9,100)	0	(6,200)
G8 Human resources consolidation adjustments	(19,900)	(500)	0	(3,300)	0	(23,700)
G9 Health insurance rate adjustments	115,300	121,200	68,200	86,800	0	391,500
G10 Termination pool rate adjustments	295,500	311,900	176,000	214,700	0	998,100
G11 Retirement rate adjustments	54,200	57,300	32,300	39,500	0	183,300
<i>Subtotal Statewide Ongoing Adjustments - Environmental Quality</i>	<i>812,200</i>	<i>880,800</i>	<i>496,100</i>	<i>596,800</i>	<i>0</i>	<i>2,785,900</i>
Ongoing Adjustments						
G12 Local health department provider increase	10,500	0	0	0	0	10,500
G13 Local health department restoration of General Fund	70,000	0	0	0	0	70,000
G14 Drinking water loan administration	0	0	0	73,300	0	73,300
<i>Subtotal Ongoing Adjustments - Environmental Quality</i>	<i>80,500</i>	<i>0</i>	<i>0</i>	<i>73,300</i>	<i>0</i>	<i>153,800</i>
One-time Adjustments						
G15 Remediation cost recovery attorney	0	0	0	43,600	0	43,600
G16 Hazardous Substance Mitigation Fund	0	0	0	400,000	0	400,000
G17 High level nuclear waste opposition	400,000	0	0	0	0	400,000
<i>Subtotal One-time Adjustments - Environmental Quality</i>	<i>400,000</i>	<i>0</i>	<i>0</i>	<i>443,600</i>	<i>0</i>	<i>843,600</i>
Total FY 2007 Environmental Quality Adjustments	1,292,700	880,800	496,100	1,113,700	0	3,783,300
Total FY 2007 Environmental Quality Operating Budget	\$11,554,300	\$17,598,100	\$8,234,800	\$10,515,400	\$820,600	\$48,723,200
ENVIRONMENTAL QUALITY FY 2006 OPERATING BUDGET ADJUSTMENTS						
Supplemental Adjustments						
G18 Drinking water loan administration	\$0	\$0	\$0	\$71,000	\$0	\$71,000
G19 Air quality animal feeding operation program	200,000	0	0	0	0	200,000
<i>Subtotal Supplemental Adjustments - Environmental Quality</i>	<i>200,000</i>	<i>0</i>	<i>0</i>	<i>71,000</i>	<i>0</i>	<i>271,000</i>
Total FY 2006 Environmental Quality Budget Adjustments	\$200,000	\$0	\$0	\$71,000	\$0	\$271,000
ENVIRONMENTAL QUALITY TOTALS						
FY 2007 Operating Base Budget	\$10,261,600	\$16,717,300	\$7,738,700	\$9,401,700	\$820,600	\$44,939,900
FY 2007 Operating Ongoing and One-time Adjustments	1,292,700	880,800	496,100	1,113,700	0	3,783,300
FY 2007 Operating Recommendation	11,554,300	17,598,100	8,234,800	10,515,400	820,600	48,723,200
FY 2006 Operating Adjustments	200,000	0	0	71,000	0	271,000

HEALTH

Dan Schuring, Analyst

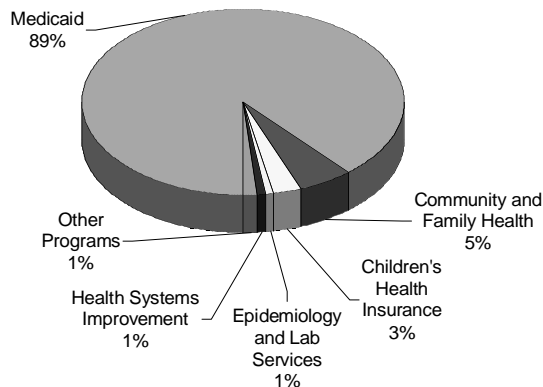


AGENCY BUDGET OVERVIEW

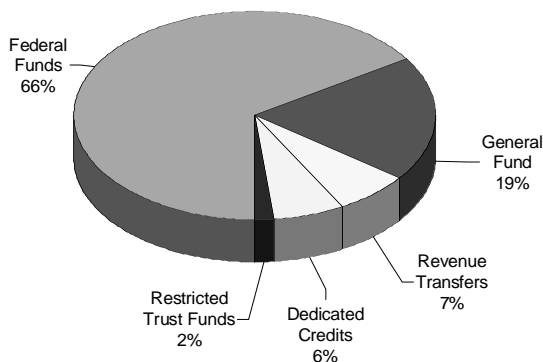
HEALTH

Mission: To protect the public's health by preventing avoidable illness, injury, disability and premature death; assuring access to affordable, quality health care; promoting healthy lifestyles; and monitoring health trends and events

Where Will My Taxes and Fees Go for Health?
(Total FY 2007 Funding is \$1,931,790,200)



Financing of Health
(Based on FY 2007 Recommendations)



MAJOR ACCOMPLISHMENTS AND SERVICES

(Headings include funding in Governor's Recommendations)

Medicaid - \$1.7 billion

- Provided health care for 197,000 individuals
- Provided primary health care for 19,050 individuals through the Primary Care Network

Community and Family Health - \$105.7 million

- Vaccinated 540,829 children and adults
- Screened 6,800 women for cancer
- Served 3,217 children through the Baby Watch/Early Intervention program
- Provided tobacco cessation services for 13,000 smokers

Children's Health Insurance (CHIP) - \$51.3 million

- Provided health and dental care for 28,146 children

Epidemiology and Lab Services - \$17.9 million

- Detected and investigated 3,162 communicable diseases, including E. coli and influenza
- Investigated 80 disease outbreak clusters in FY 2005
- Enhanced capacity to rapidly detect and respond to bio-terrorism events

Health Systems Improvement - \$15.9 million

- Conducted basic health and licensing inspections for 750 health care providers and 350 Medicare and Medicaid providers
- Implement new programs to reduce the estimated 400 deaths per year due to medical errors in hospitals
- Performed pre-admission and continued-stay reviews for 4,700 Medicaid patients in nursing homes and facilities for the mentally retarded or mentally ill

Other services, such as local health departments and bio-terrorism preparedness - \$28 million

RECOMMENDATIONS: GOVERNOR'S GOALS AND INITIATIVES

(See itemized table for full list of recommendations)

Maintain Utah's current Medicaid program

- Fund Medicaid utilization and caseload growth with \$20,309,600 in ongoing General Fund (\$78,522,500 in ongoing total funds)
- Replace \$8,601,400 in lost federal Medicaid matching revenue with an equivalent amount of ongoing General Fund
- Continue Medicaid adult dental services with \$3,917,100 in one-time General Fund (\$13,185,100 in one-time total funds)
- Continue Medicaid adult vision services with \$780,900 in one-time General Fund (\$2,655,100 in one-time total funds)

Increase Medicaid provider rates

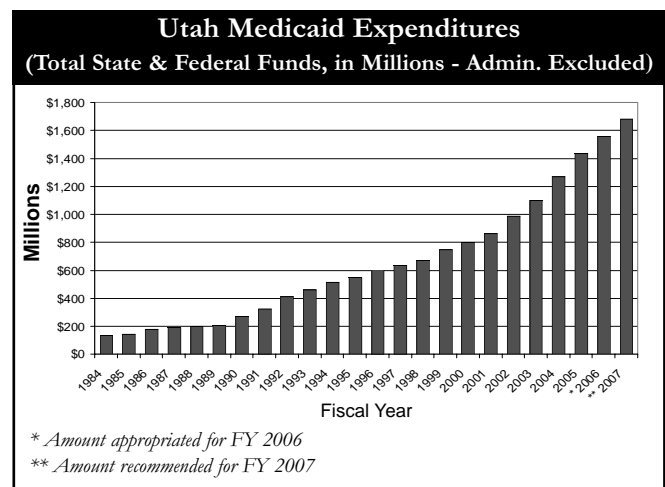
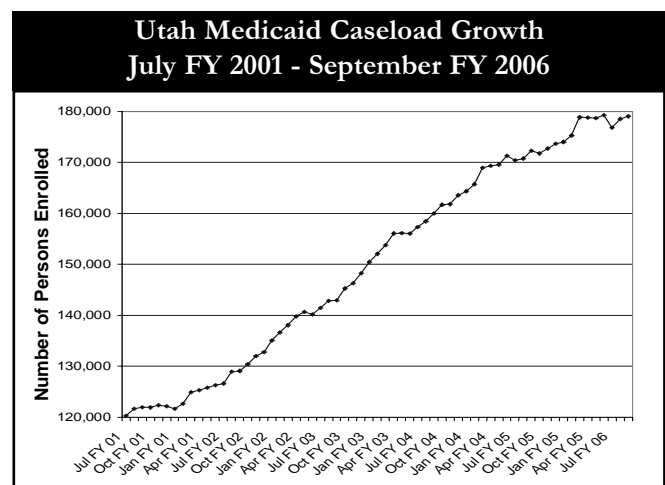
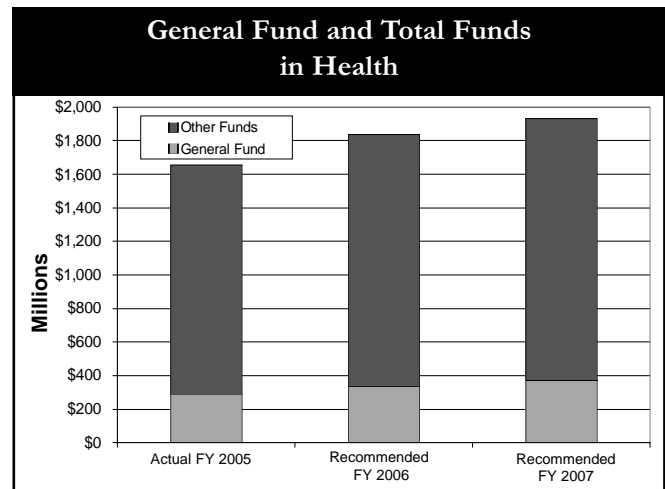
- Increase the reimbursement rates for all Medicaid providers with \$10,711,800 in ongoing General Fund (\$38,169,300 in ongoing total funds); half of these funds will be used for a 10.5 percent increase in prescription drug prices

Provide funding for Medicaid growth resulting from Medicare Part D prescription drug benefits outreach

- Provide services to individuals who will enroll in Medicaid as a result of the outreach efforts for Medicare Part D with \$4,606,400 in ongoing General Fund (\$9,473,100 in ongoing total funds) and \$3,249,300 in supplemental General Fund (\$6,659,700 in supplemental total funds)
- Increase the number of Medicaid eligibility workers to manage the caseload growth from Medicare Part D with \$60,000 in supplemental ongoing General Fund (\$120,000 in supplemental ongoing total funds)

Manage other Department of Health issues

- Fund Baby Watch/Early Intervention caseload growth with \$675,300 in ongoing General Fund
- Replace lost federal revenue for the Utah Birth Defect Network with \$352,900 in ongoing General Fund
- Retain the state epidemiologist with \$225,000 in ongoing General Fund; the state epidemiologist was previously funded by the federal government



PROPOSED LEGISLATIVE INTENT LANGUAGE

FY 2006 Proposed Legislative Intent

- If funds are available, the Division of Epidemiology and Lab Services is authorized to not lapse up to \$200,000 for laboratory equipment.
- Civil money penalties collected for health care provider violations are nonlapsing.
- Funds for the Primary Care Grants Program are nonlapsing.

FY 2007 Proposed Legislative Intent

- Civil money penalties collected for child care provider violations are nonlapsing.
- Fees collected for the purpose of plan reviews by the Bureau of Health Facility Licensure, Certification and Resident Assessment are nonlapsing.
- Funds for alcohol, tobacco, and other drug prevention, reduction, cessation, and control programs are nonlapsing.

HEALTH**Operating Budget**

Governor Huntsman's Recommendations							
	Actual FY 2005	Authorized FY 2006	Supple- mentals	Recommended FY 2006	Base FY 2007	Ongoing and One-time Adj.	Total FY 2007
Plan of Financing							
General Fund	\$287,596,500	\$323,978,900	\$13,253,100	\$337,232,000	\$319,258,200	\$53,191,200	\$372,449,400
Federal Funds	1,119,576,700	1,208,438,100	20,983,100	1,229,421,200	1,184,718,200	88,050,400	1,272,768,600
Dedicated Credits	114,622,900	114,143,200	0	114,143,200	117,449,800	6,704,900	124,154,700
Restricted and Trust Funds	26,893,300	31,687,300	0	31,687,300	31,702,300	127,600	31,829,900
Transfers	109,537,400	122,996,200	0	122,996,200	127,496,000	2,893,700	130,389,700
Beginning Balances	3,747,800	4,327,400	0	4,327,400	1,768,000	0	1,768,000
Closing Balances	(4,327,400)	(1,768,000)	0	(1,768,000)	(1,570,100)	0	(1,570,100)
Lapsing Funds	(1,554,000)	0	0	0	0	0	0
Total Financing	\$1,656,093,200	\$1,803,803,100	\$34,236,200	\$1,838,039,300	\$1,780,822,400	\$150,967,800	\$1,931,790,200
Programs							
Health							
Executive Director's Operations	\$26,519,700	\$24,894,600	\$70,000	\$24,964,600	\$24,641,900	\$1,297,400	\$25,939,300
Health Systems Improvement	12,123,700	15,331,500	0	15,331,500	14,940,800	911,400	15,852,200
Epidemiology and Lab Services	15,865,300	16,631,400	0	16,631,400	16,937,200	960,800	17,898,000
Community and Family Health	98,790,200	105,145,100	0	105,145,100	103,087,200	2,654,600	105,741,800
Health Care Financing	67,679,200	69,617,600	120,000	69,737,600	68,802,400	2,706,900	71,509,300
Medical Assistance (Medicaid)	1,397,207,200	1,517,919,700	34,046,200	1,551,965,900	1,499,073,100	142,347,500	1,641,420,600
Children's Health Insurance	35,866,700	52,207,500	0	52,207,500	51,284,100	52,700	51,336,800
Local Health Departments	2,041,200	2,055,700	0	2,055,700	2,055,700	36,500	2,092,200
Total Budget	\$1,656,093,200	\$1,803,803,100	\$34,236,200	\$1,838,039,300	\$1,780,822,400	\$150,967,800	\$1,931,790,200
% Change from Authorized FY 2006 to Total FY 2007							7.1%
FTE Positions	--	1,336.4	6.0	1,342.4	1,331.2	10.5	1,341.7

HEALTH

HEALTH FY 2007 OPERATING BUDGET							
	General Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds	
Beginning Base Budget							
H1 FY 2006 appropriated budget	\$323,978,900	\$1,233,783,300	\$122,705,300	\$31,687,300	\$122,500,600	\$1,834,655,400	
H2 Adjustments for one-time FY 2006 appropriations	(4,639,000)	(10,975,400)	0	0	0	(15,614,400)	
H3 Adjustments for extra working day	(81,700)	(101,600)	(22,000)	(4,300)	(14,800)	(224,400)	
H4 Adjustments to funding levels	0	(37,988,100)	(5,233,500)	19,300	5,208,100	(37,994,200)	
Total Beginning Base Budget - Health	319,258,200	1,184,718,200	117,449,800	31,702,300	127,693,900	1,780,822,400	
Statewide Ongoing Adjustments							
H5 Cost-of-living adjustments of 2.5%	622,800	833,800	166,000	30,300	71,000	1,723,900	
H6 Discretionary salary increase funding	489,800	658,000	129,000	24,200	56,000	1,357,000	
H7 Internal service fund adjustments	(10,600)	(12,800)	1,800	200	300	(21,100)	
H8 Human resources consolidation adjustments	28,100	36,900	0	0	0	65,000	
H9 Health insurance rate adjustments	419,900	582,300	115,600	21,300	48,500	1,187,600	
H10 Termination pool rate adjustments	898,900	1,208,500	240,000	43,700	103,500	2,494,600	
H11 Retirement rate adjustments	158,400	214,400	41,300	7,900	17,000	439,000	
<i>Subtotal Statewide Ongoing Adjustments - Health</i>	<i>2,607,300</i>	<i>3,521,100</i>	<i>693,700</i>	<i>127,600</i>	<i>296,300</i>	<i>7,246,000</i>	
Ongoing Adjustments							
Executive Director's Operations							
H12 Medical Examiner operating budget	107,000	0	0	0	0	107,000	
Health Systems Improvement							
H13 Primary care grants	200,000	0	0	0	0	200,000	
Epidemiology and Lab Services							
H14 State Epidemiologist	225,000	0	0	0	0	225,000	
Community and Family Health Services							
H15 Baby Watch/Early Intervention	675,300	0	0	0	0	675,300	
H16 Utah Birth Defect Network	352,900	0	0	0	0	352,900	
Health Care Financing							
H17 Eligibility workers for new enrollment due to Medicare Part D	60,000	60,000	0	0	0	120,000	
Medical Assistance (Medicaid)							
H18 Increase in utilization/caseload	20,309,600	53,049,000	2,566,500	0	2,597,400	78,522,500	
H19 Provider increases	10,252,700	22,926,600	3,444,700	0	0	36,624,000	
H20 Loss of federal match rate	8,601,400	(8,601,400)	0	0	0	0	
H21 New enrollment due to Medicare Part D	4,606,400	4,866,700	0	0	0	9,473,100	
H22 Other provider increases	459,100	1,086,200	0	0	0	1,545,300	
Local Health Departments							
H23 Local health departments provider increase	36,500	0	0	0	0	36,500	
<i>Subtotal Ongoing Adjustments - Health</i>	<i>45,885,900</i>	<i>73,387,100</i>	<i>6,011,200</i>	<i>0</i>	<i>2,597,400</i>	<i>127,881,600</i>	

HEALTH - CONTINUED

One-time Adjustments		General Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
Medical Assistance (Medicaid)							
H24	Continuation of adult dental services	3,917,100	9,268,000	0	0	0	13,185,100
H25	Continuation of adult vision services	780,900	1,874,200	0	0	0	2,655,100
<i>Subtotal One-time Adjustments - Health</i>		<i>4,698,000</i>	<i>11,142,200</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>15,840,200</i>
Total FY 2007 Health Adjustments		53,191,200	88,050,400	6,704,900	127,600	2,893,700	150,967,800
Total FY 2007 Health Operating Budget		\$372,449,400	\$1,272,768,600	\$124,154,700	\$31,829,900	\$130,587,600	\$1,931,790,200
HEALTH FY 2006 OPERATING BUDGET ADJUSTMENTS							
Supplemental Adjustments							
Health Care Financing							
H26	Eligibility workers for new enrollment due to Medicare Part D	\$60,000	\$60,000	\$0	\$0	\$0	\$120,000
Medicaid							
H27	Medicaid utilization	10,263,700	18,448,400	0	0	0	28,712,100
H28	New enrollment due to Medicare Part D	3,249,300	3,410,400	0	0	0	6,659,700
H29	Medical Examiner shortfall	70,000	0	0	0	0	70,000
H30	Adult vision - return of one-time funds	(389,900)	(935,700)	0	0	0	(1,325,600)
<i>Subtotal Supplemental Adjustments - Health</i>		<i>13,253,100</i>	<i>20,983,100</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>34,236,200</i>
Total FY 2006 Health Budget Adjustments		\$13,253,100	\$20,983,100	\$0	\$0	\$0	\$34,236,200
HEALTH TOTALS							
FY 2007 Operating Base Budget		\$319,258,200	\$1,184,718,200	\$117,449,800	\$31,702,300	\$127,693,900	\$1,780,822,400
FY 2007 Operating Ongoing and One-time Adjustments		53,191,200	88,050,400	6,704,900	127,600	2,893,700	150,967,800
FY 2007 Operating Recommendation		372,449,400	1,272,768,600	124,154,700	31,829,900	130,587,600	1,931,790,200
FY 2006 Operating Adjustments		13,253,100	20,983,100	0	0	0	34,236,200

HIGHER EDUCATION

Kim Hood, Analyst



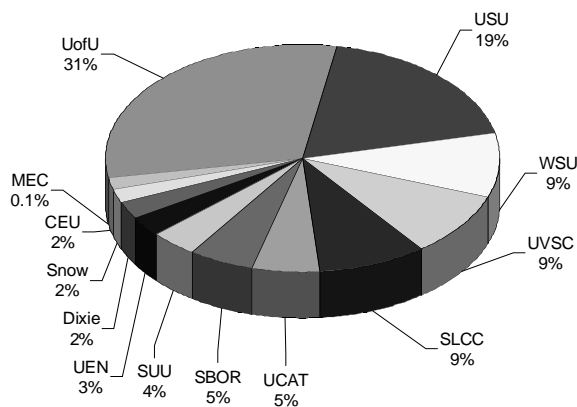
AGENCY BUDGET OVERVIEW

HIGHER EDUCATION AGENCIES INCLUDE:

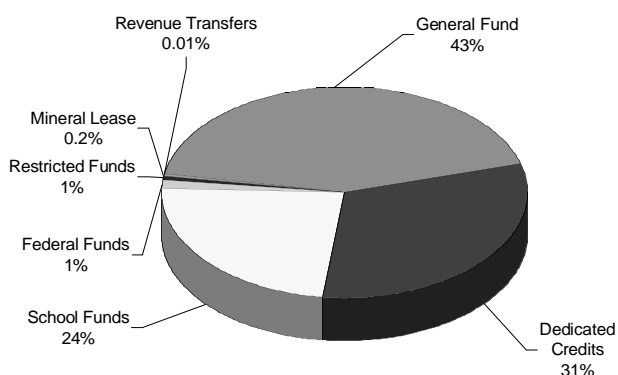
- Utah System of Higher Education - nine colleges and universities
- Utah College of Applied Technology - nine campuses
- Utah Education Network
- Medical Education Council

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

Where Will My Taxes and Fees Go for Higher Education?
(Total FY 2007 Funding is \$1,135,347,700)



Financing of Higher Education
(Based on FY 2007 Recommendations)



MAJOR ACCOMPLISHMENTS AND SERVICES

(Headings include funding in Governor's Recommendations)

Utah System of Higher Education (USHE) - \$1.0 billion

- Awarded 27,349 degrees and awards last year
 - 4,019 certificates
 - 8,249 associate degrees
 - 12,008 bachelor degrees
 - 2,595 master degrees
 - 80 doctorates
 - 260 professional degrees (MD or JD)
- Impacts 177,788 students, staff, and faculty directly
- Employs 28,000 workers statewide
- Generates \$3 in donations, grants, and tuition for every \$1 appropriated by the legislature
- Attracts \$472 million in research grants

Utah College of Applied Technology (UCAT) - \$60.1 million

- Offers over 40 certificates in over 100 skill areas
- Awarded degrees and certificates
 - 33 associate of applied technology degrees
 - 235 certificates of completion
 - 3,154 certificates of proficiency
 - 1,917 certificates of technical competence
 - 1,149 state and industry licenses and certifications
- Serves 13,759 secondary and 26,035 post secondary students
- Trained 18,959 employees for 1,024 companies through Custom Fit
- Accommodated 5,085,425 student hours

Utah Education Network (UEN) - \$29.2 million

- Upgraded one-half of the EDNET (internet-based video conferencing) remote classrooms from analog to digital technology
- Improved network infrastructure, capacity, reliability, and security on the UEN backbone connecting colleges, universities, and public education schools

Medical Education Council (MEC) - \$1.0 million

- Assures an adequate, well-trained clinical healthcare workforce to meet the needs of the state and the Rocky Mountain region

RECOMMENDATIONS: GOVERNOR'S GOALS AND INITIATIVES

(See itemized table for full list of recommendations)

Create higher paying jobs and grow the economy

- Recruit leading Utah Science, Technology, and Research (USTAR) teams and build partnerships with \$11,000,000 ongoing General Fund and \$1,000,000 ongoing school funds
- Build necessary infrastructure with a \$50,000,000 General Fund supplemental to attract research teams
- Meet market demand for skilled workers with \$1,000,000 in ongoing school funds to expand applied technology programs

Maintain Utah's high quality education and competitive position

- Provide funding for a compensation package similar to that of state employees with \$15,003,100 ongoing General Fund and \$7,564,900 school funds
- Retain key faculty and staff with ongoing funding of \$10,760,900 school funds and \$124,800 General Fund
- Address life safety and limited space issues with a \$72,650,000 school funds supplemental and \$9,942,000 General Fund one time for new buildings

Improve efficiency and productivity

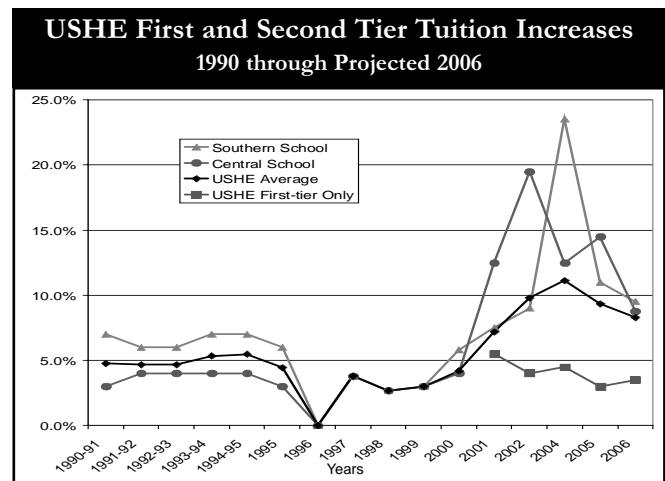
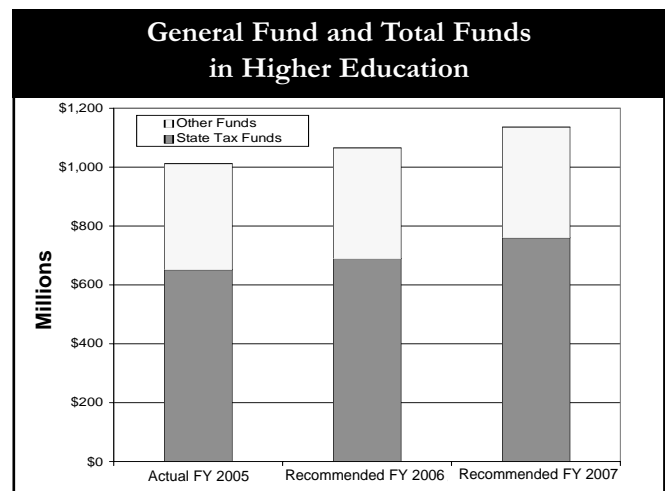
- Moderate second tier tuition increases by paying for utility rate hikes with a \$3,712,100 supplemental and \$3,777,100 ongoing school funds
- Maintain and operate buildings opening in FY 2007 with \$3,814,400 ongoing school funds

Break down barriers to graduation by increasing student success

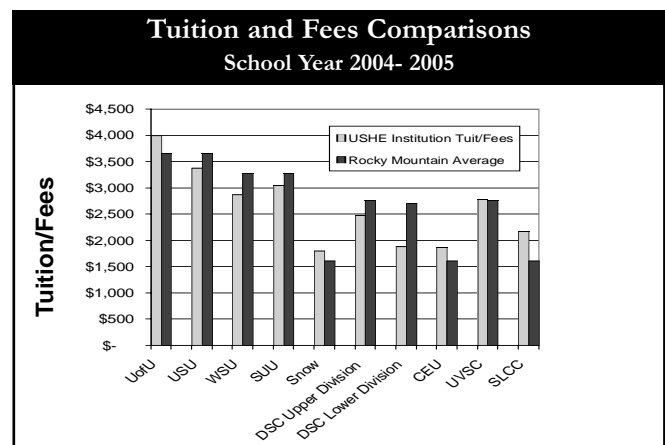
- Graduate students faster with stable financial aid of \$2,085,600 ongoing school funds
- Improve training access by funding growth in student hours with \$1,959,900 ongoing school funds

Build a strong system of higher education and provide different educational opportunities

- Focus institutions on key roles with \$2,500,000 one-time General Fund for mission based initiatives
- Fund compensation with a 75:25 (tax funds:tuition) allocation with \$3,571,900 ongoing school funds
- Sustain improvements in Utah Education Network capacity with \$1,300,000 in ongoing General Fund
- Build a centralized course management system with \$2,200,000 million in one-time General Fund



First tier tuition is approved by the legislature and second tier tuition is approved by the Board of Regents. Second tier tuition spiked in 2004.



Five schools have tuition higher than the Rocky Mountain region average.

HIGHER EDUCATION**Operating Budget**

Governor Huntsman's Recommendations							
	Actual FY 2005	Authorized FY 2006	Supple- mentals	Recommended FY 2006	Base FY 2007	Ongoing and One-time Adj.	Total FY 2007
Plan of Financing							
General Fund	\$468,048,700	\$488,229,100	(\$110,000,000)	\$378,229,100	\$488,196,100	(\$11,945,200)	\$476,250,900
School Funds	183,520,900	197,764,500	113,912,100	311,676,600	195,002,100	89,054,700	284,056,800
Federal Funds	10,491,300	10,665,900	0	10,665,900	13,500,000	28,000	13,528,000
Dedicated Credits	320,664,300	340,983,900	0	340,983,900	340,954,400	10,055,700	351,010,100
Mineral Lease	1,883,000	2,044,300	0	2,044,300	2,044,300	0	2,044,300
Restricted and Trust Funds	8,284,500	8,384,500	0	8,384,500	8,284,500	0	8,284,500
Transfers	8,091,500	157,300	0	157,300	157,300	0	157,300
Other Funds	0	0	0	0	0	15,800	15,800
Beginning Balances	22,356,700	12,362,800	0	12,362,800	0	0	0
Closing Balances	(12,362,800)	0	0	0	0	0	0
Total Financing	\$1,010,978,100	\$1,060,592,300	\$3,912,100	\$1,064,504,400	\$1,048,138,700	\$87,209,000	\$1,135,347,700
Programs							
Higher Education							
University of Utah	\$339,628,700	\$355,637,300	\$1,646,000	\$357,283,300	\$347,799,100	\$12,895,600	\$360,694,700
Utah State University	189,766,200	201,613,200	1,102,600	202,715,800	201,613,200	7,179,300	208,792,500
Weber State University	93,112,700	97,531,900	351,400	97,883,300	99,014,400	3,424,700	102,439,100
Southern Utah University	40,928,600	43,125,600	180,300	43,305,900	42,594,300	1,452,300	44,046,600
Snow College	22,609,700	23,078,300	0	23,078,300	22,858,500	685,500	23,544,000
Dixie State College of Utah	24,428,500	25,599,400	132,000	25,731,400	25,866,900	865,600	26,732,500
College of Eastern Utah	15,251,000	16,758,500	53,600	16,812,100	16,452,500	687,200	17,139,700
Utah Valley State College	89,442,100	98,557,700	116,600	98,674,300	98,520,200	3,236,200	101,756,400
Salt Lake Community College	101,762,800	94,223,900	129,600	94,353,500	94,141,300	4,543,700	98,685,000
Regents/Statewide Programs	22,524,200	23,694,700	200,000	23,894,700	22,745,800	38,453,600	61,199,400
<i>Subtotal Higher Education</i>	<i>939,454,500</i>	<i>979,820,500</i>	<i>3,912,100</i>	<i>983,732,600</i>	<i>971,606,200</i>	<i>73,423,700</i>	<i>1,045,029,900</i>
Utah Education Network	23,116,100	27,683,100	0	27,683,100	25,360,100	3,857,500	29,217,600
Utah College of Applied Technology	47,709,900	52,058,700	0	52,058,700	50,183,600	9,887,400	60,071,000
Medical Education Council	697,600	1,030,000	0	1,030,000	988,800	40,400	1,029,200
Total Budget	\$1,010,978,100	\$1,060,592,300	\$3,912,100	\$1,064,504,400	\$1,048,138,700	\$87,209,000	\$1,135,347,700
% Change from Authorized FY 2006 to Total FY 2007							7.0%

HIGHER EDUCATION

Capital Budget

Governor Huntsman's Recommendations						
	Actual FY 2005	Authorized FY 2006	Supplementals	Recommended FY 2006	Base FY 2007	Ongoing and One-time Adj.
						Total FY 2007
Plan of Financing						
General Fund	\$0	\$0	\$50,000,000	\$50,000,000	\$0	\$0
School Funds	52,073,500	30,743,000	72,650,000	103,393,000	0	9,942,000
Total Financing	\$52,073,500	\$30,743,000	\$122,650,000	\$153,393,000	\$0	\$9,942,000
Projects						
UofU Marriott Library Renovation & ASRS	\$48,023,000	\$0	\$0	\$0	\$0	\$0
UofU Utah Museum of Fine Arts	465,000	0	0	0	0	0
BATC - Bourne Building purchase	3,585,500	0	0	0	0	0
SUTU - Teacher Education Building	0	10,000,000	0	10,000,000	0	0
USU - relocate Agriculture Building	0	5,000,000	0	5,000,000	0	0
DSC - Health Sciences Building	0	15,743,000	0	15,743,000	0	0
USTAR - infrastructure	0	0	50,000,000	50,000,000	0	0
UVSC - digital learning center	0	0	48,000,000	48,000,000	0	0
WSU - classroom building/chiller plant	0	0	24,650,000	24,650,000	0	0
UBATC - Vernal campus	0	0	0	0	0	9,942,000
Total Budget	\$52,073,500	\$30,743,000	\$122,650,000	\$153,393,000	\$0	\$9,942,000

HIGHER EDUCATION

	General Fund	School Funds	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
UTAH SYSTEM OF HIGHER EDUCATION FY 2007 OPERATING BUDGET							
Beginning Base Budget							
11	FY 2006 appropriated budget	\$431,729,400	\$191,438,300	\$4,205,400	\$320,194,100	\$8,384,500	\$957,689,300
12	Adjustments for one-time FY 2006 appropriations	(10,000)	(354,400)	0	0	(100,000)	(464,400)
13	Adjustments to funding levels	0	0	0	14,040,100	0	14,381,300
	Total Beginning Base Budget - USHE	431,719,400	191,083,900	4,205,400	334,234,200	8,284,500	971,606,200
Statewide Ongoing Adjustments							
14	Cost-of-living equivalent funding	13,354,300	0	0	4,451,500	0	17,805,800
15	Benefit equivalent funding	0	7,564,900	0	2,320,700	0	9,885,600
16	Internal service fund adjustments	(85,100)	(30,500)	0	(51,900)	0	(167,500)
	<i>Subtotal Statewide Ongoing Adjustments - USHE</i>	<i>13,269,200</i>	<i>7,534,400</i>	<i>0</i>	<i>6,720,300</i>	<i>0</i>	<i>27,523,900</i>
Ongoing Adjustments							
17	Retention of key faculty and staff	0	10,000,000	0	3,333,300	0	13,333,300
18	Utility rate increases	0	3,712,100	0	0	0	3,712,100
19	IT security and licensing	0	1,800,000	0	0	0	1,800,000
110	Academic Library Consortium	0	500,000	0	0	0	500,000
111	O&M new facilities opening in FY 2007	0	3,803,000	0	0	0	3,803,000
112	Need-based student financial aid - UCOPE	0	1,000,000	0	0	0	1,000,000
113	New Century Scholarship Program mandate	0	365,000	0	0	0	365,000
114	T.H. Bell scholarship program	0	455,600	0	0	0	455,600
115	Student financial aid based maintenance - federal match	0	265,000	0	0	0	265,000
116	Regional partnerships	0	1,000,000	0	0	0	1,000,000
117	USTAR initiative	11,000,000	0	0	0	0	11,000,000
118	Transfer from CCJ to UofU	0	0	0	0	15,800	15,800
119	Funding source adjustments	(44,000,000)	44,000,000	0	0	0	0
	<i>Subtotal Ongoing Adjustments - USHE</i>	<i>(33,000,000)</i>	<i>66,900,700</i>	<i>0</i>	<i>3,333,300</i>	<i>15,800</i>	<i>37,249,800</i>
One-time Adjustments							
120	Mission-based initiatives	2,500,000	0	0	0	0	2,500,000
121	Academic equipment	0	2,000,000	0	0	0	2,000,000
122	Infrastructure equipment	0	1,000,000	0	0	0	1,000,000
123	Nursing initiative	0	750,000	0	0	0	750,000
124	Engineering Initiative - faculty and staff	0	750,000	0	0	0	750,000
125	Engineering Initiative - loan forgiveness program	0	250,000	0	0	0	250,000
126	Academic Library Consortium	0	500,000	0	0	0	500,000

HIGHER EDUCATION

	General Fund	School Funds	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
127 Energy retrofit	0	500,000	0	0	0	0	500,000
128 Vehicle replacement	0	400,000	0	0	0	0	400,000
<i>Subtotal One-time Adjustments - USHE</i>	<i>2,500,000</i>	<i>6,130,000</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>8,630,000</i>
Total FY 2007 USHE Adjustments	(17,230,800)	80,585,100	0	10,053,600	0	15,800	73,423,700
Total FY 2007 USHE Operating Budget	\$414,488,600	\$271,669,000	\$4,205,400	\$344,287,800	\$8,284,500	\$2,094,600	\$1,045,029,900
UTAH SYSTEM OF HIGHER EDUCATION FY 2006 OPERATING BUDGET ADJUSTMENTS							
Supplemental Adjustments							
129 New Century Scholarship Program mandate	\$0	\$200,000	\$0	\$0	\$0	\$0	\$200,000
130 Fuel and power increases	0	3,712,100	0	0	0	0	3,712,100
131 Funding source adjustments	(110,000,000)	110,000,000	0	0	0	0	0
<i>Subtotal Supplemental Adjustments - USHE</i>	<i>(110,000,000)</i>	<i>113,912,100</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>3,912,100</i>
Total FY 2006 USHE Budget Adjustments	(\$110,000,000)	\$113,912,100	\$0	\$0	\$0	\$0	\$3,912,100
UTAH SYSTEM OF HIGHER EDUCATION FY 2006 CAPITAL BUDGET ADJUSTMENTS							
Supplemental Adjustments							
132 USTAR - infrastructure	\$50,000,000	\$0	\$0	\$0	\$0	\$0	\$50,000,000
133 UVSC - Digital Learning Center	0	48,000,000	0	0	0	0	48,000,000
134 WSU - classroom building/chiller plant	0	24,650,000	0	0	0	0	24,650,000
<i>Subtotal Supplemental Capital Adjustments - USHE</i>	<i>50,000,000</i>	<i>72,650,000</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>122,650,000</i>
Total FY 2006 USHE Capital Adjustments	\$50,000,000	\$72,650,000	\$0	\$0	\$0	\$0	\$122,650,000
UTAH EDUCATION NETWORK FY 2007 OPERATING BUDGET							
Beginning Base Budget							
135 FY 2006 appropriated budget	\$15,257,600	\$2,929,100	\$4,324,100	\$248,700	\$0	\$55,500	\$22,815,000
136 Adjustments for one-time FY 2006 appropriations	0	(2,300,000)	0	0	0	0	(2,300,000)
137 Adjustments for extra working day	(23,000)	0	0	0	0	0	(23,000)
138 Adjustments to funding levels	0	0	4,970,500	(169,700)	0	67,300	4,868,100
Total Beginning Base Budget - Utah Education Network	15,234,600	629,100	9,294,600	79,000	0	122,800	25,360,100
Statewide Ongoing Adjustments							
139 Cost-of-living equivalent funding	142,500	0	11,500	0	0	0	154,000
140 Internal service fund adjustments	3,500	0	0	0	0	0	3,500
141 Benefit equivalent funding	69,500	0	7,300	0	0	0	76,800
<i>Subtotal Statewide Ongoing Adjustments - Utah Education Network</i>	<i>215,500</i>	<i>0</i>	<i>18,800</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>234,300</i>

HIGHER EDUCATION - CONTINUED

	General Fund	School Funds	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
Ongoing Adjustments							
142 Network infrastructure contracts	1,300,000	0	0	0	0	0	1,300,000
143 Retention of key faculty and staff	114,000	0	9,200	0	0	0	123,200
<i>Subtotal Ongoing Adjustments - Utah Education Network</i>	<i>1,414,000</i>	<i>0</i>	<i>9,200</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1,423,200</i>
One-time Adjustments							
144 Course management system	2,200,000	0	0	0	0	0	2,200,000
<i>Subtotal One-time Adjustments - Utah Education Network</i>	<i>2,200,000</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>2,200,000</i>
Total FY 2007 Utah Education Network Adjustments	3,829,500	0	28,000	0	0	0	3,857,500
Total FY 2007 Utah Education Network Operating Budget	\$19,064,100	\$629,100	\$9,322,600	\$79,000	\$0	\$122,800	\$29,217,600
UTAH COLLEGE OF APPLIED TECHNOLOGY FY 2007 OPERATING BUDGET							
Beginning Base Budget							
145 FY 2006 appropriated budget	\$40,903,300	\$3,397,100	\$0	\$5,616,300	\$0	\$0	\$49,916,700
146 Adjustments for one-time FY 2006 appropriations	0	(108,000)	0	0	0	0	(108,000)
147 Adjustments to funding levels	0	0	0	374,900	0	0	374,900
Total Beginning Base Budget - UCAT	40,903,300	3,289,100	0	5,991,200	0	0	50,183,600
Statewide Ongoing Adjustments							
148 Cost-of-living equivalent funding	798,400	0	0	0	0	0	798,400
149 Benefit equivalent funding	609,800	0	0	0	0	0	609,800
150 Internal service fund adjustments	7,500	2,600	0	2,100	0	0	12,200
<i>Subtotal Statewide Ongoing Adjustments - UCAT</i>	<i>1,415,700</i>	<i>2,600</i>	<i>0</i>	<i>2,100</i>	<i>0</i>	<i>0</i>	<i>1,420,400</i>
Ongoing Adjustments							
151 Retention of key faculty and staff	0	760,900	0	0	0	0	760,900
152 Membership hour growth	0	1,959,900	0	0	0	0	1,959,900
153 Central Administration staffing	0	350,000	0	0	0	0	350,000
154 Student information system	0	516,000	0	0	0	0	516,000
155 Central Administration - Jobs Now	0	750,000	0	0	0	0	750,000
156 Central Administration - Custom Fit	0	250,000	0	0	0	0	250,000
157 Central Administration - accreditation	0	75,000	0	0	0	0	75,000
158 Economic development - expand programs	0	1,000,000	0	0	0	0	1,000,000
159 Ogden Weber - lease	0	148,000	0	0	0	0	148,000
160 Southeast - Price lease	0	14,500	0	0	0	0	14,500
161 Southwest - Kane County lease	0	212,000	0	0	0	0	212,000
162 O&M - Southeast Blanding	0	11,400	0	0	0	0	11,400

HIGHER EDUCATION - CONTINUED

	General Fund	School Funds	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
I63 Utility increases	0	65,000	0	0	0	0	65,000
I64 IT security and licensing	0	150,000	0	0	0	0	150,000
I65 ADA accommodations	0	107,300	0	0	0	0	107,300
<i>Subtotal Ongoing Adjustments - UCAT</i>	0	6,370,000	0	0	0	0	6,370,000
One-time Adjustments							
I66 Equipment purchases	0	1,000,000	0	0	0	0	1,000,000
I67 Custom Fit	0	1,000,000	0	0	0	0	1,000,000
I68 Salt Lake/Tooele expand HVAC system	0	61,000	0	0	0	0	61,000
I69 Southeast San Juan furnishings	0	36,000	0	0	0	0	36,000
<i>Subtotal One-time Adjustments - UCAT</i>	0	2,097,000	0	0	0	0	2,097,000
Total FY 2007 UCAT Adjustments	1,415,700	8,469,600	0	2,100	0	0	9,887,400
Total FY 2007 UCAT Operating Budget	\$42,319,000	\$11,758,700	\$0	\$5,993,300	\$0	\$0	\$60,071,000
UTAH COLLEGE OF APPLIED TECHNOLOGY FY 2007 CAPITAL BUDGET ADJUSTMENTS							
One-time Adjustments							
I70 Uintah Basin - Vernal campus	\$0	\$9,942,000	\$0	\$0	\$0	\$0	\$9,942,000
<i>Subtotal FY 2007 Capital Adjustments - UCAT</i>	0	9,942,000	0	0	0	0	9,942,000
Total FY 2006 USHE Capital Adjustments	\$0	\$9,942,000	\$0	\$0	\$0	\$0	\$9,942,000
MEDICAL EDUCATION COUNCIL FY 2007 OPERATING BUDGET							
Beginning Base Budget							
I71 FY 2006 appropriated budget	\$338,800	\$0	\$0	\$710,100	\$0	\$0	\$1,048,900
I72 Adjustments to funding levels	0	0	0	(60,100)	0	0	(60,100)
Total Beginning Base Budget - MEC	338,800	0	0	650,000	0	0	988,800
Statewide Ongoing Adjustments							
I73 Cost-of-living adjustments of 2.5%	13,500	0	0	0	0	0	13,500
I74 Discretionary salary equivalent funding	10,800	0	0	0	0	0	10,800
I75 Benefit equivalent funding	15,100	0	0	0	0	0	15,100
I76 Human resources consolidation adjustments	1,000	0	0	0	0	0	1,000
<i>Subtotal Ongoing Adjustments - MEC</i>	40,400	0	0	0	0	0	40,400
Total FY 2007 MEC Adjustments	40,400	0	0	0	0	0	40,400
Total FY 2007 Medical Education Council Operating Budget	\$379,200	\$0	\$0	\$650,000	\$0	\$0	\$1,029,200

HIGHER EDUCATION - CONTINUED

HIGHER EDUCATION TOTALS							
	General Fund	School Funds	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
FY 2007 Operating Base Budget	\$488,196,100	\$195,002,100	\$13,500,000	\$340,954,400	\$8,284,500	\$2,201,600	\$1,048,138,700
FY 2007 Operating Ongoing and One-time Adjustments	(11,945,200)	89,054,700	28,000	10,055,700	0	15,800	87,209,000
FY 2007 Operating Recommendation	476,250,900	284,056,800	13,528,000	351,010,100	8,284,500	2,217,400	1,135,347,700
FY 2006 Operating Adjustments	(110,000,000)	113,912,100	0	0	0	0	3,912,100
FY 2007 Capital Base Budget	0	0	0	0	0	0	0
FY 2007 Capital Adjustments	0	9,942,000	0	0	0	0	9,942,000
FY 2007 Capital Recommendation	0	9,942,000	0	0	0	0	9,942,000
FY 2006 Capital Adjustments	50,000,000	72,650,000	0	0	0	0	122,650,000

HUMAN SERVICES

Stephen Jardine, Analyst



AGENCY BUDGET OVERVIEW

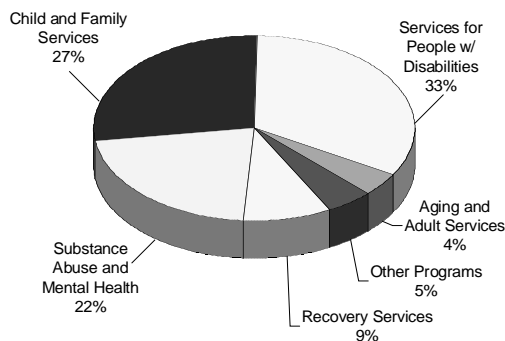
HUMAN SERVICES

- Services for People with Disabilities
- Child and Family Services
- Substance Abuse and Mental Health
- Recovery Services
- Aging and Adult Services
- Executive Director Operations
- Drug Courts/Drug Board

Mission: To work with individuals, families, the community, and the courts to strengthen families, protect children and vulnerable adults from harm, and promote independence in order to reduce societal costs and improve the quality of life in Utah

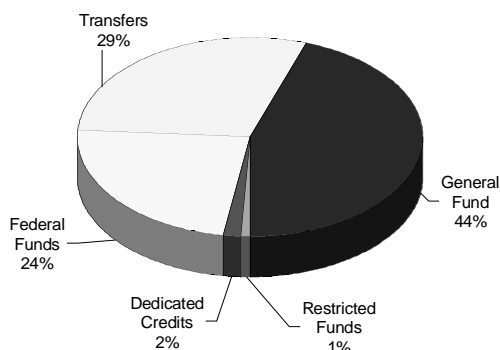
Where Will My Taxes and Fees Go for Human Services?

(Total FY 2007 Funding is \$545,713,700)



Financing of Human Services

(Based on FY 2007 Recommendations)



MAJOR ACCOMPLISHMENTS AND SERVICES

(Headings include funding in Governor's Recommendations)

Services for People with Disabilities (DSPD) - \$180.5 million

- Provided out-of-home community residential services for 1,483 people with disabilities, in-home and self-directed support services for 2,641 people with disabilities, and day services and supported employment for 2,541 people with disabilities
- Provided residential services at the State Developmental Center for 230 people with disabilities

Child and Family Services (DCFS) - \$149.7 million

- Investigated 21,150 reported incidents of abuse and neglect
- Served 3,678 children in foster care settings
- Provided in-home services for 18,019 children and families
- Developed the Transition to Adult Living Program for 666 youth in foster care
- Provided shelter services for 2,942 domestic violence clients
- Provided adoptive homes for 413 children in state custody

Substance Abuse and Mental Health (DSAMH) - \$118.2 million

- Provided treatment to 722 individuals with severe mental illness at the Utah State Hospital
- Provided treatment for mental illnesses to 42,480 individuals and for substance abuse problems to 18,642 individuals through local authority mental health centers and local authority substance abuse programs

Recovery Services - \$48.8 million

- Collected over \$184.2 million in FY 2005, a 5.0 percent increase over FY 2004

Aging and Adult Services - \$23.1 million

- Provided 890,000 meals in senior centers serving 23,000 seniors in 95 locations statewide and delivered 1,100,000 Meals on Wheels to 9,000 home-bound seniors
- Provided in-home health care, personal care, and caregiver support services to 2,585 elderly Utahns and their caregivers
- Assisted 2,447 elderly and vulnerable Utahns through Adult Protective Services to resolve issues related to abuse, neglect, and exploitation

RECOMMENDATIONS: GOVERNOR'S GOALS AND INITIATIVES

(See itemized table for full list of recommendations)

Assist individuals and families with disabilities

- Finance additional services to an estimated 285 individuals with disabilities currently on a waiting list by providing \$1,620,900 in ongoing General Fund (\$4,702,200 in ongoing total funds)
- Pay additional costs associated with increased needs for individuals currently being served in the DSPD Medicaid Home- and Community-based Waiver program by allocating \$599,800 in ongoing General Fund (\$1,911,300 in ongoing total funds)
- Replace \$1,252,200 in lost federal Medicaid matching revenue with an equivalent amount of ongoing General Fund
- Establish a pilot program for the expedited provision of respite care and supported employment services to people with disabilities with \$150,000 in one-time General Fund

Provide protection and stability to children who have experienced abuse and neglect

- Pay for increases in DCFS out-of-home care for foster children and foster youth by funding \$1,758,500 in ongoing General Fund (\$3,642,300 in ongoing total funds)
- Increase DCFS assistance to families who have adopted special needs children from state custody by allocating \$924,800 in ongoing General Fund
- Help meet caseload standards recommended by the Legislative Auditor General by hiring an additional 21.5 DCFS full-time positions with \$849,200 in ongoing General Fund (\$1,300,900 in total funds)

Attend to the needs of the elderly

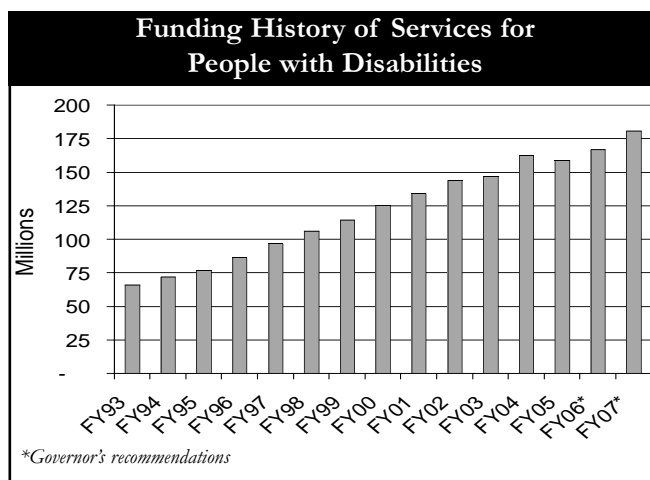
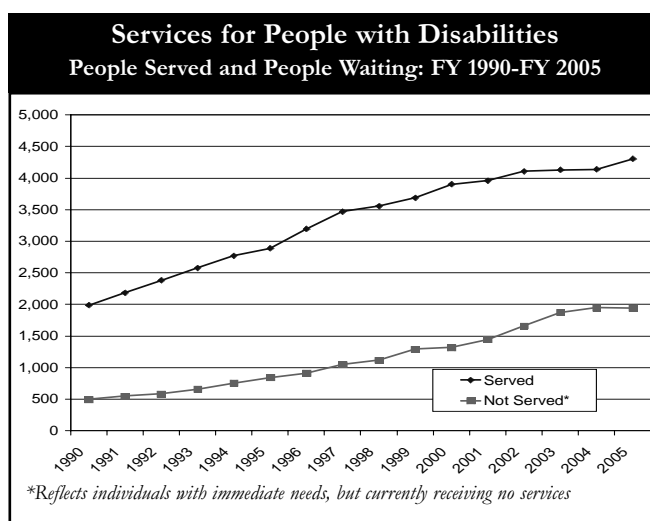
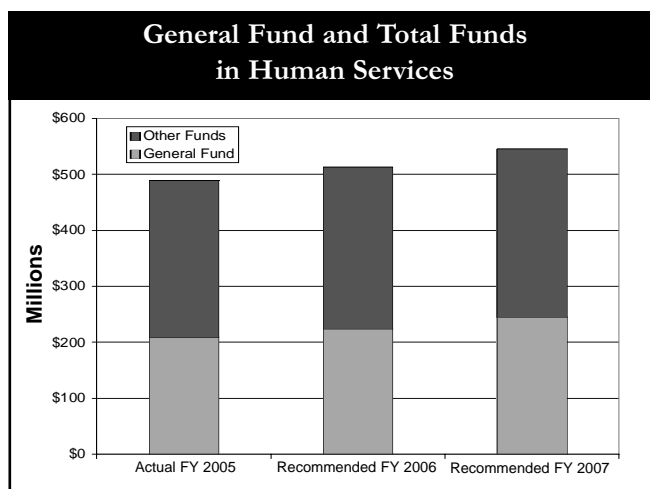
- Increase meals for seniors with \$300,000 in ongoing General Fund
- Provide for the increased needs of seniors currently receiving services under a Medicaid Home- and Community-based Waiver program by replacing one-time funding with \$300,000 ongoing General Fund

Assist in caring for the seriously mentally ill

- Replace funding losses experienced by local mental health centers because of federal Medicaid policy changes by allocating \$2,000,000 in ongoing General Fund
- Open 30 adult beds at the Utah State Hospital with \$1,988,200 in ongoing total funds and \$662,700 in supplemental funds

Provide assistance to overcome substance abuse and improve communities

- Increase the number of substance abusers participating in drug courts throughout the state by 471 with funding an additional \$1,740,000 ongoing General Fund
- Continue the Drug Offender Reform Act pilot program with one-time General Funds of \$646,400



PROPOSED LEGISLATIVE INTENT LANGUAGE

FY 2006 Proposed Legislative Intent

- If funds are available, the Foster Care Citizen Review Board is authorized to not lapse funds at the end of FY 2006. These funds are to be used solely for one-time development, maintenance, and upgrading of computer software and equipment, and for recruitment, training, and retention of volunteers.
- Funds appropriated to Drug Courts/Drug Board from the Tobacco Settlement Restricted Account for FY 2006 are nonlapsing.
- If funds are available, DSAMH is authorized to not lapse up to \$60,000 at the end of FY 2006. These funds are to be used for the purchase of computer equipment and software, capital equipment or improvements, equipment or supplies, and employee training.
- DSPD is to use nonlapsing funds carried over from FY 2006 to provide services for: 1) individuals needing emergency services, 2) individuals needing additional waiver services, 3) individuals aging out of state custody from the divisions of Child and Family Services and Juvenile Justice Services, and 4) individuals court ordered into DSPD services. The division will use generated budget savings to continue funding services for these people in future years. The division will report to the Office of the Legislative Fiscal Analyst on progress to generate these cost savings.
- If funds are available, DCFS is authorized to not lapse up to \$50,000 at the end of FY 2006. These

funds are to be used for the purchase of computer equipment and software.

- If funds are available, DCFS is authorized to purchase up to six additional vehicles.
- If funds are available, the Division of Aging and Adult Services is authorized to not lapse up to \$100,000 at the end of FY 2006. These funds are to be used to assist with vehicle maintenance and replacements within local area agencies on aging.

FY 2007 Proposed Legislative Intent

- Funds previously appropriated to the Office of Technology for electronic Resource Eligibility Program (eREP) enhancements are nonlapsing.
- Funds appropriated to address the loss of Medicaid funds used for mental health services provided by local mental health centers to non-Medicaid eligible clients should be used solely for that purpose.
- Funds previously appropriated to the Office of Recovery Services for eREP enhancements are nonlapsing.
- Funds appropriated for FY 2007 for the Out of Home Care program in DCFS are nonlapsing at the end of FY 2007 and are to be used for the Out of Home Care program.
- Funds appropriated for FY 2007 for the Adoption Assistance program in DCFS are nonlapsing at the end of FY 2007 and are to be used for adoption assistance programs.

INTERNAL SERVICE FUNDS

Human Services includes several internal service fund (ISF) agencies that provide products and services to the various offices and divisions within the depart-

ment on a cost-reimbursement basis. For FY 2007 the governor recommends the rate changes, FTEs, and capital outlay authorizations indicated in the following table.

ISF Description	Estimated Revenue	FTE Recommended	Capital Outlay Recommended
General Services	\$1,440,000	2.0	--
Data Processing	2,974,400 (a)	32.5	--

(a) Includes a proposed rate increase from \$52 per hour to \$55 per hour

HUMAN SERVICES

Operating Budget

Governor Huntsman's Recommendations							
	Actual FY 2005	Authorized FY 2006	Supple- mentals	Recommended FY 2006	Base FY 2007	Ongoing and One-time Adj.	Total FY 2007
Plan of Financing							
General Fund	\$209,176,100	\$222,582,000	\$1,239,000	\$223,821,000	\$219,526,200	\$24,969,200	\$244,495,400
Federal Funds	120,480,100	124,720,200	0	124,720,200	122,347,800	5,278,700	127,626,500
Dedicated Credits	9,206,900	8,469,900	64,500	8,534,400	8,426,900	775,300	9,202,200
Restricted and Trust Funds	3,947,200	4,359,400	0	4,359,400	4,359,400	0	4,359,400
Transfers	145,867,400	148,001,700	67,200	148,068,900	147,894,000	10,302,700	158,196,700
Pass-through Funds	2,500	0	0	0	0	0	0
Beginning Balances	6,705,200	5,559,800	0	5,559,800	1,833,500	0	1,833,500
Closing Balances	(5,559,800)	(1,833,500)	0	(1,833,500)	0	0	0
Lapsing Funds	(885,900)	0	0	0	0	0	0
Total Financing	\$488,939,700	\$511,859,500	\$1,370,700	\$513,230,200	\$504,387,800	\$41,325,900	\$545,713,700
Programs							
Human Services							
Executive Director Operations	\$19,170,900	\$21,800,900	\$0	\$21,800,900	\$20,504,900	\$1,588,300	\$22,093,200
Drug Courts/Drug Board	1,647,200	1,647,200	0	1,647,200	1,647,200	1,740,000	3,387,200
Substance Abuse and Mental Health	109,554,800	111,792,300	662,700	112,455,000	109,199,000	8,956,200	118,155,200
Services for People with Disabilities	159,093,300	166,965,700	0	166,965,700	167,402,300	13,107,900	180,510,200
Recovery Services	44,215,100	46,822,400	0	46,822,400	45,801,300	3,013,100	48,814,400
Child and Family Services	133,674,300	140,369,800	708,000	141,077,800	138,196,600	11,484,300	149,680,900
Aging and Adult Services	21,584,100	22,461,200	0	22,461,200	21,636,500	1,436,100	23,072,600
Total Budget	\$488,939,700	\$511,859,500	\$1,370,700	\$513,230,200	\$504,387,800	\$41,325,900	\$545,713,700
% Change from Authorized FY 2006 to Total FY 2007							6.6%
FTE Positions	--	3,683.2	13.8	3,697.0	3,669.8	71.0	3,740.8

HUMAN SERVICES

HUMAN SERVICES FY 2007 OPERATING BUDGET						
	General Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
Beginning Base Budget						
J1 FY 2006 appropriated budget	\$222,582,000	\$123,311,400	\$8,705,300	\$4,359,400	\$147,231,200	\$506,189,300
J2 Adjustments for one-time FY 2006 appropriations	(2,801,200)	0	0	0	0	(2,801,200)
J3 Adjustments for extra working day	(254,600)	(144,200)	(26,400)	0	(120,900)	(546,100)
J4 Adjustments to funding levels	0	(819,400)	(252,000)	0	2,617,200	1,545,800
Total Beginning Base Budget - Human Services	219,526,200	122,347,800	8,426,900	4,359,400	149,727,500	504,387,800
Statewide Ongoing Adjustments						
J5 Cost-of-living adjustments of 2.5%	1,814,500	1,104,300	119,900	0	955,400	3,994,100
J6 Discretionary salary increase funding	1,342,000	854,000	89,200	0	714,600	2,999,800
J7 Internal service fund adjustments	(23,900)	(17,400)	(3,300)	0	(11,200)	(55,800)
J8 Human resources consolidation adjustments	(138,500)	(84,300)	(4,100)	0	(33,300)	(260,200)
J9 Health insurance rate adjustments	1,479,500	863,200	105,800	0	855,300	3,303,800
J10 Termination pool rate adjustments	2,547,900	1,500,400	176,500	0	1,365,600	5,590,400
J11 Retirement rate adjustments	449,100	284,100	30,600	0	237,100	1,000,900
<i>Subtotal Statewide Ongoing Adjustments - Human Services</i>	<i>7,470,600</i>	<i>4,504,300</i>	<i>514,600</i>	<i>0</i>	<i>4,083,500</i>	<i>16,573,000</i>
Ongoing Adjustments						
Drug Courts/Board						
J12 Increase in funding	1,740,000	0	0	0	0	1,740,000
Mental Health						
J13 Non-Medicare eligible clients	2,000,000	0	0	0	0	2,000,000
J14 Autism contracts - provider increase	33,800	0	0	0	0	33,800
J15 Local mental health - provider increase	394,000	0	0	0	0	394,000
J16 State Hospital - adult services 30-bed unit	1,593,200	0	193,500	0	201,500	1,988,200
J17 State Hospital - increased medication costs	194,100	0	21,600	0	53,900	269,600
J18 State Hospital - nursing retention and recruitment	487,300	0	37,600	0	116,100	641,000
J19 State Hospital - increased utility costs	72,000	0	8,000	0	20,000	100,000
J20 State Hospital - loss of federal match rate	90,800	0	0	0	(90,800)	0
Substance Abuse						
J21 Local substance abuse - provider increase	174,500	0	0	0	0	174,500
Services for People with Disabilities						
J22 Fund individuals on the waiting list	1,620,900	0	0	0	3,081,300	4,702,200
J23 Additional services - waiver clients	599,800	0	0	0	1,311,500	1,911,300
J24 Community provider increase	674,500	0	0	0	1,505,800	2,180,300
J25 Loss of federal match rate	1,252,200	0	0	0	(1,252,200)	0
J26 Developmental Center - increased medication costs	41,000	0	0	0	96,900	137,900
J27 Developmental Center - nursing retention and recruitment	49,900	0	0	0	118,200	168,100
Child and Family Services						
J28 Children in custody caseload increase	1,758,500	209,300	0	0	1,674,500	3,642,300
J29 Subsidized adoption increase (see item J40)	924,800	44,400	0	0	(714,100)	255,100

HUMAN SERVICES - CONTINUED

	General Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
J30 Caseload increase - additional caseworkers	849,200	241,500	0	0	210,200	1,300,900
J31 Community provider increase	707,800	331,000	0	0	173,300	1,212,100
J32 Loss of federal match rate	372,700	(110,900)	0	0	(261,800)	0
Aging and Adult Services						
J33 Waiver funding - one-time to ongoing	300,000	0	0	0	0	300,000
J34 Increased cost in meals for seniors	115,000	0	0	0	0	115,000
J35 Local aging - provider increase	134,800	0	0	0	0	134,800
J36 Loss of federal match rate	25,100	0	0	0	(25,100)	0
<i>Subtotal Ongoing Adjustments - Human Services</i>	<i>16,205,900</i>	<i>715,300</i>	<i>260,700</i>	<i>0</i>	<i>6,219,200</i>	<i>23,401,100</i>
One-time Adjustments						
Executive Director Operations						
J37 Drug Offender Reform Act (DORA) continued pilot project	646,400	0	0	0	0	646,400
Services for People with Disabilities						
J38 Supported employment pilot program	150,000	0	0	0	0	150,000
Child and Family Services						
J39 David C. court monitor costs	269,500	59,100	0	0	0	328,600
J40 Replace Subsidized Adoption GF with carryover (see item J29)	(315,200)	0	0	0	0	(315,200)
Aging and Adult Services						
J41 Senior transportation equipment needs	542,000	0	0	0	0	542,000
<i>Subtotal One-time Adjustments - Human Services</i>	<i>1,292,700</i>	<i>59,100</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1,351,800</i>
Total FY 2007 Human Services Adjustments	24,969,200	5,278,700	775,300	0	10,302,700	41,325,900
Total FY 2007 Human Services Operating Budget	\$244,495,400	\$127,626,500	\$9,202,200	\$4,359,400	\$160,030,200	\$545,713,700
HUMAN SERVICES FY 2006 OPERATING BUDGET ADJUSTMENTS						
Supplemental Adjustments						
Mental Health						
J42 State Hospital - adult services 30-bed unit	\$531,000	\$0	\$64,500	\$0	\$67,200	\$662,700
Child and Family Services						
J43 Children in custody caseload increase	708,000	0	0	0	0	708,000
<i>Subtotal Supplemental Adjustments - Human Services</i>	<i>1,239,000</i>	<i>0</i>	<i>64,500</i>	<i>0</i>	<i>67,200</i>	<i>1,370,700</i>
Total FY 2006 Human Services Budget Adjustments	\$1,239,000	\$0	\$64,500	\$0	\$67,200	\$1,370,700
HUMAN SERVICES TOTALS						
FY 2007 Operating Beginning Base Budget	\$219,526,200	\$122,347,800	\$8,426,900	\$4,359,400	\$149,727,500	\$504,387,800
FY 2007 Operating Ongoing and One-time Adjustments	24,969,200	5,278,700	775,300	0	10,302,700	41,325,900
FY 2007 Operating Recommendation	244,495,400	127,626,500	9,202,200	4,359,400	160,030,200	545,713,700
FY 2006 Operating Adjustments	1,239,000	0	64,500	0	67,200	1,370,700

LEGISLATURE

Sandy Naegle, Analyst



AGENCY BUDGET OVERVIEW

LEGISLATURE

- Senate
- House of Representatives
- Legislative Auditor General
- Legislative Research and General Counsel
- Legislative Fiscal Analyst's Office
- Legislative Printing

Mission: Serve the people of the State of Utah and support the Utah State Legislature

MAJOR RESPONSIBILITIES AND SERVICES

(Headings include funding in Governor's Recommendations)

Senate - \$1.8 million

- Senate membership is 29.
- Each senator ideally represents a constituency of 85,145 individuals.
- Each senator is elected to a four-year term.
- Each senator sits on various interim, standing, and appropriation committees.

House of Representatives - \$3.3 million

- House membership is 75.
- Each representative ideally represents a constituency of 32,923 individuals.
- Each representative is elected to a two-year term.
- Each representative sits on various interim, standing, and appropriation committees.

Legislative Auditor General - \$2.7 million

- Performs operational audits
- Performs program audits
- Performs compliance audits

Legislative Research and General Counsel - \$6.0 million

- Provides legal and policy review of current law and proposed legislation
- Promotes understanding of critical legislative issues
- Recommends changes in the law when appropriate

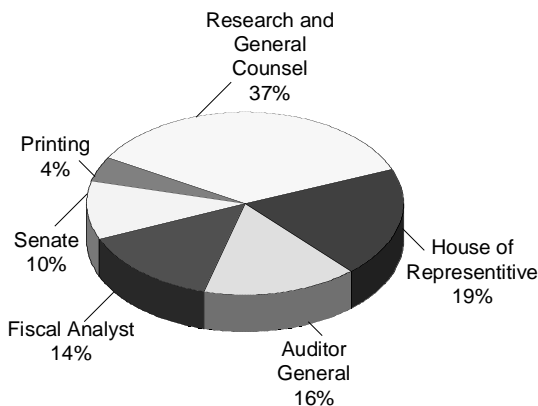
Legislative Fiscal Analyst - \$2.5 million

- Analyzes and recommends agency budgets to the legislature
- Provides fiscal notes on proposed legislation
- Prepares revenue estimates for all state operating funds

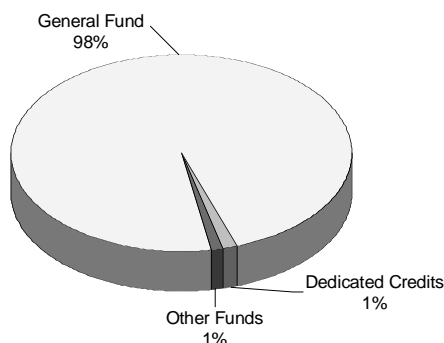
Legislative Printing - \$0.8 million

- Provides printing, typesetting and graphic service to the legislature, its staff offices, and other state agencies
- Prepares senate and house journals, house and senate bills, amendments, and agendas
- Distributes all legislative publications, including the *Utah Code Annotated, 1953* and *Laws of Utah*

**Where Will My Taxes and Fees
Go for the Legislature?**
(Total FY 2007 Funding is \$17,112,400)



Financing of the Legislature
(Based on FY 2007 Recommendations)



LEGISLATURE

Operating Budget

Governor Huntsman's Recommendations						
	Legislature's			Base FY 2007	Ongoing and One-time Adj.	Total FY 2007
	Actual FY 2005	Authorized FY 2006	Request FY 2007 ^(a)			
Plan of Financing						
General Fund	\$14,842,000	\$16,109,000	\$15,791,400	\$15,791,400	\$905,900	\$16,697,300
Dedicated Credits	173,400	320,600	240,000	240,000	8,400	248,400
Beginning Balances	2,866,000	2,929,600	2,930,200	2,930,200	0	2,930,200
Closing Balances	(2,929,600)	(2,930,200)	(2,763,500)	(2,763,500)	0	(2,763,500)
Total Financing	\$14,951,800	\$16,429,000	\$16,198,100	\$16,198,100	\$914,300	\$17,112,400
Programs						
Legislature						
Senate	\$1,672,600	\$1,734,150	\$1,714,900	\$1,714,900	\$45,500	\$1,760,400
House of Representatives	3,211,600	3,370,550	3,262,000	3,262,000	46,100	3,308,100
Legislative Printing	694,400	822,600	741,500	741,500	20,600	762,100
Legislative Research	5,134,200	5,543,200	5,530,900	5,530,900	453,400	5,984,300
Tax Review Commission	49,400	50,000	50,000	50,000	0	50,000
Legislative Fiscal Analyst	2,032,300	2,288,700	2,284,200	2,284,200	166,000	2,450,200
Legislative Auditor General	2,098,600	2,564,800	2,559,600	2,559,600	182,700	2,742,300
Constitutional Revision Commission	58,700	55,000	55,000	55,000	0	55,000
Total Budget	\$14,951,800	\$16,429,000	\$16,198,100	\$16,198,100	\$914,300	\$17,112,400
% Change from Authorized FY 2006 to Total FY 2007						
		118.0	118.0	118.0	0.0	4.2%
FTE Positions	--					118.0

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

LEGISLATURE

LEGISLATURE FY 2007 OPERATING BUDGET							
	General Fund	Transportation Fund	Dedicated Credits	Restricted Funds	Other Funds	Total Funds	
Beginning Base Budget							
K1 FY 2006 appropriated budget	\$16,109,000	\$0	\$320,600	\$0	\$132,800	\$16,562,400	
K2 Adjustments for one-time FY 2006 appropriations	(293,800)	0	0	0	0	(293,800)	
K3 Adjustments for extra working day	(23,800)	0	0	0	0	(23,800)	
K4 Adjustments to funding levels	0	0	(80,600)	0	33,900	(46,700)	
Total Beginning Base Budget - Legislature	15,791,400	0	240,000	0	166,700	16,198,100	
Statewide Ongoing Adjustments							
K5 Cost-of-living adjustments of 2.5%	230,300	0	2,000	0	0	232,300	
K6 Discretionary salary increase funding	184,000	0	1,600	0	0	185,600	
K7 Internal service fund adjustments	(9,100)	0	0	0	0	(9,100)	
K8 Health insurance rate adjustments	105,600	0	1,600	0	0	107,200	
K9 Termination pool rate adjustments	336,300	0	2,800	0	0	339,100	
K10 Retirement rate adjustments	58,800	0	400	0	0	59,200	
<i>Subtotal Statewide Ongoing Adjustments - Legislature</i>	<i>905,900</i>	<i>0</i>	<i>8,400</i>	<i>0</i>	<i>0</i>	<i>914,300</i>	
Total FY 2007 Legislature Adjustments	905,900	0	8,400	0	0	914,300	
Total FY 2007 Legislature Operating Budget	\$16,697,300	\$0	\$248,400	\$0	\$166,700	\$17,112,400	
LEGISLATURE TOTALS							
FY 2007 Operating Base Budget	\$15,791,400	\$0	\$240,000	\$0	\$166,700	\$16,198,100	
FY 2007 Operating Ongoing and One-time Adjustments	905,900	0	8,400	0	0	914,300	
FY 2007 Operating Recommendation	16,697,300	0	248,400	0	166,700	17,112,400	

NATIONAL GUARD

Richard Amon, Analyst

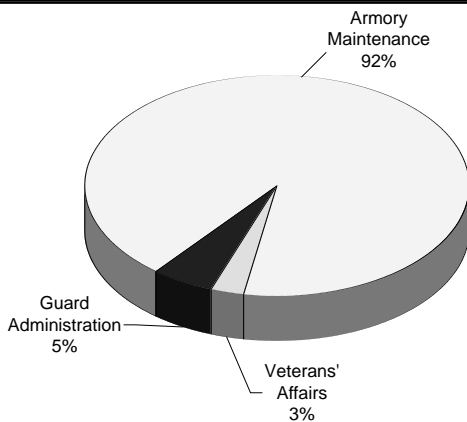


AGENCY BUDGET OVERVIEW

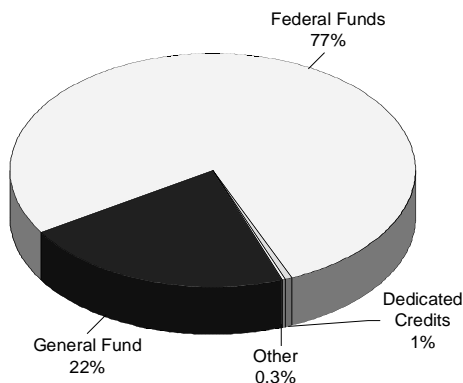
NATIONAL GUARD

Mission: To maintain properly trained and equipped units available for prompt mobilization for war, national emergency, or state domestic emergency

Where Will My Taxes and Fees Go for the National Guard?
(Total FY 2007 Funding is \$25,678,100)



Financing of the National Guard
(Based on FY 2007 Recommendations)



MAJOR ACCOMPLISHMENTS AND SERVICES

(Headings include funding in Governor's Recommendations)

Armory Maintenance - \$23.6 million

- Maintains 21 armories throughout the State of Utah
- Funds the Air Guard base
- Funds Camp Williams training facility
- Provided shelter for 578 Hurricane Katrina evacuees

Administration - \$1.4 million

- Administers state-run programs and operations
- Responded to flood crisis in Washington County

Veterans' Affairs - \$0.7 million

- Assists veterans in preparing claims for compensation, hospitalization, education, and vocational training
- Provides interment services to veterans and their spouses
- Administers a veterans' nursing home

National Guard deployment

- 1987 soldiers and airmen deployed to 20 countries around the world
- 54 deployed for cleanup of Hurricane Katrina
- 200 deployed to support Hurricane Katrina evacuees
- 13 deployed for cleanup of Washington County floods
- 962 deployed for Operation Iraqi Freedom and Operation Enduring Freedom

RECOMMENDATIONS: GOVERNOR'S GOALS AND INITIATIVES

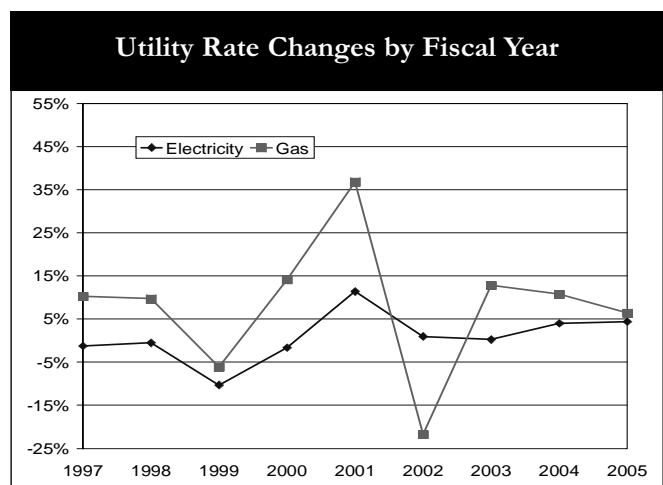
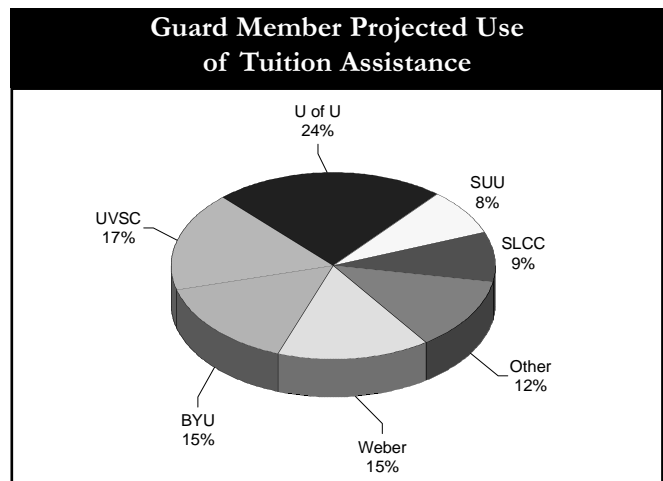
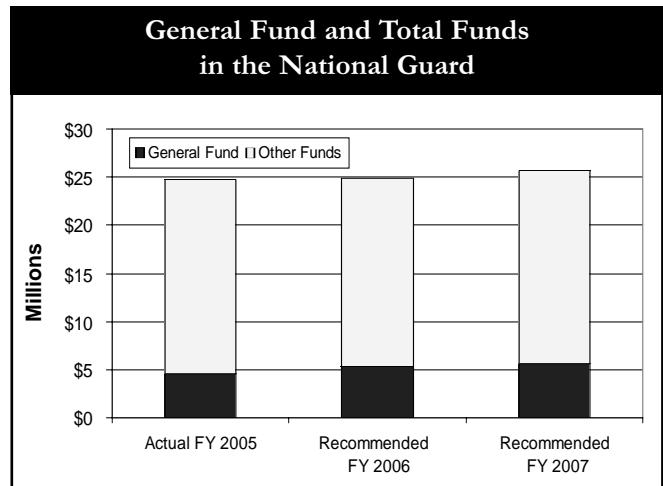
(See itemized table for full list of recommendations)

Enable the National Guard to retain and recruit high-caliber soldiers and airmen

- Provide tuition assistance for approximately 273 National Guard members to attend college classes part time or full time with \$500,000 one-time General Fund for FY 2007

Maintain readiness centers throughout the State of Utah

- Provide funding for increases in utility rates with \$78,000 ongoing General Fund and supplemental to match \$122,000 federal funds; over the past 14 years electricity rates have increased 6.2 percent and gas rates have increased 58.8 percent (see chart at bottom right)
- Insure 194 buildings at the Camp Williams Training site through State Risk Management with \$27,500 ongoing General Fund



PROPOSED LEGISLATIVE INTENT LANGUAGE

FY 2006 Proposed Legislative Intent

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

FY 2007 Proposed Legislative Intent

- Funds appropriated to the Veterans' Affairs program are nonlapsing.
- Funds appropriated to the Veterans' Cemetery are nonlapsing.
- Funds appropriated to the Veterans' Nursing Home are nonlapsing.
- An additional vehicle is authorized for the Department of the National Guard for the Veterans' Nursing Home.

NATIONAL GUARD

Operating Budget

Governor Huntsman's Recommendations						
	Actual FY 2005	Authorized FY 2006	Supplementals	Recommended FY 2006	Base FY 2007	Ongoing and One-time Adj. Total FY 2007
Plan of Financing						
General Fund	\$4,498,500	\$5,265,000	\$78,000	\$5,343,000	\$4,757,000	\$834,000
Federal Funds	20,019,800	19,086,800	122,000	19,208,800	18,994,800	856,600
Dedicated Credits	132,700	127,700	0	127,700	149,000	700
Transfers	195,500	84,400	0	84,400	84,400	1,600
Beginning Balances	22,100	76,100	0	76,100	0	0
Closing Balances	(76,100)	0	0	0	0	0
Total Financing	\$24,792,500	\$24,640,000	\$200,000	\$24,840,000	\$23,985,200	\$1,692,900
Programs						
National Guard						
Administration	\$564,000	\$590,500	\$200,000	\$790,500	\$609,800	\$769,900
Armory Maintenance	23,638,700	23,334,900	0	23,334,900	22,705,600	883,100
Veterans' Affairs	211,100	282,400	0	282,400	258,300	10,500
Veterans' Cemetery	259,200	309,800	0	309,800	291,600	18,500
Veterans' Nursing Home	119,500	122,400	0	122,400	119,900	10,900
Total Budget	\$24,792,500	\$24,640,000	\$200,000	\$24,840,000	\$23,985,200	\$1,692,900
% Change from Authorized FY 2006 to Total FY 2007						4.2%
FTE Positions	--	140.0	0.0	140.0	140.0	0

NATIONAL GUARD

NATIONAL GUARD FY 2007 OPERATING BUDGET						
	General Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
Beginning Base Budget						
N1 FY 2006 appropriated budget	\$5,265,000	\$19,085,900	\$127,700	\$0	\$84,400	\$24,563,000
N2 Adjustments for one-time FY 2006 appropriations	(500,000)	0	0	0	0	(500,000)
N3 Adjustments for extra working day	(8,000)	(3,700)	0	0	0	(11,700)
N4 Adjustments to funding levels	0	(87,400)	21,300	0	0	(66,100)
Total Beginning Base Budget - National Guard	4,757,000	18,994,800	149,000	0	84,400	23,985,200
Statewide Ongoing Adjustments						
N5 Cost-of-living adjustments of 2.5%	51,800	167,000	0	0	500	219,300
N6 Discretionary salary increase funding	41,400	133,600	0	0	400	175,400
N7 Internal service fund adjustments	20,700	3,400	700	0	0	24,800
N8 Human resources consolidation adjustments	(17,200)	0	0	0	0	(17,200)
N9 Health insurance rate adjustments	43,900	139,800	0	0	0	183,700
N10 Termination pool rate adjustments	74,600	241,900	0	0	700	317,200
N11 Retirement rate adjustments	13,300	48,900	0	0	0	62,200
<i>Subtotal Statewide Ongoing Adjustments - National Guard</i>	<i>228,500</i>	<i>734,600</i>	<i>700</i>	<i>0</i>	<i>1,600</i>	<i>965,400</i>
Ongoing Adjustments						
N12 Armory utility increase	78,000	122,000	0	0	0	200,000
N13 Camp Williams insurance	27,500	0	0	0	0	27,500
<i>Subtotal Ongoing Adjustments - National Guard</i>	<i>105,500</i>	<i>122,000</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>227,500</i>
One-time Adjustments						
N14 Guard tuition assistance	500,000	0	0	0	0	500,000
<i>Subtotal One-time Adjustments - National Guard</i>	<i>500,000</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>500,000</i>
Total FY 2007 National Guard Adjustments	834,000	856,600	700	0	1,600	1,692,900
Total FY 2007 National Guard Operating Budget	\$5,591,000	\$19,851,400	\$149,700	\$0	\$86,000	\$25,678,100
NATIONAL GUARD FY 2006 OPERATING BUDGET ADJUSTMENTS						
Supplemental Adjustments						
N15 Armory utility increase	\$78,000	\$122,000	\$0	\$0	\$0	\$200,000
<i>Subtotal Supplemental Adjustments - National Guard</i>	<i>78,000</i>	<i>122,000</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>200,000</i>
Total FY 2006 National Guard Budget Adjustments	\$78,000	\$122,000	\$0	\$0	\$0	\$200,000
NATIONAL GUARD TOTALS						
FY 2007 Operating Base Budget	\$4,757,000	\$18,994,800	\$149,000	\$0	\$84,400	\$23,985,200
FY 2007 Operating Ongoing and One-time Adjustments	834,000	856,600	700	0	1,600	1,692,900
FY 2007 Operating Recommendation	5,591,000	19,851,400	149,700	0	86,000	25,678,100
FY 2006 Operating Adjustments	78,000	122,000	0	0	0	200,000

NATURAL RESOURCES

Terrab Anderson, Analyst



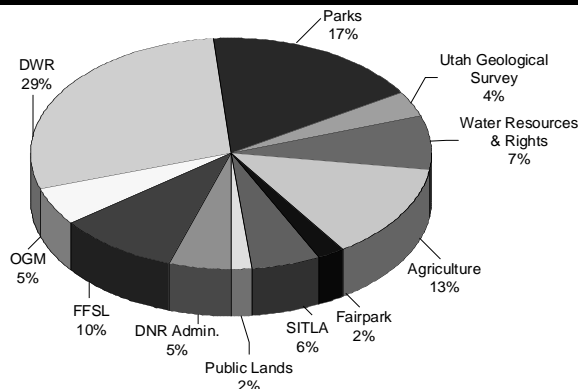
AGENCY BUDGET OVERVIEW

NATURAL RESOURCES AGENCIES INCLUDE:

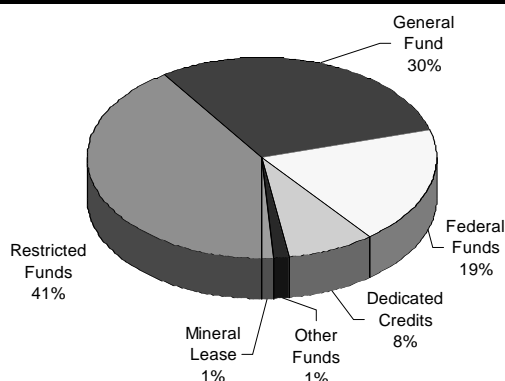
- Department of Natural Resources
- Department of Agriculture and Food
- State and Institutional Trust Lands Administration
- Utah State Fair Corporation
- Public Lands Policy Coordinating Office

Mission: *To conserve, protect, and develop Utah's natural resources and agriculture and to effectively manage school and institutional trust lands*

**Where Will My Taxes and Fees
Go for Natural Resources?**
(Total FY 2007 Operating Funding is \$166,313,100)



Financing of Natural Resources Agencies
(Based on FY 2007 Operating Budget Recommendations)



MAJOR ACCOMPLISHMENTS AND SERVICES

(Headings include funding in Governor's Recommendations)

Wildlife Resources (DWR) - \$47.5 million

- Produced and stocked 7,543,360 fish totaling 761,893 pounds in 10 state fish hatcheries
- Restored 125,000 acres of habitat by leveraging the FY 2005 \$2.0 million appropriation to \$8.2 million through private and public partnerships

Parks and Recreation (Parks) - \$28.9 million

- Manages 41 state parks that are visited by 4.2 million visitors annually
- Completed the Sand Hollow campground

Forestry, Fire, and State Lands (FFSL) - \$15.8 million

- Received national awards for community fire planning and the Volunteer Fire Assistance program
- Removed objects from the Great Salt Lake that have been navigation hazards for watercraft

Oil, Gas, and Mining (OGM) - \$9.1 million

- Approved 1,329 applications for permit to drill, an increase of more than 40 percent over the prior year
- Sealed 196 dangerous mine openings through the Abandoned Mine Reclamation Program

Agriculture and Food (Agriculture) - \$22.1 million

- Loaned \$2.6 million in 65 agricultural loans, affecting conservation on 9,116 acres
- Created the Marketing and Development Division placing emphasis on marketing opportunities to benefit farmers, ranchers, and rural economies

Trust Lands Administration (SITLA) - \$9.1 million

- Increased revenues 56.3 percent over FY 2004 to \$93.4 million in FY 2005
- Leased land for the Tooele County Regional Landfill was opened on trust lands, which will generate revenues to the trust of \$600,000 to \$1,000,000 annually for approximately 100 years.

Utah State Fair Corporation (Fairpark) - \$3.7 million

- Increased attendance at the 2005 fair 7.8 percent over the prior year, for a total of 267,479 attendees
- Increased non-fair events 4.9 percent over the prior year

RECOMMENDATIONS: GOVERNOR'S GOALS AND INITIATIVES

(See itemized table for full list of recommendations)

Increase visitation to Utah State Parks

- Promote Utah State Parks through a media campaign using a \$150,000 General Fund supplemental
- Enable renovation and development of Utah State Parks with \$3,000,000 General Fund one time in FY 2007 for capital projects

Continue improving rangeland and watersheds

- Improve forage, hunting, water yield, water quality, forest health, and fisheries with \$2,000,000 General Fund supplemental funding; continue public and private partnerships to leverage appropriated funding
- Fund \$320,500 ongoing General Fund for a rangeland specialist and cost-share money specifically for grazing projects

Expand monitoring of water resources

- Continue Utah Geological Survey groundwater studies, especially concentrating on Western Utah and Nevada border water issues, with \$122,600 ongoing General Fund in place of previous one-time money
- Increase distribution automation of river systems with \$105,000 ongoing General Fund money to Water Rights
- Increase coverage of stream gauges with \$78,600 ongoing General Fund to Water Resources

Facilitate the operation of the oil and gas industry in Utah

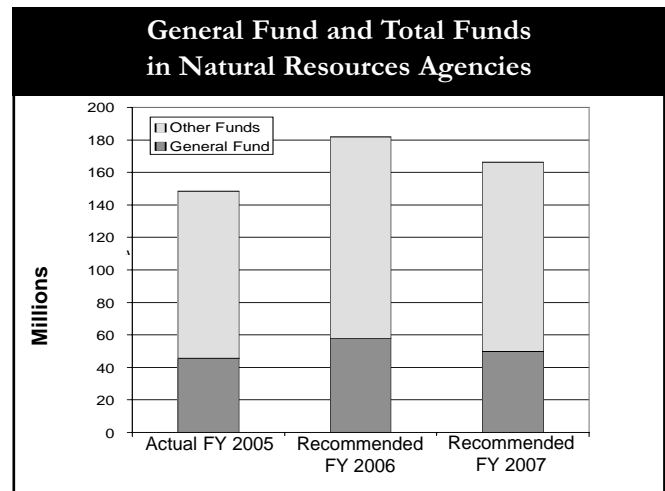
- Decrease application review time by funding three full-time equivalents (FTEs) with \$290,000 ongoing General Fund in the OGM Minerals Regulatory Program
- Increase access and efficiency of the oil and gas application process by creating an electronic permitting system for OGM, using \$100,000 one-time and \$50,000 supplemental restricted funds
- Decrease oil and gas application processing time by funding four biologist positions at a cost of \$280,000 ongoing restricted funds to review the impact of oil and gas production on wildlife

Increase revenue generation of school trust lands

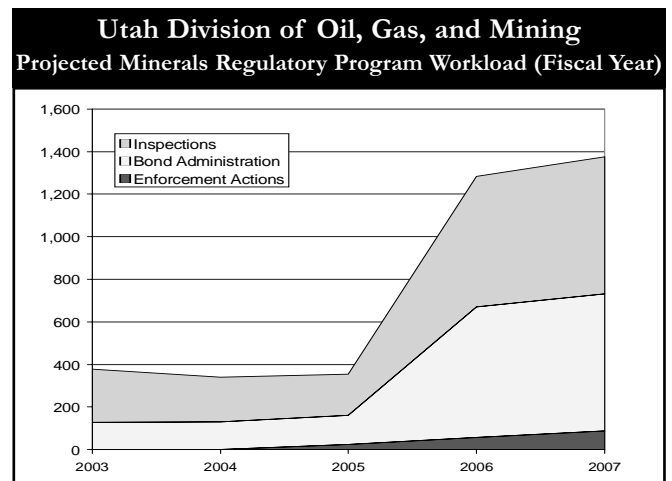
- Increase the capital budget by \$2,700,000 in FY 2006 and by \$3,800,000 in FY 2007, for a total of \$8,800,000 in FY 2007

Continue to prevent and fight forest fires

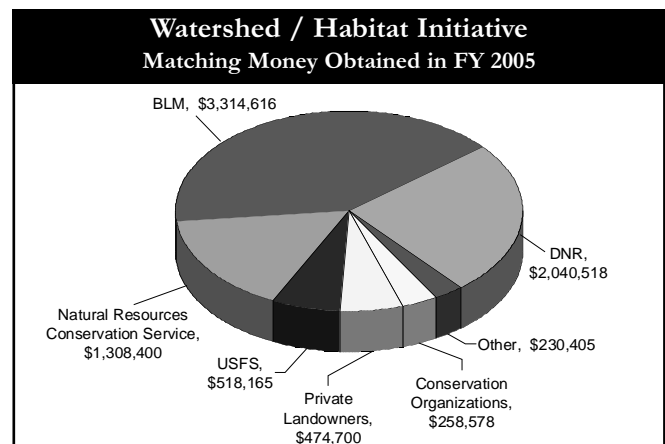
- Pay for fire costs last year that exceeded budgets by appropriating supplemental General Fund of \$6,000,000 for state lands fire suppression and \$4,000,000 for the county Wildland Fire Suppression Fund



Recommended 2006 numbers are higher mainly because of supplemental fire suppression funding.



Increased applications are driving a need for three additional FTEs.



DNR leveraged the FY 2005 appropriation to \$8.2 million through public and private partnerships.

PROPOSED LEGISLATIVE INTENT LANGUAGE

FY 2006 Proposed Legislative Intent

Natural Resources

- If funds are available, DNR Administration is authorized to not lapse up to \$175,000 at the end of FY 2006. These funds are to be used for current expense items, computer equipment and software, employee training and incentives, equipment and supplies, special projects and studies, gate replacement, building maintenance, and professional and technical services.
- If funds are available, OGM is authorized to not lapse up to \$80,000 at the end of FY 2006. These funds are to be used for computer equipment and software, employee training and incentives, and equipment and supplies.
- If funds are available, Parks is authorized to not lapse up to \$150,000 at the end of FY 2006. These funds are to be used for computer equipment and supplies, employee training and incentives, equipment and supplies, and special projects and studies.
- If funds are available, Water Resources is authorized to not lapse up to \$122,000 at the end of FY 2006. These funds are to be used for computer equipment and supplies, employee training and incentives, equipment and supplies, special projects and studies, and the Water Conservation Program.
- If funds are available, Water Rights is authorized to not lapse up to \$150,000 at the end of FY 2006. These funds are to be used for computer equipment and supplies, employee training and incentives, special projects and studies, and water resource investigations.
- In coordination with the building block approved in the 2005 General Session for the Oil and Gas Conservation Program, OGM is authorized to

expand its motor pool fleet by two vehicles in FY 2006.

- Funds appropriated to the division of Water Rights are nonlapsing.

Agriculture

- If funds are available, Agriculture is authorized to not lapse up to \$779,000 at the end of FY 2006. These funds are to be used for capital equipment and improvements, computer equipment and software, employee training and incentives, equipment and supplies, special projects and studies, and vehicles.

Public Lands

- Public Lands is allowed to purchase two vehicles to place in the Fleet for its use in FY 2006. One of these vehicles needs four wheel drive.
- Funds provided to Public Lands are nonlapsing.

FY 2007 Proposed Legislative Intent

Natural Resources

- Up to \$500,000 will be spent on the Blue Ribbon Fisheries program. This funding is nonlapsing.
- DWR shall enter into a contract with Agriculture for the purpose of providing predator control. The contract shall consist of \$500,000 annually in General Fund with \$150,000 being used to match funds from local governments and \$350,000 being used to supplement the amount required by Section 4-12-9 (2), UCA. Under the direction of DWR, Agriculture shall direct these funds to meet deer herd management objectives consistent with the Utah Wildlife Board predatory policy.

- The ongoing funding for the Bear Lake Commission is to be expended only as a one-to-one match with funds from the State of Idaho.
- The FY 2005 \$2,000,000 appropriation to DNR for watershed development is nonlapsing.
- Up to \$500,000 of the DWR budget may be used for big game depredation expense. Half of these funds will be from the General Fund Restricted - Wildlife Resources Account and half from General Fund. These funds are nonlapsing.
- Donations to DWR received through the Wolf Tax check-off box on the Utah State Tax Return shall be nonlapsing and spent by DWR as follows:
 - 1) The division shall fully and expeditiously compensate livestock owners, up to the amount of funds available, for all wolf depredation damage realized during the fiscal year. Up to \$20,000 shall carry forward to the next fiscal year if not spent during the current year for this purpose.
 - 2) Donations in excess of \$20,000 and not otherwise expended or carried forward as required above, shall be available for wolf management expenditures.
- Any appropriation of a management fee to the This Is The Place Foundation will not exceed \$700,000.
- Appropriations to the Minerals Regulatory programs are nonlapsing.
- Park's capital budget is nonlapsing.
- Cooperative Water Conservation program funds are nonlapsing.
- Funds appropriated to the division of Water Rights are nonlapsing.
- Mineral Lease funds are nonlapsing.
- The General Fund Restricted - Wildlife Habitat Account is nonlapsing.

- Contributed Research funds are nonlapsing.
- Cooperative Environmental Studies funds are nonlapsing.
- The DWR capital budget is nonlapsing.
- The General Fund Restricted - Sovereign Land Management Account in FFSL is nonlapsing.

Agriculture and Food

- DWR shall enter into a contract with Agriculture for the purpose of providing predator control. The contract shall consist of \$500,000 annually in General Fund with \$150,000 being used to match funds from local governments and \$350,000 being used to supplement the amount required by Section 4-12-9 (2), UCA. Under the direction of DWR, Agriculture shall direct these funds of the state to meet deer herd management objectives consistent with the Utah Wildlife Board predatory policy.
- Collections for the Ag Tag license plate are nonlapsing.
- Funds in the Resource Conservation Program are nonlapsing.
- The Soil Conservation Districts will submit annual reports documenting supervisory expenses to the Office of the Legislative Fiscal Analyst, the Governor's Office of Planning and Budget, and the Soil Conservation Commission. These documents will be reviewed and reported to the governor and the legislature.
- The \$100,000 funding increase for the Utah Association of Conservation Districts may only be used for conservation planners, travel expenses, or technical assistance grants.
- The Auction Market Veterinarian collection is nonlapsing.

- Funds for the division of Predatory Animal Control are nonlapsing.
- Funds for grants to charitable organizations specified under Section 57-18-3, UCA or held by Agriculture, will be used for purchase of conservation easements for agricultural protection. These funds are nonlapsing.
- Funds for the Grain Inspection program are nonlapsing.
- Funds collected in the Organic Certification program are nonlapsing.
- Funds for the Agricultural Inspection program are nonlapsing.
- Funding approved for Soil Conservation District elections is nonlapsing and will be spent only during even-numbered years when elections take place.

Utah State Fair

- Funds for the Utah State Fair Corporation are nonlapsing.

Public Lands Policy Coordinating Office

- Funds provided to Public Lands are nonlapsing.

INTERNAL SERVICE FUNDS

DNR includes three internal service funds (ISF) that provide products and services to the department and other state agencies on a cost-reimbursement basis. For FY 2007 the governor recommends FTEs and capital outlay authorizations for DNR ISFs as indicated on the following table.

ISF Description	Estimated Revenue	FTE Recommended	Capital Outlay Recommended
Motor Pool	\$5,004,500	5.0	\$0
Warehouse	710,000	2.0	0
Data Processing	554,900	4.0	45,000

NATURAL RESOURCES

Operating Budget

Governor Huntsman's Recommendations							
	Actual FY 2005	Authorized FY 2006	Supplementals	Recommended FY 2006	Base FY 2007	Ongoing and One-time Adj.	Total FY 2007
Plan of Financing							
General Fund	\$45,486,700	\$45,078,200	\$12,954,000	\$58,032,200	\$45,620,600	\$4,376,100	\$49,996,700
Federal Funds	29,209,600	31,044,900	0	31,044,900	30,227,100	1,381,300	31,608,400
Dedicated Credits	14,561,700	13,303,100	0	13,303,100	13,078,500	357,500	13,436,000
Mineral Lease	1,885,800	2,045,200	0	2,045,200	2,045,100	0	2,045,100
Restricted and Trust Funds	63,854,800	65,956,600	903,800	66,860,400	61,951,800	5,345,600	67,297,400
Transfers	1,256,700	634,500	0	634,500	649,500	0	649,500
Other Funds	741,300	777,800	0	777,800	775,200	0	775,200
Pass-through Funds	29,200	0	0	0	0	0	0
Beginning Balances	9,367,000	10,258,400	0	10,258,400	1,162,700	0	1,162,700
Closing Balances	(10,258,400)	(1,162,700)	0	(1,162,700)	(657,900)	0	(657,900)
Lapsing Funds	(7,623,700)	0	0	0	0	0	0
Total Financing	\$148,510,700	\$167,936,000	\$13,857,800	\$181,793,800	\$154,852,600	\$11,460,500	\$166,313,100
Programs							
Natural Resources							
Administration	\$3,185,300	\$5,245,600	\$2,000,000	\$7,245,600	\$3,010,700	\$288,400	\$3,299,100
Endangered Species	3,073,300	3,006,200	0	3,006,200	3,006,200	21,700	3,027,900
Building Operations	1,660,700	1,660,700	0	1,660,700	1,660,700	0	1,660,700
Energy Services ^(a)	1,543,700	0	0	0	0	0	0
Forestry, Fire, and State Lands	15,317,600	16,561,300	6,110,000	22,671,300	14,713,300	1,058,900	15,772,200
Oil, Gas, and Mining	6,686,300	8,327,100	120,000	8,447,100	7,906,400	1,188,500	9,094,900
Wildlife Resources	36,310,800	41,103,400	108,000	41,211,400	39,713,300	2,207,600	41,920,900
Contributed Research	687,000	355,600	0	355,600	355,600	0	355,600
Cooperative Studies	6,474,700	5,103,200	0	5,103,200	5,103,100	141,200	5,244,300
Parks and Recreation	25,488,600	27,465,400	450,000	27,915,400	26,860,400	2,035,600	28,896,000
Geological Survey	5,962,500	7,376,000	0	7,376,000	6,238,200	507,300	6,745,500
Water Resources	4,681,500	4,795,300	63,000	4,858,300	4,781,800	484,400	5,266,200
Water Rights	6,463,500	7,006,900	250,000	7,256,900	6,783,800	605,700	7,389,500
<i>Subtotal Natural Resources</i>	<i>117,535,500</i>	<i>128,006,700</i>	<i>9,101,000</i>	<i>137,107,700</i>	<i>120,133,500</i>	<i>8,539,300</i>	<i>128,672,800</i>
Agriculture and Food							
Utah State Fair Corporation	18,757,400	24,004,800	429,000	24,433,800	20,421,900	1,662,100	22,084,000
Trust Lands Administration	3,692,300	3,685,600	25,000	3,710,600	3,655,700	0	3,655,700
Wildland Fire Suppression Fund	7,520,900	8,048,400	302,800	8,351,200	7,950,100	1,182,700	9,132,800
Public Lands Policy Coordinating Office	0	0	4,000,000	4,000,000	0	0	0
	1,004,600	4,190,500	0	4,190,500	2,691,400	76,400	2,767,800
Total Budget	\$148,510,700	\$167,936,000	\$13,857,800	\$181,793,800	\$154,852,600	\$11,460,500	\$166,313,100
% Change from Authorized FY 2006 to Total FY 2007							(1.0%)
FTE Positions		1,604.3	4.0	1,608.3	1,587.9	12.0	1,599.9

(a) The Energy Office was dissolved in the 2005 General Session and energy functions were transferred to other agencies. See Senate Bill 199, Office of Energy Oversight, (Hatch).

(a) The Energy Office was dissolved in the 2005 General Session and energy functions were transferred to other agencies. See Senate Bill 199, Office of Energy Oversight, (Hatch).

NATURAL RESOURCES

Capital Budget

Governor Huntsman's Recommendations						
	Actual FY 2005	Authorized FY 2006	Supplementals	Recommended FY 2006	Base FY 2007	Ongoing and One-time Adj.
Plan of Financing						Total FY 2007
General Fund	\$3,476,500	\$4,486,500	\$167,000	\$4,653,500	\$2,476,500	\$3,150,000
Federal Funds	3,482,300	5,500,000	0	5,500,000	12,720,300	0
Dedicated Credits	368,500	25,000	0	25,000	25,000	0
Restricted and Trust Funds	6,620,000	7,630,000	2,700,000	10,330,000	6,880,000	3,800,000
Transfers	(2,369,200)	(1,232,300)	0	(1,232,300)	(1,232,300)	0
Beginning Balances	7,897,900	5,816,200	0	5,816,200	250,000	0
Closing Balances	(5,816,200)	(250,000)	0	(250,000)	0	0
Lapsing Funds	(355,000)	0	0	0	0	0
Total Financing	\$13,304,800	\$21,975,400	\$2,867,000	\$24,842,400	\$21,119,500	\$6,950,000
Projects						\$28,069,500
Natural Resources						
Wildlife Resources	\$2,518,900	\$7,739,200	\$0	\$7,739,200	\$13,775,300	\$0
Parks and Recreation	5,785,900	9,236,200	167,000	9,403,200	2,344,200	3,150,000
Revolving Construction Fund	539,100	539,100	0	539,100	539,100	0
Conservation/Development Fund	1,043,200	1,043,200	0	1,043,200	1,043,200	0
Transfer Appropriations to Loan Funds	(1,582,300)	(1,582,300)	0	(1,582,300)	(1,582,300)	0
<i>Subtotal Natural Resources</i>	<i>8,304,800</i>	<i>16,975,400</i>	<i>167,000</i>	<i>17,142,400</i>	<i>16,119,500</i>	<i>3,150,000</i>
Trust Lands Administration						
Development and Improvement	5,000,000	5,000,000	2,700,000	7,700,000	5,000,000	3,800,000
<i>Subtotal Trust Lands Administration</i>	<i>5,000,000</i>	<i>5,000,000</i>	<i>2,700,000</i>	<i>7,700,000</i>	<i>5,000,000</i>	<i>3,800,000</i>
Total Budget	\$13,304,800	\$21,975,400	\$2,867,000	\$24,842,400	\$21,119,500	\$6,950,000
% Change from Authorized FY 2006 to Total FY 2007						27.7%

NATURAL RESOURCES

NATURAL RESOURCES FY 2007 OPERATING BUDGET							
	General Fund	Federal Funds	Dedicated Credits	Mineral Lease	Restricted Funds	Other Funds	Total Funds
Beginning Base Budget							
M1 FY 2006 appropriated budget	\$32,224,200	\$26,774,100	\$7,825,500	\$1,609,200	\$53,997,300	\$2,182,500	\$124,612,800
M2 Adjustments for one-time FY 2006 appropriations	875,500	0	0	0	(3,764,000)	0	(2,888,500)
M3 Adjustments for extra working day	(77,800)	(36,600)	(20,000)	(2,600)	(73,100)	0	(210,100)
M4 Adjustments to funding levels	0	(1,437,300)	657,100	438,500	0	(1,039,000)	(1,380,700)
Total Beginning Base Budget - Natural Resources	33,021,900	25,300,200	8,462,600	2,045,100	50,160,200	1,143,500	120,133,500
Statewide Ongoing Adjustments							
M5 Cost-of-living adjustments of 2.5%	489,800	290,800	67,000	0	692,500	0	1,540,100
M6 Discretionary salary increase funding	364,600	210,600	39,800	0	447,800	0	1,062,800
M7 Internal service fund adjustments	(78,500)	500	0	0	12,500	0	(65,500)
M8 Human resources consolidation adjustments	28,400	0	0	0	0	0	28,400
M9 Health insurance rate adjustments	298,700	190,400	36,800	0	450,100	0	976,000
M10 Termination pool rate adjustments	706,800	422,400	102,600	0	996,700	0	2,228,500
M11 Retirement rate adjustments	150,700	82,200	13,100	0	291,100	0	537,100
<i>Subtotal Statewide Ongoing Adjustments - Natural Resources</i>	<i>1,960,500</i>	<i>1,196,900</i>	<i>259,300</i>	<i>0</i>	<i>2,890,700</i>	<i>0</i>	<i>6,307,400</i>
Ongoing Adjustments							
Administration							
M12 Bear Lake Commission	50,000	0	0	0	0	0	50,000
M13 Safety projects	75,000	0	0	0	0	0	75,000
Wildlife Resources							
M14 Wolf donation (tax check off)	0	0	0	0	15,000	0	15,000
Forestry, Fire, and State Lands							
M15 Fire Dispatch Center funding	250,000	0	0	0	0	0	250,000
Oil, Gas, and Mining							
M16 Minerals workload expansion	290,000	0	0	0	0	0	290,000
M17 Oil and Gas biologists	0	0	0	0	280,000	0	280,000
Parks and Recreation							
M18 Existing operations	0	0	0	0	300,000	0	300,000
M19 Utah Field House Natural History operations	0	0	0	0	80,000	0	80,000
Utah Geological Survey							
M20 Groundwater studies	122,600	0	0	0	0	0	122,600
Water Resources							
M21 2005 General Session correction	0	0	0	0	63,000	0	63,000
M22 Stream gauges	78,600	0	0	0	0	0	78,600
Water Rights							
M23 Distribution automation	105,000	0	0	0	0	0	105,000
<i>Subtotal Ongoing Adjustments - Natural Resources</i>	<i>971,200</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>738,000</i>	<i>0</i>	<i>1,709,200</i>

NATURAL RESOURCES - CONTINUED

One-time Adjustments		General Fund	Federal Funds	Dedicated Credits	Mineral Lease	Restricted Funds	Other Funds	Total Funds
M24	Parks and Recreation							
	Soldier Hollow Golf Course operations	120,000	0	0	0	0	0	120,000
M25	Oil, Gas, and Mining							
	Oil and Gas electronic permitting system (DTS)	0	0	0	0	100,000	0	100,000
M26	Forestry, Fire, and State Lands							
	Two mobile structure protection units	0	0	0	0	105,000	0	105,000
M27	Lands Maintenance Fund	0	0	0	0	50,000	0	50,000
M28	Wildland Urban Interface program	0	0	0	0	68,000	0	68,000
M29	Recruitment program	0	0	0	0	62,000	0	62,000
M30	Prison property open space	0	0	0	0	17,700	0	17,700
	<i>Subtotal One-time Adjustments - Natural Resources</i>	120,000	0	0	0	402,700	0	522,700
	Total FY 2007 Natural Resources Adjustments	3,051,700	1,196,900	259,300	0	4,031,400	0	8,539,300
	Total FY 2007 Natural Resources Operating Budget	\$36,073,600	\$26,497,100	\$8,721,900	\$2,045,100	\$54,191,600	\$1,143,500	\$128,672,800
NATURAL RESOURCES FY 2006 OPERATING BUDGET ADJUSTMENTS								
Supplemental Adjustments								
Administration								
M31	Watershed and habitat initiative	\$2,000,000	\$0	\$0	\$0	\$0	\$0	\$2,000,000
Wildlife Resources								
M32	Wolf fund (tax check off)	0	0	0	0	8,000	0	8,000
M33	Wildlife studies	100,000	0	0	0	0	0	100,000
Forestry, Fire, and State Lands								
M34	Fire suppression and re-seeding	6,000,000	0	0	0	0	0	6,000,000
M35	Saltair sewer replacement	0	0	0	0	110,000	0	110,000
Oil, Gas, and Mining								
M36	Oil and Gas biologists (1/2 year)	0	0	0	0	70,000	0	70,000
M37	Oil and Gas electronic permitting system	0	0	0	0	50,000	0	50,000
Parks and Recreation								
M38	Existing operations	0	0	0	0	300,000	0	300,000
M39	Promotional funding	150,000	0	0	0	0	0	150,000
Water Resources								
M40	2005 General Session correction	0	0	0	0	63,000	0	63,000
Water Rights								
M41	Distribution automation	250,000	0	0	0	0	0	250,000
	<i>Subtotal Supplemental Adjustments - Natural Resources</i>	<i>8,500,000</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>601,000</i>	<i>0</i>	<i>9,101,000</i>
	Total FY 2006 Natural Resources Budget Adjustments	\$8,500,000	\$0	\$0	\$0	\$601,000	\$0	\$9,101,000

NATURAL RESOURCES - CONTINUED

NATURAL RESOURCES FY 2007 CAPITAL BUDGET							
	General Fund	Federal Funds	Dedicated Credits	Mineral Lease	Restricted Funds	Other Funds	Total Funds
Base Budget							
M42	\$4,486,500	\$5,500,000	\$25,000	\$0	\$2,630,000	(\$982,300)	\$11,659,200
M43	(2,010,000)	0	0	0	(750,000)	0	(2,760,000)
M44	0	7,220,300	0	0	0	0	7,220,300
Total FY 2007 Natural Resources Capital Base Budget	2,476,500	12,720,300	25,000	0	1,880,000	(982,300)	16,119,500
One-time Adjustments							
Parks and Recreation							
M45	3,000,000	0	0	0	0	0	3,000,000
M46	150,000	0	0	0	0	0	150,000
<i>Subtotal One-time Capital Adjustments - Natural Resources</i>	<i>3,150,000</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>3,150,000</i>
Total FY 2007 Natural Resources Capital Adjustments	3,150,000	0	0	0	0	0	3,150,000
Total FY 2007 Natural Resources Capital Budget	\$5,626,500	\$12,720,300	\$25,000	\$0	\$1,880,000	(\$982,300)	\$19,269,500
NATURAL RESOURCES FY 2006 CAPITAL BUDGET ADJUSTMENTS							
Supplemental Adjustments							
M47	\$167,000	\$0	\$0	\$0	\$0	\$0	\$167,000
<i>Subtotal Supplemental Capital Adjustments - Natural Resources</i>	<i>167,000</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>167,000</i>
Total FY 2006 Natural Resources Capital Adjustments	\$167,000	\$0	\$0	\$0	\$0	\$0	\$167,000
AGRICULTURE AND FOOD FY 2007 OPERATING BUDGET							
Beginning Base Budget							
M48	\$11,363,000	\$2,345,700	\$1,768,000	\$0	\$1,897,200	\$781,500	\$18,155,400
M49	(213,000)	0	0	0	(67,000)	0	(280,000)
M50	(22,300)	(3,400)	(1,500)	0	(2,400)	0	(29,600)
M51	0	2,584,600	1,500	0	0	(10,000)	2,576,100
Total Beginning Base Budget - Agriculture and Food	11,127,700	4,926,900	1,768,000	0	1,827,800	771,500	20,421,900
Statewide Ongoing Adjustments							
M52	174,800	43,500	21,500	0	20,300	0	260,100
M53	138,600	34,800	17,200	0	16,000	0	206,600
M54	17,800	4,300	3,800	0	10,100	0	36,000
M55	(14,400)	0	0	0	0	0	(14,400)
M56	140,000	28,500	19,200	0	20,800	0	208,500
M57	249,200	64,200	31,500	0	29,400	0	374,300
M58	45,000	9,100	5,000	0	4,400	0	63,500
<i>Subtotal Statewide Ongoing Adjustments - Ag. and Food</i>	<i>751,000</i>	<i>184,400</i>	<i>98,200</i>	<i>0</i>	<i>101,000</i>	<i>0</i>	<i>1,134,600</i>

NATURAL RESOURCES - CONTINUED

Ongoing Adjustments									
	General Fund	Federal Funds	Dedicated Credits	Mineral Lease	Restricted Funds	Other Funds	Total Funds		
M59 Rangeland and invasive species program	320,500	0	0	0	0	0	320,500		
M60 Utah Soil Conservation Commission	26,000	0	0	0	0	0	26,000		
M61 Utah Association of Conservation Districts operations	100,000	0	0	0	0	0	100,000		
M62 Trichomoniasis veterinarian	81,000	0	0	0	0	0	81,000		
Subtotal Ongoing Adjustments - Agriculture and Food	527,500	0	0	0	0	0	527,500		
Total FY 2007 Agriculture and Food Adjustments	1,278,500	184,400	98,200	0	101,000	0	1,662,100		
Total FY 2007 Agriculture and Food Operating Budget	\$12,406,200	\$5,111,300	\$1,866,200	\$0	\$1,928,800	\$771,500	\$22,084,000		
AGRICULTURE AND FOOD FY 2006 OPERATING BUDGET ADJUSTMENTS									
Supplemental Adjustments									
M63 Rangeland and invasive species program	\$29,000	\$0	\$0	\$0	\$0	\$0	\$29,000		
M64 Utah's Own agricultural promotion campaign	400,000	0	0	0	0	0	400,000		
Subtotal Supplemental Adjustments - Agriculture and Food	429,000	0	0	0	0	0	429,000		
Total FY 2006 Agriculture and Food Budget Adjustments	\$429,000	\$0	\$0	\$0	\$0	\$0	\$429,000		
UTAH STATE FAIR CORPORATION FY 2007 OPERATING BUDGET									
Beginning Base Budget									
M65 FY 2006 appropriated budget	\$793,300	\$0	\$2,865,800	\$0	\$0	\$26,500	\$3,685,600		
M66 Adjustments to funding levels	0	0	(17,900)	0	0	(12,000)	(29,900)		
Total Beginning Base Budget - Utah State Fair Corporation	793,300	0	2,847,900	0	0	14,500	3,655,700		
Total FY 2007 State Fair Corporation Operating Budget	\$793,300	\$0	\$2,847,900	\$0	\$0	\$14,500	\$3,655,700		
UTAH STATE FAIR CORPORATION FY 2006 OPERATING BUDGET ADJUSTMENTS									
Supplemental Adjustments									
M67 New ticketing system	\$25,000	\$0	\$0	\$0	\$0	\$0	\$25,000		
Subtotal Supplemental Adjustments - Utah State Fair	25,000	0	0	0	0	0	25,000		
Total FY 2006 Utah State Fair Corporation Budget Adjustments	\$25,000	\$0	\$0	\$0	\$0	\$0	\$25,000		

NATURAL RESOURCES - CONTINUED

TRUST LANDS ADMINISTRATION FY 2007 OPERATING BUDGET									
Beginning Base Budget									
	General Fund	Federal Funds	Dedicated Credits	Mineral Lease	Restricted Funds	Other Funds	Total Funds		
M68 FY 2006 appropriated budget	\$0	\$0	\$0	\$0	\$8,048,400	\$0	\$8,048,400		
M69 Adjustments for one-time FY 2006 appropriations	0	0	0	0	(85,000)	0	(85,000)		
M70 Adjustments for extra working day	0	0	0	0	(13,300)	0	(13,300)		
M71 Adjustments to funding levels	0	0	0	0	0	0	0		
Total Beginning Base Budget - Trust Lands Administration	0	0	0	0	7,950,100	0	7,950,100		
Statewide Ongoing Adjustments									
M72 Cost-of-living adjustments of 2.5%	0	0	0	0	111,500	0	111,500		
M73 Discretionary salary increase funding	0	0	0	0	89,200	0	89,200		
M74 Internal service fund adjustments	0	0	0	0	2,800	0	2,800		
M75 Human resources consolidation adjustments	0	0	0	0	(39,700)	0	(39,700)		
M76 Health insurance rate adjustments	0	0	0	0	63,700	0	63,700		
M77 Termination pool rate adjustments	0	0	0	0	162,300	0	162,300		
M78 Retirement rate adjustments	0	0	0	0	28,700	0	28,700		
<i>Subtotal Statewide Ongoing Adjustments - Trust Lands Administration</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>418,500</i>	<i>0</i>	<i>418,500</i>		
Ongoing Adjustments									
M79 OHV administrator	0	0	0	0	78,000	0	78,000		
M80 Forestry contractor	0	0	0	0	20,000	0	20,000		
M81 Mineral land assistant consultant	0	0	0	0	100,000	0	100,000		
M82 Solid Minerals coordinator	0	0	0	0	78,000	0	78,000		
M83 Construction manager	0	0	0	0	103,200	0	103,200		
M84 Financial analyst	0	0	0	0	78,000	0	78,000		
M85 Senior program manager	0	0	0	0	113,200	0	113,200		
M86 Land planner	0	0	0	0	62,800	0	62,800		
M87 Legal investigator	0	0	0	0	85,000	0	85,000		
M88 Public Relations website contract	0	0	0	0	10,000	0	10,000		
M89 Contract auditor	0	0	0	0	10,000	0	10,000		
<i>Subtotal Ongoing Adjustments - Trust Lands Administration</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>738,200</i>	<i>0</i>	<i>738,200</i>		
One-time Adjustments									
M90 Vehicle for St. George office	0	0	0	0	26,000	0	26,000		
<i>Subtotal One-time Adjustments - Trust Lands Administration</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>26,000</i>	<i>0</i>	<i>26,000</i>		
Total FY 2007 Trust Lands Administration Adjustments	0	0	0	0	1,182,700	0	1,182,700		
Total FY 2007 Trust Lands Administration Operating Budget	\$0	\$0	\$0	\$0	\$9,132,800	\$0	\$9,132,800		

NATURAL RESOURCES - CONTINUED

TRUST LANDS ADMINISTRATION FY 2006 OPERATING BUDGET ADJUSTMENTS						
	General Fund	Federal Funds	Dedicated Credits	Mineral Lease	Restricted Funds	Other Funds
Supplemental Adjustments						
M191 Construction manager	\$0	\$0	\$0	\$0	\$62,800	\$0
M192 Mineral land assistant consultant	0	0	0	0	50,000	0
M193 Project accounting system	0	0	0	0	100,000	0
M194 Forestry contractor	0	0	0	0	10,000	0
M195 Financial analyst	0	0	0	0	20,000	0
M196 Surface contractual services	0	0	0	0	40,000	0
M197 OHV administrator	0	0	0	0	20,000	0
<i>Subtotal Supplemental Adjustments - Trust Lands Administration</i>	0	0	0	0	302,800	0
Total FY 2006 Trust Lands Budget Adjustments	\$0	\$0	\$0	\$0	\$302,800	\$0
TRUST LANDS ADMINISTRATION FY 2007 CAPITAL BUDGET						
Base Budget						
M198 FY 2006 appropriated budget	\$0	\$0	\$0	\$0	\$5,000,000	\$0
Total FY 2007 Trust Lands Admin. Capital Base Budgets	0	0	0	0	5,000,000	0
Ongoing Adjustments						
M199 Capital improvements	0	0	0	0	3,800,000	0
<i>Subtotal Ongoing Capital Adjustments - Trust Lands Administration</i>	0	0	0	0	3,800,000	0
Total FY 2007 Trust Lands Administration Capital Adjustments	0	0	0	0	3,800,000	0
Total FY 2007 Trust Lands Administration Capital Budget	\$0	\$0	\$0	\$0	\$8,800,000	\$0
TRUST LANDS ADMINISTRATION FY 2006 CAPITAL BUDGET ADJUSTMENTS						
Supplemental Adjustments						
M100 Capital improvements	\$0	\$0	\$0	\$0	\$2,700,000	\$0
<i>Subtotal Supplemental Capital Adjustments - Trust Lands Administration</i>	0	0	0	0	2,700,000	0
Total FY 2006 Trust Lands Administration Capital Adjustments	\$0	\$0	\$0	\$0	\$2,700,000	\$0
PUBLIC LANDS POLICY COORDINATING OFFICE FY 2007 OPERATING BUDGET ADJUSTMENTS						
Beginning Base Budget						
M101 FY 2006 appropriated budget	\$697,700	\$0	\$0	\$0	\$2,013,700	\$550,000
M102 Adjustments for one-time FY 2006 appropriations	(20,000)	0	0	0	0	0
M103 Adjustments to funding levels	0	0	0	0	0	(550,000)
Total Beginning Base Budget - Public Lands	677,700	0	0	0	2,013,700	0

NATURAL RESOURCES - CONTINUED

Statewide Ongoing Adjustments									
	General Fund	Federal Funds	Dedicated Credits	Mineral Lease	Restricted Funds	Other Funds	Total Funds		
M104 Cost-of-living adjustments of 2.5%	11,300	0	0	0	7,500	0	18,800		
M105 Discretionary salary increase funding	9,000	0	0	0	6,000	0	15,000		
M106 Human resources consolidation adjustments	2,200	0	0	0	1,400	0	3,600		
M107 Health insurance rate adjustments	4,600	0	0	0	3,100	0	7,700		
M108 Termination pool rate adjustments	16,200	0	0	0	10,800	0	27,000		
M109 Retirement rate adjustments	2,600	0	0	0	1,700	0	4,300		
<i>Subtotal Statewide Ongoing Adjustments - Public Lands</i>	<i>45,900</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>30,500</i>	<i>0</i>	<i>76,400</i>		
Total FY 2007 Public Lands Adjustments	45,900	0	0	0	30,500	0	76,400		
Total FY 2007 Public Lands Operating Budget	\$723,600	\$0	\$0	\$0	\$2,044,200	\$0	\$2,767,800		
WILDLAND FIRE SUPPRESSION FUND FY 2006 OPERATING BUDGET ADJUSTMENTS									
Supplemental Adjustments									
M110 Replenish Wildland Fire Suppression Fund	\$4,000,000	\$0	\$0	\$0	\$0	\$0	\$4,000,000		
<i>Subtotal Supplemental Adjustments - Wildland Fire Supp. Fund</i>	<i>4,000,000</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>4,000,000</i>		
Total FY 2006 Wildland Fire Supp. Fund Budget Adjustments	\$4,000,000	\$0	\$0	\$0	\$0	\$0	\$4,000,000		
NATURAL RESOURCES TOTALS									
FY 2007 Operating Base Budget	\$45,620,600	\$30,227,100	\$13,078,500	\$2,045,100	\$61,951,800	\$1,929,500	\$154,852,600		
FY 2007 Operating Ongoing and One-time Adjustments	4,376,100	1,381,300	357,500	0	5,345,600	0	11,460,500		
FY 2007 Operating Recommendation	49,996,700	31,608,400	13,436,000	2,045,100	67,297,400	1,929,500	166,313,100		
FY 2006 Operating Adjustments	12,954,000	0	0	0	903,800	0	13,857,800		
FY 2007 Capital Base Budget	2,476,500	12,720,300	25,000	0	6,880,000	(982,300)	21,119,500		
FY 2007 Capital Ongoing and One-time Adjustments	3,150,000	0	0	0	3,800,000	0	6,950,000		
FY 2007 Capital Recommendation	5,626,500	12,720,300	25,000	0	10,680,000	(982,300)	28,069,500		
FY 2006 Capital Adjustments	167,000	0	0	0	2,700,000	0	2,867,000		

PUBLIC EDUCATION

Phillip Jeffery, Analyst



AGENCY BUDGET OVERVIEW

PUBLIC EDUCATION AGENCIES INCLUDE:

- Utah State Office of Education
- Utah State Office of Rehabilitation
- Utah Schools for the Deaf and the Blind
- Minimum School Program

Mission: *Provide opportunities for each student to be literate and to possess the basic knowledge and life skills necessary to become a contributing citizen*

MAJOR ACCOMPLISHMENTS AND SERVICES

(Headings include funding in Governor's Recommendations)

Minimum School Program - \$2.5 billion

- Funds 524,680 projected students in K-12th grade
- While academic targets in both math and language arts were raised, 92 percent of Utah's public schools either made the federal No Child Left Behind's standard of adequate yearly progress or missed in only one category.

State Office of Education - \$243.3 million

- Acts as the fiduciary agent in disbursing \$205 million federal funding to local school districts
- Reviews and sets curriculum guidelines for all public education students
- Produces individual student profile reports for the first time, that show all state assessments the student participated in within the past school year.

Child Nutrition Programs - \$118.7 million

- Provides leadership, technical assistance and practical advice for implementing and administering the school lunch and breakfast programs at the local level
- Served over 49.5 million lunches across the state at an average price below \$1.75 per meal

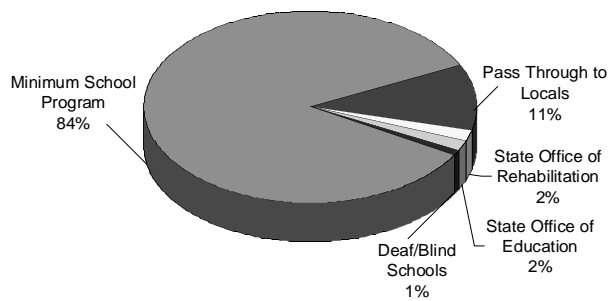
Utah State Office of Rehabilitation - \$58.7 million

- Placed 3,109 individuals with disabilities into employment with a 500 percent increase in the weekly earnings after vocational rehabilitation services
- The Division of Disability Determination Services adjudicated 17,655 cases to determine eligibility for Social Security Disability Insurance or Supplemental Security Income for the Social Security Administration with a 95 percent accuracy rate.

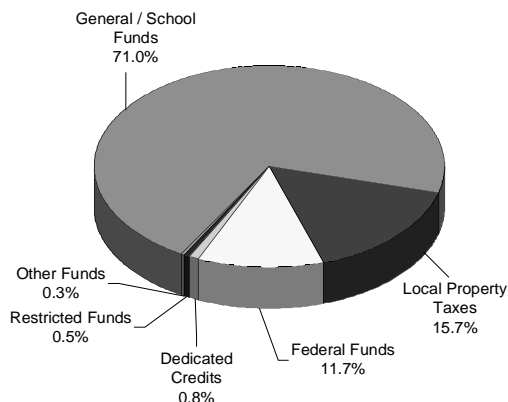
Utah Schools for the Deaf and Blind - \$26.4 million

- Provided educational and life services to 1,882 students in various settings across the state
- Braille and Large Print Production produced over 35,849 pages of Braille and 14,626 pages of large print documents and textbooks to assist students across the state.

Where Will My Taxes and Fees Go for Public Education?
(Total FY 2007 Funding is \$2,997,915,200)



Financing of Public Education Agencies
(Based on FY 2007 Recommendations)



RECOMMENDATIONS: GOVERNOR'S GOALS AND INITIATIVES

(See itemized table for full list of recommendations)

Governor's Education Initiative to enhance student achievement

- Begin the phase-in of a voluntary full-day kindergarten grant program targeting at-risk students with \$7,000,000 in ongoing Uniform School Fund (USF)
- Assist all 4th-6th grade students to prepare for advanced mathematics by funding a \$10,000,000 USF math initiative that assists all 4th-6th grade teachers in receiving an elementary math endorsement
- Allow students to continue improving their reading skills by replacing one-time funding for the Reading Program implemented in FY 2005 with \$2,500,000 in ongoing USF
- Fund remediation support for students most likely to fail the Utah Basic Skills Competency Test with \$2,000,000 one-time USF

Enhance the use of technology in schools

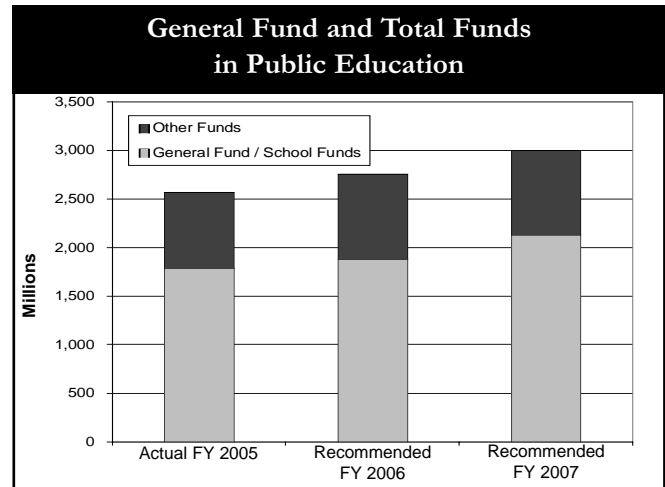
- Facilitate the replacement of a portion of school computers with a \$10,000,000 one-time appropriation for education technology; over 38 percent are more than four years old
- Support the Utah Performance Assessment System for Students (U-PASS) online testing program with \$10,000,000 one-time in USF for online testing infrastructure

Utah State Office of Education

- Provide an assistant internal auditor for the Utah State Board of Education to help with efforts in monitoring activities in public education with \$70,000 in ongoing USF
- Assist local districts with understanding and using the U-PASS data to improve student achievement with \$3,456,900 in ongoing USF

Maintain services for physically challenged students

- Fund market-level pay for interpreters with \$200,000 in ongoing USF to alleviate the limited supply of qualified interpreters
- Assist disabled high schools students in the transition to work with \$612,000 ongoing USF for six additional counselors
- Build a replacement for the leased Connor Street facility with \$10,760,000 supplemental USF to accommodate student growth

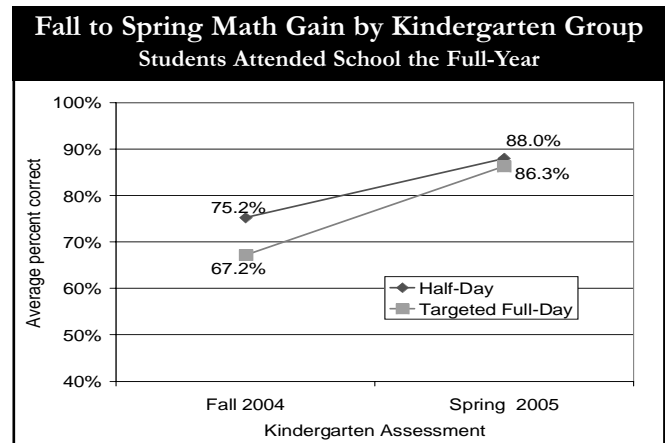


National Assessment Education Progress (NAEP) 2005 Mathematics Results

	Fourth Grade		Eighth Grade	
	Utah	U.S.	Utah	U.S.
All Students	239	238	279	279
White	242	246	283	289
Black	*	220	*	255
Hispanic	220	226	255	262
Asian/Pacific Islander	235	251	273	295
Amer. Indian/ Alaska Native	*	226	*	264

** Sample size was insufficient to permit reliable estimates*

While Utah is similar to national averages in the All Students category, the weighting by race and ethnicity places Utah behind in every subgroup.



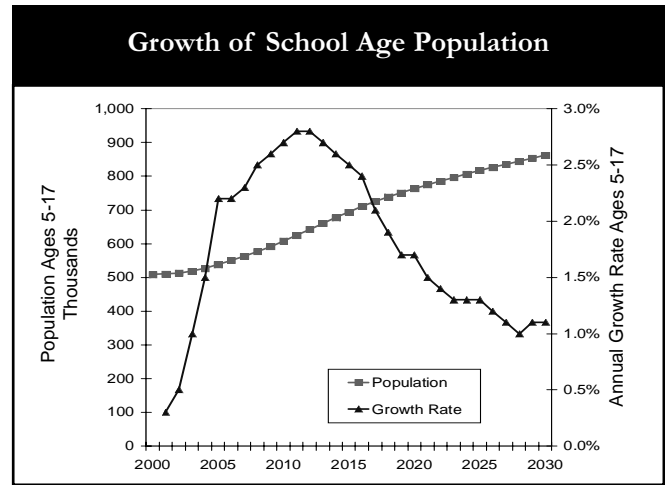
Source: Salt Lake City School District

RECOMMENDATIONS: GOVERNOR'S GOALS AND INITIATIVES

(See itemized table for full list of recommendations)

Fund student and cost growth

- Increase the WPU \$109,930,000 (5.5 percent) to fund inflation and compensation increases
- Increase funding for Pupil Transportation with \$4,500,000 ongoing USF to cover cost increases in fuel and school buses
- Fully fund projected enrollment growth of 14,668 students for FY 2007 and unexpected FY 2006 growth of 4,612 with an increase of \$63,438,100 in ongoing USF
- Reinstate the \$903,000 in special education funding previously cut by the passage of the Carson Smith Scholarships bill and provide \$690,000 in one-time General Fund to provide scholarships for FY 2007



Source: 2005 Baseline Projections, Governor's Office of Planning and Budget

INTERNAL SERVICE FUNDS

Public education includes a general services internal service fund (ISF) that provides printing services to the divisions within the department on a cost-reimbursement basis. For FY 2007 the governor recommends full-time equivalent employees (FTE) and capital outlay authorizations for the public education ISF as indicated on the following table.

ISF Description	Estimated Revenue	FTE Recommended	Capital Outlay Recommended
General Services	\$1,061,600	8.0	\$22,000

PUBLIC EDUCATION

Operating Budget

Governor Huntsman's Recommendations						
	Actual FY 2005	Authorized FY 2006	Supple- mentals	Recommended FY 2006	Base FY 2007	Ongoing and One-time Adj. Total FY 2007
Plan of Financing						
General Fund	\$1,654,900	\$2,840,800	\$0	\$2,840,800	\$254,900	\$1,056,900
School Funds	1,786,390,900	1,870,055,100	5,583,000	1,875,638,100	1,855,210,600	2,126,022,600
Federal Funds	344,665,100	347,946,900	0	347,946,900	347,607,700	349,419,400
Dedicated Credits	25,543,400	24,058,100	0	24,058,100	24,817,100	24,976,600
Mineral Lease	1,932,700	2,058,700	0	2,058,700	2,001,900	2,058,700
Restricted and Trust Funds	1,462,000	10,586,100	4,066,100	14,652,200	10,586,100	15,591,400
Transfers	7,471,600	7,567,700	0	7,567,700	7,554,800	7,903,300
Beginning Balances	28,473,700	40,835,200	0	40,835,200	9,885,600	9,885,600
Closing Balances	(40,835,200)	(9,885,600)	0	(9,885,600)	(9,804,000)	(9,804,000)
Lapsing Funds	(6,192,000)	0	0	0	0	0
Local Property Tax	417,709,600	446,802,000	0	446,802,000	446,802,000	470,804,700
Total Financing	\$2,568,276,700	\$2,742,865,000	\$9,649,100	\$2,752,514,100	\$2,694,916,700	\$2,997,915,200
Programs						
Public Education						
State Office of Education	\$238,684,500	\$237,399,400	\$0	\$237,399,400	\$234,385,200	\$243,323,500
State Charter School Board	0	9,804,800	0	9,804,800	7,004,500	7,029,300
State Office of Rehabilitation	53,954,500	55,704,400	0	55,704,400	55,321,800	58,737,600
Schools for Deaf and Blind	23,415,500	24,898,700	500,000	25,398,700	24,481,900	26,441,900
USDB - Institutional Council	373,800	693,800	0	693,800	409,600	433,000
Science and the Arts	3,299,000	3,309,000	0	3,309,000	2,979,000	3,128,000
Education Contracts	3,854,800	3,854,800	0	3,854,800	3,854,800	3,854,800
Nutrition Programs	118,490,300	118,521,700	0	118,521,700	118,515,900	118,653,100
Minimum School Program	2,112,724,100	2,274,627,700	5,083,000	2,279,710,700	2,233,925,300	2,517,041,500
Trust Fund Interest to Schools	9,701,300	9,920,000	4,066,100	13,986,100	9,920,000	14,920,000
Indirect Cost Pool	3,778,900	4,130,700	0	4,130,700	4,118,700	4,352,500
Total Budget	\$2,568,276,700	\$2,742,865,000	\$9,649,100	\$2,752,514,100	\$2,694,916,700	\$2,997,915,200
% Change from Authorized FY 2006 to Total FY 2007						
FTE Positions		1,141.2	0.0	1,141.2	1,152.3	9.3%
					10.5	1,162.8

PUBLIC EDUCATION

Capital Budget

Governor Huntsman's Recommendations						
	Actual FY 2005	Authorized FY 2006	Supple- mentals	Recommended FY 2006	Base FY 2007	Ongoing and One-time Adj.
Plan of Financing						Total FY 2007
School Funds	\$27,288,900	\$32,288,900	\$12,860,000	\$45,148,900	\$27,288,900	\$5,000,000
Total Financing	\$27,288,900	\$32,288,900	\$12,860,000	\$45,148,900	\$27,288,900	\$5,000,000
Projects						\$32,288,900
Capital Outlay Program	\$24,358,000	\$24,358,000	\$0	\$24,358,000	\$24,358,000	\$0
Enrollment Growth Program	2,930,900	7,930,900	0	7,930,900	2,930,900	5,000,000
New Century High Schools Start-up Funds	0	0	2,100,000	2,100,000	0	0
USDB Connor Street Replacement	0	0	10,760,000	10,760,000	0	0
Total Budget	\$27,288,900	\$32,288,900	\$12,860,000	\$45,148,900	\$27,288,900	\$5,000,000
% Change from Authorized FY 2006 to Total FY 2007						0.0%

MINIMUM SCHOOL PROGRAM FY 2007

	Appropriation H.B. 3 and 382 FY 2006		Governor Recommends FY 2007		Difference FY 2006 - FY 2007	
	FY 2006 WPU's @	\$2,280	FY 2007 WPU's @	\$2,405	\$ Amount	WPU Percent 5.5%
Plan of Financing						
Local Revenue						
1. Basic Levy		\$225,872,138		\$232,483,090	\$6,610,952	2.93%
2. Voted Leeway		162,172,538		175,340,351	13,167,813	8.12%
3. Board Leeway		43,757,326		47,981,239	4,223,913	9.65%
4. Board Leeway - Reading Program		15,000,000		15,000,000	0	0.00%
Total Local Contribution		\$446,802,002		\$470,804,680	\$24,002,678	5.37%
State Revenue						
1. Uniform School Fund		\$1,784,623,275		\$2,018,157,800	\$233,534,525	13.09%
2. Uniform School Fund School Building Aid		27,288,900		27,288,900	0	0.00%
3. Uniform School Fund One-time		13,079,000		33,079,000	20,000,000	152.92%
4. Permanent Trust Fund Interest to Local Schools		9,920,000		14,920,000	5,000,000	50.40%
Subtotal - Minimum School Program Act		\$1,834,911,175		\$2,093,445,700	\$258,534,525	14.09%
Other Bills						
1. Public Education Job Enhancement Program - HB 188		\$5,000,000 (a)		\$0	(\$5,000,000)	(100.00%)
Subtotal Other Bills		\$5,000,000		\$0	(\$5,000,000)	(100.00%)
Total Revenue		\$2,286,713,177		\$2,564,250,380	\$277,537,203	12.14%
Programs						
A. Regular Basic School Programs						
1. Kindergarten	22,365	\$50,992,200	23,680	\$56,950,400	\$5,958,200	11.68%
2. Grades 1-12	445,146	1,014,932,880	462,579	1,112,502,495	97,569,615	9.61%
3. Necessarily Existent Small Schools	7,798	17,779,440	7,649	18,395,845	616,405	3.47%
4. Professional Staff	43,541	99,273,480	43,909	105,601,145	6,327,665	6.37%
5. Administrative Costs	1,662	3,789,360	1,629	3,917,745	128,385	3.39%
6. Charter School Administrative Costs	0	0	890	2,140,450	2,140,450	100.00%
Total Regular Basic School Programs	520,512	\$1,186,767,360	540,336	\$1,299,508,080	\$112,740,720	9.50%
B. Restricted Basic School Programs						
1. Special Education--Regular Program						
a. Special Education Add-On WPU's	54,858	\$125,076,240	56,413	\$135,673,265	\$10,597,025	8.47%
b. Self-Contained Regular WPU's	12,719	28,999,320	13,301	31,988,905	2,989,585	10.31%
2. Special Education Pre-School	7,241	16,509,480	8,158	19,619,990	3,110,510	18.84%
3. Extended Year Program for Severely Disabled	357	813,960	367	882,635	68,675	8.44%
4. Special Education--State Programs	1,402	3,196,560	1,984	4,771,520	1,574,960	49.27%
5. Applied Technology Education						
a. Applied Technology Education--District	24,098	54,943,440	25,629	61,637,745	6,694,305	12.18%
b. Applied Technology--District Set Aside	1,030	2,348,400	1,060	2,549,300	200,900	8.55%
6. Class Size Reduction	30,773	70,162,440	31,665	76,154,325	5,991,885	8.54%
Total Restricted Basic School Programs	132,478	\$302,049,840	138,577	\$333,277,685	\$31,227,845	10.34%
Total Basic School Program	652,990	\$1,488,817,200	678,913	\$1,632,785,765	\$143,968,565	9.67%

C. Related to Basic Program							
1. Social Security and Retirement	\$272,224,533	\$309,351,129	\$37,126,596	13.64%			
2. Pupil Transportation to and from school	59,058,267	66,806,472	7,748,205	13.12%			
3. Transportation Levy Guarantee	500,000	500,000	0	0.00%			
4. Local Discretionary Block Grant	21,820,748	21,820,748	0	0.00%			
5. Interventions for Student Success Block Grant	15,842,347	16,713,676	871,329	5.50%			
6. Quality Teaching Block Grant	59,428,023	62,696,564	3,268,541	5.50%			
7. Math/Science Recruitment and Retention	2,500,000	2,500,000	0	0.00%			
Total Related to Basic Program	\$431,373,918	\$480,388,589	\$49,014,671	11.36%			
D. Categorical Programs							
1. Highly Impacted Schools	\$5,123,207	\$5,123,207	\$0	0.00%			
2. Full-day Kindergarten	0	7,000,000	7,000,000	100.00%			
3. At-Risk Programs	26,557,600	28,018,268	1,460,668	5.50%			
4. Adult Education	7,630,805	8,050,499	419,694	5.50%			
5. Accelerated Learning Programs	8,999,293	11,825,954	2,826,661	31.41%			
Total Categorical Programs	\$48,310,905	\$60,017,928	\$11,707,023	24.23%			
E. Special Purpose Programs							
1. Reading Achievement Program	\$12,500,000	\$15,000,000	\$2,500,000	20.00%			
2. 4 th -6 th Grade Math Initiative	0	10,000,000	10,000,000	100.00%			
3. Electronic High School	1,000,000	1,300,000	300,000	30.00%			
4. Permanent Trust Fund Interest to Local Schools	9,920,000	14,920,000	5,000,000	50.40%			
5. Charter Schools Local Replacement Funding	12,559,950	20,559,950	8,000,000	63.69%			
6. Charter Schools Local Replacement Funding formula change	0	3,190,000	3,190,000	100.00%			
Total Special Purpose Programs	\$35,979,950	\$64,969,950	\$28,990,000	80.57%			
F. Board and Voted Leeway Programs							
1. Voted Leeway Program	\$175,975,385	\$196,068,649	\$20,093,264	11.42%			
2. Board Leeway Program	48,387,919	54,651,552	6,263,633	12.94%			
3. Board Leeway Reading Program	15,000,000	15,000,000	0	0.00%			
Total Board and Voted Leeway Programs	\$239,363,304	\$265,720,201	\$26,356,897	11.01%			
G. School Building Aid Program							
1. Capital Outlay Equalization Program	\$24,358,000	\$24,358,000	\$0	0.00%			
2. Enrollment Growth Program	2,930,900	2,930,900	0	0.00%			
Total School Building Aid Program	\$27,288,900	\$27,288,900	\$0	0.00%			
H. One-time Appropriations							
1. Classroom supplies	\$6,079,000	\$6,079,000	\$0	0.00%			
2. Utah Basic Skills Competency Test remediation	0	2,000,000	2,000,000	100.00%			
3. U-PASS online testing technology	2,500,000	0	(2,500,000)	(100.00%)			
4. Enrollment Growth Program	5,000,000	5,000,000	0	0.00%			
5. PEJEP Math/Science Teacher Incentives	2,000,000	0	(2,000,000)	(100.00%)			
6. Education Technology Initiative	0	10,000,000	10,000,000	100.00%			
7. Online testing infrastructure	0	10,000,000	10,000,000	100.00%			
Total One-time Appropriations	\$15,579,000	\$33,079,000	\$17,500,000	112.33%			
Total Minimum School Program	\$2,286,713,177	\$2,564,250,333	\$277,537,156	12.14%			

(a) \$2,500,000 in ongoing USF and \$2,500,000 one-time USF (House Bill 382 reduced amount by \$500,000 in one-time USF).

PUBLIC EDUCATION

PUBLIC EDUCATION FY 2007 OPERATING BUDGET									
Beginning Base Budget									
	General Fund	School Funds	Federal Funds	Dedicated Credits	Other Funds	Property Tax Funds	Total Funds		
N1 FY 2006 appropriated budget	\$2,840,800	\$1,870,055,100	\$315,620,700	\$23,933,300	\$14,901,200	\$446,802,000	\$2,674,153,100		
N2 Adjustments for one-time FY 2006 appropriations	(2,585,900)	(14,725,000)	0	0	0	0	(17,310,900)		
N3 Adjustments for extra working day	0	(119,500)	(36,200)	(4,400)	(11,800)	0	(171,900)		
N4 Adjustments to funding levels	0	0	32,023,200	888,200	5,335,000	0	38,246,400		
Total Beginning Base Budget - Public Education	254,900	1,855,210,600	347,607,700	24,817,100	20,224,400	446,802,000	2,694,916,700		
Statewide Ongoing Adjustments									
N5 Cost-of-living adjustments of 2.5%	0	597,000	476,000	35,800	116,500	0	1,225,300		
N6 Discretionary salary increase funding	0	375,000	370,400	20,800	85,400	0	851,600		
N7 Internal service fund adjustments	0	74,000	35,000	3,400	1,500	0	113,900		
N8 Human resources consolidation adjustments	0	15,300	28,000	1,300	6,400	0	51,000		
N9 Health insurance rate adjustments	0	512,800	331,500	42,400	30,100	0	916,800		
N10 Termination pool rate adjustments	0	771,600	455,500	40,300	122,000	0	1,389,400		
N11 Retirement rate adjustments	0	190,500	115,300	10,400	32,600	0	348,800		
<i>Subtotal Statewide Ongoing Adjustments - Public Education</i>	<i>0</i>	<i>2,536,200</i>	<i>1,811,700</i>	<i>154,400</i>	<i>394,500</i>	<i>0</i>	<i>4,896,800</i>		
Ongoing Adjustments									
Minimum School Program									
N12 Full-day Kindergarten for at-risk students	0	7,000,000	0	0	0	0	7,000,000		
N13 4 th - 6 th grade math initiative	0	10,000,000	0	0	0	0	10,000,000		
N14 Enrollment growth	0	63,438,100	0	0	0	0	63,438,100		
N15 Reinstated Carson Smith Scholarship funding reduction	0	903,000	0	0	0	0	903,000		
N16 Charter Schools Local Replacement Funding growth	0	8,000,000	0	0	0	0	8,000,000		
N17 WPU increase of 5.5%	0	109,930,000	0	0	0	0	109,930,000		
N18 Reading Achievement Program	0	2,500,000	0	0	0	0	2,500,000		
N19 Pupil Transportation	0	4,500,000	0	0	0	0	4,500,000		
N20 Retirement rate change	0	11,144,900	0	0	0	0	11,144,900		
N21 Concurrent Enrollment	0	2,331,700	0	0	0	0	2,331,700		
N22 Electronic High School	0	300,000	0	0	0	0	300,000		
N23 Special education high cost funding	0	1,301,100	0	0	0	0	1,301,100		
N24 Charter Schools Local Replacement Funding formula change	0	3,190,000	0	0	0	0	3,190,000		
N25 Charter schools administration funding formula	0	2,140,500	0	0	0	0	2,140,500		
N26 Career and Technical Education add-on increase	0	2,001,000	0	0	0	0	2,001,000		
N27 Permanent Trust Fund Interest to Local Schools	0	0	0	0	5,000,000	0	5,000,000		
N28 Basic Levy property tax offset	0	(6,611,000)	0	0	0	6,611,000	0		
N29 Board and Voted Leeways tax offset	0	(671,800)	0	0	0	17,391,700	16,719,900		
N30 Board and Voted Leeways state guarantee	0	9,637,000	0	0	0	0	9,637,000		

PUBLIC EDUCATION - CONTINUED

	General Fund	School Funds	Federal Funds	Dedicated Credits	Other Funds	Property Tax Funds	Total Funds
Utah State Office of Education							
N31 U-PASS support	0	3,456,900	0	0	0	0	3,456,900
N32 Carson Smith Scholarship administration	112,000	0	0	0	0	0	112,000
N33 Utah State School Board assistant internal auditor	0	70,000	0	0	0	0	70,000
N34 Teacher quality/educator licensing	0	113,000	0	0	0	0	113,000
N35 Alternative route to licensure	0	267,000	0	0	0	0	267,000
N36 Market adjustment for education specialists	0	306,000	0	0	0	0	306,000
Utah State Office of Rehabilitation							
N37 Transition to employment counselors	0	612,000	0	0	0	0	612,000
N38 Benefit planning assistance - 2 FTEs	0	158,400	0	0	0	0	158,400
N39 Building operations and case manager assistant	0	115,000	0	0	0	0	115,000
Utah Schools for the Deaf and Blind							
N40 Pupil transportation	0	300,000	0	0	0	0	300,000
N41 Teacher salary adjustments	0	215,900	0	0	0	0	215,900
N42 Step and lane increases for teachers	0	191,600	0	5,100	16,100	0	212,800
N43 Interpreter pay support	0	200,000	0	0	0	0	200,000
Fine Arts and Science							
N44 Fine Arts and Science provider increase	0	149,000	0	0	0	0	149,000
<i>Subtotal Ongoing Adjustments - Public Education</i>	<i>112,000</i>	<i>237,189,300</i>	<i>0</i>	<i>5,100</i>	<i>5,016,100</i>	<i>24,002,700</i>	<i>266,325,200</i>
One-time Adjustments							
Minimum School Program							
N45 Educational Technology Initiative (ETI)	0	10,000,000	0	0	0	0	10,000,000
N46 Teacher supplies and materials	0	6,079,000	0	0	0	0	6,079,000
N47 Online testing infrastructure	0	10,000,000	0	0	0	0	10,000,000
N48 UB SCT remediation support	0	2,000,000	0	0	0	0	2,000,000
Utah State Office of Education							
N49 Purchase of fiscal information system	0	1,500,000	0	0	0	0	1,500,000
N50 Writing improvement software pilot - second year	0	1,007,500	0	0	0	0	1,007,500
N51 Carson Smith Scholarships	690,000	0	0	0	0	0	690,000
Utah State Office of Rehabilitation							
N52 Assistive technology	0	500,000	0	0	0	0	500,000
<i>Subtotal One-time Adjustments - Public Education</i>	<i>690,000</i>	<i>31,086,500</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>31,776,500</i>
Total FY 2007 Public Education Adjustments	802,000	270,812,000	1,811,700	159,500	5,410,600	24,002,700	302,998,500
Total FY 2007 Public Education Operating Budget	\$1,056,900	\$2,126,022,600	\$349,419,400	\$24,976,600	\$25,635,000	\$470,804,700	\$2,997,915,200

PUBLIC EDUCATION - CONTINUED

PUBLIC EDUCATION FY 2006 OPERATING BUDGET ADJUSTMENTS									
	General Fund	School Funds	Federal Funds	Dedicated Credits	Other Funds	Property Tax Funds	Total Funds		
Supplemental Adjustments									
Minimum School Program									
N33 Pupil Transportation	\$0	\$5,000,000	\$0	\$0	\$0	\$0	\$5,000,000		
N34 Local district support for Carson Smith Scholarships	0	83,000	0	0	0	0	83,000		
N35 Permanent Trust Fund Interest to Local Schools	0	0	0	0	4,066,100	0	4,066,100		
Utah Schools for the Deaf and Blind									
N36 Pupil transportation	0	500,000	0	0	0	0	500,000		
<i>Subtotal Supplemental Adjustments - Public Education</i>	0	5,583,000	0	0	4,066,100	0	9,649,100		
Total FY 2006 Public Education Budget Adjustments	\$0	\$5,583,000	\$0	\$0	\$4,066,100	\$0	\$9,649,100		
PUBLIC EDUCATION FY 2007 CAPITAL BUDGET									
Base Budget									
N37 FY 2006 appropriated budget	\$0	\$32,288,900	\$0	\$0	\$0	\$0	\$32,288,900		
N38 Adjustments for one-time FY 2006 appropriations	0	(5,000,000)	0	0	0	0	(5,000,000)		
Total FY 2007 Public Education Capital Base Budget	0	27,288,900	0	0	0	0	27,288,900		
One-time Adjustments									
Minimum School Program									
N39 Enrollment growth program	0	5,000,000	0	0	0	0	5,000,000		
<i>Subtotal One-time Capital Adjustments - Public Education</i>	0	5,000,000	0	0	0	0	5,000,000		
Total FY 2006 Public Education Capital Adjustments	0	5,000,000	0	0	0	0	5,000,000		
Total FY 2007 Public Education Capital Budget	\$0	\$32,288,900	\$0	\$0	\$0	\$0	\$32,288,900		
PUBLIC EDUCATION FY 2006 CAPITAL BUDGET ADJUSTMENTS									
Supplemental Adjustments									
Minimum School Program									
N60 New Century High Schools start-up funding	\$0	\$2,100,000	\$0	\$0	\$0	\$0	\$2,100,000		
Utah Schools for the Deaf and Blind									
N61 New building to replace Connor Street lease	0	10,760,000	0	0	0	0	10,760,000		
<i>Subtotal Supplemental Capital Adjustments - Public Education</i>	0	12,860,000	0	0	0	0	12,860,000		
Total FY 2006 Public Education Capital Supplementals	\$0	\$12,860,000	\$0	\$0	\$0	\$0	\$12,860,000		

PUBLIC EDUCATION - CONTINUED

PUBLIC EDUCATION TOTALS							
	General Fund	School Funds	Federal Funds	Dedicated Credits	Other Funds	Property Tax Funds	Total Funds
FY 2007 Operating Base Budget	\$254,900	\$1,855,210,600	\$347,607,700	\$24,817,100	\$20,224,400	\$446,802,000	\$2,694,916,700
FY 2007 Operating Ongoing and One-time Adjustments	802,000	270,812,000	1,811,700	159,500	5,410,600	24,002,700	302,998,500
FY 2007 Operating Recommendation	1,056,900	2,126,022,600	349,419,400	24,976,600	25,635,000	470,804,700	2,997,915,200
FY 2006 Operating Adjustments	0	5,583,000	0	0	4,066,100	0	9,649,100
FY 2007 Capital Base Budget	0	27,288,900	0	0	0	0	27,288,900
FY 2006 Capital Ongoing and One-time Adjustments	0	5,000,000	0	0	0	0	5,000,000
FY 2007 Capital Recommendation	0	32,288,900	0	0	0	0	32,288,900
FY 2006 Capital Adjustments	0	12,860,000	0	0	0	0	12,860,000

PUBLIC SAFETY

Richard Amon, Analyst

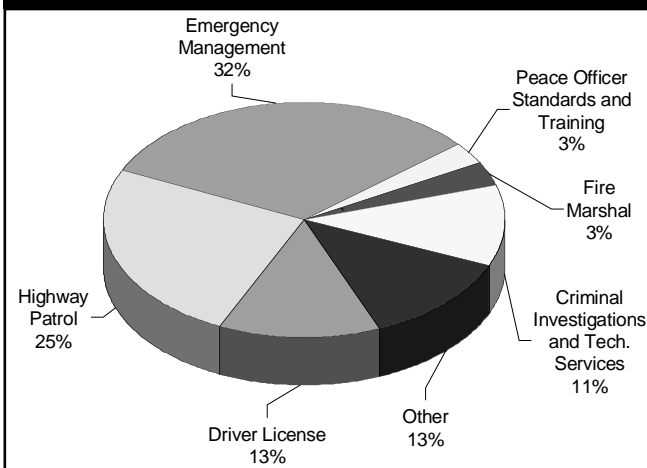


AGENCY BUDGET OVERVIEW

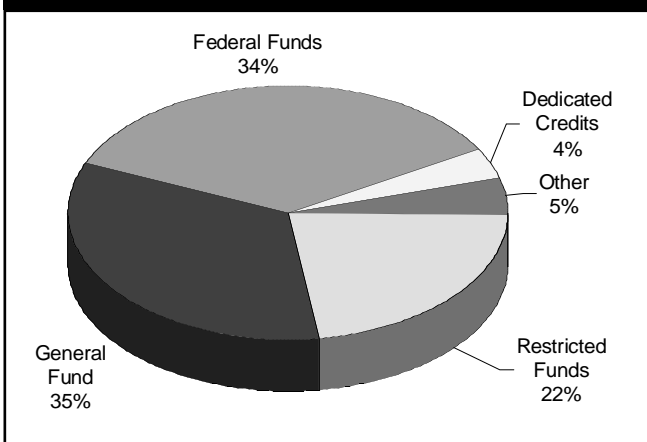
PUBLIC SAFETY

Mission: To promote and protect the safety and well-being of the citizens of the State of Utah and to protect the constitutional rights of all people in Utah

Where Will My Taxes and Fees Go for Public Safety?
(Total FY 2007 Funding is \$172,191,100)



Financing of Public Safety
(Based on FY 2007 Recommendations)



MAJOR ACCOMPLISHMENTS AND SERVICES

(Headings include funding in Governor's Recommendations)

Emergency Management - \$53.4 million

- Responded to flood crisis in Washington County
- Trained over 21,000 citizens in emergency preparedness

Utah Highway Patrol (UHP) - \$43.5 million

- Reduced the number of traffic fatalities in Utah by 17 percent over the last five years
- Seized over 2,400 pounds of illegal drugs, \$211,000 in cash, and seven guns

Driver License - \$22.3 million

- Issued over 550,000 licenses

Criminal Investigations - \$19.5 million

- Performed 136,500 fingerprint background checks
- Issued 9,600 concealed weapons permits

Fire Marshal - \$5.4 million

- Inspected 1,500 state-owned buildings, schools, hospitals, and other facilities for compliance with fire code

Peace Officer Standards and Training (POST) - \$5.3 million

- Graduated over 160 officers to work in local, state, and county agencies

Other - \$22.8 million

- Commissioner's Office
- Highway Safety
- Liquor Law Enforcement
- Management Information Systems

RECOMMENDATIONS: GOVERNOR'S GOALS AND INITIATIVES

(See itemized table for full list of recommendations)

Increase staffing levels to meet increased workloads

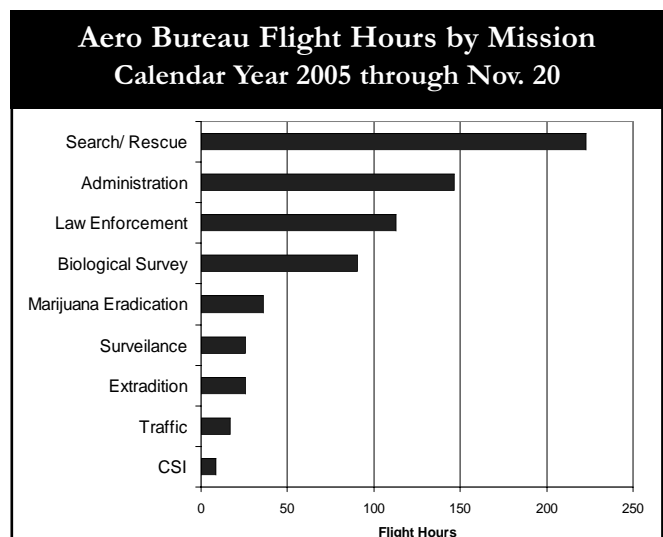
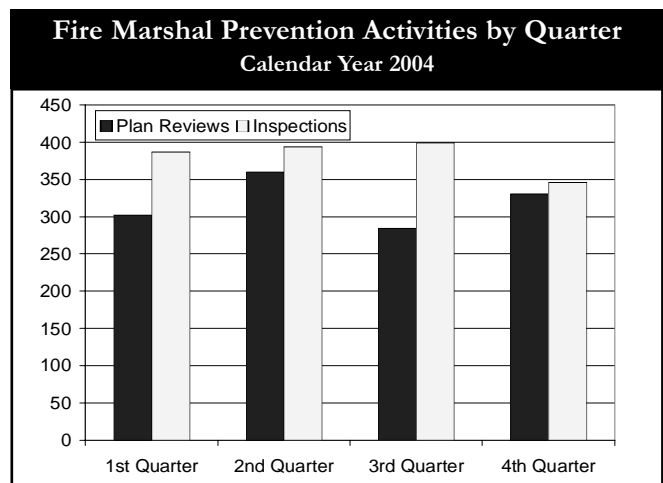
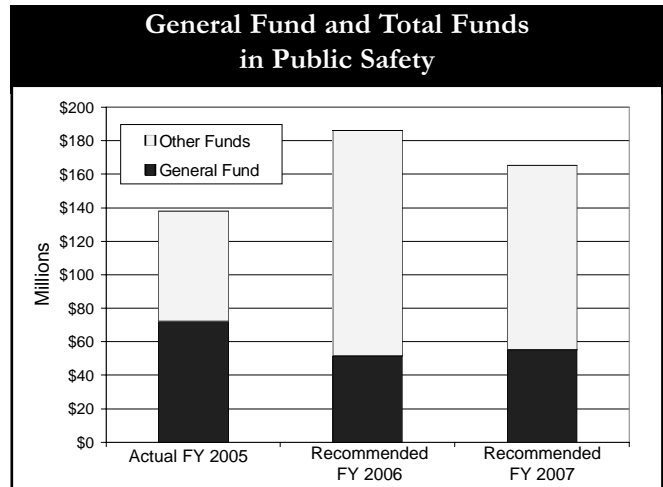
- Enable UHP to respond to contingent circumstances and emergency events in a timely and cost effective manner with \$1,324,300 ongoing and \$1,324,300 supplemental General Fund for trooper overtime
- Augment the Bureau of Criminal Investigations with four new full-time equivalents with \$136,800 ongoing General Fund
- Leverage resources for the Fire Marshal by providing \$55,900 ongoing restricted funds for rural special deputy state fire marshal contracts, a part-time deputy state fire marshal, and an office secretary

Equip law enforcement personnel to promote and protect the safety of the people of Utah

- Maintain Homeland Security interoperable communications connections statewide with \$650,000 ongoing General Fund
- Repair, maintain, and fuel Aero Bureau helicopters and aircraft using \$269,400 one-time General Fund and \$74,900 supplemental General Fund
- Replace antiquated UHP laptops with \$750,000 supplemental General Fund

Provide adequate facilities for Peace Officer training and work

- Increase the UHP budget by the amount of lease increases with \$148,100 ongoing and \$40,000 supplemental General Fund
- Provide furnishings and fixtures with \$1,115,800 one-time and \$320,500 supplemental General Fund for Larry H. Miller's donation of the \$20,000,000 POST academy training facility



PROPOSED LEGISLATIVE INTENT LANGUAGE

FY 2007 Proposed Legislative Intent

- DPS may increase its fleet if funding is provided through federal aid or other sources for special programs or projects. Vehicles purchased under this intent language will not be eligible for replacement using General Fund borrowing capacity held by the State Division of Fleet Operations. Any expansion vehicle purchase during the interim under this intent language shall be reported to the legislative fiscal analyst.
- DPS may continue with the consolidated line items of appropriation in Programs and Operations (which include: Commissioner's Office, Highway Patrol, Criminal Investigation and Technology

Services, Management Information Systems, and Fire Marshal) to assist with mitigation of base budget reductions.

- Funding sources within DPS are nonlapsing. These include Programs and Operations, Emergency Services and Homeland Security, Peace Officer Standards and Training, Liquor Law Enforcement, Driver License and Highway Safety.
- Receipts above the appropriated dedicated credit amounts for DPS are nonlapsing.
- Funds appropriated for equipping fleet vehicles are nonlapsing.

PUBLIC SAFETY

Operating Budget

Governor Huntsman's Recommendations							
	Actual FY 2005	Authorized FY 2006	Supple- mentals	Recommended FY 2006	Base FY 2007	Ongoing and One-time Adj.	Total FY 2007
Plan of Financing							
General Fund	\$72,337,400	\$50,392,000	\$2,509,700	\$52,901,700	\$50,239,500	\$10,323,000	\$60,562,500
Transportation Fund	5,495,500	5,495,500	0	5,495,500	5,495,500	0	5,495,500
Federal Funds	43,070,700	58,770,800	0	58,770,800	58,124,900	523,500	58,648,400
Dedicated Credits	7,598,300	6,342,900	0	6,342,900	6,240,800	199,900	6,440,700
Restricted and Trust Funds	34,154,300	37,128,400	0	37,128,400	36,551,800	2,018,500	38,570,300
Transfers	2,607,800	1,868,300	0	1,868,300	1,976,600	31,400	2,008,000
Pass-through Funds	1,094,000	773,300	0	773,300	800,000	0	800,000
Beginning Balances	3,019,300	29,061,600	0	29,061,600	2,714,100	0	2,714,100
Closing Balances	(29,061,600)	(2,714,100)	0	(2,714,100)	(1,182,300)	0	(1,182,300)
Lapsing Funds	(2,385,100)	(1,932,500)	0	(1,932,500)	(1,866,100)	0	(1,866,100)
Total Financing	\$137,930,600	\$185,186,200	\$2,509,700	\$187,695,900	\$159,094,800	\$13,096,300	\$172,191,100
Programs							
Public Safety							
Commissioner's Office	\$7,120,600	\$15,401,600	\$1,399,200	\$16,800,800	\$12,003,900	\$2,292,500	\$14,296,400
Emergency Management	43,226,800	74,309,700	0	74,309,700	52,866,200	492,000	53,358,200
Peace Officer Standards and Training	4,515,800	3,829,700	320,500	4,150,200	3,886,500	1,386,700	5,273,200
Criminal Investigations and Tech. Svcs.	15,417,700	18,045,800	0	18,045,800	17,912,900	1,616,900	19,529,800
Liquor Law Enforcement	1,367,900	1,475,100	0	1,475,100	1,419,500	138,800	1,558,300
Driver License	18,697,000	21,375,900	0	21,375,900	20,840,700	1,486,500	22,327,200
Highway Patrol	38,316,300	39,479,800	790,000	40,269,800	38,983,000	4,491,200	43,474,200
Highway Safety Office	3,003,600	4,140,200	0	4,140,200	4,289,000	83,800	4,372,800
Management Information Systems	1,733,900	1,742,800	0	1,742,800	1,719,700	855,700	2,575,400
Fire Marshal	4,531,000	5,385,600	0	5,385,600	5,173,400	252,200	5,425,600
Total Budget	\$137,930,600	\$185,186,200	\$2,509,700	\$187,695,900	\$159,094,800	\$13,096,300	\$172,191,100
% Change from Authorized FY 2006 to Total FY 2007							(7.0%)
FTE Positions	--	1,082.0	0.0	1,082.0	1,082.0	5.0	1,087.0

PUBLIC SAFETY

PUBLIC SAFETY FY 2007 OPERATING BUDGET							
Beginning Base Budget							
	General Fund	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
01 FY 2006 appropriated budget	\$50,392,000	\$5,495,500	\$20,064,800	\$6,115,300	\$37,128,400	\$733,800	\$119,929,800
02 Adjustments for one-time FY 2006 appropriations	(20,000)	0	0	0	(535,000)	0	(555,000)
03 Adjustments for extra working day	(132,500)	0	(14,500)	(6,500)	(41,600)	0	(195,100)
04 Adjustments to funding levels	0	0	38,074,600	132,000	0	1,708,500	39,915,100
Total Beginning Base Budget - Public Safety	50,239,500	5,495,500	58,124,900	6,240,800	36,551,800	2,442,300	159,094,800
Statewide Ongoing Adjustments							
05 Cost-of-living adjustments of 2.5%	1,060,300	0	93,300	28,800	330,800	6,000	1,519,200
06 Discretionary salary increase funding	782,800	0	70,400	20,800	244,000	3,800	1,121,800
07 Internal service fund adjustments	381,400	0	8,600	26,500	27,500	0	444,000
08 Human resources consolidation adjustments	101,700	0	0	0	40,700	0	142,400
09 Health insurance rate adjustments	771,600	0	63,300	23,400	291,000	3,200	1,152,500
10 Termination pool rate adjustments	2,835,600	0	260,500	75,100	914,700	17,100	4,103,000
11 Retirement rate adjustments	745,200	0	27,400	25,300	113,900	1,300	913,100
<i>Subtotal Statewide Ongoing Adjustments - Public Safety</i>	<i>6,678,600</i>	<i>0</i>	<i>523,500</i>	<i>199,900</i>	<i>1,962,600</i>	<i>31,400</i>	<i>9,396,000</i>
Ongoing Adjustments							
012 UHP officer overtime	1,324,300	0	0	0	0	0	1,324,300
013 UHP lease increases	148,100	0	0	0	0	0	148,100
014 BCI customer service	136,800	0	0	0	0	0	136,800
015 Fire Marshal special deputy contracts	0	0	0	0	11,500	0	11,500
016 Fire Marshal part-time deputy	0	0	0	0	19,000	0	19,000
017 Fire Marshal secretary	0	0	0	0	25,400	0	25,400
018 MIS state radio interoperability	650,000	0	0	0	0	0	650,000
<i>Subtotal Ongoing Adjustments - Public Safety</i>	<i>2,259,200</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>55,900</i>	<i>0</i>	<i>2,315,100</i>
One-time Adjustments							
019 Aero Bureau maintenance	269,400	0	0	0	0	0	269,400
020 POST Larry H. Miller building fixtures	1,115,800	0	0	0	0	0	1,115,800
<i>Subtotal One-time Adjustments - Public Safety</i>	<i>1,385,200</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1,385,200</i>
Total FY 2007 Public Safety Adjustments	10,323,000	0	523,500	199,900	2,018,500	31,400	13,096,300
Total FY 2007 Public Safety Operating Budget	\$60,562,500	\$5,495,500	\$58,648,400	\$6,440,700	\$38,570,300	\$2,473,700	\$172,191,100

PUBLIC SAFETY - CONTINUED

PUBLIC SAFETY FY 2006 OPERATING BUDGET ADJUSTMENTS							
	General Fund	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
Supplemental Adjustments							
021 UHP officer overtime	\$1,324,300	\$0	\$0	\$0	\$0	\$0	\$1,324,300
022 UHP lease increases	40,000	0	0	0	0	0	40,000
023 UHP laptop computer replacement	750,000	0	0	0	0	0	750,000
024 Aero Bureau helicopter repair and fuel	74,900	0	0	0	0	0	74,900
025 POST Larry H. Miller building fixtures	320,500	0	0	0	0	0	320,500
<i>Subtotal Supplemental Adjustments - Public Safety</i>	<i>2,509,700</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>2,509,700</i>
Total FY 2006 Public Safety Budget Adjustments	\$2,509,700	\$0	\$0	\$0	\$0	\$0	\$2,509,700
PUBLIC SAFETY TOTALS							
FY 2007 Operating Base Budget	\$50,239,500	\$5,495,500	\$58,124,900	\$6,240,800	\$36,551,800	\$2,442,300	\$159,094,800
FY 2007 Operating Ongoing and One-time Adjustments	10,323,000	0	523,500	199,900	2,018,500	31,400	13,096,300
FY 2007 Operating Recommendation	60,562,500	5,495,500	58,648,400	6,440,700	38,570,300	2,473,700	172,191,100
FY 2006 Operating Adjustments	2,509,700	0	0	0	0	0	2,509,700

TECHNOLOGY SERVICES

Daniel Frei, Analyst



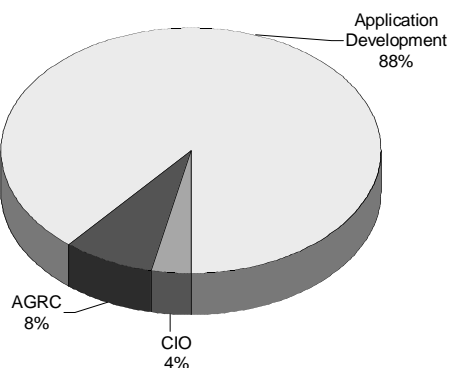
AGENCY BUDGET OVERVIEW

TECHNOLOGY SERVICES INCLUDES:

- Chief Information Officer
- Automated Geographic Reference Center
- Information Technology Services
- All executive branch Information Technology employees

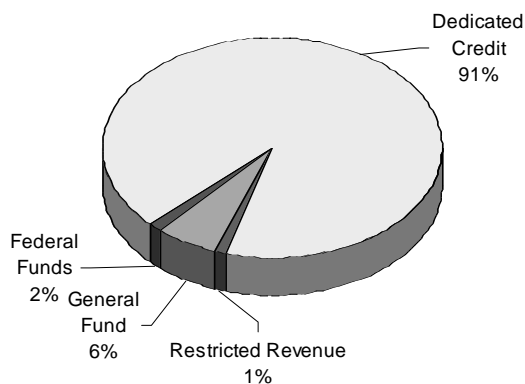
Mission: *Bring value and innovation to Utah through service and technology*

Where Will My Taxes and Fees Go for Technology Services? (Total Appropriated FY 2007 Funding is \$23,287,700*)



Financing of Technology Services

(Based on FY 2007 Recommendations - Appropriated Only)



*Graphs include FY 2006 \$9,000,000 appropriation to the Tax Commission which will mainly be used in FY 2007. These amounts do not include ISF revenue.

TECHNOLOGY SERVICES OVERVIEW

Formation of the Department of Technology Services (DTS)

- DTS was created on July 1, 2005 with the transfer of the Office of the Chief Information Officer (CIO), previously in the Governor's Office, and the Automated Geographic Reference Center (AGRC), previously in Administrative Services.
- The creation of DTS came as a result of the governor's directive and the passage of House Bill 109, *Information Technology Governance Amendments* (Clark, D.)
- Throughout FY 2006, Information Technology Services (ITS), previously in Administrative Services, as well as all information technology (IT) employees residing in executive branch agencies will join DTS.
- In FY 2007, DTS will be the centralized IT service provider for state agencies.
- An internal service fund (ISF) that will charge state agencies will be the primary funding mechanism for DTS as executive branch agencies purchase IT products and services.
- The formation of DTS will not increase the overall state IT budget.

Purpose

- Enhance information technology as a tool to streamline government operations and improve efficiency
- Position the state for future opportunities offered by communication and technology maturation
- Enhance the alignment of IT throughout the state
- Create an IT service organization that proactively supports and promotes state business while realizing efficiencies

Other Responsibilities

- AGRC: Facilitates the use of geographic information systems in state agencies and local governments and provides operation and maintenance for Utah geo-spatial data
- CIO: Serves as executive and transition director for DTS and provides strategic direction for IT policy and resources

RECOMMENDATIONS: GOVERNOR'S GOALS AND INITIATIVES

(See itemized table for full list of recommendations)

New tax system

- Build the first phase of a new core tax system with \$9,000,000 in supplemental dedicated credits that will be carried over into FY 2007; the new system will better adjust to tax code changes, increase system stability, and update the 20-year-old system responsible for accounting for more than \$5,000,000,000 in revenue for the state

Electronic Resource Eligibility Project (eREP)

- Complete the eREP automation project by adding Medicaid and the Children's Health Insurance Program with \$10,168,300 in one-time dedicated credits; the integrated eligibility application, eREP, for the departments of Workforce Services, Health, and Human Services will also include Temporary Assistance for Needy Families, Child Care, Food Stamps, and General Assistance programs when finished

Maintenance and management system

- Increase efficiency and effectiveness in maintaining roadway assets by updating the 15-year-old transportation maintenance and management system with \$1,000,000 in one-time dedicated credits to build the first module

Offender Tracking (O-track) management system

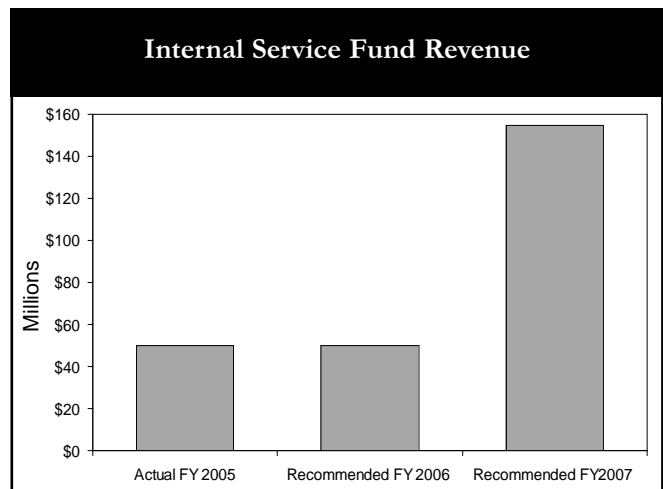
- Make information about offenders, corrections, and trends in criminal justice more accessible to managers and employees by building a management system with \$250,000 in one-time dedicated credits

Oil and Gas online filing system

- Increase access and efficiency of the Natural Resources oil and gas application process by creating an electronic permitting system using \$100,000 in one-time dedicated credits

Transfer of IT employees

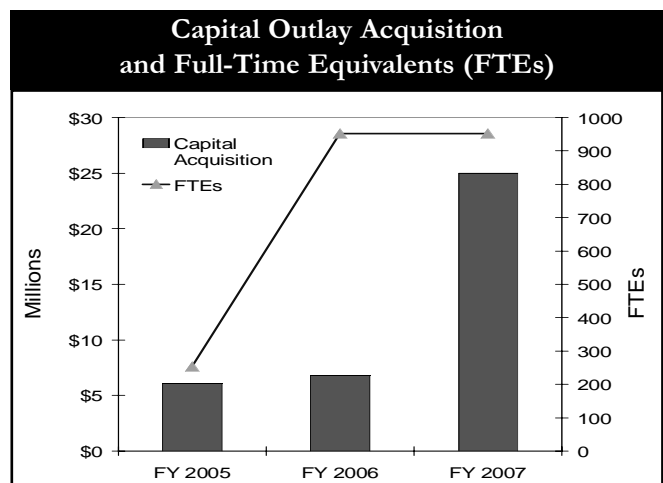
- Transfer all IT employees to DTS in FY 2006 and give DTS ISF authority to bill agencies for personnel costs estimated at \$30,179,400



ISF revenue in FY 2007 is a shift in funds from other state agencies and will not increase the overall state budget.

GOALS

- Increase efficiency while improving services
- Perform IT services and projects using the right person at the right time with the right technology
- Provide services that meet the current and future business needs of the state
- Address agency business needs in a timely and efficient manner



In above graphs, FY 2005 and FY 2006 funds are ITS specific. FY 2007 includes ITS and all IT in executive branch agencies. FTEs will be transferred to DTS in FY 2006. Capital acquisition in FY 2007 includes IT assets at all state agencies and is not an increase to the overall state budget.

PROPOSED LEGISLATIVE INTENT LANGUAGE

FY 2006 Intent Language

- Funds for the Department of Technology Services are nonlapsing

INTERNAL SERVICE FUNDS

Technology Services includes ISFs that provide products and services to state and other governmental agencies on a cost-reimbursement basis. For FY 2006 and FY 2007 the governor recommends FTEs and capital outlay authorizations for Technology Services as indicated on the following table.

ISF Description	Estimated Revenue	FTE Recommended	Capital Outlay Recommended
Technology Services (FY 2006)	\$30,179,400 (a)	938 (b)	\$6,800,500 (c)
Technology Services (FY 2007)	\$155,000,000 (d)	938	\$24,877,400

(a) The FY 2006 revenue estimate is for personnel costs of state IT employees and does not include the \$47,920,600 authorized for ITS in House Bill 1, *Annual Appropriations Act* (Bigelow)

(b) The FY 2006 FTE authorization includes the original authorization of 236 FTEs in Senate Bill 3, *Supplemental Appropriations Act II* (Hillyard)

(c) The FY 2006 Capital Outlay recommendation is the original authorization in Senate Bill 3, *Supplemental Appropriations Act II* (Hillyard)

(d) The FY 2007 estimate is due to the consolidation of information technology, and the FY 2007 rates will be available in June 2006.

TECHNOLOGY SERVICES

Operating Budget

Governor Huntsman's Recommendations							
	Actual FY 2005	Authorized FY 2006	Supple- mentals	Recommended FY 2006	Base FY 2007	Ongoing and One-time Adj.	Total FY 2007
Plan of Financing							
General Fund	\$1,450,000	\$1,699,000	\$0	\$1,699,000	\$1,296,500	\$131,200	\$1,427,700
Federal Funds	495,500	746,600	0	746,600	350,000	0	350,000
Dedicated Credits	428,400	527,200	9,000,000	9,527,200	527,200	11,584,500	12,111,700
Restricted and Trust Funds	250,000	250,000	0	250,000	250,000	0	250,000
Beginning Balances	192,100	724,000	0	724,000	624,400	0	624,400
Closing Balances	(724,000)	(624,400)	0	(624,400)	(476,100)	0	(476,100)
Total Financing	\$2,092,000	\$3,322,400	\$9,000,000	\$12,322,400	\$2,572,000	\$11,715,700	\$14,287,700
Programs							
Technology Services	\$2,092,000	\$3,322,400	\$9,000,000	\$12,322,400	\$2,572,000	\$11,715,700	\$14,287,700
Total Budget	\$2,092,000	\$3,322,400	\$9,000,000	\$12,322,400	\$2,572,000	\$11,715,700	\$14,287,700
% Change from Authorized FY 2006 to Total FY 2007							
330.0%							
FTE Positions	--	15.0	0.0	15.0	15.0	0.0	15.0

TECHNOLOGY SERVICES

TECHNOLOGY SERVICES FY 2007 OPERATING BUDGET						
	General Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
Beginning Base Budget						
P1 FY 2006 appropriated budget	\$1,699,000	\$50,000	\$544,400	\$250,000	\$0	\$2,543,400
P2 Adjustments for one-time FY 2006 appropriations	(400,000)	0	0	0	0	(400,000)
P3 Adjustments for extra working day	(2,500)	0	0	0	0	(2,500)
P4 Adjustments to funding levels	0	300,000	(17,200)	0	148,300	431,100
Total Beginning Base Budget - Technology Services	1,296,500	350,000	527,200	250,000	148,300	2,572,000
Statewide Ongoing Adjustments						
P5 Cost-of-living adjustments of 2.5%	20,300	0	9,800	0	0	30,100
P6 Discretionary salary increase funding	14,600	0	6,600	0	0	21,200
P7 Health insurance rate adjustments	9,500	0	3,600	0	0	13,100
P8 Human resources consolidation adjustments	7,100	0	3,500	0	0	10,600
P9 Termination pool rate adjustments	34,900	0	14,500	0	0	49,400
P10 Retirement rate adjustments	5,800	0	2,200	0	0	8,000
<i>Subtotal Statewide Ongoing Adjustments - Technology Services</i>	<i>92,200</i>	<i>0</i>	<i>40,200</i>	<i>0</i>	<i>0</i>	<i>132,400</i>
Ongoing Adjustments						
P11 AGRC incentive program	39,000	0	26,000	0	0	65,000
<i>Subtotal Ongoing Adjustments - Technology Services</i>	<i>39,000</i>	<i>0</i>	<i>26,000</i>	<i>0</i>	<i>0</i>	<i>65,000</i>
One-time Adjustments						
P12 eREP for Workforce Services, Health, and Human Services	0	0	10,168,300	0	0	10,168,300
P13 Oil and Gas online filing system for Natural Resources	0	0	100,000	0	0	100,000
P14 Maintenance management system (phase I) for Transportation	0	0	1,000,000	0	0	1,000,000
P15 Offender tracking management system for corrections	0	0	250,000	0	0	250,000
<i>Subtotal One-time Adjustments - Technology Services</i>	<i>0</i>	<i>0</i>	<i>11,518,300</i>	<i>0</i>	<i>0</i>	<i>11,518,300</i>
Total FY 2007 Technology Services Adjustments	131,200	0	11,584,500	0	0	11,715,700
Total FY 2007 Technology Services Operating Budget	\$1,427,700	\$350,000	\$12,111,700	\$250,000	\$148,300	\$14,287,700
TECHNOLOGY SERVICES FY 2006 OPERATING BUDGET ADJUSTMENTS						
Supplemental Adjustments						
P16 Core tax system (phase I) for Tax Commission	\$0	\$0	\$9,000,000	\$0	\$0	\$9,000,000
<i>Subtotal Supplemental Adjustments - Technology Services</i>	<i>0</i>	<i>0</i>	<i>9,000,000</i>	<i>0</i>	<i>0</i>	<i>9,000,000</i>
Total FY 2006 Technology Services Budget Adjustments	\$0	\$0	\$9,000,000	\$0	\$0	\$9,000,000
TECHNOLOGY SERVICES TOTALS						
FY 2007 Operating Base Budget	\$1,296,500	\$350,000	\$527,200	\$250,000	\$148,300	\$2,572,000
FY 2007 Operating Ongoing and One-time Adjustments	131,200	0	11,584,500	0	0	11,715,700
FY 2007 Operating Recommendation	1,427,700	350,000	12,111,700	250,000	148,300	14,287,700
FY 2006 Operating Adjustments	0	0	9,000,000	0	0	9,000,000

TRANSPORTATION

Joseph Brown, Analyst

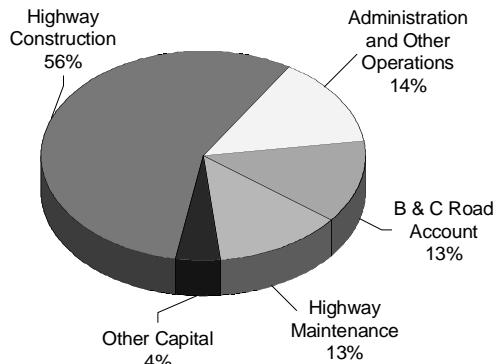


AGENCY BUDGET OVERVIEW

TRANSPORTATION

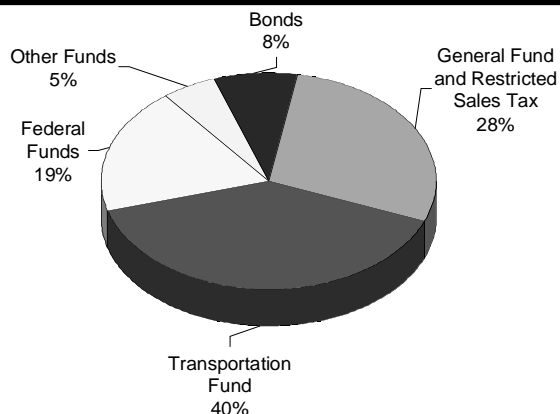
Mission: Build and maintain the state's transportation system, plan and implement new highway projects, improve pavement conditions on existing roads, and assure highway safety through appropriate design and maintenance

Where Will My Taxes and Fees Go for Transportation? (Total FY 2007 Funding is \$936,591,200*)



*Includes funding for capital projects

Financing of Transportation (Based on FY 2007 Recommendations)



Does not include transfers or beginning balances

MAJOR ACCOMPLISHMENTS AND GOALS

Take care of the current road system

- Maintains, repairs, and operates the state highway system consisting of over 6,000 miles of highways; this is 14 percent of Utah's total highway road system of 40,707 miles
- Manages the state highway system that serves over 70 percent of all vehicle miles traveled in Utah
- Preserves the highway system by applying treatments, and other technologies to the pavement, extending its lifetime
- Preserves bridges through routine inspections, sealing treatments and deck pavement projects
- Maintains highways by plowing snow, maintaining drainage, improving roadway markings, pothole patching, and guardrail repair

Improve the highway system

- Maximizes traffic efficiency through intelligent transportation systems that includes the Traffic Operations Center, cameras along the roadways, congestion detectors in the highways, weather sensors, and ramp meters at freeway interchanges
- Provides traveler information through the 511 system, a free travel information phone number that offers statewide updates on traffic, winter road conditions, and public transit
- Operates incident management teams that patrol Utah's roadways offering help to motorists in distress and aiding the highway patrol by managing traffic when accidents occur
- Removes snow and deploys over 130 snowplows along the Wasatch Front during a major snowstorm, using anti-icing methods to prevent black ice and snow-packed conditions

Increase highway safety

- Focuses on improving roadway safety through public awareness campaigns, improved design, high-visibility signs, rumble strips, new paint striping technologies, intersection improvements, and maintenance safety activities

Expand highway capacity:

- Build high occupancy vehicle (HOV) lanes on Interstate 15 in Utah County
- Build Legacy Parkway project to handle traffic between Davis and Salt Lake counties

RECOMMENDATIONS: GOVERNOR'S GOALS AND INITIATIVES

(See itemized table for full list of recommendations)

Maintain roadway conditions at quality levels

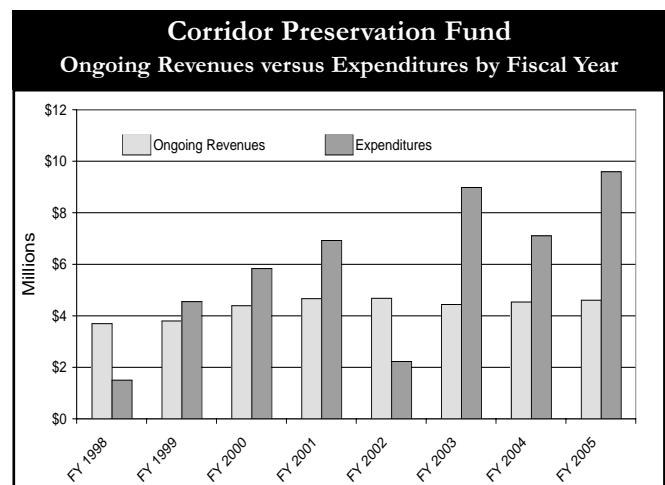
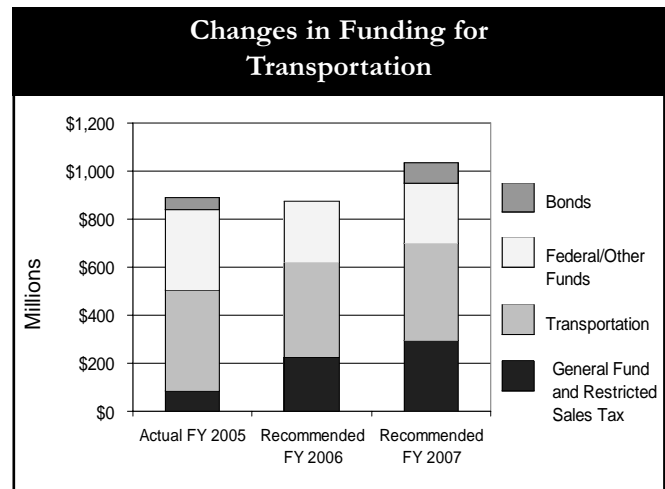
- Increase maintenance funding to offset rising fuel costs with a \$600,000 Transportation Fund supplemental and a \$1,200,000 ongoing Transportation Fund appropriation
- Provide maintenance with \$1,650,000 in ongoing Transportation Fund to perform routine maintenance activities and snow removal on 342.9 additional lane miles that will be added to the state system during FY 2006
- Start the first phase of a new maintenance management system that will increase the efficiency of maintaining the state highway system using \$1,000,000 of one-time Transportation Fund
- Enhance maintenance capacity by demolishing an outdated maintenance shed in Clearfield, Utah and replacing it with a newer more adequate shed using \$1,200,000 of one-time Transportation Fund

Preserve highway corridors before development occurs

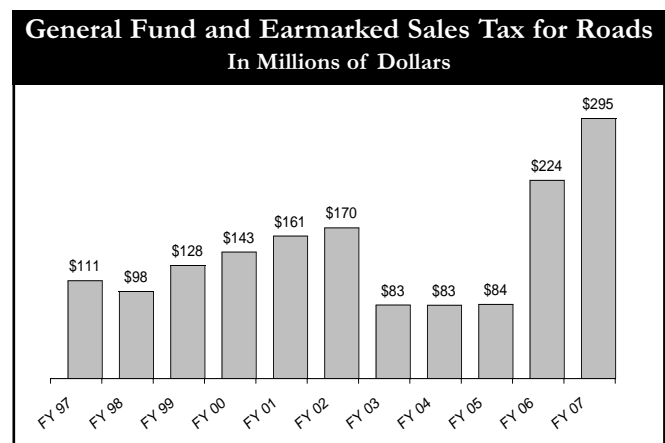
- Increase funding in the Corridor Preservation Fund with a \$20,000,000 General Fund supplemental; this funding will enhance the department's ability to preserve corridors before homes and businesses are built, potentially saving the state hundreds of millions of dollars

Address capacity and safety conditions

- Reduce traffic congestion and improve safety by using \$40,000,000 ongoing General Fund and \$80,000,000 one-time General Fund to construct a number of congestion relief and safety projects throughout the state
- Bond for \$83,000,000 to continue building Centennial Highway projects, including Legacy Parkway



Demand continues to increase while revenue growth remains relatively flat.



PROPOSED LEGISLATIVE INTENT LANGUAGE

FY 2006 Proposed Legislative Intent

- If funds are available, Support Services is authorized to not lapse up to \$100,000 for data processing system development.
- If funds are available, Engineering Services is authorized to not lapse up to \$100,000 for special projects and studies.
- If funds are available, Maintenance Management is authorized to not lapse up to \$100,000 for special project and studies, \$200,000 for land and buildings environmental cleanup, and \$500,000 for land purchases.
- If funds are available, Region Management is authorized to not lapse up to \$100,000 for special projects and studies.
- If funds are available, Equipment Management is authorized to not lapse up to \$100,000 for equipment and supplies.
- The number of full-time equivalents (FTEs) for field crews may be adjusted to accommodate the increase or decrease in the federal construction program. No portion of the money appropriated by this item shall be used either directly or indirectly to enhance or increase appropriations made to the department for other purposes.
- Any surplus in the Transportation Fund not otherwise appropriated may be used by the department for the construction, rehabilitation, and preservation of state highways in Utah. The appropriation shall fund: first, a maximum participation with the federal government for the construction of federally designated highways as provided by law; next, the rehabilitation and preservation of state highways as provided by law; and last, the construction of state highways as funding permits.

FY 2007 Proposed Legislative Intent

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

TRANSPORTATION

Operating Budget

Governor Huntsman's Recommendations							
	Actual FY 2005	Authorized FY 2006	Supple- mentals	Recommended FY 2006	Base FY 2007	Ongoing and One-time Adj.	Total FY 2007
Plan of Financing							
General Fund	\$88,100	\$88,100	\$0	\$88,100	\$88,100	\$0	\$88,100
Transportation Fund	156,304,300	166,114,200	700,000	166,814,200	165,734,400	14,525,800	180,260,200
Federal Funds	58,299,200	42,023,800	0	42,023,800	41,447,200	0	41,447,200
Dedicated Credits	25,540,200	22,873,900	0	22,873,900	23,090,500	0	23,090,500
Restricted and Trust Funds	8,175,100	6,752,500	0	6,752,500	6,749,800	70,200	6,820,000
Beginning Balances	1,565,000	500,000	0	500,000	0	0	0
Closing Balances	(500,000)	0	0	0	0	0	0
Lapsing Funds	(2,655,600)	0	0	0	0	0	0
Total Financing	\$246,816,300	\$238,352,500	\$700,000	\$239,052,500	\$237,110,000	\$14,596,000	\$251,706,000
Programs							
Transportation							
Support Services	\$24,276,700	\$25,518,400	\$0	\$25,518,400	\$24,422,400	\$2,001,900	\$26,424,300
Engineering Services	33,153,800	34,359,900	0	34,359,900	27,018,000	1,857,500	28,875,500
Maintenance Management	101,112,000	102,916,900	700,000	103,616,900	111,247,300	8,707,300	119,954,600
Region District Management	22,056,500	23,707,300	0	23,707,300	23,551,100	1,478,700	25,029,800
Equipment Management	25,443,800	24,790,600	0	24,790,600	23,581,400	480,400	24,061,800
Aeronautics	40,773,500	27,059,400	0	27,059,400	27,289,800	70,200	27,360,000
Total Budget	\$246,816,300	\$238,352,500	\$700,000	\$239,052,500	\$237,110,000	\$14,596,000	\$251,706,000
% Change from Authorized FY 2006 to Total FY 2007							5.6%
FTE Positions	--	1,730.0	0.0	1,730.0	1,730.0	0.0	1,730.0

TRANSPORTATION

Capital Budget

Governor Huntsman's Recommendations								
	Actual FY 2005	Authorized FY 2006	Supple- mentals	Recommended FY 2006	Base FY 2007	Ongoing and One-time Adj.	Total FY 2007	FY 2007 Bond
Plan of Financing								
General Fund	\$59,594,700	\$120,000,000	\$20,000,000	\$140,000,000	\$90,000,000	\$120,000,000	\$210,000,000	\$0
Transportation Fund	265,170,600	230,613,300	0	230,613,300	226,372,500	1,200,000	227,572,500	0
Federal Funds	206,874,300	154,754,800	0	154,754,800	153,210,100	0	153,210,100	0
Dedicated Credits	14,347,600	4,050,000	0	4,050,000	2,750,000	0	2,750,000	0
Mineral Lease	36,156,200	38,838,100	0	38,838,100	38,838,100	0	38,838,100	0
Restricted and Trust Funds	45,866,300	105,076,000	0	105,076,000	105,969,700	0	105,969,700	0
FY 2007 G.O. Bond	0	0	0	0	0	0	0	83,000,000
Transfers	(113,526,200)	(128,479,200)	0	(128,479,200)	(128,322,400)	0	(128,322,400)	0
Beginning Balances	218,456,300	185,577,500	0	185,577,500	74,867,200	0	74,867,200	0
Closing Balances	(185,577,500)	(74,867,200)	0	(74,867,200)	0	0	0	0
Lapsing Funds	(135,900)	0	0	0	0	0	0	0
Total Financing	\$547,226,400	\$635,563,300	\$20,000,000	\$655,563,300	\$563,685,200	\$121,200,000	\$684,885,200	\$83,000,000
Projects								
Construction	\$293,308,100	\$211,475,300	\$0	\$211,475,300	\$171,300,900	\$80,000,000	\$251,300,900	\$0
Sidewalk Construction	169,100	2,262,600	0	2,262,600	500,000	0	500,000	0
B&C Road Account	114,529,400	114,133,800	0	114,133,800	120,014,000	0	120,014,000	0
Maintenance Sheds	0	1,457,000	0	1,457,000	0	1,200,000	1,200,000	0
Centennial Highway Fund	102,952,600	267,396,500	0	267,396,500	233,032,200	0	233,032,200	83,000,000
Mineral Lease Programs	36,267,200	38,838,100	0	38,838,100	38,838,100	0	38,838,100	0
Transportation Investment Fund	0	0	0	0	0	40,000,000	40,000,000	0
Corridor Preservation Fund	0	0	20,000,000	20,000,000	0	0	0	0
Total Budget	\$547,226,400	\$635,563,300	\$20,000,000	\$655,563,300	\$563,685,200	\$121,200,000	\$684,885,200	\$83,000,000
% Change from Authorized FY 2006 to Total FY 2007								7.8%

CENTENNIAL HIGHWAY FUND

(In Millions of Dollars)

	Annual Funding Available	Through										Total
		FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	
1	Beginning Balance	0.0	119.1	48.8	142.6	211.1	217.0	183.8	74.9	0.7	0.1	
2	General Fund	420.0	137.0	146.0	59.6	59.6	59.6	90.0	90.0	90.0	90.0	1,241.7
3	General Fund I-15 Savings Transfer			(21.2)	(10.8)	0.0	0.0	0.0	0.0	0.0	0.0	(32.0)
4	General Fund Sales Tax (1/64 cent)	2.8	5.4	4.9	4.8	4.6	5.5	5.5	5.6	5.8	6.1	51.0
5	General Fund Sales Tax (2005 Legislature)	0.0	0.0	0.0	0.0	0.0	0.0	59.6	59.6	59.6	59.6	238.4
6	Transit Tax Revenue	0.0	0.0	0.9	6.2	2.5	1.2	0.0	0.0	0.0	0.0	10.8
7	Transportation Funds - Gas Tax 5.5 Cents	170.5	60.0	61.8	63.7	65.6	67.6	69.6	71.7	73.8	76.0	780.4
8	Department Contribution	25.4	6.0	6.0	6.0	6.0	6.0	6.0	6.0	0.0	0.0	67.4
9	Registration Fee Increase	48.1	17.4	18.1	18.7	19.6	20.4	21.2	22.0	22.3	22.9	230.7
10	Investment Income	49.4	2.9	0.3	5.4	2.8	3.2	2.5	1.2	0.6	0.9	69.2
11	General Obligation Bonds Issued	908.0	0.0	126.3	151.6	95.3	47.0	0.0	0.0	0.0	0.0	1,328.1
12	Premiums on Bonds Issued	19.8	0.0	0.0	11.2	14.0	3.0	0.0	0.0	0.0	0.0	48.1
13	Less: Issuance Costs	(4.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(4.5)
14	Less: Debt Service - Interest/Fees	(107.0)	(44.2)	(48.9)	(51.3)	(52.9)	(53.2)	(50.9)	(46.8)	(42.3)	(37.5)	(534.9)
15	Less: Debt Service - Principal	0.0	0.0	(33.8)	(35.6)	(47.8)	(72.5)	(77.6)	(81.5)	(91.4)	(99.1)	(539.3)
16	Federal Sources	125.9	105.1	46.9	34.8	42.3	32.1	32.5	30.4	0.0	0.0	450.0
17	Local Governments	7.0	8.3	(8.4)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.9
Recommended Bonding												
18	General Obligation Bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	83.0	174.0	0.0	257.0
19	Less: Issuance Costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.5)	(1.1)	0.0	(1.6)
20	Less: Debt Service - Interest/Fees	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(3.7)	(11.6)	(11.2)	(26.5)
21	Less: Debt Service - Principal	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(7.7)	(7.7)
22	Total Annual Funding Available	1,665.6	417.0	347.7	407.0	422.6	336.8	342.3	311.8	280.5	100.1	3,633.3
Project Expenditures												
23	I-15 Project Costs	1,356.2	167.0	54.0	3.1	4.6	1.2	4.0	0.0	0.0	0.0	1,590.0
24	I-15 Project Cost Savings	0.0	0.0	(32.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(32.0)
25	Other Projects	190.2	201.3	183.0	192.9	201.0	151.8	263.4	311.2	280.3	86.9	2,062.0
26	Total Project Expenditures	1,546.4	368.3	205.0	196.0	205.6	153.0	267.4	311.2	280.3	86.9	3,620.0
27	Ending Balance	119.1	48.8	142.6	211.1	217.0	183.8	74.9	0.7	0.1	13.3	
28	Bond Debt Outstanding	908.0	908.0	1,000.5	1,105.9	1,130.4	1,104.9	1,027.3	1,028.8	1,111.4	1,004.6	
29	Net Cash Balance	(788.9)	(859.2)	(857.8)	(894.8)	(913.4)	(921.1)	(952.4)	(1,028.0)	(1,111.2)	(991.3)	
(line 27 less line 28)												

Notes to Row Numbers

- (3) Savings from the I-15 project transferred to General Fund.
- (4) Sales tax generated by the 1/64 cent tax rate that previously went to the Sports Authority Special Revenue Fund.
- (5) Sales tax dedicated to the Centennial Highway Fund through passage of House Bill 1008, *Transportation Investment Act*, in the 2005 First Special Session.
- (6) Portion of a quarter of the 1/4 cent transit tax increase passed by Salt Lake County voters in the 2000 General Election.
- (7) Transportation revenues from fuel tax increase passed in the 1997 General Session. Growth rate is 3.0 percent per year.
- (9) Transportation revenues from auto and truck registration fee increase passed in the 1997 General Session.

TRANSPORTATION

TRANSPORTATION FY 2007 OPERATING BUDGET							
	General Fund	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
Beginning Base Budget							
Q1 FY 2006 appropriated budget	\$88,100	\$166,114,200	\$38,974,500	\$16,012,300	\$6,752,500	\$0	\$227,941,600
Q2 Adjustments for extra working day	0	(379,800)	0	(16,500)	(2,700)	0	(399,000)
Q3 Adjustments to funding levels	0	0	2,472,700	7,094,700	0	0	9,567,400
Total Beginning Base Budget - Transportation	88,100	165,734,400	41,447,200	23,090,500	6,749,800	0	237,110,000
Statewide Ongoing Adjustments							
Q4 Cost-of-living adjustments of 2.5%	0	2,368,700	0	0	17,800	0	2,386,500
Q5 Discretionary salary increase funding	0	1,895,000	0	0	14,400	0	1,909,400
Q6 Internal service fund adjustments	0	269,600	0	0	0	0	269,600
Q7 Human resources consolidation adjustments	0	(47,000)	0	0	(5,700)	0	(52,700)
Q8 Health insurance rate adjustments	0	1,703,200	0	0	10,600	0	1,713,800
Q9 Termination pool rate adjustments	0	3,766,300	0	0	28,800	0	3,795,100
Q10 Retirement rate adjustments	0	610,000	0	0	4,300	0	614,300
<i>Subtotal Statewide Ongoing Adjustments - Transportation</i>	<i>0</i>	<i>10,565,800</i>	<i>0</i>	<i>0</i>	<i>70,200</i>	<i>0</i>	<i>10,636,000</i>
Ongoing Adjustments							
Maintenance Management							
Q11 Fuel cost increase	0	1,200,000	0	0	0	0	1,200,000
Q12 Rest area maintenance contract increase	0	110,000	0	0	0	0	110,000
Q13 Region 1 - maintenance funds for additional lane miles	0	263,200	0	0	0	0	263,200
Q14 Region 2 - maintenance funds for additional lane miles	0	615,200	0	0	0	0	615,200
Q15 Region 3 - maintenance funds for additional lane miles	0	513,600	0	0	0	0	513,600
Q16 Richfield District - maintenance funds for additional lane miles	0	9,600	0	0	0	0	9,600
Q17 Price District - maintenance funds for additional lane miles	0	224,400	0	0	0	0	224,400
Q18 Cedar City District - maintenance funds for additional lane miles	0	24,000	0	0	0	0	24,000
<i>Subtotal Ongoing Adjustments - Transportation</i>	<i>0</i>	<i>2,960,000</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>2,960,000</i>
One-time Adjustments							
Maintenance Management							
Q19 First phase of maintenance management system (DTS)	0	1,000,000	0	0	0	0	1,000,000
<i>Subtotal One-time Adjustments - Transportation</i>	<i>0</i>	<i>1,000,000</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1,000,000</i>
Total FY 2007 Transportation Adjustments	0	14,525,800	0	0	70,200	0	14,596,000
Total FY 2007 Transportation Operating Budget	\$88,100	\$180,260,200	\$41,447,200	\$23,090,500	\$6,820,000	\$0	\$251,706,000
TRANSPORTATION FY 2006 OPERATING BUDGET ADJUSTMENTS							
Supplemental Adjustments							
Maintenance Management							
Q20 Fuel cost increase	\$0	\$600,000	\$0	\$0	\$0	\$0	\$600,000
Q21 Avalanche control building	0	100,000	0	0	0	0	100,000
<i>Subtotal Supplemental Adjustments - Transportation</i>	<i>0</i>	<i>700,000</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>700,000</i>
Total FY 2006 Transportation Budget Adjustments	\$0	\$700,000	\$0	\$0	\$0	\$0	\$700,000

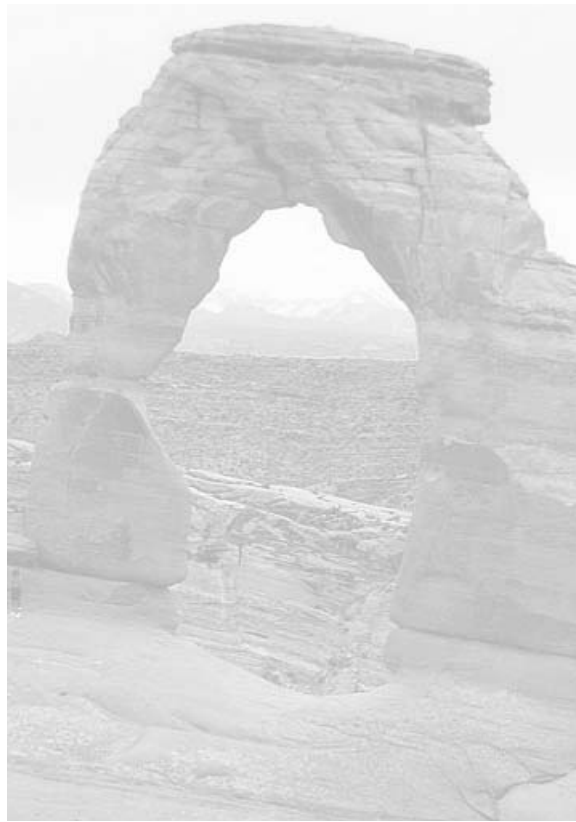
TRANSPORTATION - CONTINUED

TRANSPORTATION FY 2007 CAPITAL BUDGET							
Base Budget							
	General Fund	Transportation Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
Q22 FY 2006 appropriated budget	\$120,000,000	\$224,613,300	\$145,267,900	\$2,703,000	\$105,760,700	\$7,737,800	\$606,082,700
Q23 Adjustments for one-time FY 2006 appropriations	(30,000,000)	0	0	0	0	0	(30,000,000)
Q24 Adjustments to funding levels	0	1,759,200	7,942,200	47,000	209,000	(22,354,900)	(12,397,500)
Total FY 2007 Transportation Capital Base Budget	90,000,000	226,372,500	153,210,100	2,750,000	105,969,700	(14,617,100)	563,685,200
Ongoing Adjustments							
Transportation Investment Fund of 2005 (TIF)							
Q25 Transportation capacity projects	40,000,000	0	0	0	0	0	40,000,000
Subtotal Ongoing Capital Adjustments - Transportation	40,000,000	0	0	0	0	0	40,000,000
One-time Adjustments							
Transportation Investment Fund of 2005 (TIF)							
Q26 Choke point and safety projects	80,000,000	0	0	0	(80,000,000)	0	0
Construction Management							
Q27 Transfer from TIF for choke point and safety projects	0	0	0	0	80,000,000	0	80,000,000
Maintenance Sheds							
Q28 Replacement cost of Clearfield Maintenance Station	0	1,200,000	0	0	0	0	1,200,000
Subtotal One-time Capital Adjustments - Transportation	80,000,000	1,200,000	0	0	0	0	81,200,000
Total FY 2007 Transportation Capital Adjustments	120,000,000	1,200,000	0	0	0	0	121,200,000
Total FY 2007 Transportation Capital Budget	\$210,000,000	\$227,572,500	\$153,210,100	\$2,750,000	\$105,969,700	(\$14,617,100)	\$684,885,200
TRANSPORTATION FY 2006 CAPITAL BUDGET SUPPLEMENTALS							
Corridor Preservation Fund							
Q29 Corridor Preservation Fund for land purchases	\$20,000,000	\$0	\$0	\$0	\$0	\$0	\$20,000,000
Subtotal Supplemental Capital Adjustments - Transportation	20,000,000	0	0	0	0	0	20,000,000
Total FY 2006 Transportation Capital Supplementals	\$20,000,000	\$0	\$0	\$0	\$0	\$0	\$20,000,000
TRANSPORTATION TOTALS							
FY 2007 Operating Base Budget	\$88,100	\$165,734,400	\$41,447,200	\$23,090,500	\$6,749,800	\$0	\$237,110,000
FY 2007 Operating Ongoing and One-time Adjustments	0	14,525,800	0	0	70,200	0	14,596,000
FY 2007 Operating Recommendation	88,100	180,260,200	41,447,200	23,090,500	6,820,000	0	251,706,000
FY 2006 Operating Adjustments	0	700,000	0	0	0	0	700,000
FY 2007 Capital Base Budget	90,000,000	226,372,500	153,210,100	2,750,000	105,969,700	(14,617,100)	563,685,200
FY 2007 Capital Ongoing and One-time Adjustments	120,000,000	1,200,000	0	0	0	0	121,200,000
FY 2007 Capital Recommendation	210,000,000	227,572,500	153,210,100	2,750,000	105,969,700	(14,617,100)	684,885,200
FY 2006 Capital Adjustments	20,000,000	0	0	0	0	0	20,000,000

State of Utah

Capital Budget and Debt Service Summary

- Capital budget overview
- Capital table showing three-year comparisons
- Capital facility projects recommended for FY 2007
and supplemental projects for FY 2006
- Debt service table showing three-year comparisons
- Bonds outstanding



CAPITAL BUDGET AND DEBT SERVICE

Randa Bezzant, Analyst



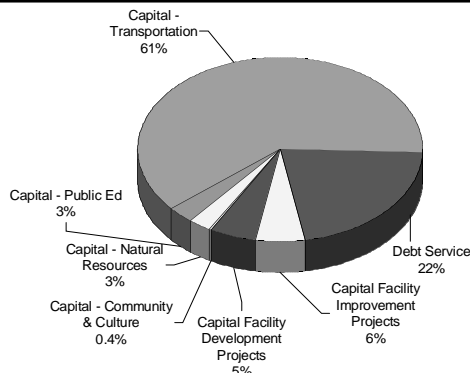
RECOMMENDATIONS: GOVERNOR'S GOALS AND INITIATIVES

(See following tables for full list of recommendations)

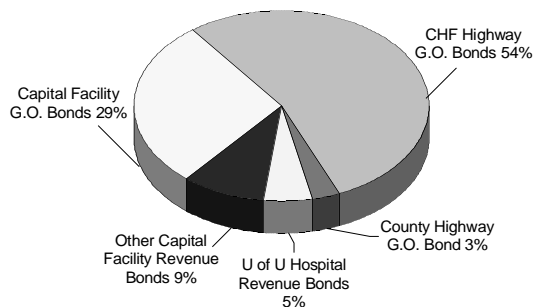
CAPITAL BUDGET AND DEBT SERVICE OVERVIEW

- The capital budget includes appropriations for the acquisition, development, construction, and improvement of fixed public assets.
- The debt service budget includes appropriations for debt services payments on all capital facility general obligation bonds, highway general obligation bonds, and State Building Ownership Authority revenue bonds.

Where Will My Taxes and Fees Go for Capital Budget and Debt Service? (Total FY 2007 Funding is \$ 1,106,440,700)



Debt Service Expense (Based on FY 2007 Recommendations)



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

Address highway capacity and safety conditions

- Reduce congestion and improve safety using \$40,000,000 ongoing General Fund and \$80,000,000 one-time General Fund to construct a number of congestion relief and safety projects throughout the state
- Continue building Centennial Highway projects, including Legacy Parkway, by bonding for \$83,000,000

Preserve highway corridors before development occurs

- Increase funding the Corridor Preservation Fund with a \$20,000,000 General Fund supplemental

Maintain state facilities to increase building life and reduce costly future repairs

- State law requires annual capital improvement funding to be at least 1.1 percent of the estimated replacement cost of all state facilities; this requires an increase of \$6,759,700 in ongoing state funds

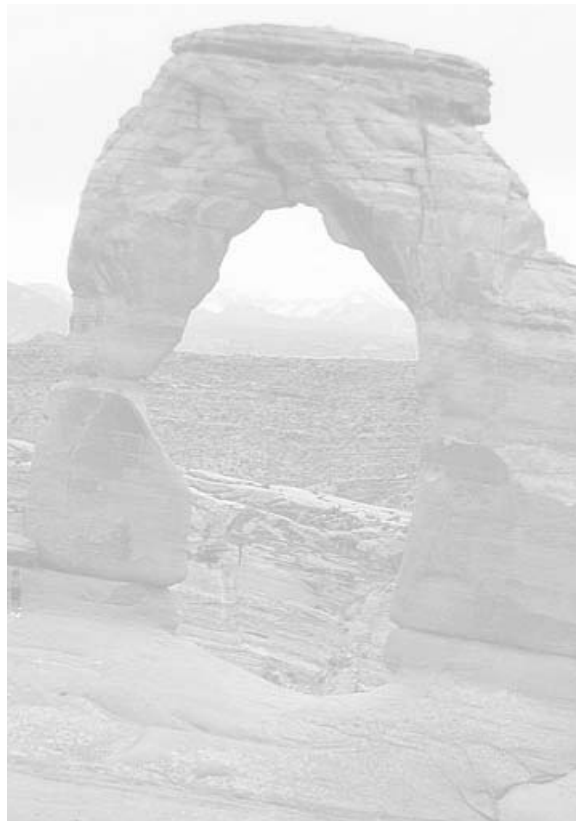
Equalize capital funding for growing school districts

- Equalize capital funding for school districts by increasing Public Education's Enrollment Growth Program by \$5,000,000 in ongoing school funds

New Capital Facility Development Project Recommendations

	State Funds Recommended
Capitol restoration project	\$50.0
USTAR infrastructure	50.0
Utah Valley State College digital learning center	48.0
Weber State University classroom building and chiller	24.6
Central Utah Corrections Facility prison expansion	20.0
Deaf/Blind Schools Connor Street replacement	10.8
Uintah Basin ATC - Vernal campus	9.9
Midway fish hatchery	5.0
Replacement or expansion of three liquor stores	7.4
Clearfield maintenance station addition	1.2
Total	\$226.9

Capital facility development projects address economic development initiatives, inadequate space needs, and building safety conditions.



CAPITAL BUDGET

All Sources of Funding

Governor Huntsman's Recommendations						
	Actual FY 2005	Authorized FY 2006	Supple- mentals	Recommended FY 2006	Base FY 2007	Ongoing and One-time Adj.
						Total FY 2007
						FY 2007 Bond
Plan of Financing						
General Fund	\$141,588,100	\$175,389,300	\$107,469,000	\$282,858,300	\$146,077,300	\$149,729,800
School Funds	96,362,400	84,081,900	85,510,000	169,591,900	67,547,700	746,500
Transportation Fund	265,170,600	230,613,300	0	230,613,300	226,372,500	2,946,400
Federal Funds	211,380,900	161,638,600	0	161,638,600	165,930,400	0
Dedicated Credits	14,716,100	4,075,000	0	4,075,000	2,775,000	0
Mineral Lease	40,340,700	43,381,100	0	43,381,100	43,381,100	0
Restricted and Trust Funds	55,537,300	113,625,000	2,700,000	116,325,000	112,849,700	3,800,000
FY 2007 G.O. Bond	0	0	0	0	0	0
Transfers	(115,895,400)	(129,711,500)	0	(129,711,500)	(129,554,700)	(129,554,700)
Beginning Balances	226,354,200	191,393,700	0	191,393,700	75,117,200	75,117,200
Closing Balances	(191,393,700)	(75,117,200)	0	(75,117,200)	0	0
Lapsing Funds	(490,900)	0	0	0	0	0
Total Financing	\$743,670,300	\$799,369,200	\$195,679,000	\$995,048,200	\$710,496,200	\$157,222,700
						\$867,718,900
						\$83,000,000
Departments						
Administrative Services	\$99,592,200	\$74,255,600	\$37,302,000	\$111,557,600	\$93,859,600	\$14,130,700
Community and Culture	4,184,500	4,543,000	0	4,543,000	4,543,000	0
Higher Education	52,073,500	30,743,000	122,650,000	153,393,000	0	9,942,000
Natural Resources	13,304,800	21,975,400	2,867,000	24,842,400	21,119,500	6,950,000
Public Education	27,288,900	32,288,900	12,860,000	45,148,900	27,288,900	5,000,000
Transportation	547,226,400	635,563,300	20,000,000	655,563,300	563,685,200	121,200,000
Total Budget	\$743,670,300	\$799,369,200	\$195,679,000	\$995,048,200	\$710,496,200	\$157,222,700
						\$867,718,900
						\$83,000,000
% Change from Authorized FY 2006 to Total FY 2007						8.6%

This table shows a summary of capital project costs for all departments and includes roads, General Fund appropriations to loan programs, state parks improvements, the Public Education Capital Outlay Program, and Community and Culture. The table on the following page shows only facility-related projects including the cost of each facility development or acquisition. For more detail on other projects, refer to the capital tables in the individual department sections.

CAPITAL FACILITIES BUDGET - FY 2007 Governor Huntsman's Recommendations

All Sources of Funding

	General Fund	School Fund	Trans- portation	Restricted/ Trust	Total Appropriated	Donations / Private / Institutional	Total Project
CAPITAL FACILITY PROJECTS							
Administrative Services							
1 Statewide capital improvements	\$35,111,600	\$26,063,300	\$1,746,400	\$0	\$62,921,300	\$0	\$62,921,300
2 CPB - Capital restoration	37,698,000	0	0	0	37,698,000	0	37,698,000
3 DABC - Holladay store replacement	4,446,000	0	0	0	4,446,000	0	4,446,000
4 DABC - Kimball Junction store expansion	1,292,000	0	0	0	1,292,000	0	1,292,000
5 DABC - Redwood Road store expansion	1,633,000	0	0	0	1,633,000	0	1,633,000
6 Nat. Grd. - Camp Williams JLTC Building #4	0	0	0	0	0	1,177,000	1,177,000
Total Administrative Services	80,180,600	26,063,300	1,746,400	0	107,990,300	1,177,000	109,167,300
Higher Education							
7 Snow - Traditional Building Skills Institution bldg.	0	0	0	0	0	3,500,000	3,500,000
8 UofU - Pharmacy College bldg (expanded scope)	0	0	0	0	0	67,823,000	67,823,000
9 UofU - Red Butte amphitheatre/rose garden	0	0	0	0	0	2,388,000	2,388,000
10 UofU - Business School remodel/addition	0	0	0	0	0	30,787,000	30,787,000
11 UofU - student recreation center	0	0	0	0	0	35,000,000	35,000,000
12 UBATC - Vernal campus	0	9,942,000	0	0	9,942,000	4,500,000	14,442,000
Total Higher Education	0	9,942,000	0	0	9,942,000	143,998,000	153,940,000
Transportation							
13 Clearfield maintenance station addition	0	0	1,200,000	0	1,200,000	0	1,200,000
Total Transportation	0	0	1,200,000	0	1,200,000	0	1,200,000
TOTAL CAP. FACILITY PROJECTS	\$80,180,600	\$36,005,300	\$2,946,400	\$0	\$119,132,300	\$145,175,000	\$264,307,300

(a) Federal government will provide 100% funding for this project.

(b) Private donations.

(c) Student fees and private donations.

(d) Uintah County and industry partners have committed to fund \$4,500,000 of the project.

CAPITAL FACILITIES BUDGET - FY 2006 Governor Huntsman's Supplemental Recommendations

All Sources of Funding

	General Fund	School Fund	Trans- portation	Restricted/ Trust	Total Appropriated	Donations / Private / Institutional	Total Project
CAPITAL FACILITY PROJECTS							
Administrative Services							
¹⁴ Corrections - CUCF prison expansion	\$20,000,000	\$0	\$0	\$0	\$20,000,000	\$0	\$20,000,000 ¹⁴
¹⁵ CPB - Capitol restoration	12,302,000	0	0	0	12,302,000	0	12,302,000 ¹⁵
¹⁶ DNR - Midway fish hatchery	5,000,000	0	0	0	5,000,000	3,200,000	8,200,000 ^(e) ¹⁶
Total Administrative Services	37,302,000	0	0	0	37,302,000	3,200,000	40,502,000
Higher Education							
¹⁷ Board of Regents - USTAR infrastructure	50,000,000	0	0	0	50,000,000	0	50,000,000 ¹⁷
¹⁸ UVSC - digital learning center	0	48,000,000	0	0	48,000,000	0	48,000,000 ¹⁸
¹⁹ WSU - classroom building/chiller plant	0	24,650,000	0	0	24,650,000	5,000,000	29,650,000 ^(f) ¹⁹
Total Higher Education	50,000,000	72,650,000	0	0	122,650,000	5,000,000	127,650,000
Public Education							
²⁰ Deaf/Blind Schools - Connor Street replacement	0	10,760,000	0	0	10,760,000	0	10,760,000 ²⁰
Total Public Education	0	10,760,000	0	0	10,760,000	0	10,760,000
TOTAL CAP. FACILITY PROJECTS	\$87,302,000	\$83,410,000	\$0	\$0	\$170,712,000	\$8,200,000	\$178,912,000

^(e) Additional funding of \$3,200,000 is coming from the Division of Wildlife Resources restricted account and from the state fish hatchery maintenance account.^(f) The university has secured \$5,000,000 in private funding for this project.

DEBT SERVICE

All Sources of Funding

Governor Huntsman's Recommendations						
Plan of Financing	Actual FY 2005	Authorized FY 2006	Supple- mentals	Recommended FY 2006	Base FY 2007	Ongoing and One-time Adj.
General Fund	\$61,721,600	\$59,879,700	(\$6,151,800)	\$53,727,900	\$57,181,700	(\$3,000,000)
School Funds	18,846,700	17,164,300	0	17,164,300	17,164,300	0
Dedicated Credits	58,508,100	33,004,500	0	33,004,500	34,368,900	0
Restricted and Trust Funds	127,561,500	133,597,800	0	133,597,800	133,597,800	1,583,400
Transfers	6,834,600	0	0	0	0	0
Beginning Balances	12,841,000	12,635,900	0	12,635,900	7,340,700	0
Closing Balances	(12,635,900)	(7,340,700)	0	(7,340,700)	(9,515,000)	0
Total Financing	\$273,677,600	\$248,941,500	(\$6,151,800)	\$242,789,700	\$240,138,400	(\$1,416,600)
Programs						
Debt Service						
G.O. Bond Principal	\$136,285,000	\$141,895,000	\$0	\$141,895,000	\$134,578,800	\$5,891,200
G.O. Bond Interest	74,304,100	73,720,300	(6,149,800)	67,570,500	70,869,000	(7,307,800)
G.O. Bond Fees	520,300	98,700	(2,000)	96,700	98,700	0
Revenue Bond Principal	47,625,700	15,603,400	0	15,603,400	17,729,200	0
Revenue Bond Interest	14,489,400	17,467,500	0	17,467,500	16,706,100	0
Revenue Bond Fees	453,100	156,600	0	156,600	156,600	0
Total Budget	\$273,677,600	\$248,941,500	(\$6,151,800)	\$242,789,700	\$240,138,400	(\$1,416,600)
% Change from Authorized FY 2006 to Total FY 2007						(4.1%)
					\$238,721,800	

GENERAL OBLIGATION BONDS OUTSTANDING

As of December 1, 2005

Bond Series or Bond Authorization	Original Amount	Final Maturity Date	Outstanding Principal as of 1-Dec-05	Amount Exempt From Statutory Debt Limit	Unissued Bond Authorizations ^(a)
Capital Facility Projects					
2002A Series	\$129,640,000	July 1, 2007	\$88,575,000	\$0	
2003A Series	138,020,000	July 1, 2010	136,925,000	0	
2004B Series	93,585,000	July 1, 2011	79,230,000	0	
2002 Authorization HB 252 (Adair) - USU engineering building					\$6,206,300
2004 Authorization HB 2 (Pace) - various projects					9,142,400
2005 Authorization HB 1007 (Buxton) - veterans' nursing home					4,600,000
Capital Facility Projects Subtotal			\$304,730,000	\$0	
Highway Projects					
1997E Series	\$135,000,000	July 1, 2007	\$20,425,000	\$20,425,000	
1997F Series	205,000,000	July 1, 2007	33,850,000	33,850,000	
1998A Series	210,000,000	July 1, 2008	53,250,000	53,250,000	
2001B Series (Refunding - \$208M)	334,250,000	July 1, 2009	141,675,000	141,675,000	
2002A Series	151,560,000	July 1, 2011	33,675,000	0	
2002B Series (Refunding)	253,100,000	July 1, 2012	250,860,000	250,860,000	
2003A Series (Refunding \$128.7M)	269,385,000	July 1, 2013	177,100,000	174,100,000	
2004A Series (Refunding)	314,775,000	July 1, 2016	314,775,000	125,315,000	
2004B Series	47,050,000	July 1, 2019	47,050,000	47,050,000	
2000 Authorization SB 273 (Steele) - Interstate 80 interchange at 5600 West					6,000,000 ^(b)
2003 Authorization HB 260 (Harper) - Salt Lake County 1/4 of 0.25 percent					26,398,200 ^(b)
Highway Projects Subtotal			\$1,072,660,000	\$846,525,000	
Total General Obligation Bonds Outstanding			\$1,377,390,000	\$846,525,000	
Plus Unamortized Premiums			89,400,700	51,290,000	
Less Deferred Amount on Refunding			(21,911,400)	(16,246,000)	
Total General Obligation Bonds Payable			\$1,444,879,300	\$881,569,000	
Debt Per Capita ^(c)			\$567		

(a) Bonds authorized but not yet issued.

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

(c) Based on 2005 population estimate of 2,547,389.

Constitutional Debt Limit, Utah Constitution Article XIV, Section 1

Total Fair Market Value (FMV) of Taxable Property	\$ 185,620,197,249
Constitutional Debt Limit (1.5%)	\$ 2,784,303,000
Less: Outstanding General Obligation Debt	(1,444,879,300)
Additional Constitutional Debt Incurring Capacity of the State	\$ 1,339,423,700

Limits general obligation debt to 1.5 percent of the total FMV of taxable property. The FMV of taxable property is based on the Utah Property Tax 2004 Annual Statistical Report.

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

Fiscal Year Ending June 30, 2006 Appropriation Limit	\$ 2,071,914,000
Statutory General Obligation Debt Limit (45%)	\$ 932,361,300
Less: Outstanding General Obligation Debt	(1,444,879,300)
Plus: Statutorily Exempt General Obligation Highway Bonds	881,569,000
Remaining Statutory G.O. Debt Incurring Capacity	\$ 369,051,000

Limits outstanding general obligation debt to no more than 45 percent of the maximum allowable limit on appropriations from the General Fund and from non-Uniform School Fund income tax revenues.

STATE BUILDING OWNERSHIP AUTHORITY REVENUE BONDS OUTSTANDING

As of December 1, 2005

Bond Series or Bond Authorization	Original Amount	Final Maturity Date	Outstanding Principal as of 1-Dec-05	Amount Exempt From Statutory Debt Limit	Unissued Bond Authorizations ^(a)
1992AB Series	\$27,580,000	August 15, 2011	\$12,020,000	\$0	
1993A Series	6,230,000	January 1, 2013	3,320,000	0	
1995A Series	93,000,000	May 15, 2007	8,100,000	0	
1996AB Series	61,600,000	May 15, 2007	6,160,000	0	
1997A Series	4,150,000	May 15, 2008	565,000	0	
1998A Series	25,710,000	May 15, 2008	2,215,000	0	
1998C Series (Refunding)	105,100,000	May 15, 2019	104,805,000	0	
1999A Series	9,455,000	May 15, 2009	1,495,000	0	
2001A Series	69,850,000	May 15, 2021	67,850,000	0	
2001B Series	25,780,000	May 15, 2024	24,490,000	0	
2001C Series	30,300,000	May 15, 2022	30,300,000	0	
2003 Series (Refunding \$4.455M)	22,725,000	May 15, 2025	22,610,000	0	
2004A Series (Refunding \$19.095M)	45,805,000	May 15, 2027	45,310,000	0	
2004B Series (Refunding)	8,920,000	May 15, 2013	8,700,000	0	
1999 Authorization SB 2 (Evans B.) - Human Services Brigham City office					\$2,510,000
2000 Authorization SB 235 (Suazo) - State Fair Park multipurpose building					10,500,000
2005 Authorization HB 287 (Buxton) - three Department of Alcoholic Beverage Control stores					7,867,000
Total State Building Ownership Authority Revenue Bonds Outstanding			\$337,940,000	\$0	
Plus Unamortized Premiums			5,394,300	0	
Less Deferred Amount on Refunding			(2,293,100)	0	
Total State Building Ownership Authority Revenue Bonds Payable			\$341,041,200	\$0	
Debt Per Capita ^(b)			\$134		

(a) Bonds authorized but not yet issued.
(b) Based on 2005 population estimate of 2,547,389.

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

Total Fair Market Value (FMV) of Taxable Property	<u>\$185,620,197,249</u>
Statutory Debt Limit (1.5%)	\$ 2,784,303,000
Less: General Obligation Debt	(1,444,879,300)
Less: SBOA Lease Revenue Bonds	(341,041,200)
Plus: Statutorily Exempt General Obligation Highway Bonds	881,569,000
Plus: Statutorily Exempt SBOA Lease Revenue Bonds	-
SBOA's Additional Debt Incurring Capacity	<u>\$ 1,879,951,500</u>

Limits general obligation and SBOA debt to 1.5 percent of the total FMV of taxable property. The FMV of taxable property is based on the Utah Property Tax 2004 Annual Statistical Report.