



# INTERIM HIGHLIGHTS

Office of Legislative Research  
and General Counsel

Office of the Legislative  
Fiscal Analyst

Office of the Legislative  
Auditor General

## INTERIM COMMITTEE ACTIONS

### Business and Labor

**STUDIES:**

- Staff briefed the committee on construction lien laws.
- The Departments of Health and Insurance briefed the committee on affordable health insurance issues.

**REPORTS:**

- The Department of Commerce reported on the status of the State Construction Registry, and the possibility of legislation to address concerns.
- HIPUtah reported on progress made towards implementing recommendations suggested by the HIPUtah Task Force.

*Chairs: Sen. Scott K. Jenkins / Rep. Stephen D. Clark  
Staff: Allison Morgan (analyst)/Patricia Owen (attorney)/Tracey Fredman (secretary)*

### Education

**REPORT:**

- Received the annual Teacher Quality report from the State Board of Education and State Board of Regents. The report cites a need to improve teacher retention.

**STUDY:**

- Staff presented information on adult education programs and funding. Received public testimony on the need to better coordinate adult education with job training and placement.

*Chairs: Sen. Howard A. Stephenson / Rep. Margaret Dayton  
Staff: Constance Steffen & Phillip Dean (analysts)/Dee Larsen (attorney)/Glenda Whitney (secretary)*

### Government Operations

**REPORTS:**

- Received a legal briefing on the effect of state court rulings addressing prayer in government meetings from Professor Frederick M. Gedicks, Brigham Young University Law School.
- Received presentations from the Legislative Auditor General, the Department of Human Resource Management, and the Department of Administrative Services on current issues and efforts regarding government efficiency.

**ACTION:**

- Requested that the Legislative Auditor General develop agency self-audit and efficiency checklist tools.

*Chairs: Sen. Parley Hellewell / Rep. Douglas C. Aagard  
Staff: Benjamin Christensen (analyst)/Eric Weeks (attorney)/Cassandra Bauman (secretary)*

### Health and Human Services

**STUDIES:**

- Discussed whether assisted living facilities should be licensed by the Department of Health or as Department of Human Services programs.
- Reviewed private child care regulation concerns and Department of Health responses to those concerns.

**REPORTS:**

- The Department of Human Services reported on how the Division of Services for People with Disabilities allocates funds appropriated to serve persons waiting for services and presented alternatives to the current process.
- The Department of Human Services presented alternatives for responding to recent reductions in federal Medicaid funding for mental health services.

*Chairs: Sen. Allen M. Christensen / Rep. Bradley G. Last  
Staff: Mark Andrews (analyst)/Catherine Dupont, Thomas Vaughn (attorneys)/Joy Miller (secretary)*

### Judiciary

**STUDIES:**

- Heard testimony regarding a bill that would make it unlawful to advertise in Utah activities that are illegal in Utah.
- Reviewed recommendations from the 2003 Utah Child Support Guidelines Advisory Committee and discussed options for amending the guidelines.

**REPORT:**

- The committee heard three statutorily required reports from the Administrative Office of the Courts: "Expedited Parent-time Enforcement"; the "Mandatory Education Course for Divorcing Parents"; and "Small Claims Courts."

**ACTION:**

- The committee approved a ten year extension of the sunset date for the Dispute Resolution Program. The Administrative Office of the Courts reported on the current mediation programs and their case loads.

*Chairs: Sen. David L. Thomas / Rep. James A. Ferrin  
Staff: Jerry Howe (analyst)/Esther Chelsea-McCarty (attorney)/Cassandra Bauman (secretary)*

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## Law Enforcement and Criminal Justice

### STUDIES:

- Discussed issues relating to the contracting of state dispatch services to local governments.
- Discussed offenses that have various forms of enhanced penalties and whether the enhancements are consistent and appropriate.

### REPORTS:

- The Department of Public Safety briefed the Committee on the plans and progress of construction of the Miller Public Safety Training Facility.
- The Department of Corrections briefed the Committee on current issues relating to the Utah Sex Offender Registry.

### ACTION:

- Requested a subcommittee to study the issues relating to contracting with counties for dispatch services.
- Requested that staff prepare a letter to the Utah Sentencing Commission asking it to study and report to the Committee regarding recommended changes in penalties for offenses.

*Chairs: Sen. D.C. Buttars / Rep. DeMar "Bud" Bowman*

*Staff: Stewart Smith (analyst)/Susan Creager Allred (attorney)/Wendy Bangerter (secretary)*

## Natural Resources, Agriculture, and Environment

### REPORTS:

- Received a report from the Energy Policy Working Group.
- Received a report from the recently appointed division directors of Conservation and Resource Management, Plant Industry, and Marketing and Development within the Department of Agriculture and Food.
- Received a report on the proposal to build a soccer stadium at the Utah State Fairpark for the Real Salt Lake soccer team.

### ACTION:

- Heard from the Division of Environmental Remediation and Response on the financial status of the Petroleum Storage Tank Trust Fund. The committee requested legislation requiring tank owners or operators to insure either all or none of their tanks through the fund.

*Chairs: Sen. Thomas V. Hatch / Rep. Roger E. Barrus*

*Staff: Brian Allred (analyst)/John Fellows (attorney) & Emily Brown (assistant)/Joy Miller (secretary)*

## Political Subdivisions

### STUDIES:

- Discussed coordination between school districts and municipalities in siting new schools.
- Considered a proposal requiring municipalities to allow developers increased housing density when land is donated to the school district for future schools.

(Continued next column)

- Discussed whether deed or other restrictions on the use of factory-built housing in residential zones should be prohibited.
- Discussed issues related to group homes as proposed in H.B. 94, 2005 General Session.

*Chairs: Sen. Carlene M. Walker / Rep. Brad L. Dee*

*Staff: Joseph Wade (analyst)/Robert Rees (attorney)/Wendy Bangerter (secretary)*

## Public Utilities and Technology

### STUDIES:

- Discussed international trade agreements, including how other states are addressing the potential impacts of these agreements on states' ability to regulate utilities and other sectors such as gambling. A working group was formed to discuss the creation of a state entity to monitor the impact of these agreements on Utah.
- Discussed proposed language to clarify public notice requirements for municipal power plant budget transfers from utility revenues to municipal general funds.

### REPORTS:

- Received a report regarding the Energy Policy Working Group and four subgroups.
- Received a presentation from the Southern Utah Wilderness Alliance about oil and gas development on public lands and how a balanced approach to this development can also be compatible with protecting the environment.

*Chairs: Sen. Gregory S. Bell / Rep. Sheryl L. Allen*

*Staff: Richard North (analyst)/Christopher Parker (attorney)/Phalin Flowers (secretary)*

## Revenue and Taxation

### REPORT:

- Received a report from the Tax Reform Task Force stating that its four working groups are developing recommendations for possible changes to various state taxes.

### STUDIES:

- Received recommendations from the Utah Education Association, State Board of Education, and Utah School Boards Association regarding changes to Utah's state and local tax system.
- Received testimony from Parents for Choice in Education regarding the structure and benefits of a refundable individual income tax credit for tuition paid to a private school.

*Chairs: Sen. Curtis S. Bramble / Rep. Wayne A. Harper*

*Staff: Bryant Howe & Phillip Dean (analysts)/Rebecca Rockwell & Angela D. Oakes (attorneys)  
Phalin Flowers (secretary)*

## Transportation

### REPORT:

- Received an update on the concealing of commercial driver licensees' convictions and the potential loss of federal transportation funds.

### STUDIES:

- Discussed the federal REAL ID Act of 2005 and its implications for the state.
- Discussed the process for driver education certification and how it could be modified to benefit both the driver education certification schools and the state.
- Examined the methods employed by the state to decrease the numbers of uninsured drivers.

*Chairs: Sen. Sheldon L. Killpack / Rep. Joseph G. Murray  
Staff: Mark Steinagel (analyst)/Shannon Halverson (attorney)/Tracey Fredman (secretary)*

## Workforce Services & Community and Economic Development

### STUDY:

- Discussed the timely payment of child care assistance funds by the state to private child care providers who provide child care to public assistance clients.

### REPORTS:

- Heard proposals for statutory changes, including an unemployment compensation social security offset and changes to the Employment Security Act, for the 2006 General Session.
- Received an annual report from the Office of Child Care regarding the status of child care in the state.
- Received a report from the Department of Workforce Services on the adequacy of Family Employment Program cash assistance grant levels.

*Chairs: Sen. John W. Hickman / Rep. David N. Cox  
Staff: Art Hunsaker (analyst)/Jim Wilson (attorney)/Glenda Whitney (secretary)*

## LEGISLATIVE MANAGEMENT COMMITTEE

### REPORTS:

- Received a report and itinerary for the Legislature's Northern Utah site visit on August 1-2, 2005.
- Met in closed session to discuss pending litigation and receive a report from the Office of the Attorney General on the *Deep Creek Ranch v. State Armory Board* lawsuit.

### ACTIONS:

- Approved a request from the Tax Reform Task Force to create four working groups: sales and use tax; property tax; income tax; and RDA and other taxes.
- Approved the holding of six public meetings by the Tax Reform Task Force in the following communities: Logan (August 2, in conjunction with the legislative site visit); Vernal and Price (October 25); Provo (October 26); and Cedar City and St. George (October 27). The task force will hold two meetings in one day on the two occasions listed by taking a state plane (task force members only) to the cities.
- Approved a Business and Labor Interim Committee request to study two tier annuities, which are currently not available under Utah law.
- Approved a joint meeting of the Education Interim Committee and the Public Education Appropriations Subcommittee to meet with the State School Board.
- Approved a meeting of the Health and Human Services Appropriations Subcommittee for July 28, 2005, to discuss Medicare Part D Prescription Drug Coverage.
- Approved a meeting of the Native American Liaison Committee with leaders of the Ute tribe on August 11, 2005 in Ft. Duchesne.

- Approved a site visit to Central Utah on September 28-29, 2005 by the Natural Resources Appropriations Subcommittee, including an overnight stay.
- Approved two meetings of the Public Education Appropriations Subcommittee, the first to be held in late September and the second one in late October or early November.
- Approved a two-day tour by the Capital Facilities and Administrative Services Appropriations Subcommittee of capital development requests likely be considered during the 2006 General Session, including authorization for an overnight stay.
- Approved *Utah Legislature Policies and Procedures for Handling Records Requests and Legislative Management Committee Policy Governing Use of Committee Rooms in the House Building*.
- Approved a 2.5 percent salary increase recommended by the Subcommittee on Oversight for the directors of the three legislative staff offices: Office of the Auditor General; Office of the Legislative Fiscal Analyst; and Office of Legislative Research and General Counsel, effective July 2, 2005.
- Approved a legislative resolution to be drafted and carried by the majority leaders in both houses approving the reappointment of Michael E. Christensen, the director of the Office of Legislative Research and General Counsel, to another six-year term beginning December 1, 2006.



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For more information about legislative activities, contact one of the legislative offices or visit our website at: [www.le.utah.gov](http://www.le.utah.gov)

*Editors: Susan Creager Allred & Stewart E. Smith*

**Northern Utah Site Visit: August 1-2**  
**Next Interim Day: September 21**



# FISCAL HIGHLIGHTS

## EXECUTIVE APPROPRIATIONS COMMITTEE

CO-CHAIRS:

SENATOR LYLE HILLYARD - REPRESENTATIVE RON BIGELOW

### Report: Federal Funds

**Summary:** Sophia DiCaro, Governor's Office of Planning and Budget, presented the list of federal fund grant applications since the June EAC meeting. The listing shows one new application and six reapplications that require action by the EAC, 16 applications that have been approved by the Governor, and the tracking of 370 outstanding federal fund grants.

**Committee Action:** The committee approved the 7 applications to continue through the application process.

**Staff Contact:** Spencer Pratt

### Report: Preferred Drug List for the Medicaid Program

**Summary:** During the June Executive Appropriations Committee meeting, the Department of Health presented a proposal for a Preferred Drug List (PDL) in the Medicaid program. Due to a lack of time during that meeting, the issue was continued to the July meeting. A representative from the Utah Medical Advisory Committee and the Utah Society of Health Systems Pharmacists added their support to those who had spoken in favor of implementing a PDL in the June meeting. Speaking in opposition of a PDL were Sherri Wittwer, (National Alliance for the Mentally Ill); Dr. Max Gift, (Mental Health Association); Susan Horn; Dr. Vong, (Rheumatologist); and Barbara Boner, (PhRMA).

**Committee Action:** The Committee approved a motion to reaffirm the previous EAC position to discontinue further progress toward the implementation of a PDL until such time as there is additional information that may arise and warrant further review.

**Staff Contact:** Spencer Pratt

### Report: Weighted Pupil Unit Consensus Methodology

**Summary:** During the 2005 General Session, the Governor's office and the Legislative Fiscal Analyst provided significantly different cost estimates for a 1 percent increase in the value of the Weighted Pupil Unit (WPU). The two varying estimates raises the issue of what programs in the Minimum School Program (MSP) should be increased when the value of the WPU is increased. When the value of the WPU is increased each "above the line" program in the MSP automatically increases, the question remains as to which "below the line" or "categorical" programs of the MSP also should be increased with the value of the WPU.

The Social Security and Retirement program and the Pupil Transportation program do not have weighted pupil units attributed to them, but have regularly been increased by the Legislature with the WPU. These represent the only two programs that have historically been increased by the Legislature. The Legislature created three MSP block grant programs in 2002 and 2003. Since the inception of these block grants, requests to increase these programs when the value of the WPU is increased have become more prevalent.

The Analyst provided several options for Legislative consideration:

1. Only provide WPU increases on the Basic School Program (above the line programs) and the Social Security and Retirement and Pupil Transportation programs.
2. Provide increases in option one but also include selected categorical programs (below the line programs) that may be heavily impacted by personnel costs; and
3. Provide increases outlined in option one and move categorical programs impacted by personnel costs into the Basic School Program and assign these programs weighted pupil units.

**Staff Contact:** Mike Kjar

**EXECUTIVE APPROPRIATIONS COMMITTEE****Report: Minimum School Program Compensation - Identifying Compensation from Other MSP Elements**

**Summary:** The Legislature expressed interest in correlating an increase in the Weighted Pupil Unit (WPU) to the percent increase in salary received by local school district and charter school employees. The percent increase provided by the Legislature to the WPU is often perceived publicly as the percent increase intended for employee salaries. This perception appears to counter the intent of the Minimum School Program (MSP) and disregards any other cost increases faced by a school district or charter school.

Over time, WPU increases have closely mirrored total compensation increases provided to state and higher education employees. Actual compensation increases for district and charter school employees are decided by the local board. Due to this local control, the Legislature lacks an effective mechanism to influence how districts implement WPU increases and actual employee compensation increases.

The report provides background information on how the Legislative Fiscal Analyst has estimated compensation increases for state employees. With a common data system for state employees, the process of estimating compensation is quite accurate. Because each district and charter school operates as an independent entity, without a common reporting structure, estimating these increases becomes difficult.

Legislators requested that the Legislative Fiscal Analyst determine how funding provided for each program in the MSP relates to salaries and benefits received by local employees. The report provides these estimates for the Basic School Program "above the line" and Related to Basic School Programs "below the line." Compensation expenditures for the Basic School Programs range from 77.5 percent to 100 percent depending on the program. Related to Basic School Programs have a similar distribution.

The report provides five options the Legislature may wish to consider:

1. Establish a state-wide compensation system for school district and charter school employees.
2. Provide the same percentage increase to the WPU as provided to state employees and allow local boards to determine how funds are allocated for employee compensation.
3. Distinguish a portion of the MSP that strictly relates to personnel costs and provide an increase on that portion.
4. Include option three, but provide increases based on a defined state share of total compensation costs.
5. Develop separate "WPU's" for personnel costs and operational costs.

**Staff Contacts: Mike Kjar and Ben Leishman**

**UPCOMING MEETINGS**

- Health and Human Services Appropriation Subcommittee  
July 28, 2005 - 9:00  
Room W125 State Capitol Complex
- Capital Facilities and Administrative Services Appropriation Subcommittee  
August 22 - 23 2005  
Tour - Contact Steve Allred
- Natural Resources Appropriation Subcommittee  
September 28 - 29 2005  
Tour of Central Utah - Contact Ivan Djambov
- Public Education Appropriation Subcommittee  
September 29, 2005 - 1:00 P.M.  
Joint Meeting with the Education Interim Committee and the State Board of Education  
Contact Ben Leishman
- Executive Offices and Criminal Justice Appropriation Subcommittee  
October 18, 2005 - 9:00  
Room W015 State Capitol Complex