

## Fiscal Highlights

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### **DHRM Proposal to Shift Costs** - Brian D. Fay

#### **Summary**

At present, the Department of Human Resource Management (DHRM) is comprised of an appropriated line item and an internal service fund (ISF). DHRM is proposing to shift the majority of appropriated line item costs into the ISF and to increase rates accordingly.

#### **Questions**

There are three main questions the Legislature should address related to this proposal:

- How will this proposal impact state agencies?
- How will this benefit DHRM and the state as a whole?
- How will this impact the General Fund?

#### **The Appropriated Line Item**

The Department of Human Resource Management has a direct General Fund appropriation of \$2.6 million for FY 2015. These appropriations are used to fund the "big-picture" operations of the department.

#### **Administration - \$0.7 million**

The Administration program oversees the goals, plans, and implementation of policy for the entire department as well as statewide issues. Functions include workforce planning, training and development, employee relations, HR-related liability management, and statewide HR metrics and measures.

#### **Policy - \$0.8 million**

The Policy program provides oversight and development of the following functions: recruiting; selection; employee development; employee relations, fair employment practices, compensation and benefits, classification, diversity and liability prevention.

#### **Information Technology - \$1.1 million**

Information Technology provides the automated systems that comprise the enterprise Human Resource Management Information system. This system provides support to all agencies relative to employee recruitment, employment, pay, and all other employee related function.

#### **The Internal Service Fund**

Internal service funds operate like a business that serves state and other governmental agencies and receives funding through rates charged for specific services, in this case, HR and payroll services.

Unlike most state agencies, for which the legislative fiscal control of agency size and scope of operations comes through appropriations, legislative fiscal control of ISFs comes primarily through approval of rates, employee count, and capital outlay authority.

Advantages of an ISF include increased flexibility for the legislature to utilize a wider variety of funding sources (including federal funds and restricted accounts), increased efficiency due to consolidation of services, and more accurate accounting of the full cost of providing a service. Disadvantages

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include less direct legislative fiscal control and more complexity in reporting and terminology (hence the possibility of receiving less scrutiny). Additionally, some agencies that use restricted funds for HR costs may not be able to increase their draw from these accounts and require additional General Fund appropriations.

By spreading the rates across various agencies and funding sources, over \$4.7 million of the \$12 million DHRM-ISF budget is collected from funding sources other than the General Fund. By transitioning the department administration, policy, and IT programs into the ISF, DHRM could allow the legislature to further reduce General Fund expenditures by between \$0.3 million and \$1 million annually.

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### **Federal Compensation and Benefits for Utah Veterans - Steven M. Allred**

One of the missions of the Utah Department of Veterans' and Military Affairs is to connect veterans with services made available by federal, state, and other stakeholder organizations. In recent years, the department has emphasized outreach efforts to veterans to make them aware of their benefits.

Reports from the United States Department of Veterans' Affairs (VA) show that federal spending per Utah veteran has been steadily increasing. In federal fiscal year 2010, Utah had an estimated 153,623 veterans who received a total of \$262,497,000 in compensation and benefits, or \$1,709 per veteran. By federal fiscal year 2013, Utah had slightly fewer veterans at 150,771, who received \$350,923,000 in compensation and benefits, or \$2,328 per veteran--an increase of 36% over the four-year period.

The following table shows federal fiscal year 2013 information for Utah veterans by county. When all expenditures are counted, including compensation and benefits, medical care, education, vocational rehabilitation, and others, total spending by the VA in Utah was \$887,516,000.

FY13 Summary of Federal Department of Veterans' Affairs Expenditures in Utah							
Dollars in \$000s							
County	Veteran Population	Compensation & Pension	Education & Vocational Rehabilitation/ Employment	Insurance & Indemnities	Medical Care	Other	Total Expenditure
BEAVER	477	\$ 709	\$ 118	\$ 2	\$ 740	\$ -	1,568
BOX ELDER	2,724	\$ 5,353	\$ 852	\$ 235	\$ 5,897	\$ -	12,337
CACHE	4,606	\$ 8,879	\$ 3,322	\$ 489	\$ 4,939	\$ -	17,628
CARBON	1,744	\$ 4,625	\$ 265	\$ 158	\$ 4,821	\$ -	9,869
DAGGETT	120	\$ 222	\$ 9	\$ 2	\$ 465	\$ -	698
DAVIS	20,978	\$ 58,039	\$ 16,618	\$ 1,435	\$ 37,617	\$ -	113,709
DUCHESNE	971	\$ 2,636	\$ 165	\$ 56	\$ 3,417	\$ -	6,275
EMERY	738	\$ 1,042	\$ 52	\$ 39	\$ 1,543	\$ -	2,676
GARFIELD	448	\$ 781	\$ 24	\$ 30	\$ 627	\$ -	1,462
GRAND	692	\$ 1,616	\$ 3	\$ 19	\$ 2,806	\$ -	4,444
IRON	2,720	\$ 6,204	\$ 1,864	\$ 165	\$ 5,856	\$ -	14,089
JUAB	640	\$ 1,562	\$ 99	\$ 19	\$ 2,110	\$ -	3,790
KANE	671	\$ 1,804	\$ 65	\$ 100	\$ 1,237	\$ -	3,206
MILLARD	828	\$ 1,421	\$ 105	\$ 40	\$ 1,756	\$ -	3,322
MORGAN	612	\$ 1,779	\$ 233	\$ 22	\$ 851	\$ -	2,885
PIUTE	138	\$ 355	\$ 8	\$ 1	\$ 254	\$ -	618
RICH	122	\$ 307	\$ 16	\$ 14	\$ 264	\$ -	601
SALT LAKE	50,134	\$ 116,685	\$ 33,010	\$ 3,864	\$ 197,247	\$ 59,308	410,113
SAN JUAN	603	\$ 1,194	\$ 73	\$ 14	\$ 1,548	\$ -	2,829
SANPETE	1,695	\$ 3,549	\$ 398	\$ 60	\$ 4,455	\$ -	8,463
SEVIER	1,491	\$ 3,509	\$ 331	\$ 44	\$ 2,709	\$ -	6,593
SUMMIT	1,962	\$ 3,043	\$ 487	\$ 254	\$ 3,417	\$ -	7,200
TOOELE	4,660	\$ 10,794	\$ 1,711	\$ 150	\$ 11,932	\$ -	24,585
UINTAH	2,074	\$ 2,971	\$ 172	\$ 17	\$ 3,995	\$ -	7,155
UTAH	18,951	\$ 35,826	\$ 11,495	\$ 1,242	\$ 28,593	\$ -	77,156
WASATCH	1,025	\$ 1,716	\$ 266	\$ 88	\$ 1,989	\$ -	4,059
WASHINGTON	11,037	\$ 26,494	\$ 3,650	\$ 564	\$ 17,605	\$ -	48,313
WAYNE	221	\$ 349	\$ 10	\$ 7	\$ 213	\$ -	579
WEBER	17,691	\$ 47,462	\$ 10,552	\$ 906	\$ 32,374	\$ -	91,295
<b>UTAH (Totals)</b>	<b>150,771</b>	<b>\$ 350,923</b>	<b>\$ 85,974</b>	<b>\$ 10,033</b>	<b>\$ 381,279</b>	<b>\$ 59,308</b>	<b>887,516</b>

### Higher Education Tuition and State Tax Funding - Spencer C. Pratt

The Executive Appropriations Committee heard a report on tuition and state tax funding in higher education. The report looked at three issues: (1) the historical relationship between changes in state tax funding and tuition increases, (2) differences in the amount of tuition appropriated and the amount enacted by institutions, and (3) comparisons of tuition at USHE institutions and similar institutions in other states.

Since 2000, state tax funding has increased 62%, while during the same time, tuition has increased 287%. For the past five years, the total USHE funding has been approximately 50% from tax funds and 50% from tuition.

Using statistical analyses, we determined that the correlation between increases in new state tax funds and tuition increases is statistically insignificant. Better predictors of future tuition increases include previous tuition increases, number of FTE students, wage growth, and inflation.

While the Legislature approves higher education appropriations of approximately \$1.3 billion (FY 2013), the report identified the situation in higher education where almost two-thirds of the total

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institutional revenues and expenditures are not-appropriated. Non-appropriated revenues come from grants, contracts, auxiliary services, federal appropriations and grants, gifts, contributions, investment income, and other sources. In FY 2013, non-appropriated revenues totaled approximately \$2.28 billion (not including the University of Utah hospital).

Because the State Board of Regents approves tuition increases after each general session, the amount of tuition included in the appropriation acts is less than that implemented by the institutions. The report found that the lag reflected a difference in the amount of actual tuition and estimated tuition of between 3% and 14%.

Comparisons of tuition were made between USHE institutions and other similar institutions in the Western states (WICHE), Rocky Mountain states, and peer institutions across the country. Generally, in the case of the two research universities (U of U and USU) and the four teaching universities (WSU, SUU, UVU, and DSU), tuition at the USHE institutions is lower than the averages of all three groups. However, this is not the case when looking at the three community colleges (Snow, USU-E, and SLCC). The tuition at each of these USHE colleges is higher than the corresponding averages in other states.

The study recommended the following:

1. The Legislature should consider including all higher education revenue sources and expenditures in appropriations.
2. The State Board of Regents should submit tuition increases as part of its plan of financing when it presents its budget.

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### **Incremental Tax Changes - Ben Leishman**

How much revenue is generated from an incremental change in one of the state taxes? In response to this question, representatives from the Legislative Fiscal Analyst's Office presented this [matrix](#) to the Education Taskforce during its July meeting. The matrix provides estimates for the Income Tax, Property Tax, Sales Tax, and Gas Tax. The incremental tax change and estimated revenue amounts are as follows:

- Income Tax: Increase 1% to 6% - \$585 million
- Property Tax: Increase \$100 per residence & business - \$120 million
- Property Tax: Freeze the Basic Rate at 0.001535 - \$12 million
- Sales Tax: Increase 1% - \$515 million
- Gas Tax: Increase one cent to \$25.5 cents per gallon - \$10 million

Estimates are based on economic indicators and revenue estimates used to build the FY 2015 budget. These estimates will change as the 2015 General Session approaches and economic indicators are updated.

The Taskforce members asked that staff include estimates for the following on the matrix:

- Revenue generated from certain tax policy changes, namely, income tax exemptions and sales tax earmarks.
- Impact of tax changes on taxpayer groups.

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This matrix will be updated in the coming months to include the additional information requested by the Education Taskforce.

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### **New Fiscal Note System - Stan Eckersley**

Last session, the Office of the Legislative Fiscal Analyst implemented a new fiscal note system for agencies. This year, both the Legislature and the analysts get a new system too.

Lawmakers were introduced to it during interim caucus meetings on September 17, 2014, and so far, all the feedback has been positive. Legislators can now respond to fiscal notes electronically using their laptops, tablets, or smart phones. They can also look up the status of any of their bills getting a fiscal note.

The new system for the Fiscal Analyst's Office is expected to automate the fiscal note process. This will free time for analysis and writing. Both quality and speed should improve.

There is a limit as to how much faster we can go with fiscal notes. Since 2008, we've gone from 65% to 94.4% on-time and our goal is 95%. We're holding that last five percent to accommodate the big complicated bills that can't be done very well in the 72 hours allotted. If we have to choose, we would rather be accurate than on-time.

Looking forward, now that everything is on-line, we can integrate the budget systems (Meribah and COBI), appropriations-bill writing, after session reporting, and fiscal note systems.

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### **Social Services Appropriations Subcommittee Meeting Overview - Russell T. Frandsen**

Below are some of the materials covered in the Tuesday, September 23<sup>rd</sup> Social Services Appropriations Subcommittee meeting. The numbers in front of the document name refer to the order of items on the 9/23 agenda.

#### **Morning Agenda**(<http://le.utah.gov/interim/2014/pdf/00003902.pdf>)

- **2. Background Check Report** (<http://le.utah.gov/interim/2014/pdf/00004218.pdf>) - Report on Possible Consolidation of Background Check Systems
  1. Recommendations from agencies:
    1. "[Direct Access Clearance System (DACS)] will allow coordination between the Department of Health and Department of Public Safety for a federal and state criminal record search on fingerprints. The Department of Public Safety will retain submitted fingerprints and run a nightly routine to match these fingerprints against any new charges, arrests, warrants or convictions and notify the DACS system. This rap-back process allows the Department of Health the ability to only require an applicant to be fingerprint once because of the continuous monitoring of the system. The DACS system and rap-back process could potentially be used by other agencies to gain further efficiencies. The Department of Health will not have unrestricted access to the DACS system until July 2015. During the next two years, the agencies involved in this report will review business

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- requirements and coordinate to determine the feasibility of expanding the system to other agencies."
2. "It is also possible to gain efficiencies through the consolidation and sharing of LiveScan machines across the State. It could be beneficial to all agencies if machines were accessible to all agencies as opposed to only being available to the owner of the machine."
- **4. In-depth Budget Review Recommendations** (<http://le.utah.gov/interim/2014/pdf/00004221.pdf>)
    1. Seven funds have unfinished recommendations. Would legislators like to pursue any of them?
  - **5. Proposed Performance Measures for New State Funding** - In compliance with intent language below are the performance measure reports from each agency with a summary by the Fiscal Analyst (<http://le.utah.gov/interim/2014/pdf/00004200.pdf>) for new funding from state funds and TANF federal funds.
    1. Health - <http://le.utah.gov/interim/2014/pdf/00004210.pdf>
    2. Human Services - <http://le.utah.gov/interim/2014/pdf/00004253.pdf>
    3. Workforce Services - <http://le.utah.gov/interim/2014/pdf/00004205.pdf>
    4. USOR - <http://le.utah.gov/interim/2014/pdf/00004256.pdf>
  - **9b. A Performance Audit of the Department of Workforce Services Work Environment** (<http://le.utah.gov/interim/2014/pdf/00004235.pdf>)
    1. The Department of Workforce Services will provide an update on the following 14 recommendations from the legislative audit:
      1. "Improve data tracking and analysis to determine and isolate the efficiency gains achieved from any new process-improvement programs."
      2. "Address the financial and motivational sustainability of their Pay for Performance program given the reduction of incentive amounts resulting from increased employee participation."
      3. "Continue to account for inequitable opportunities among employees by recognizing outputs that better define the performance of its workers."
      4. "Tighten Eligibility Services Division controls over the determinations process or adjust incentives to control for potential negative employee behavior."
      5. "Consider improving its ability to track individual work process inputs and/or shifting focus from individual-oriented rewards to incentives better matching existing interdependent work processes."
      6. "Consider additional nonmonetary enrichments and work process changes that may cultivate employee trust and reestablish intrinsic, public-service-oriented motivators."
      7. "Limit Pay for Performance incentives to only its eligibility specialists, unless supervisor and management incentives are redesigned to isolate the individual impacts of supervisors and management."
      8. "Develop hierarchy-specific benchmarks for accuracy that are similar to existing productivity requirements."
      9. "Continue addressing any remaining issues associated with selection bias in the Performance Review Team case review process."
      10. "Develop processes to document the frequency and basis that errors identified by Performance Review Team case reviewers are being appealed and overturned."
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11. "Adjust its sampling methodology to provide a greater level of confidence in conclusions about employee performance."
  12. "Adopt guidelines and tools that specify acceptable employee performance and clarify when negative personnel actions are appropriate."
  13. "Determine ways to slow the rate of large scale changes and ensure that employees are able to effectively adapt to changes."
  14. "Update its client data access policy from zero tolerance to allow more firm but flexible policy."
- **10a. Temporary Assistance for Needy Families Report** (<http://le.utah.gov/interim/2014/pdf/00004265.pdf>) - the committee will need to determine if it agrees with the direction taken by Workforce Services regarding TANF and also suggest (if desired) additional areas for Workforce Services to pursue.
    1. In compliance with intent language, the Department of Workforce Services prepared the linked report providing the following information:
      1. Detail of DWS efforts to serve families in need statewide including additional ways of serving families pursued in the prior six months
      2. Analysis of relevant fiscal implications including implications on systems and staffing
      3. Review of demographic data informing why individuals are currently not receiving services
      4. Review of other options to implement additional services and programs
      5. Inventory of other states currently availing themselves of options not currently in place in Utah
      6. Further options for Legislative consideration to use available TANF funding to better serve families in need statewide

**Afternoon Meeting** (<http://le.utah.gov/interim/2014/pdf/00003901.pdf>)

- **3a. Subcommittee Questions from the 2014 General Session - Human Services** (<http://le.utah.gov/interim/2014/pdf/00004238.pdf>)
- **5a. Local Mental Health Medicaid Match Report** (<http://le.utah.gov/interim/2014/pdf/00004241.pdf>)
  1. Intent language required the Division of Substance Abuse and Mental Health with the Utah Association of Counties and local mental health centers to provide this report, which includes historical information on Medicaid match paid by local authorities along with their Medicaid-related caseloads. The report also includes several recommendations which the committee will need to decide upon including the following two questions in response to the report's recommendations:
    1. Does the Legislature want to fund the \$6.4 million local Medicaid match request with ongoing funding for FY 2016?
    2. Does the Legislature want to include the Medicaid "match dollars" with the Medicaid Consensus monies, in order for this funding to receive automatic future increases?
- **13. Summary for Social Services Members** (<http://le.utah.gov/interim/2014/pdf/00004227.pdf>)
  1. A subcommittee member requested a comparison of what the Social Services Appropriations Subcommittee recommended vs. final action by the Legislature. This documents does that comparison using the following highlighting system:

1. Green = subcommittee recommendation implemented as recommended
  2. Yellow = subcommittee recommendation changed in some way, notes explaining the difference
  3. No color or red = subcommittee recommendation not funded or item rejected
2. On page 14, there is a list of new intent language statements and bills with fiscal impact that affect Social Services' agencies.
- **14a. What is a CHC - April '14** (<http://le.utah.gov/interim/2014/pdf/00004232.pdf>) - What is a Community Health Center?
    1. "Health centers are community-based and patient-directed organizations that serve populations with limited access to health care."

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**Statewide Data Alliance and Utah Futures Report** - Angela J. Oh

Senate Bill 34, *Statewide Data Alliance and Utah Futures*, was passed on the last night of the 2014 General Session. The bill consists of two main parts, Utah Futures and a statewide data system. Utah Futures is a web portal designed to help Utahns make decisions about education, career opportunities, financial aid, and etc. The statewide data system is a comprehensive system to enable the examination of educational progress and outcomes over time.

The bill amended provisions related to Utah Futures and established an evaluation panel to determine whether any or all components of Utah Futures should be outsourced to a private provider. The bill requires the evaluation panel to report to the Executive Appropriations Committee (EAC) on or before September 30, 2014.

The legislation also appropriated money to support the statewide data system. The table below lists the amounts that each entity received.

<i>Entity</i>	<i>Fund</i>	<i>Amount</i>	
		<i>Ongoing</i>	<i>One-Time</i>
Utah Education Network	Education Fund	\$ 345,000	\$ 300,000
Utah State Board of Education	Education Fund	\$ 355,000	
Utah College of Applied Technology	Education Fund	\$ 245,000	
State Board of Regents	Education Fund	\$ 245,000	
Utah Education Policy Center	Education Fund	\$ 310,000	
		\$ 1,500,000	\$ 300,000

Tami Pyfer, the Governor's Education Advisor, presented to EAC on behalf of the evaluation panel. The evaluation panel recommends that the development of Utah Futures continue, and that it be maintained in-house for the following reasons:

- Customization for students and residents of Utah, and the ability to be managed and controlled by state agencies in Utah.
- The states ability to secure user (student) data, and not be in a position where that data had to be delivered to an outside vendor. The site will be hosted by DTS with oversight under the Governors Office.

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- Selecting a private vendor would take a minimum of 18 months to complete the request for proposal (RFP) process, purchase the product, import data, review security, implement, and train. The evaluation panel also noted that customization of a commercial product tends to increase costs.
  - Likely, additional "transitional costs" such as retraining group members, implementers, and end users. And,
  - Based on the success of other Utah "home grown" based-systems such as EREP, CATS, CUBS and FINET.

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## Summary of August 2014 EOCJ Subcommittee Meeting - Gary R. Syphus

The Executive Office and Criminal Justice Appropriations Subcommittee held an all-day interim meeting at the Salt Lake County Youth Services facility on August 5, 2014. Much of the focus was the (1) Division of Juvenile Justice Services possible alternative funding options for receiving centers, (2) Corrections' Adult Probation and Parole/Treatment/Work Programs, (3) followup on intent language, and (4) additional detail on "off-budget funds".

### Juvenile Justice Services Receiving Centers

Salt Lake County Youth Services is a receiving center model that is functioning as a state-county partnership (a receiving center is a facility where law enforcement personnel are able to drop off juvenile offenders to be assessed and law enforcement can swiftly return to work in the field). Staff presented this as a model that could be expanded to more receiving centers across the state, as many others are solely state-run and state-funded and could possibly employ the Salt Lake County model.

The Salt Lake County Youth Services Director presented in more detail how the facility operates. Other related presentations included those from the Chair of Juvenile Justice Board and the Director of the Division of Substance Abuse and Mental Health on the history of the current Juvenile Justice model, and another presentation on how Medicaid factors into the division's funding.

### Corrections

*Adult Probation and Parole Operations* - The Adult Probation and Parole Director reported on the implementation of the recommendations from the legislative audit entitled "[A Performance Audit of the Division of Adult Probation and Parole](#)". This report included a team that has helped to create a standardized violation matrix. With the help of Department of Technology Services, the Adult Probation and Parole program will be implementing metrics and dashboards to provide better outcome information. They reported on their success with the Female Offender Success Initiative (FOSI) that females are returning to prison once released from prison.

*Treatment/Work Programs* - The Department of Corrections presented information on substance abuse treatment and work program for inmates. Substance abuse treatment within the prison helps reduce recidivism of those that complete the program by 12-15%. Thus far, they report that substance abuse treatment within county jails (that are being tracked) have either shown no improvement or are too early to be evaluated. The department reports that sex offender treatment and post-secondary education have reduced parolee return to prison by 8%. They also discussed changes to Correctional

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Industries that allowed for more production with the same level of resources and how this is a helpful program to give inmates work experience and training.

### **Intent Language Follow-Up**

*Corrections* - The Department of Corrections reported on the progress of the findings/ recommendations on the in-depth legislative audit entitled "[An In-depth Budget Review of the Utah Department of Corrections](#)". The current offsite outpatient care is provided by the University of Utah. The Department pursued a Request for Information from other providers at a cost saving rate for future contracts. The Department reported that the current prescription drug provider was the most cost effective after researching other options. They are working with the Department of Health to see if all medical claims could be processed through their claims software to streamline the process.

They discussed the use of "second market" (overstock goods sold at a lower price) purchases to help lower food costs. Corrections found some savings and are expanding the commodities purchased on the "second market". They explained that the recommendation to increase freezer space at the prison was explored but was cost prohibitive, and that they have are working to improve menu options.

*Courts* - The Courts' Juror Witness Line Item Courts submitted a report to the subcommittee on line item expenditures and the Courts efforts to control costs and maximize performance (per intent language). Efforts include hiring full time interpreters who work at the Matheson Courthouse that are more cost-effective than contracting for the service, and purchasing of remote interpreting technology that allows for reduced travel costs.

### **Off-budget Funds Review**

The subcommittee heard presentations of outstanding off-budget funds where more information was requested during the 2014 General Session:

1. Attorney General Financial Crimes Trust Fund,
2. Attorney General Consumer Programs Fund,
3. Attorney General Crime & Violence Prevention Fun,
4. Abortion Litigation Account,
5. Public Safety-Seized Cash Fund.
6. Misdemeanor Fines Fund,
7. Surcharge Fines Fund, and
8. Juvenile Courts Trust Account.

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### **The Utah Communications Authority is Up and Running - Brian Wikle**

The Utah Communications Authority (UCA) was established as an independent state agency effective July 1, 2014. UCA's purpose is to "provide a public safety communications network, facilities, and 911 emergency services on a statewide basis for the benefit and use of public agencies, and state and federal agencies" ([UCA 63H-7-102](#)). To accomplish this purpose, [House Bill 155](#) enacted in the 2014 General Session consolidated duties of the following four entities under UCA:

- Utah Communications Agency Network;
- Department of Technology Services - Radio Shop;
- Statewide Communications and Interoperability Committee; and,

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- Utah 911 Committee.

House Bill 155 provided the framework for UCA's structure and funding, and an associated Memorandum of Understanding specified details regarding UCA's creation. Affected agencies cooperated effectively to ensure a smooth transition of staff, assets, inventories, and service rates from other agencies to UCA. In addition, H.B. 155 guaranteed that state employees who transferred to UCA retained their accrued benefits.

The Utah Communications Authority and the Department of Administrative Services - Finance Division, which holds certain funds in behalf of UCA, are working together to establish processes that allow for timely reimbursement of UCA's expenses and that promote accountability and transparency of UCA's finances.

For an explanation of the fiscal impact to various agencies resulting from the creation of UCA, reference [Update on Fiscal Impact of HB 155, 2014 General Session](#) presented to the Government Communications Task Force on September 11, 2014.

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### **Unaccompanied Alien Children on the Southern U.S. Border - Stephen C. Jardine**

The primary care and custody of unaccompanied children on the southern U.S. border is provided by the U.S. Department of Health and Human Services. The only involvement of the State of Utah is: 1) providing public education when these children are placed with a sponsor and attend a public school and 2) the licensing by the state of private shelters where unaccompanied children initially stay if a shelter is located within the state. None of these shelters are currently located in Utah.

This topic was presented to the September 2014 Executive Appropriations Committee in response to questions raised earlier in the summer about who is responsible for these children. From January 1st through July 31st of 2014, 85 of these children have been placed with sponsors in Utah (53 within Salt Lake County). The total number of children released to sponsors nationwide during the same period was 37,477.

This article addresses two main questions regarding unaccompanied children on the southern U.S. border:

1. What are the key facts regarding unaccompanied children on the southern U.S. border?
2. What is the involvement of the State of Utah with these unaccompanied children?

#### ***Question #1 - What are the key facts regarding unaccompanied children on the southern U.S. border?***

- Unaccompanied children on the southern U.S. border are placed in the care and custody of the federal Department of Health and Human Services (HHS) following apprehension and transfer by the Department of Homeland Security. The Federal Fiscal Year 2014 federal appropriation for unaccompanied children is \$868 million.
- HHS typically releases children to an appropriate sponsor (usually a parent, relative, or family friend) who will care for the child while their immigration case proceeds. None of these placements are through Utah state agencies. HHS reunified 85 children with their family members/sponsors living in Utah between January 1st and July 31st 2014.

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- The national total for the same period is 37,477. There is no financial stipend that accompanies the care for children and youth through this placement.
- The Office of Refugee Resettlement (ORR) within HHS operates about 100 short-term shelters throughout the U.S. for unaccompanied children until they can be released to sponsors.
  - Most children remain in a shelter for less than 35 days before being released to an appropriate sponsor. Children are not released if they have a medical condition that is a public-health threat.
  - These shelters are typically operated by non-profit organizations and are licensed by the state where they are located. Because of recent demand, ORR established three temporary shelters, all of which have since ceased operation. No shelters are currently located in Utah.
  - ORR is providing vaccinations to all children who do not have documentation of previous valid doses of vaccines. Children found to have certain communicable diseases are separated from other children and treated as needed. All costs to treat are fully paid for by the federal government.
  - ORR conducts home studies prior to release if safety is in question.
  - ORR ensures, to the greatest extent possible, that all unaccompanied children in custody have access to legal representation or counsel.

***Question #2 - What is the involvement of the State of Utah with these unaccompanied children?***

- Shelters for these unaccompanied children are typically operated by non-profit organizations and are licensed by the state where they are located.
- Upon release to the custody of a sponsor, unaccompanied children are generally ineligible for most public benefits, but could receive certain services, such as charity care from medical providers.
- When placed with a sponsor, these children would typically attend public schools in the communities in which they reside. Utah's 2012 "all expenditures per student" amount is \$7,929 [U.S. Census].

**Background Information**

***The Federal Governments Role with Unaccompanied Alien Children***

"When a child who is not accompanied by a parent or legal guardian is apprehended by immigration authorities, the child is transferred to the care and custody of the Office of Refugee Resettlement (ORR). Federal law requires that ORR feed, shelter, and provide medical care for unaccompanied children until it is able to release them to safe settings with sponsors (usually family members), while they await immigration proceedings. These sponsors live in many states.

Sponsors are adults who are suitable to provide for the child's physical and mental well-being and have not engaged in any activity that would indicate a potential risk to the child. All sponsors must pass a background check. The sponsor must agree to ensure the child's presence at all future immigration proceedings. They also must agree to ensure the minor reports to ICE for removal from the United States if an immigration judge issues a removal order or voluntary departure order.

HHS is engaging with state officials to address concerns they may have about the care or impact of unaccompanied children in their states, while making sure the children are treated humanely and

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consistent with the law as they go through immigration court proceedings that will determine whether they will be removed and repatriated, or qualify for some form of relief. . . .

HHS cannot release information about individual children that could compromise the child's location or identity." [*Unaccompanied Children Released to Sponsors By State*, Office of Refugee Resettlement]

### ***Who is an Unaccompanied Alien Child?***

An unaccompanied alien child is a child who has no lawful immigration status in the United States; has not attained 18 years of age; and, with respect to whom, there is no parent or legal guardian in the United States, or no parent or legal guardian in the United States available to provide care and physical custody. [See 6 U.S.C. 279(g)(2)]

### ***Federal Government Resources Regarding Unaccompanied Children on the Southern U.S. Border***

The following resources, available from the federal government, provide basic information about unaccompanied children on the southern U.S. border.

[About Unaccompanied Children's Services](http://www.acf.hhs.gov/programs/orr/programs/ucs/about): <http://www.acf.hhs.gov/programs/orr/programs/ucs/about>

[Unaccompanied Children Frequently Asked Questions](http://www.acf.hhs.gov/unaccompanied-children-frequently-asked-questions): <http://www.acf.hhs.gov/unaccompanied-children-frequently-asked-questions>

[Unaccompanied Children Released to Sponsors by State \[January 1st to July 31st, 2014\]](http://www.acf.hhs.gov/programs/orr/programs/ucs/state-by-state-uc-placed-sponsors): <http://www.acf.hhs.gov/programs/orr/programs/ucs/state-by-state-uc-placed-sponsors>

[Unaccompanied Children Released to Sponsors by County \[January 1st to July 31st, 2014\]](http://www.acf.hhs.gov/programs/orr/unaccompanied-children-released-to-sponsors-by-county): <http://www.acf.hhs.gov/programs/orr/unaccompanied-children-released-to-sponsors-by-county>

[Educational Services for Immigrant Children and Those Recently Arrived to the United States](http://www2.ed.gov/policy/rights/guid/unaccompanied-children.html): <http://www2.ed.gov/policy/rights/guid/unaccompanied-children.html>

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### **What Factors Predict Student Achievement the Best? - Thomas E. Young**

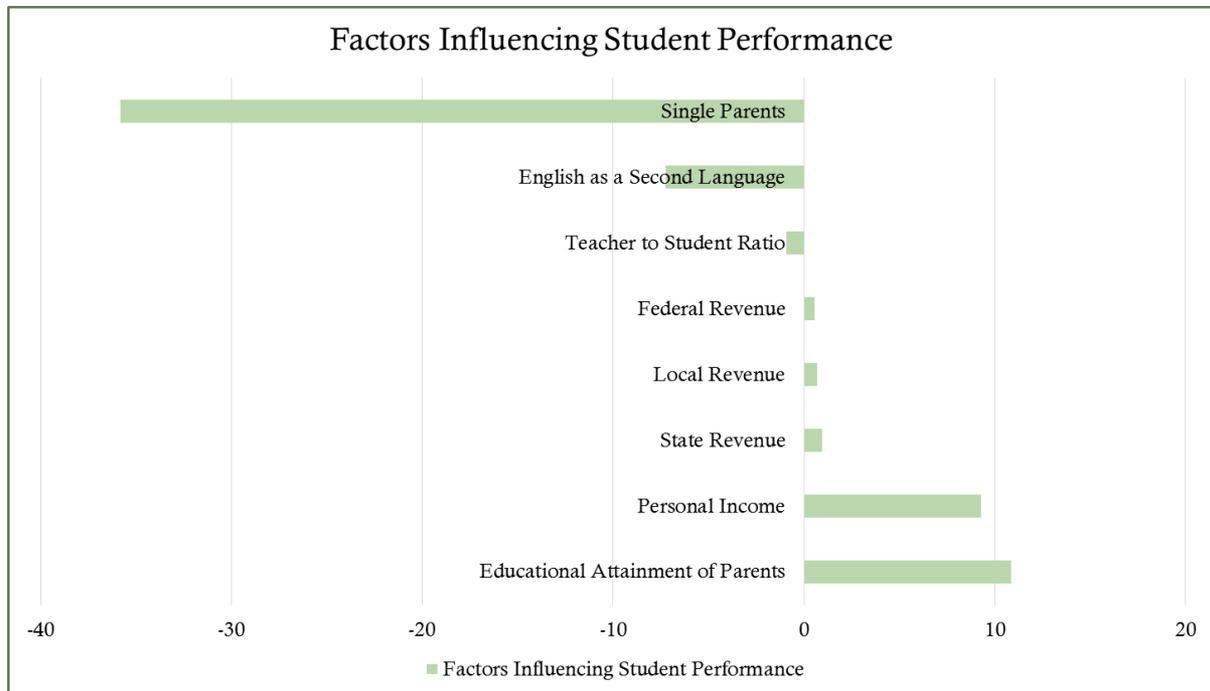
Based upon requests from Legislators, staff presented the Executive Appropriations Committee (EAC) with analysis of various factors that predict student performance the best.

The factors included:

- Single parent households (proxy for parental involvement),
- English language learners (proxy for student comprehension),
- The student-to-teacher ratio (proxy for educator engagement),
- Federal, state, and local spending (proxy for public resources),
- Personal income per capita (proxy for private resources), and
- Educational attainment of the parents (proxy for student motivation).

The variable to be predicted was students' performance on ACT or NAEP (National Assessment of Educational Progress) tests.

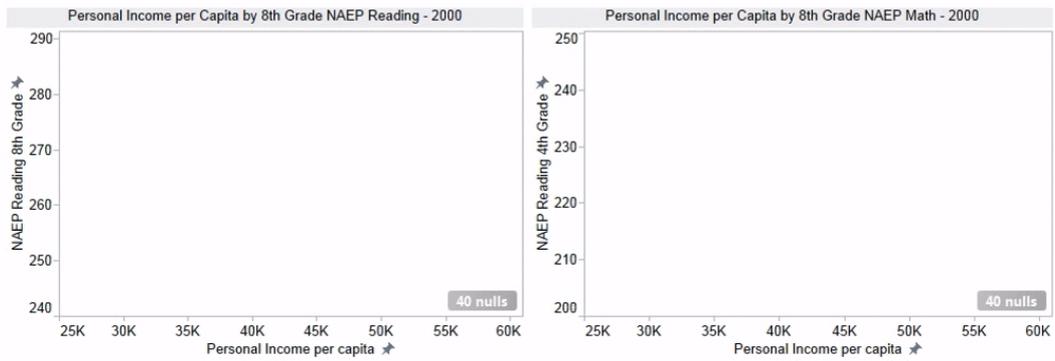
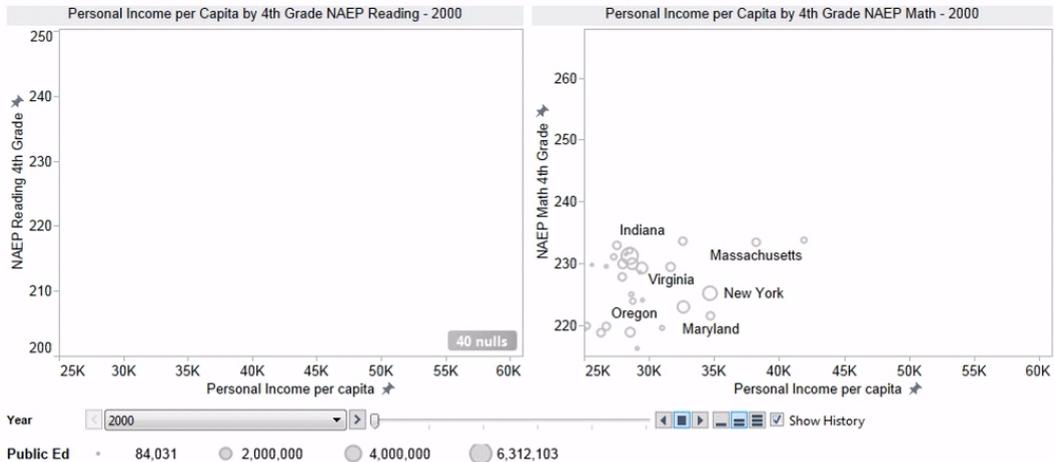
Overall, the results indicate that the best predictors of above-average student performance are educational attainment of the parents and personal income per capita. The best predictors for below-average student performance are the percentage of households headed by a single parent and the percentage of students counted as English language learners. The factors with small and generally insignificant results include the student-to-teacher ratio and spending (federal, state, local) per student.

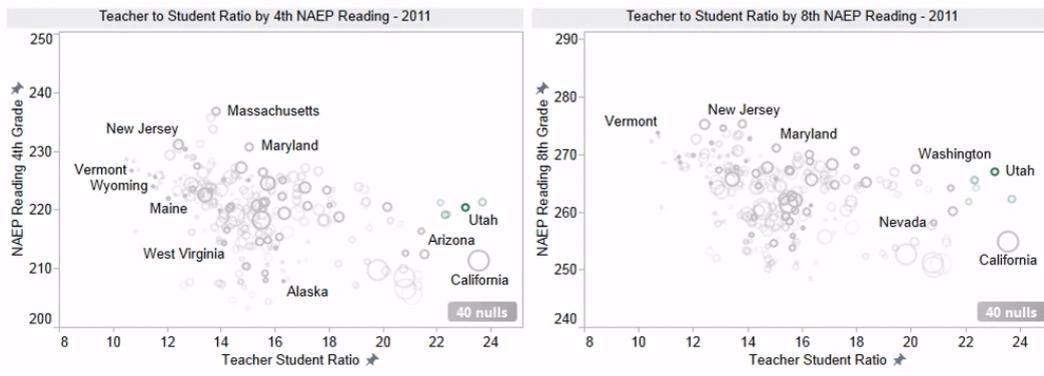
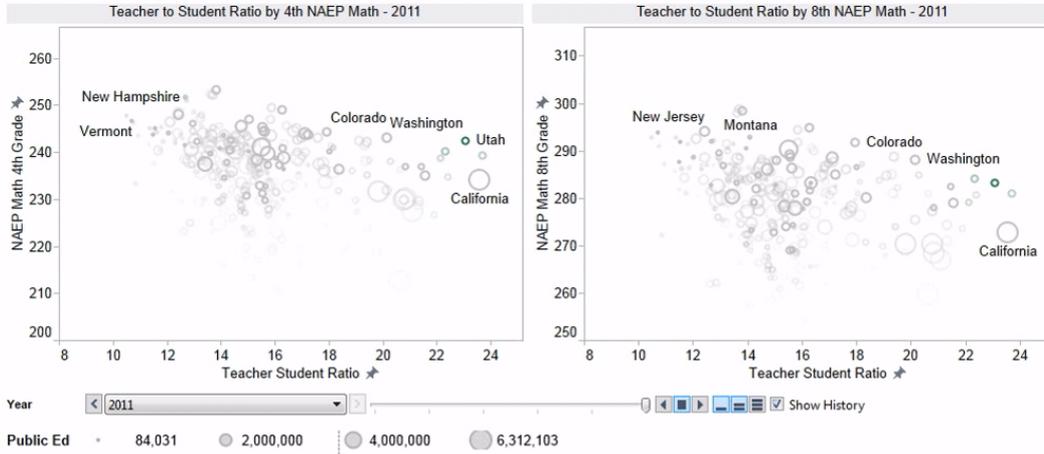


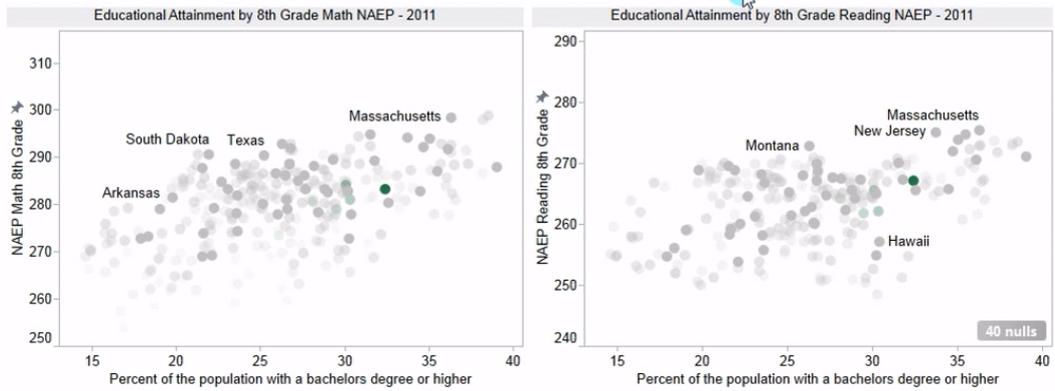
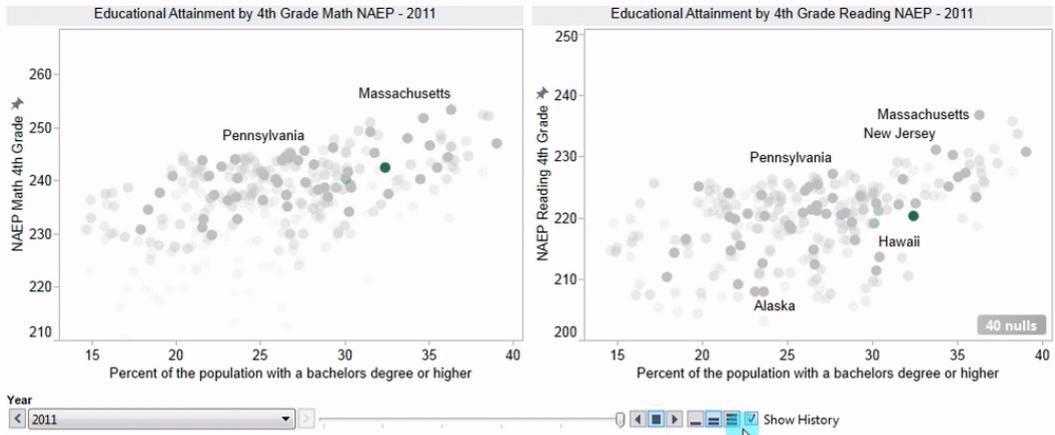
The following animated GIFs show the relationship between the factors by state across time. On the vertical axis are four measures of student achievement: 4th and 8th grade NAEP math scores and 4th and 8th grade reading scores. On the horizontal axis are the various predictor measures (spending per student, educational attainment of the parents, etc.).

A relationship is formed if one could draw a line through the figures that's significantly different from zero. As an example, if one drew a line through personal income per capita and NAEP performance, it would be strongly positive, meaning that higher personal income per capita is correlated with better student performance on the NAEP scores.

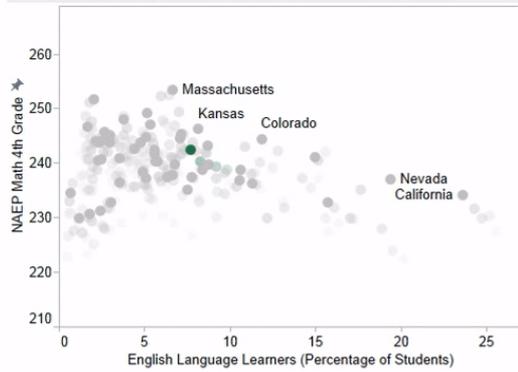
Conversely, if one drew a line through spending per student, it's relatively horizontal, meaning the two are probably not related.



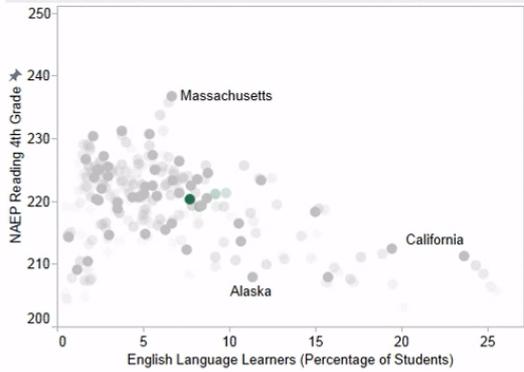




English Language Learners and NAEP 4th Grade Math - 2011

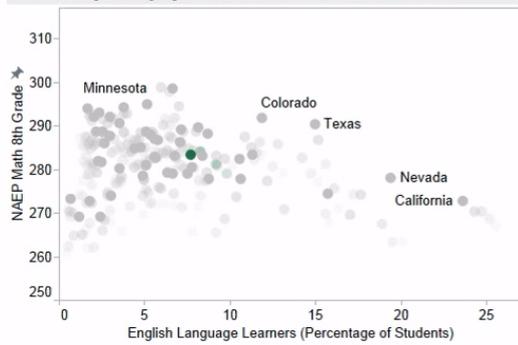


English Language Learners and NAEP 4th Grade Reading - 2011

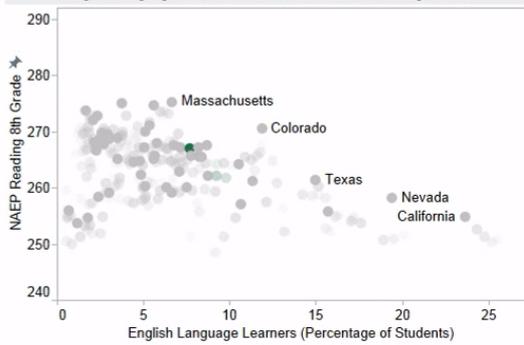


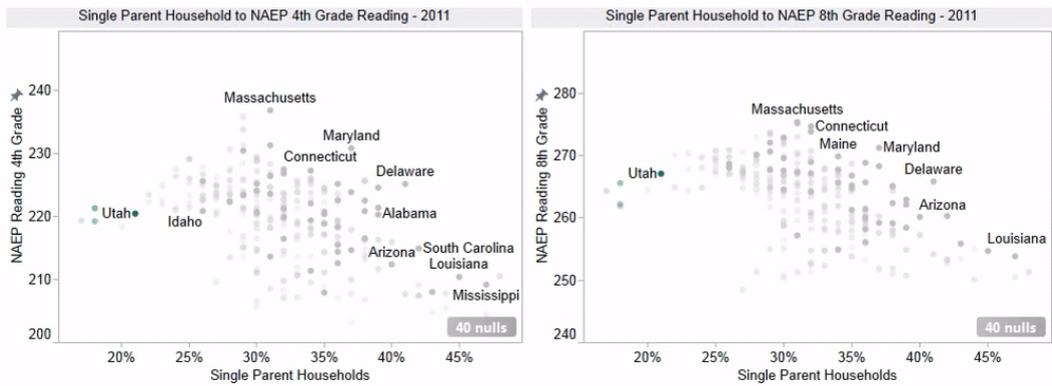
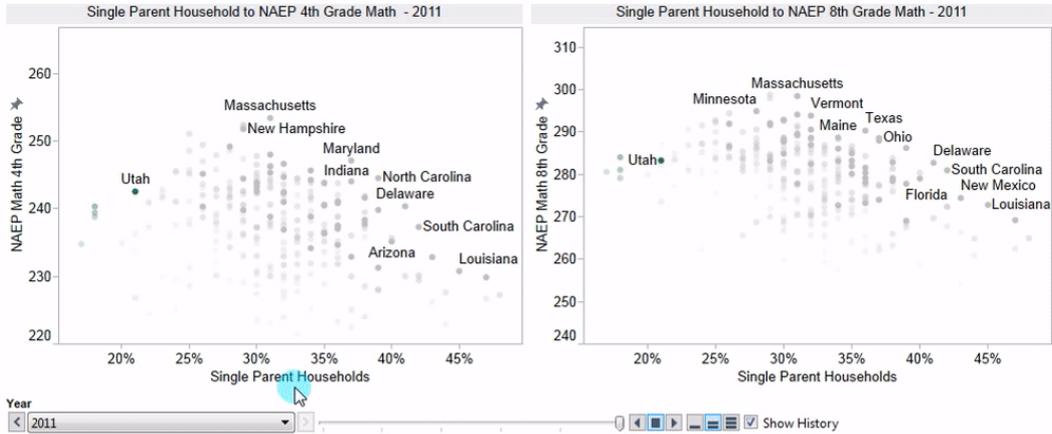
Year: 2011 [dropdown] [arrow] [refresh] [back] [forward] [print] [help] [Show History]

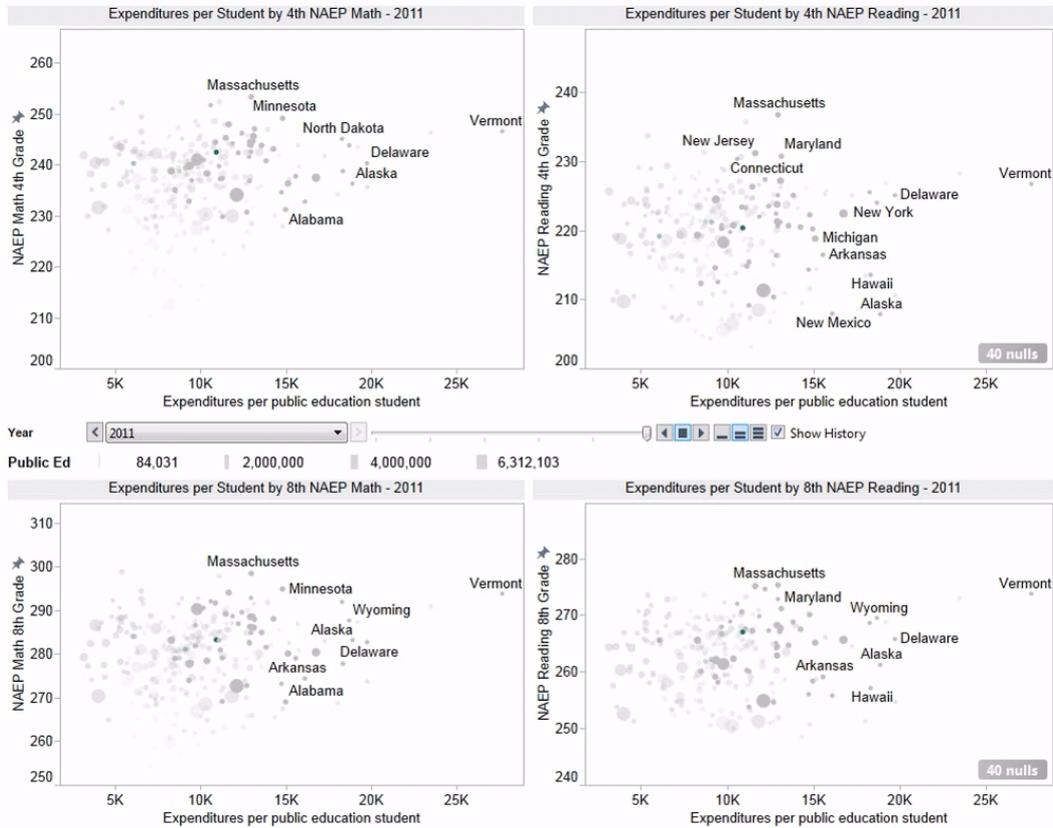
English Language Learners and NAEP 8th Grade Math - 2011



English Language Learners and NAEP 8th Grade Reading - 2011







**What is VADRS? - Gary K. Ricks**

VADRS (Vehicle and Dealer Registration System) is a motor vehicle system and motor vehicle enforcement system/database. It was created by a partnership comprised of the Department of Technology Services (DTS), Tax Commission, and Fast Enterprises, a government software and consulting services provider.

Upon its launch in October 2013, VADRS was immediately required to handle all of the state's vehicle titling and registration needs. The Division of Motor Vehicles collected more than \$460 million in taxes and fees and processed nearly 4.5 million transactions during fiscal year 2013.

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DTS reports that VADRS processes 2.5 million vehicle titles and registrations, 2,700 dealership and body shop licenses, and 12,000 sales person licenses annually. Through the online service, Utah residents and businesses can manage vehicles and Motor Vehicle Enforcement Division business licenses, make Motor Vehicle Division payments, order personalized plates, renew disabled placards, and renew commercial fleets.

VADRS distributes multiple types of revenue and fees to hundreds of state and local funds. These services give residents and businesses more control over where and when they do business with the Motor Vehicle Division, and most processes require no registration.

The project team (DTS, Tax and Fast Enterprises) was awarded the 2014 Governors Award for Excellence in Innovation and Efficiency.

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### **Where Is the Geologic Hazards Information? - Ivan D. Djambov**

The landslide of August 5, 2014 in North Salt Lake left one home destroyed and neighbors worried about their own homes, with one of them quoted in the media wondering "Did we build in the right place?" How can home buyers and local government officials know if an area is safe in terms of geologic hazards?



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The home construction process includes permitting and inspections, but generally, the home owners are not provided with information on geological hazards in the area. And also, damages or destruction to their property due to geologic hazards are not covered in the regular homeowners insurance.

Many local government officials are also left in "the dark" as they respond to requests for rezoning to accommodate proposed new development in their boundaries without the needed geological hazard data. The lack of this information often leads local governments to permit areas that are not suitable for development. The results include excessive maintenance costs and potential liability from damaged streets, sidewalks, and utility infrastructure (water, sewer, and stormwater), along with increased expenses for private electric, gas, and communications utilities. These costs are ultimately borne by the taxpayer and utility subscribers. An example of this is SunCrest development in the Draper area.

Is there any geologic hazards information available for Utah? The answer is yes, for some areas. The Geologic Hazards Program (<http://geology.utah.gov/ghp/>), which is part of the Utah Geological Survey (UGS), provides geologic hazard map sets for urban and rapidly-developing areas (see page 1 of <http://geology.utah.gov/surveynotes/archives/snt41-3.pdf>).

UGS staff prepares 10 or more maps for each area, including the following types of hazards:

- Seismic hazards (surface fault rupture and liquefaction),
- Landslides,
- Rockfall,
- Flooding and debris flows,
- Problem soil and rock (collapsible soil, expansive soil and rock, and radon), Shallow bedrock, and
- Shallow groundwater.

Analysis to develop the maps uses a variety of information, such as:

- UGS geologic maps (<http://geology.utah.gov/maps/geomap/interactive/index.htm>),
- Natural Resources Conservation Service soil survey data,
- Federal Emergency Management Agency flood mapping,
- UGS collection of aerial photography ([http://geology.utah.gov/online/aerial\\_photos/index.htm](http://geology.utah.gov/online/aerial_photos/index.htm)),
- UGS collection of consultant geotechnical and geologic hazard reports (<http://geodata.geology.utah.gov>, many provided by local governments),
- High-resolution LiDAR data collected by the UGS and other partners (<http://geology.utah.gov/databases/lidar/lidar.htm>),
- Field reconnaissance and mapping, and
- Other data, as available

For more information on geologic hazards in Utah, please visit <http://geology.utah.gov/ghp/consultants/index.htm>.

The Geologic Hazards Program has had two engineering geologists positions since 2009, tasked with the developing of these comprehensive geologic hazard map sets. Due to the time and data intensive, and highly technical nature of preparing these maps, publication is somewhat slow. So far, the program has completed two sets for part of western Salt Lake Valley (see the Magna and Copperton quadrangles at <http://geology.utah.gov/online/ss/ss-137/ss-137.pdf> and <http://>

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[geology.utah.gov/online/ss/ss-152.pdf](http://geology.utah.gov/online/ss/ss-152.pdf)) with ongoing mapping in southern Salt Lake Valley and Utah Valley.

Mapping priorities are based on growth and development projections. In the next five years, UGS plans to map the following areas:

- Lehi and Northern Utah County,
- Saratoga Springs,
- Eagle Mountain,
- Cedar Valley, and
- Northern Salt Lake Valley (including the City of North Salt Lake).

Geologic hazard maps and other related information are not intended to prevent development. The purpose is to facilitate sustainable development, and to limit future disasters with life, safety, and economic damages to landowners and local governments. This kind of information is intended to help home buyers and others make educated decisions before they make their investments.

The key is to provide geologic hazard information for all areas in Utah, to make it easy to understand and use, and to put it in the hands of the public as soon as possible.