



INTERIM HIGHLIGHTS

Office of Legislative Research
and General Counsel

Office of the Legislative
Fiscal Analyst

Office of the Legislative
Auditor General

APRIL INTERIM COMMITTEES

Business and Labor

STUDY:

- Studied issues related to health care costs for businesses, including health care mandates, transparency in health cost related information, and consumer-driven health plans such as health savings accounts

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

Education

STUDIES:

- Rep. Dayton discussed Utah Congressman Rob Bishop's role in amending federal legislation regarding a college grant program for low income students.
- Representatives of the Utah State Office of Education and Utah Taxpayer's Association discussed public education budget increases for the 2006-07 school year.
- Committee staff reviewed education legislation from the 2006 General Session.

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

Government Operations

STUDY:

- The committee discussed 2006 interim study priorities.

REPORT:

- Received an update from the Lieutenant Governor's Office regarding implementation of touch screen voting devices as the principal voting mechanism throughout the state.

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

Health and Human Services

STUDY:

- Considered draft legislation "Emergency Administration of Epinephrine," that would authorize additional persons to administer epinephrine by auto-injector to those experiencing anaphylactic shock. *Continued*

REPORT:

- Received a report from the Division of Mental Health and Substance Abuse on developments in treatment and assessment in the public mental health system.

ACTIONS:

- Extended the sunset date for Title 58, Chapter 72, Acupuncture Licensing Act, for ten years.
- Considered draft legislation, "Acupuncture Licensing Act Amendments."
- Extended the sunset date for Title 26, Chapter 46, Utah Health Care Workforce Financial Assistance Program for ten years.

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

Judiciary

STUDY:

- Discussed and established interim study priorities.

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

Law Enforcement and Criminal Justice

STUDIES:

- Discussed the revenues and expenditures of the Crime Victim Reparation Fund.
- Received a presentation from CCJJ (Commission on Criminal and Juvenile Justice) and DPS (Department of Public Safety) regarding Utah's Criminal Justice Information System which provides timely information on offender status. *Continued*

IN THIS ISSUE:

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Page 3: Schedule of Audits Task Forces

Page 4: Legislative Management Committee Report

Enclosure: Legislative Interim Committee Study Assignments

REPORTS:

- Received a report from CCJJ on VINE (Victim Information and Notification Everyday) which provides timely victim notification regarding offenders' involvement in the judicial process and release dates.
- Received a staff briefing and handout on 2006 Legislative General Session issues affecting law enforcement and criminal justice.

ACTION:

- Conducted a sunset review of the Crime Victims' Reparations Board, Section 63-25A-404, and recommended reauthorization for ten years.

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 Utah's role in approving any diversions from groundwater basins located within both Nevada and Utah that are part of water development projects in southern Nevada.
- Discussed potential study items for the 2006 interim.
- Discussed potential legislation requiring boating safety education.

REPORT:

- Received a report from the federal Natural Resources Conservation Service on current snow pack in Utah.

ACTION:

- Approved a letter from the committee chairs to the Bureau of Land Management opposing the proposal by Private Fuel Storage to use public land as a transfer site for spent nuclear fuel casks.

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

Staff: Brian Allred (analyst)/Emily R. Brown (attorney)/Joy Miller (secretary)

Political Subdivisions

STUDIES:

- Reviewed legislation from the 2006 General Session related to political subdivisions.
- Discussed potential interim study topics.
- Received an overview of the committee's subject areas.

ACTION:

- Recommended reestablishing the Special Districts Subcommittee to continue rewriting Title 17A, Special Districts.

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 Division of Facilities Construction and Management regarding its new energy management system.
- Received a report on the growing use of renewable energy resources in the production of electricity and Utah's renewable energy tax credit which expires in 2006.
- Received a report from PacifiCorp regarding its programs to promote effective energy use.

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

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

Revenue and Taxation

REPORTS:

- Reviewed recent trends in state government tax revenue; combined General Fund and Uniform School Fund collections are \$128 million above the most recent forecast.
- Reviewed selected Utah economic indicators, including housing, gross taxable sales, and oil and gas exploration and production.

STUDIES:

- Received a report on the nationwide implementation of the Streamlined Sales and Use Tax Agreement.
- Reviewed options for establishing a statewide uniform sales and use tax rate.
- Discussed proposed changes to the state individual income tax, including 2nd Sub. SB 242, "Tax Revisions," as amended during the 2006 General Session.
- Reviewed existing individual income tax credits, and additions to and subtractions from federal taxable income.

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

STUDIES:

- Studied current efforts to preserve transportation corridors.
- Discussed the proposed prioritization process regarding new transportation capacity projects and the impact of this process on various areas of the state.

REPORTS:

- Received a report from the Utah Transit Authority on public transit status and projects along the Wasatch Front.
- Received an update from the Utah Department of Transportation regarding efforts to establish a HOT (high occupancy toll) lane in Utah.

Continued

ACTIONS:

- Voted to: (1) commend the Transportation Commission and the Utah Department of Transportation for their diligence in promoting HOT lanes; and (2) encourage the Commission and Department to continue their efforts regarding HOT lanes.

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

**Workforce Services & Community
and Economic Development**

REPORTS:

- Received a staff report on committee-related legislation passed in the 2006 General Session. *Continued*

- Received interim study recommendations from the Department of Community and Culture, the Department of Workforce Services, the Governor’s Office of Economic Development, committee members and other members of the Legislature, and the public.

ACTION:

- Extended the sunset date of the Displaced Homemaker program under Section 35A-3-114 to July 1, 2012.

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

**2006 TASK FORCES
AND COMMISSIONS**

**2006 SCHEDULE OF
APPROVED AUDITS**

Provided by Office of the Legislative Auditor General

Commission Enacted – 2006 General Session

Utah International Trade Commission

Ongoing Task Forces

Rules Committee Recodification
Privately Owned Health Care Organization Task Force
State Water Development Commission
Water Issues Task Force

**Task Forces Discontinued or Repealed
2006 General Session**

Government Records Access and Management Task Force
Highway Jurisdictional Transfer Task Force
Tax Reform Task Force
Tourism Task Force

Audits in Process

**Estimated
Release
Date**

Local Government Impact Fees	May 2006
Archaeological Surveys	May 2006
Utah Occupational Safety & Health	June 2006
P-Card Use by State Employees	June 2006
Dept. of Corrections Personnel Issues	June 2006
Corrections Retirement	July 2006
Public Education Vending Machines	July 2006
Utah Species Recovery Program	July 2006
Small Business Development Fund	July 2006
UTA	August 2006
Charter Schools	August 2006

Scheduled Audit

Start Date

Economic Development Operations	Sept. 2006
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LEGISLATIVE MANAGEMENT COMMITTEE**REPORT:**

- Received a report on possible legislative site visits to Salt Lake County and the Uintah Basin.

ACTIONS:

- Approved a legislative site visit to the Uintah Basin for August 7 and 8, 2006 and recommended to next year's LMC that Salt Lake County and Davis County be the locations of the 2007 legislative site visit.
- Approved full interim committee meetings for September 20 in lieu of the previously scheduled legislative site visit.
- Approved the request of the Political Subdivisions Interim Committee to create a Special Districts Subcommittee to continue to rewrite Title 17A, Special Districts, and to hold five meetings with per diem pay.
- Assigned study items to the interim committees. (See enclosure: *Legislative Interim Committee Study Assignments*.)

**2006 STATE AND LOCAL LEGISLATION
PRESENTATION AVAILABLE**

OLRGC staff attorney Bob Rees recently presented a review of 2006 legislation affecting state and local government to a professional organization.

Both the slide show and the handouts from this presentation are available on the web for your reference and use. On the Legislature's home page, <http://le.utah.gov>, click on "Bills Affecting State and Local Government" under the heading "2006 General Session Information," or go to:

2006 Bills Affecting State & Local Government - Presentation
<http://www.le.utah.gov/Documents/Presentations/2006StateLocal/index.html>

2006 Bills Affecting State & Local Government - Handouts
<http://www.le.utah.gov/Documents/Presentations/2006StateLocal/2006statelocalbills.pdf>

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Editors: Susan Creager Allred & Stewart Smith

Next Interim Day - May 17th



Legislative Management Committee 2006 Interim Committee Study Assignments

April 19, 2006

UTAH LEGISLATURE

BUSINESS AND LABOR

Health care costs for business - study health care mandates, monitor other studies, study health plans including health savings accounts, and study transparency in health care cost information, small business healthcare insurance coverage.

Emergency preparedness for business - examine the possible impacts of a disaster such as an earthquake, study government and industry emergency preparedness and planning, and consider whether legislation could facilitate emergency preparedness for business.

Licensing - study the policies underlying licensing in the state and examine particular industries.

Construction industry - study the construction industry, including that industry's contracting and bidding processes.

EDUCATION

Classroom technology - study issues relating to the use of classroom technology.

Concurrent enrollment - study funding for concurrent enrollment.

Earthquake safety of Utah's schools - study risks to Utah's school children associated with the earthquake safety of Utah's schools.

Fee waivers - study mitigating the impact of fee waivers on school districts and the effect of fee waivers on regular school day activities and after school activities.

High school diplomas - study assessment and credit standards for earning a high school diploma.

Home school students - study issues relating to home school students' participation in extracurricular activities.

Inspection of school construction - study issues related to the inspection of school construction.

School busing criteria - study whether to require that, in order to be eligible for state-supported school transportation, a student must attend the public school within the student's school district that is nearest to the student's place of residence, offers the student's grade, and is not a charter school.

Continued

Teacher bonuses - study bonuses for teachers in Title I schools, specifically K-3 teachers, and bonuses for progress in reading achievement.

Teacher supply - study the need for teachers and whether teachers should be able to retire from one school and immediately be eligible to teach in another school within the same district.

Teaching phonics - study the need for teachers who can teach phonics.

GOVERNMENT OPERATIONS

Bidding practices for state procurement

Compensation and benefits of state employees

Election law

Restricting Social Security number access at public offices

Signature verification procedures for initiatives and referendums

Penalty for using public funds to promote political issues

Capitol Preservation Board

Impact of sales tax changes on local bonding

State emergency preparedness and disaster relief funding

HEALTH AND HUMAN SERVICES

Licensing of health and fire inspectors

School nurse shortage

Ambulance services

Impact and reduction of substance abuse

Overdose prevention education

Long-term care for inmates

Training standards for firefighters and emergency medical technicians

Health care cost containment and insurance access in other states

Continued

Consumer-driven health care initiatives

Division of Services for People with a Disability waiting list

Implementation of recent child welfare legislation and review of potential child welfare legislation

Other reviews required by statute: sunset reviews, five-year health insurance provision reviews, and statutory reports

JUDICIARY

Rules of Evidence - to study the applicability of the Utah Supreme Court’s recent decision in Burns v. Boyden.

Title 78 - to recodify

HB 413, Comparative Negligence Amendments - to study the issues of comparative liability and intentional torts.

HB 257, Material Harmful to Minors Amendments - to study violent video games.

SB 195, Child Support Guidelines - to study child support guidelines.

Protective orders - to study mutual protective orders and whether protective orders should be applied to dating violence.

Wrongful death of heir - to study the designation of a wrongful death heir in will or trust documents.

Penalty enhancements effectiveness - to study the effectiveness of penalty enhancements in relation to drug free zones and making certain misdemeanors felonies.

Plea in abeyance - to study the plea in abeyance statute, its purpose, administration, and costs to determine whether, and if so, how, traffic schools should be conducted.

Tort reform in medical practices - to study tort reform related to both obstetrics and gynecology and the removal of caps on non-economic damages in egregious medical malpractice cases.

Victim’s right to subpoena notification - to study allowing the victim of a crime to be notified before private records are released, so a legal challenge can be made when necessary.

LAW ENFORCEMENT AND CRIMINAL JUSTICE

Oversight issues - to study procedures and issues relating to operations within the departments of Corrections and Public Safety, the Board of Pardons and Parole, and the Commission on Criminal and Juvenile Justice and including jail funding, contracting, and private providers.

Continued

Controlled substances - to study issues relating to substance abuse penalties, causes, services, and prevention.

Human trafficking - to study issues relating to human trafficking.

Mortgage fraud - to study mortgage fraud, including identify theft, kickbacks from mortgage lenders to sellers, and other buyer/lender fraud associated with mortgages.

Penalty enhancements - to study and review all crimes that have enhanced penalties to determine if the penalties and enhancements are appropriate and what their effects are on prison populations and other corrections costs.

NATURAL RESOURCES, AGRICULTURE, AND ENVIRONMENT

Impact of exploration on grazing permittees

Impact of mercury on Great Salt Lake Watershed

Petroleum storage tank fund

Recycling program incentives and rural recycling

Waste from electronic products

Briefing on high level nuclear waste disposal

Whirling disease

Energy advisor report

Water Issues Task Force

Funds expended for species protection

POLITICAL SUBDIVISIONS

Antitrust exemption

Incorporation

Municipal disconnect

Special district primaries

Interlocal utilities

Home inspection

Time share registrations

City school districts

Inspection of school district construction

Authorization of opinion questions to voters

Eminent domain

Local government land use referendums

Penalty for using public funds to promote political issues

PUBLIC UTILITIES AND TECHNOLOGY

Broadband - residential services.

Energy - development, transmission, and emergencies.

Permitting - federal and state processes.

Renewable energy tax credits.

Utility issues - rights of way, interlocal, and customers.

RETIREMENT AND INDEPENDENT ENTITIES

Defined Benefit versus Defined Contribution - retirement plans for state employees.

Potential Increase in Cost of Living Allowance cap - for State Public Safety retirees to 4 percent.

Public Employees' Contributory Retirement System - 1.25 percent service factor for years of service prior to 1975.

REVENUE AND TAXATION

Amendments to the state individual income tax

Establishment of a statewide uniform sales and use tax rate

Review of the implementation HB 109, Sales and Use Tax - Food and Food Ingredients, including a review of definitions that apply to sales and use transactions involving food and food ingredients and other issues.

Review of the uniform fees on property such as boats required to be registered with the state and whether that property and accompanying uniform fee structures should be classified differently. *Please note: LMC also requested that this committee study this item in their May meeting.*

Review of the implementation of HB 386, Personal Property Tax Amendments.

TRANSPORTATION

Transportation funding - overview of how recent legislative actions have impacted projected transportation needs.

Project prioritization - impact of the project prioritization process on rural areas.

Public transit funding - current revenue collections and distributions.

Environmental litigation bond

Continued

Large truck traffic

Access to driver licenses for foster youth

WORKFORCE SERVICES AND ECONOMIC DEVELOPMENT

Covered at work - to study the Primary Care Network and the Covered at Work benefits and shortcomings.

Horizon Card fraud - to study Horizon Card fraud and abuse

Limiting unemployment insurance tax rate increases - to study options to limit the amount of an employer's unemployment insurance tax rate increase and estimating the potential impact on the Unemployment Insurance Fund.

Unemployment contributions by certain corporations - to study whether principals of small S corporations, which are not eligible for unemployment benefits, should be required to contribute to the state Unemployment Insurance Fund.

Increased costs of Workforce Services' General Assistance Program

Economic impact of Utah's child care industry

Digitization of community and culture collections

Commission on Volunteers - volunteer liability and risks assumed by municipalities when using volunteers.

Industrial Assistance Fund and the Economic Development Tax Incentive Fund

Increasing opportunities for Utah companies - to competitively bid and receive government contracts.

AUGUST SITE VISIT UINTAH BASIN AUGUST 7 AND 8, 2006



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Editors: Susan Creager Allred & Stewart Smith



FISCAL HIGHLIGHTS

VOLUME 2, ISSUE 1

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Other reports and staff e-mail addresses are available on the LFA website: www.le.utah.gov/lfa

EXECUTIVE APPROPRIATIONS COMMITTEE

APRIL 18, 2006

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 last EAC meeting. The listing shows two new applications and 12 reapplications requiring action by the EAC, 26 applications that have been approved by the Governor, and the tracking of over 300 outstanding federal fund grants.

Committee Action: The committee approved all 14 applications on the list of applications requiring legislative action.

Staff Contact: Juliette Tennert

Report: Charter School Study - Proposed Work-plan

Summary:

S.B. 5 “Amendments to the Minimum School Program Budget” (2006 General Session) directs the Executive Appropriations Committee to direct and approve a study of the state’s charter schools. Legislative staff from all three offices will conduct the study. The study request identifies four major components to examine in regards to charter schools: administration, finances, facilities, and growth.

Staff presented a preliminary work outline for the study which divides the study into three sections. A Request for Proposal (RFP) requires contracting with outside researchers to address the growth components of the study. The Legislative Auditor General will conduct an audit of charter schools and provide information on the major financial and facility questions of the study. Finally, the Utah State Office of Education will conduct an administrative review of charter school governance.

Committee Action: The committee did not take any formal action on this item. Committee members questioned the completion deadline and recommended that the study be completed sooner than the October deadline.

Staff Contacts: Ben Leishman, Mike Kjar & Derek Byrne

Report: Intent Language Standardization & Draft Legislation

Summary:

Jonathan Ball briefed committee members about ongoing efforts to streamline and standardize intent language in the appropriations acts. In response to direction given in the committee's June and November 2005 meetings, Mr. Ball summarized subcommittee action on intent language recommended for statute; shared information on nonlapsing balances as given to subcommittees during the 2006 General Session; and suggested standard templates for nonlapsing intent language to be included in appropriations acts.

Staff Contact: Jonathan Ball

UPCOMING MEETINGS

◆ **Medicaid Interim Committee**

May 10, 2006 - 9:00 a.m.
W020 State Capitol Complex

Please Confirm Meeting Date & Time with Committee Staff

Staff Contacts: Bill Greer, Debbie Headden, Stan Eckersley, Derek Byrne, & Tom Vaughn (LRGC)

EXECUTIVE APPROPRIATIONS COMMITTEE

CONTINUED FROM PREVIOUS PAGE

Report: Drug Offender's Reform Act (DORA) - Program Update

Summary:

Mary Lou Emerson, Director of the Utah Substance Abuse and Anti-violence Coordinating Council, updated the committee on the progress of the three-year DORA pilot program. In the first nine months of the pilot, 79 offenders have been ordered into the DORA program. The level of treatment includes: general outpatient; intensive outpatient; day treatment; and residential.

Staff Contact: Debbie Headden

Report: Medicaid Interim Committee - Overview of Committee Work-plan

Summary:

The Legislative Management Committee established a Medicaid Interim Committee to "study the state's Medicaid related programs and make recommendations to the Legislature about modifications to the programs." Representative Bigelow emphasized the need to address the FY 2007 one-time funding for the Department of Health, which relates to federal cutbacks. Staff prepared a draft survey instrument to begin gathering data.

The Medicaid Interim Committee received authorization to meet six times during the 2006 interim period. The first meeting is tentatively scheduled for May 10, 2006. The Committee is currently in the process of being appointed. Staff for the committee comes from both the Legislative Fiscal Analyst Office and the Office of Legislative Research and General Counsel. A report will be presented to Management Committee by November 1st and to the Executive Appropriations Committee at the November 2006 meeting.

Staff Contacts: Bill Greer, Debbie Headden, Stan Eckersley, Derek Byrne, & Tom Vaughn (LRGC)

Report: Veteran's Nursing Home - Program Update

Summary:

The federal grant to build a Veteran's Nursing Home in Ogden was approved by the Veteran's Administration. Due to budget limitations the grant was not funded and 2008 is the earliest that the grant will be funded.

During the 2005 Special Session, the Legislature authorized \$4.5 million in General Obligation Bonding to assist in the construction of the nursing home. This funding was tied to the receipt of the federal funds.

Staff Contact: Mark Bleazard

Report: Public Employee's Health Plan & High Deductible Health Plan

Summary:

During the 2006 General Session, Public Employee's Health Program agreed to lower health benefit costs to the State by approximately \$5.5 million to facilitate a half percent increase in salaries for State employees. Linn Baker, director of Public Employee's Health Program, presented committee members with a summary of how PEHP will decrease benefit costs for fiscal year 2007. The program will transfer \$2.3 million from dental reserves to medical plans, increase deductibles for inpatient admission to \$250 on the Preferred network and \$150 on managed care networks, and increase emergency room co-pays from \$75 to \$100 on all plans.

Mr. Baker also provided committee members with an outline of the new high deductible/health savings plan option that HB 76 (High Deductible Health Plan Option for Public Employees, passed during the 2006 General Session) requires PEHP to offer. The new plan includes higher deductibles and out-of-pocket maximums than the traditional plans offered by PEHP, although preventative care benefits are still paid outside of the deductible. Recommended annual funding of the health savings account is \$650 for singles and \$1,300 for couples and families. More information on this new plan may be obtained by contacting PEHP or the Office of the Legislative Fiscal Analyst.

Committee Action: The committee expressed concern that PEHP used one-time monies (dental reserves) to fund the reduction in benefit costs and approved a motion to require PEHP to present EAC with a minimum of three alternatives for replacing the dental reserve transfer amount in future years. Specifically, the committee would like to hear an option that changes the share of premiums paid by employees, an option that changes deductibles, and an option that changes benefits. The committee also requested that PEHP compare these options to industry standards.

Staff Contact: Juliette Tennert

HEALTH AND HUMAN SERVICES

Federal Action on Public Health Appropriations

In response to Federal cuts in public health funding of the Deficit Reduction Act of 2005, the US Senate restored nearly \$7 billion in health, education and labor budgets. However, in a letter from Senators Spector and Harkin Chair and Ranking Minority Chair of the Labor and HHS Appropriations Committee, it was reported that the House HHS Appropriations Committee did not include a similar measure in their Committee action. Without these federal dollars all states could be facing significant cuts in public health, human services and education programming in the coming years.

The Utah Legislative Management Committee created a Medicaid Interim Committee to look at these and other potential reductions in funding of health and human service programs.

Staff Contact: Bill Greer

The First Utah Pandemic Flu Summit

The Governor's Summit: Utah Plans for Pandemic Influenza was held on March 24, 2006 to discuss Utah's response to a potential influenza pandemic. It was hosted by Lt. Governor Gary Herbert with U.S. Department of Health and Human Services Secretary Mike Leavitt. About 500 Utah leaders in government, business, health care, emergency management, education and community and faith-based organizations attended the afternoon summit held at the Davis Conference Center in Layton, Utah. Federal, state and local officials discussed current and future efforts to prepare Utah and the nation for a potential influenza pandemic. At the summit, the Utah Department of Health (UDOH) launched the new www.pandemicflu.utah.gov web site, which provides tools and resources to help Utahans plan for pandemic influenza. A Summit Planning Toolkit was also distributed to participants. A copy of this can be ordered from the website.

Staff Contact: Bill Greer

Tobacco Revenue Update

As of April 20, 2006, the Governor's Office of Planning and Budget reported that the state had received \$26,028,600 in FY 2006 payments from tobacco companies participating in the Master Settlement Agreement (MSA). The restricted account received 75 percent of these MSA payments or \$19,521,500. The beginning balance in the restricted account was \$6,101,900. The total funds in the restricted account available for FY 2006 are \$25,623,400 plus interest payments. Total appropriations from this account for FY 2006 are \$22,631,800. MSA payments in FY 2006 are sufficient to cover appropriations for FY 2006. Tobacco revenue is used to fund programs in the Utah Departments of Health and Human Services, the Courts, the Attorney General's Office and the University of Utah Science Center.

Staff Contact: Bill Greer

NATURAL RESOURCES

Public/Private Partnerships to Support State Parks

The Division of Parks and Recreation has begun forming partnerships with local governments, the tourism industry, and private businesses surrounding Utah's 42 state parks. The goal is to enhance and expand tourism opportunities in the areas, as well as to increase parks' visitation and revenues. The first partnership meeting was held in Emery County and has resulted in receiving matching funds for advertising, making joint plans for special events with community partners, and cross-promotion of facilities and activities. A second partnership meeting was just held in Davis County, and a third is planned for Uintah County.

Staff Contact: Ivan Djambov

HIGHER EDUCATION

Approval of 1st & 2nd Tier Tuition Increases

In its first meeting following the conclusion of the 2006 General Session, the State Board of Regents approved a four percent first tier tuition rate increase for academic year 2006-2007. In addition, the Board of Regents approved second tier tuition ranging from 0 to 27.1 percent. The tuition increases for academic year 2006-2007 will generate approximately \$27.6 million (\$13 million from first tier tuition and \$14.6 million from second tier tuition). The table below shows the tuition percent increases for each college or university.

First tier tuition covers the Dedicated Credit portion of the compensation increases at each of the institutions. Second tier tuition is used for institution-specific, student-approved initiatives such as library support, additional advising and counseling services, new faculty, and student services.

Staff Contact: Spencer Pratt

USHE Tuition Increases for 2006-2007

	<u>1st Tier</u>	<u>2nd Tier</u>	<u>Total</u>
University of Utah	4.0%	5.5%	9.5%
Utah State University	4.0%	4.0%	8.0%
Weber State University	4.0%	4.5%	8.5%
Southern Utah University	4.0%	4.0%	8.0%
Snow College	4.0%	5.0%	9.0%
Dixie State College			
Resident, Lower Division	4.0%	27.1%	31.1%
Resident, Upper Division	4.0%	-14.7%	-10.7%
Non Resident	4.0%	19.6%	23.6%
College of Eastern Utah	4.0%	4.5%	8.5%
Utah Valley State College	4.0%	5.0%	9.0%
Salt Lake Community College	4.0%	0.0%	4.0%

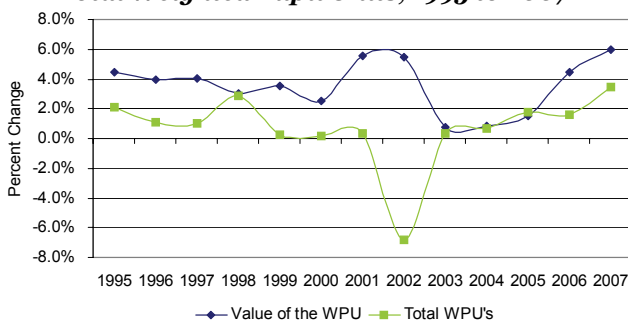
PUBLIC EDUCATION

Increase in the Value of the Weighted Pupil Unit

During the 2006 General Session, the Legislature funded a 6% increase in the value of the Weighted Pupil Unit (WPU). This increase represents the largest single increase since 1991, when the value of the WPU was increased 8.5%. The following chart provides a history of the percent change in the value of the WPU since 1995. The bottom line shows the percent change in the total number of weighted pupil units funded through the Minimum School Program since 1995. Consolidating several MSP programs into block-grants in FY 2002 accounts for the brief decline in the total number of WPUs.

Staff Contacts: Mike Kjar & Ben Leishman

Value of the Weighted Pupil Unit Compared to Total Weighted Pupil Units, 1995 to 2007



Source: Appropriations Reports, Office of the Legislative Fiscal Analyst, April 2006.

COMMERCE & REVENUE

Interim Study Items Affecting Commerce & Revenue Agencies

Executive Appropriations has selected three study items that will affect Commerce and Revenue agencies:

1. Tax Commission Auditors and Collectors. This study will examine the fiscal impact of auditors and collectors on state revenue.
2. Tax Commission - Progress Report on New Systems Implementation
3. Health and Human Services Program Review. Current growth in safety net programs will be examined by the Medicaid Interim Committee. This is a new and temporary committee that will look at controlling costs of health, human services, and welfare programs. Workforce Services programs will be included in the study.

Commerce & Revenue Appropriations Subcommittee co-chairs have not yet decided the interim schedule and agenda. If members of the committee have suggestions for interim study, please contact the Analyst and he will bring your items to the attention of the co-chairs.

Staff Contact: Stan Eckersley

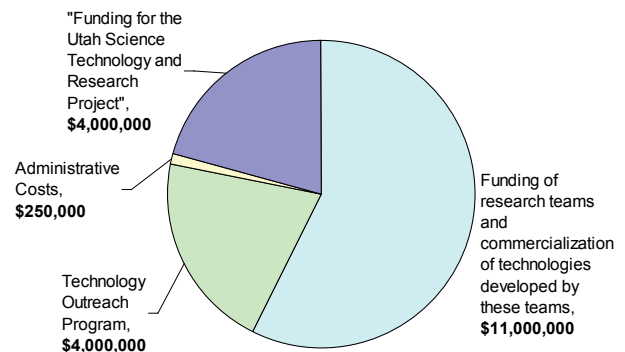
ECONOMIC DEVELOPMENT

Update on the USTAR Initiative

During the 2005 General Session, the Legislature allocated funding to the University of Utah and Utah State University to recruit and hire research teams, purchase research equipment, and develop and implement a high technology research and development initiative. This initiative was named the Utah Science, Technology, and Research (USTAR) Economic Development Initiative and the 2006 General Session passage of SB 75 (USTAR Initiative) greatly broadened its scope and funding. Senate Bill 75 establishes the USTAR Governing Authority, to which funds are appropriated for the construction of research buildings at Utah State University and the University of Utah, the creation of a technology outreach program at up to five locations throughout Utah, and the recruiting and funding of research teams.

Senate Bill 75 transfers \$4,000,000 ongoing from General Fund appropriations to the University of Utah and Utah State University and provides a new ongoing General Fund appropriation of \$15,250,000, for a total of \$19,250,000 ongoing, to the USTAR Governing Authority. Specific funding intents are outlined in the following pie-chart.

Ongoing USTAR Funding Specified by Intent Language in SB 75



The bill also authorizes the issuance and sale of \$111,100,000 in general obligation bonds and appropriates \$50,000,000 one-time from the General Fund to the USTAR Governing Authority for the construction of a Bio Innovations Research Institute at USU (\$40,400,000 in bonds and \$20,000,000 one-time) and a Biomedical Technology Research Building at the U of U (\$70,700,000 in bonds and \$30,000,000 one-time). Expenditure of these funds is contingent upon USU and U of U obtaining commitments of at least \$10,000,000 and \$30,000,000 in non-state funds, respectively.

Staff Contact: Juliette Tennert

New Campaign to Reduce Traffic Fatalities

During the 2006 General Session, the Transportation, Environmental Quality & National Guard Appropriations Subcommittee heard a report from the Utah Department of Transportation on a joint venture between UDOT and the Utah Department of Public Safety to reduce fatalities on Utah's roads. According to the report the agencies plan on launching "a new educational campaign to reduce traffic-related deaths in 2006." The report states that "UDOT, DPS, the Federal Highway Administration, AAA and the Federal Motor Carrier Safety Administration have all pledged their support in this campaign"

The new campaign was introduced in an announcement releasing the 2005 Fatality Report. The report showed "a steady decline of deaths on Utah roads over the past 5 years, with 282 fatalities in 2005 (down from 296 in 2004). The Zero Fatalities public education campaign aims to reduce some of the more prevalent contributing factors to fatalities on Utah roads, such as improper restraints (208 fatalities). In addition more people died as a result of fatigue (25) than DUI (21), showing a need to educate motorists on the dangers of driving while drowsy."

Staff Contact: Mark Bleazard

Source: Utah Department of Transportation, Press Release, 2006-01-13. www.udot.utah.gov

FEDERAL FUNDS

New Federal Grant Approvals

As noted in the Executive Appropriations Committee update, EAC approved two new applications for federal fund grants during its April meeting. These grants are described below.

The annual award amount for the **Utah GPS Domestic Violence Prevention Project** grant totals \$308,326 and requires \$49,596 annually in matching state funds. During the 24-month grant period, which begins in October, the **Department of Corrections** will use grant monies and state funds to determine whether GPS technology prevents domestic violence for those on protective orders. To accomplish this task, 210 offenders with active protective orders will be fitted with GPS units and compared to a group of offenders without GPS units. Of the \$49,596 state match requirement, \$12,156 is General Fund and \$37,440 is in-kind. The in-kind portion is provided by the GPS vendor, who would normally lease the GPS units at \$7.00 per day but is providing the state with a discount rate of \$6.00 per day, equivalent to \$37,440 in savings over the life of the project. The grant

Update on the Miller Public Safety Training Center

On July 11th 2005, ground was broken at the Miller Salt Lake Community College Campus in Sandy to construct the Miller Public Safety Training Center. The Legislature approved the building during the 2004 General Legislative Session. Mr. Larry H. Miller and his family donated the funds to build the center. The facility will become the centerpiece for the Peace Officers' Standards and Training (POST) Program.

The center includes a three-story, 73,200 plus-square-foot training facility supporting state of the art law enforcement instruction. The building will also house Salt Lake Community College's food services department and culinary arts program. A dormitory for cadets will also be constructed.

The Legislature funded the operations and maintenance (O&M) needs of the yet to be completed center during the 2006 General Legislative Session. The Legislature appropriated \$874,000 in ongoing funds beginning FY 2007. The facility is scheduled for completion in September 2006. The O&M funding was appropriated directly to Salt Lake Community College.

Staff Contact: Gary Ricks

requires a 0.75 full-time-equivalent temporary position, which will be abolished at the end of the project. This grant application is still pending.

The **Examining the Utah Sex Offender Management Program** grant annual award totals \$228,265 and requires \$107,674 in annual matching state funds. The purpose of this grant is to enable the **Department of Corrections** to assess current sex offender treatment and registration practices and to develop new approaches, techniques, policies, and procedures through ongoing research and reevaluation. Of the \$107,674 state match requirement, \$48,245 is General Fund and \$59,429 is in-kind (equal to project director and grant manager's time over the life of the 2-year project). The grant requires a 0.75 full-time-equivalent temporary position, which the department will fill with an intern and abolish once the grant ends. This grant application is still pending.

Staff Contacts: Juliette Tennert and Derek Byrne

Allocation of Capital Improvements Funding

On April 12, 2006 the State Building Board approved a list of Capital Improvement projects for FY 2007. During the 2006 General Session the Legislature appropriated \$62,921,300 to Capital Improvements as required by statutory formula. The Legislature also reallocated \$2,500,000 to Capital Improvements from the Division of Risk Management, with intent language requiring these funds be used specifically to reduce life safety hazards.

Total funding appropriated was \$65,421,300. The Division of Facilities Construction and Management (DFCM) carried over an additional \$172,000 from FY 2006, bringing the total FY 2007 amount to \$65,593,300.

The Building Board allocated 61 percent of the funding to higher education. This equals higher education's share of the replacement cost of existing facilities statewide, and is similar to allocations in the previous five years. The University of Utah and Utah State University, which have the highest concentration of state buildings, will receive 19 percent and 11 percent of available funds respectively.

For a complete listing of approved FY 2007 projects by agency/institution, please see http://buildingboard.utah.gov/agenda/currentmeeting/ta_b2.pdf or contact our office and we will provide you a copy.

Capital Improvements are sometimes referred to as "alterations, repair and improvements" (AR&I). They are defined as remodeling, alteration, replacement, site, utility

or repair projects costing \$1,500,000 or less; or new facilities with construction costs of \$250,000 or less (see UCA 63A-5-104). Capital Improvements are the state's primary funding source for building repairs and must be funded at 1.1% of the replacement value of existing facilities before any larger capital development projects may be funded. The Building Board's allocation of Capital Improvement funding is subject to legislative approval.

Staff Contact: Steve Allred

Update on the Capitol Restoration Project

The seismic upgrade is now 70% complete. Interior work is beginning to also take shape. Framing of stud walls, 'rough in' of new elevators, new doors, plumbing, mechanical, electrical conduits, and installation of data/communication cables, etc. have all contributed to accelerating the pace of the project. New windows are being installed in the dome and First Floor area. The interior dome painting is complete, and the scaffold will begin to come down on April 27, 2006. The project is still on target for the re-opening in January 2008.

Recently, an engineering class from the University of Utah suggested locating a 277 space underground parking garage on the southeast portion of Capitol Hill. This cost of this structure is estimated at \$10.9 million and the design will be presented to the Capitol Preservation Board during their April 26, 2006 meeting.

Staff Contact: Todd Wardrop



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