



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:

- Discussed whether any changes are needed to Utah’s insurance rehabilitation and liquidation laws to address concerns raised by the reinsurance industry.
- Reviewed Utah’s lien laws and received a report from the Department of Commerce regarding the status of the recently created State Construction Registry.

ACTION: Recommended draft legislation “Insurance Department - Sunset Amendments and Revisions” to address a committee sunset review.

Chairs: Sen. Scott K. Jenkins / Rep. Stephen D. Clark

Staff: Mark Steinagel & Allison Morgan (analysts)/Patricia Owen (attorney)/Tracey Fredman (secretary)

Education

STUDY: Received a summary of the assessment, accountability, and reporting components of U-PASS (Utah Performance Assessment System for Students) by committee staff.

ACTION: Approved a committee bill repealing a nonresident tuition exemption at Utah institutions of higher education for students who attended a Utah high school for three years and graduated from a Utah high school.

Chairs: Sen. Howard A. Stephenson / Rep. Margaret Dayton

Staff: Constance Steffen & Phillip Dean (analysts)/Dee Larsen (attorney)/Glenda Whitney (secretary)

Government Operations

STUDY: Reviewed other states’ voting provisions which allow registered voters to vote prior to election day to reduce waiting on election day. The committee received suggestions from the State Elections Office and public testimony.

REPORTS:

- Received an update on the Government Records Access and Management Task Force. The task force recently discussed electronic messaging and reviewed other states’ policies on the issue.
- Received an overview on the functions of four agencies for which this committee has oversight: Utah State Treasurer, Division of Archives and Records Service, Office of State Debt Collection, and Division of Fleet Operations.

Chairs: Sen. Parley Hellewell / Rep. Douglas C. Aagard

Staff: Benjamin Christensen (analyst)/Eric Weeks (attorney)/Cassandra Bauman (secretary)

Health and Human Services

STUDIES:

- Received information from the Campaign for Tobacco Free Kids on the development of indoor clean air regulations as implemented in other states.
- Reviewed issues the committee may consider at future meetings as part of its Medicaid study.

ACTIONS:

- Recommended draft legislation removing certain sections from the Sunset Act and repealing several statutory provisions requiring executive branch agency reports to the committee.
- Directed the committee chairs to seek input from the FACT (Families, Agencies, and Communities Together for Children and Youth At Risk) Council concerning whether the FACT statute should be allowed to sunset as scheduled.

Chairs: Sen. Allen M. Christensen / Rep. Bradley G. Last

Staff: Mark Andrews (analyst)/Catherine Dupont, Thomas Vaughn (attorneys)/Joy Miller (secretary)

Judiciary

STUDY: The committee received statements from the insurance industry, hospital and medical associations, and litigation experts regarding draft legislation “Limits on Non-economic Damages,” “Prohibition of Contingent Fees for Expert Witnesses,” and “Utah Attorney’s Fees Recovery Act,” that provides for the recovery of attorneys fees by the prevailing party in a civil lawsuit.

Chairs: Sen. David L. Thomas / Rep. James A. Ferrin

Staff: Jerry Howe (analyst)/Esther Chelsea-McCarty (attorney)/Cassandra Bauman (secretary)

IN THIS ISSUE:

Pages 1-2: Interim Committee Actions

Page 3: Legislative Site Visit

Page 4: New Legislative Employees

Law Enforcement and Criminal Justice

STUDIES:

- Received presentations from the Department of Corrections, the Board of Pardons, the Utah Sentencing Commission, and sex offender treatment practitioners on the effectiveness and priorities of sex offender treatment for criminal offenders in prison and in the community.
- Discussed teen dating violence and prevention through education, protective orders, and other means.

REPORT: Committee staff presented a report on the state sex offender registry.

*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

STUDIES:

- Discussed potential energy resource development in Utah. The Division of Oil, Gas, and Mining and the Utah Geological Survey reviewed recent oil discoveries in central Utah and potential recovery of oil from tar sands and oil shale in eastern Utah.
- Considered draft legislation "Archeological Resources Amendments" which provides for annual reporting by the Division of State History and certain state and local government agencies to the Natural Resources, Agriculture, and Environment Interim Committee and the Natural Resources Appropriation Subcommittee regarding certain impacts on state and local governmental entities.

REPORTS: Received reports from the recently appointed directors of the Division of State Parks and Recreation and the Division of Oil, Gas, and Mining.

*Chairs: Sen. Thomas V. Hatch / Rep. Roger E. Barrus
Staff: Brian Allred (analyst)/Jeanenne Larson (attorney)/Joy Miller (secretary)*

Political Subdivisions

STUDIES:

- Discussed authority and funding for background checks in local government and school districts.
- Discussed the need for a land use buffer around Camp Williams, which is operated by the Utah National Guard.
- Discussed issues relating to prescriptive easements.

*Chairs: Sen. Carlene M. Walker / Rep. Brad L. Dee
Staff: Joseph Wade (analyst)/Robert Rees (attorney)/Wendy Bangerter (secretary)*

Public Utilities and Technology

REPORTS:

- Received a report from the Forum On Democracy on how international trade via the World Trade Organization will affect Utah and other states' ability to regulate sectors such as energy and gambling.
- Received a report on the purchase of PacifiCorp from the potential buyer, Mid-American Energy Holding Company. The Public Service Commission also commented and provided a tentative time line of 8-9 months for consideration of Mid-American's proposed purchase.
- Committee chairs reported on the creation of an energy policy working group, a coordination meeting with the governor, and the process by which energy policy issues will be studied over the summer.

*Chairs: Sen. Gregory S. Bell / Rep. Sheryl L. Allen
Staff: Richard North (analyst)/Christopher Parker (attorney)/Phalin Flowers (secretary)*

Revenue and Taxation

REPORTS:

- Received a progress report from the Tax Reform Task Force, including review of sales, income, property, and other taxes and RDA issues.
- Received a report on certain Utah State Tax Commission collection practices.
- Received a report on Utah Enterprise Zone tax credits.

ACTION: Voted to support statewide public hearings later in the year on Tax Reform Task Force proposals.

*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

STUDY: Studied future transportation funding needs and recommendations by the Transportation Planning Task Force.

REPORT: Received presentations from various transportation officials regarding transportation funding, financing initiatives, and public-private partnerships being developed to meet transportation needs.

*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

REPORT: Received a report from the Director of the newly-formed Department of Community and Culture regarding the structure and organization of the Department and its statutory mandates.

ACTION: Recommended extending the sunset date of the Utah Housing Corporation ten years.

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

LEGISLATIVE SITE VISIT NORTHERN UTAH

Box Elder, Cache, and Rich Counties

**Monday, August 1 and
Tuesday, August 2, 2005**

- This Legislative Site Visit begins Monday morning in Brigham City where we are invited to meet with community leaders and discuss issues related to Box Elder County. We will visit various places, depending on our committee assignments.
- We will then travel to Logan, where additional tours and meetings are planned. Monday evening is Legislator's Night at the majestic Festival of the American West.
- On Tuesday there will be tours of roads and highways, dams and reservoirs, public schools, and Utah State University. A town meeting is scheduled for Tuesday evening.
- The final schedule of tours, meetings, and activities will be sent to you in a few weeks.
- Separate tours for spouses and children (ages 10 and older) are also being planned.

***Forms will be sent to Legislators to
make Monday evening lodging reservations.***

NEW LEGISLATIVE EMPLOYEES

HOUSE OF REPRESENTATIVES

Chris Bleak, Chief of Staff. Mr. Bleak holds a degree in Political Science from the University of Utah. He will oversee administrative aspects of the House, and will serve as the Speaker's senior policy advisor in legislative issues, including media relations and policy negotiation.

OFFICE OF THE LEGISLATIVE AUDITOR

David Pulsipher, Performance Auditor. Started 1/15/05. Dave has an MBA and a BA in Speech Communications from the University of Utah.

Danny Schoenfeld, Performance Auditor. Starting 6/27/05. Danny has an MPA from the University of Utah, and has worked for the Department of Workforce Services for the last two years.

Keith Cisney, Performance Auditor. Starting 6/27/05. Keith graduated from Weber State University with a BS in psychology and from the University of Utah with a Masters in Human Resource Management. He has 32 years of experience with the DHS Office of Recovery Services.

Chris Otto, Performance Auditor. Starting 6/27/05. Chris graduated from the University of Utah with a BA in history and an MPA.

Leah Blevins, Performance Auditor. Starting 6/27/05. Leah has a BA and a Masters of Public Policy from BYU.

Tim Salazar, Performance Auditor. Started 6/27/05. Tim graduated from the University of Utah with an MPA and from Oberlin College with a BA in history.

OFFICE OF THE LEGISLATIVE FISCAL ANALYST

Todd Wardrop - Fiscal Analyst. Starting 6/20/05. Todd has a BS in Political Science and a Utah Public Administration certificate from the University of Utah. His emphasis is in facility assessments, construction, risk management, capital outlay services, and administration of other governmental services.

OFFICE OF LEGISLATIVE RESEARCH AND GENERAL COUNSEL

Angela D. Oakes, Associate General Counsel. Started 5/31/05. Angela is working in the Revenue and Taxation area. She graduated from the S. J. Quinney College of Law at the University of Utah in 2002, and has worked with the law firm Nielsen & Senior as a law clerk and as an attorney.

Allison Morgan, Policy Analyst. Started 6/13/05. Allison is working with the Business and Labor Interim Committee, the Occupational and Professional Licensure Review Committee, and with the Privately Owned Health Care Organization Task Force. She recently received a Master's Degree in Public Policy from George Washington University.



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For more information about legislative activities, contact one of the legislative offices or access our website at: www.le.utah.gov

Editors: Susan Creager Allred & Stewart E. Smith

Next Interim Day - July 20th



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, discussed the federal fund grant applications since the May EAC meeting. The listing shows one new application and two reapplications that require action by the EAC, ten applications that have been approved by the Governor, and the tracking of 360 outstanding federal fund grants.

Committee Action: The committee approved the 3 applications to continue through the application process.

Staff Contact: Spencer Pratt

Report: Intent Language as Used in Appropriations Acts

Summary: Each year, legislators include in appropriations acts intent language to clarify the purposes of given appropriations. Many times intent language is used to provide nonlapsing authority to line-items. Mr. Ball, with the help of Mr. John Fellows, examined the way intent language has been used in the past, recommended instances in which statute is preferable to intent, and suggested guidelines under which appropriations subcommittees might consider requests for nonlapsing intent language.

The author recommended reviewing past intent language for instances that may require statutory change and amending the Budgetary Procedures Act so that procedures for requesting and granting nonlapsing authority are more clearly defined.

Committee Action: The EAC directed staff to review appropriations language included in appropriations acts passed during the session.
(Intent Language Report - Continued on page 2)

Report: Best Practices for Good Management: A Self-Audit Approach

Summary: John Schaff, Legislative Auditor General, presented a report that addressed common themes relative to management that may be present within an agency. The four common themes include, lack of acceptable governance, inadequate policies and procedures, ineffective standards or performance measures, and insufficient reporting data. The Legislative Fiscal Analyst and the Legislative Auditor General will work together to focus on these issues in the budget process. The concept of agencies doing self-audits was presented and will be a part of the staff review.

Staff Contact: John Massey and John Schaff

Report: Higher Education Operations, Maintenance and Programming Costs

Summary: This report addresses operation and maintenance (O&M), fuel and power, and programmatic costs as they relate to legislative policy and procedures for funding new higher education buildings. In the 2005 General Session, the Legislature adopted a new policy of funding O&M costs simultaneously with approval of new facilities. The report provides a breakout of the O&M funding formula, which includes factors for maintenance/repair, operations, and fuel and power by space type. Some routine or small unscheduled repairs are included in O&M funds, but larger repairs or system replacements are typically covered with Capital Improvement funds. The report provides a table showing anticipated higher education building requests in the next general session, together with estimates for size, cost, and O&M costs. Estimates for new programming costs associated with new facilities have not been well reported in the past. Funding for new program costs has come through the "enrollment growth" funding formula. The report summarizes the evaluation processes used by the Board of Regents, Building Board, and Legislature to prioritize new facilities.

Committee Action: The committee voted to:

1. Continue funding O&M increases simultaneously with capital facility approvals;
2. Ask USHE to provide more information on the impact that a new facility will have on institutional operating budgets;
3. Ask USHE to specify in the DFCM Capital Development Request whether new FTE are needed for O&M or programmatic purposes; and
4. Consider funding an independent comprehensive space utilization and standards study to aid in the assessment of new facilities required in higher education.

Staff Contacts: Boyd Garriott and Steven Allred

UPCOMING MEETING

Executive Offices and Criminal Justice Subcommittee

- October 18, 2005, 9:00 A.M - Room W015 State Capitol

EXECUTIVE APPROPRIATIONS COMMITTEE

Report: State Funded Building Construction and State Agency/Institution Leasing

Summary: In the past three years the Legislature authorized an average of \$99 million in state-funded capital developments, with \$148.1 million authorized in 2005. This report provides a record of each capital development project completed by the Division of Facilities Construction and Management (DFCM) in the last three years, including funded amounts, final costs, transfers to/from reserve funds, and planned versus actual completion dates. The report also provides estimates for buildings still under construction or recently approved. The second half of the report provides a leasing report showing data by state agency for the last three years, including changes in square footage, changes in annual rent, and changes in annual rent per square foot. The Analyst recommended appropriation subcommittees use the leasing data provided annually in DFCM's Five Year Book to gauge upcoming costs.

Staff Contact: Steven Allred

(Intent Language Report - Continued from page 1)

ing the 2005 General Session and to report to appropriations subcommittees cases in which statutory changes are more appropriate than intent. The committee further directed the Fiscal Analyst's office to prepare four analyses of nonlapsing fund balances and present those analyses to appropriations subcommittees with a summary for the EAC.

Staff Contact: Jon Ball

Report: Preferred Drug List for the Medicaid Program

Summary: During the 2003 Interim, the Department of Health conducted and presented a report investigating the feasibility of a Preferred Drug List (PDL) in the Medicaid program. Following testimony from interested parties speaking both for and against a PDL, the Executive Appropriations Committee voted to recommend that the Department not continue with implementation of a PDL.

Since 2003, there has been continued interest in a PDL. The Department of Health requested that the proposal again be presented to the Executive Appropriations Committee. The fastest growing budget in State government is Medicaid and within the Medicaid budget, the fastest growing line item is pharmacy. Dr. David Sundwall, Executive Director of the Department of Health, and Mr. Michael Deily, Medicaid Director, explained that a PDL uses evidence-based research to determine which drugs are the most therapeutic and cost effective. However, a PDL allows for non-preferred drugs to be dispensed through a prior authorization process. They told the Committee that 44 states have PDLs in some form. The Department's proposal would begin with two categories of drugs and would also involve a secondary pharmacy rebate. He explained that the use of a limited PDL could save the state approximately \$5 million annually. Ted Loosli, Chair of the Medical Care Advisory Committee (MCAC), expressed support of the PDL on behalf of the MCAC. Legislators posed several questions of Dr. Sundwall and Mr. Deily.

Staff Contact: Spencer Pratt

SUBCOMMITTEE MEETING SUMMARY
EXECUTIVE OFFICES AND CRIMINAL JUSTICE

SENATOR DAVID THOMAS AND REPRESENTATIVE DAVID HOGUE, CO-CHAIRS

Summary: The subcommittee met on Tuesday, June 14, 2005 and reviewed the restructuring of the Governor's Office and conducted a follow-up hearing regarding Jail Reimbursement, Jail Contracting, and the Core Rate.

General Session action resulted in a transfer from the Governor's Office, the Commission for Women and Families to Workforce Services and the Chief Information Officer to the new Dept. of Technology Services. A number of Division of Business and Economic Development programs, as well as the Division of Travel and Tourism, were transferred from Community and Economic Development to the Governor's Office. The transfer included 67.5 FTE and \$26.3 million. The new Division of Economic Development and Tourism budget will be heard in the Economic Development and Human Resources Appropriation Subcommittee.

Scott Carver, Dept. of Corrections Executive Director, provided an update on the inmate housing situation. Millard County, which had been approved by resolution during the 2005 1st Special Session, decided not to build a new jail. The State planned on using 100 of the new Millard County beds. Davis County may make some beds available to mitigate the shortfall; however, this will require another resolution.

The subcommittee focused on issues including: the role the courts and judges play in the sentencing of offenders to jails and prisons; how AP&P's Pre-Sentencing Investigation Reports are used; and, the definition of "state prisoner."

Committee members discussed potential funding shortfalls. Estimates indicate there may be a \$1.8 million jail reimbursement shortfall for FY 2005. If the State elected to pay medical and transportation costs for jail reimbursement inmates, the cost would be an additional \$3.2 million.

Staff Contacts: Gary Ricks and William Greer