



# 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

**STUDY:** Reviewed interim study items. The chairs requested that members indicate their study priorities.

**REPORT:** State agencies within the committee's subject area presented their suggestions for interim study.

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

### Education

**REPORT:** The Utah State Office of Education reported on the U-PASS Accountability Plan which will identify schools achieving state-established performance levels.

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

### Government Operations

**REPORT:** Received a briefing from the Utah Elections Office regarding the RFP (request for proposals) for new voting equipment that complies with the federal Help America Vote Act of 2002. Vendors provided an equipment demonstration and answered questions.

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

### Health and Human Services

**STUDY:** Discussed potential interim study items.

**REPORTS:** The new directors of the Department of Health and the Department of Human Services reported on agency plans and suggestions for interim study.

**ACTION:** Requested draft legislation to remove the Department of Health from the Sunset Act.

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

### Judiciary

**STUDY:** Reviewed interim study items to establish priorities.

**REPORT:** The Legislative Auditor presented a performance audit of the Office of the Guardian ad Litem. The Administrative Office of the Courts and Office of the Guardian ad Litem provided responses.

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

### Natural Resources, Agriculture, and Environment

**REPORT:** Natural Resources Conservation Service reported on the snow pack and water supply in Utah.

**ACTION:** Voted to recommend that Title 19, Chapter 6, Part 6, Lead Acid Battery Disposal, be reauthorized for ten years.

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

### Political Subdivisions

**STUDIES:**

- Committee staff provided an overview of political subdivisions.
- Prioritized interim study items and discussed bills in the ongoing Special Session related to political subdivisions.

**ACTION:** Voted to create a special districts subcommittee to continue the rewrite of Title 17A, Special Districts.

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

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## Public Utilities and Technology

### REPORTS:

- A representative of the Governor's Office discussed the establishment of a new energy director and an energy council, and the reassignment of the prior Utah Energy Office's duties to other state agencies.
- Public and private entities discussed the need for a Utah energy policy.
- Spring Canyon Energy presented information regarding a power facility project at Mona, Utah and the facility approval process.

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

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

## Revenue and Taxation

### STUDIES:

- Reviewed issues regarding the administration and compliance burden of the personal property tax.
- Reviewed the proposed working relationship between the committee and the Tax Reform Task Force.
- Reviewed potential interim study items.

### REPORTS:

- Committee staff reviewed enacted 2005 General Session legislation related to revenue and taxation.
- Reviewed studies and reports submitted to the committee as required by statute.
- Received a revenue update from the Utah State Tax Commission showing that General Fund and Uniform School Fund revenue collections and Transportation Fund collections are exceeding forecasts.

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

*Staff: Bryant Howe & Phillip Dean (analysts)/Rebecca Rockwell (attorney)/Phalin Flowers (secretary)*

## Transportation

**STUDY:** Reviewed potential interim study items. The chairs requested that members indicate their priorities.

### REPORTS:

- The Department of Transportation (DOT) reported on the Centennial Highway Fund Program and the funding outlook for transportation needs.
- DOT explained the department's managed lanes study.
- DOT outlined the process to develop criteria for prioritizing new highway capacity projects.

*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:** The Governor's Economic Advisor reported on restructuring the Department of Community and Economic Development as the Governor's Office of Economic Development and the Department of Community and Culture.

**ACTION:** Voted to study an unemployment insurance option for hard-to-employ individuals offering employers three months' wage subsidy for employee training, to be offset by unemployment insurance savings.

*Chairs: Sen. John W. Hickman / Rep. David N. Cox*

*Staff: Art Hunsaker (analyst)/Jim Wilson (attorney)/Glenda Whitney (secretary)*

## Bills Passed - 1st Special Session April 19-20, 2005

H.B. 1001	Implementing Federal Educational Programs	M. Dayton
H.B. 1002	Provider Contracting Amendments	R. Lockhart
H.B. 1003	Civil Legal Aid for Victims of Domestic Violence	R. Romero
H.B. 1004	Disconnecting Territory from a Municipality	C. Frank
H.B. 1006 1st Sub.	Changes in Task Force Membership	J. Alexander
H.B. 1007	Veterans' Nursing Home Authorization and Funding	D. G. Buxton
H.B. 1008	Transportation Investment Act	R. Lockhart
H.B. 1009	Executive Compensation	J. Alexander
H.B. 1010	Uses of Money in Municipal-type Services Fund	M. Walker
H.B. 1011	Funding for Convention Facilities	D. Clark
H.J.R. 101	Joint Resolution Supporting Expansion of Correctional Facilities	D. Hogue
S.B. 1001	Amendments to Property Tax Public Notice and Hearing Provisions	C. Bramble
S.B. 1002 1st Sub.	Funding for Tourism	S. Jenkins
S.B. 1003	Property Tax - County Service Areas	M. Waddoups
S.B. 1004	Drug Offender Reform Act - Pilot Program	S. Killpack

## 2005 SCHEDULE OF LEGISLATIVE AUDITS

*Prepared by: Office of the Legislative Auditor General*

Audits Recently Released	Date
Office of the Guardian ad Litem	February 2005
Utah High School Activities Association	February 2005
USOE's Use of the Superintendent's Discretionary Fund	February 2005
Best Practices in Using Technology in Public Education	February 2005
Timeliness of Civil Cases in District Court	April 2005

### New Audits Approved\*

Administrative Office of the Courts Purchasing Practices
Centrally Assessed Property
Utah Performance Assessment System for Students (UPASS)

\* The Legislative Audit Subcommittee has approved the audits listed above which will be assigned as staff becomes available.

Audits in Process	Estimated Completion*
Local Government Fiber Optics Network	April 2005
Nebo School District Admin. Control System	April 2005
School Boards and Open Meetings Act	May 2005
Child Care Licensing	June 2005
Public Education Retirement Benefits	June 2005
Office of Recovery Services	July 2005
School & Institutional Land Admin. (SITLA)	July 2005
State Agency Use of Motor Vehicles	July 2005
Higher Education Retirement Benefits	October 2005

\* The audit completion date is only tentative and may change based on the conditions found by the audit teams.

## 2005 TASK FORCE INFORMATION

Task Forces Enacted - 2005 General Session
Government Records Access and Management Task Force
Highway Jurisdictional Transfer Task Force
Privately Owned Health Care Organization Task Force
Tax Reform Task Force
Tourism Task Force
Ongoing Task Forces
Rules Committee Recodification
State Water Development Commission
Task Force Studying Water Issues

Task Forces Discontinued or Repealed 2005 General Session
Energy Policy Task Force
Financial Institutions Task Force
Hazardous Waste Regulation and Tax Policy Task Force
Individual Income Tax and Corporate Franchise and Income Tax Task Force
Motion Picture Task Force
NCSL Planning Committee
School Building Legislative Task Force
Transportation Planning Task Force
Utah Tomorrow Strategic Planning Committee

## LEGISLATIVE MANAGEMENT COMMITTEE

### REPORTS:

- Reviewed staff reports and changes made to committees in the 2005 General Session. (List of committees and task forces enacted and repealed - Page 3.)
- Discussed Legislative Management Committee (LMC) policies but deferred action until the May 17, 2005 LMC meeting.

### ACTIONS:

- Approved a parking policy for the west underground parking area which, as a result of H.B. 250 "Capitol Complex Space" (2005 General Session), is under Legislative control. The policy provides assigned underground parking for all legislators during the General Session and Special Sessions, and on interim days and the Tuesday before interim days. On all other days legislators have access to 26 designated underground stalls.
- Assigned Master Study Resolution items, sunset reviews, and repealers to interim committees and the Executive Appropriations Committee.
- Approved a policy increasing public accessibility to Senate and House floor debates by developing a link on the legislative web page, [www.le.utah.gov](http://www.le.utah.gov), that provides public audio access to the floor debates for each bill.

- Approved a meeting for the Education Interim Committee for April 5, 2005 to conduct a public hearing on the federal No Child Left Behind law in preparation for the April Special Session.
- Approved a proposed visit to southern Utah by the Task Force Studying Water Issues for two days and one night.
- Approved a legislative site visit to Logan for August 1st and 2nd. Details of the visit will be approved at LMC's May 17, 2005 meeting.
- Approved a schedule of interim committee meetings as shown on the enclosed insert.



**Office of Legislative Research and General Counsel**

House Building, Suite W210 • Salt Lake City, UT • 84114  
(801) 538-1032

**Office of the Legislative Fiscal Analyst**

House Building, Suite W310 • Salt Lake City, UT • 84114  
(801) 538-1034

**Office of the Legislative Auditor General**

House Building, Suite W315 • Salt Lake City, UT • 84114  
(801) 538-1033

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

*Editors: Susan Creager Allred & Stewart Smith*

**Next Interim Day - May 18th**



# FISCAL HIGHLIGHTS

JOHN E. MASSEY  
LEGISLATIVE FISCAL ANALYST

## EXECUTIVE APPROPRIATIONS COMMITTEE

CO-CHAIRS:  
SENATOR LYLE HILLYARD - REPRESENTATIVE RON BIGELOW

### Report: Federal Funds

**Summary:** Sophia DiCaro, from the Governor's Office of Planning and Budget, discussed the federal fund grant applications since the adjournment of the General Session. The listing shows 35 applications that required action by the Executive Appropriations Committee, 40 applications that have been approved by the Governor, and the tracking of 347 outstanding federal fund grants. There was some discussion of the grants that add new staff and those that require matching state funds.

**Committee Action:** The committee approved the 35 applications to continue through the application process.

**Staff Contact:** Spencer Pratt

### Report: Federal Funds Issues

**Summary:** Spencer Pratt discussed federal issues currently under consideration that may potentially impact the State. The first area is from the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which provides all Medicare beneficiaries with a prescription drug benefit beginning January 1, 2006. Utahns eligible for both Medicaid and Medicare will see their drug benefit change from a Medicaid benefit to a Medicare benefit. The actual benefits will depend upon the individual's income level. For these "dual eligibles" the federal government will begin paying for prescription drugs previously covered by Medicaid. To recoup some of these expenses, the state will be required to pay a "Phased-Down State Contribution" to the federal government. It is estimated that this will require a payment of \$17.3 million early in 2006.

President Bush's proposed budget was discussed. This budget calls for reductions in the Federal share of Medicaid and CHIP in the amount of \$60 billion over the next ten years. This will impact the State as more costs will likely be shifted to the State. Other changes in the foster care program could also cause fiscal impact to the State.

**Staff Contact:** Spencer Pratt

### Report: High Technology Economic Development Appropriation (S.B. 192 - 2005 General Session)

**Summary:** Senate Bill 192 "High Technology Economic Development Appropriation" promotes research and development through the state's research universities - the University of Utah and Utah State University. The Universities have produced preliminary plans to implement the "Utah STAR Economic Development Initiative" as directed by intent language in S.B. 192. The Bureau of Economic and Business Research at the University of Utah will provide administrative support and provide evaluations of program costs and revenue implications, culminating in a November 2005 report. The bill appropriated \$350,000 in FY 2005 to provide for the initial expenses related to the planning, development, and implementation of a high technology research proposal.

The University of Utah has proposed to divide their funding allocation between the Brain Institute (\$1,200,000) and Information Technology (\$1,200,000). The Brain Institute will explore development of new brain imaging research and discover new procedures for those suffering from brain ailments. The focus of the Information Technology proposal will be on Homeland Security. The university also received a one-time \$3 million General Fund appropriation in FY 2005 to purchase brain imaging equipment and supplies to foster brain research at the university.

Utah State University will use allocations made in S.B. 192 to further their research in Microbial Transformation. With the allocations made to USU, researchers propose to identify microbes that will help in various environmental or agricultural developments, that in turn can be commercialized.

**Staff Contact:** Boyd Garriott

## EXECUTIVE APPROPRIATIONS - CONTINUED

**Discussion:** 2005 First Special Session - Bills with Fiscal Implications

**Summary:** The committee bills with potential fiscal implications that the Legislature will be considering during the First Special Session. Committee discussion focused primarily on H.B. 1001 "Implementing Federal Educational Programs", H.B. 1006 "Changes in Taskforce Membership", H.B. 1009 "Executive Compensation", and H.J.R. 101 "Joint Resolution Supporting Expansion of Correctional Facilities". Committee members highlighted additional proposed legislation, namely H.B. 1011 "Funding for Convention Facilities" and H.B. 1007 "Veterans' Nursing Home Authorization and Funding". A summary of legislation with fiscal implications passed during the First Special Session may be found below.

**Staff Contact:** John Massey

1ST SPECIAL SESSION HIGHLIGHTS  
SUMMARY OF FISCAL IMPLICATIONS

**Summary: H.B. 1001, "Implementing Federal Educational Programs"** directs public education officials regarding the administration and implementation of federal educational programs, namely NCLB and IDEA. Passage of this bill did not have a direct impact on state funds. It is unknown what impact implementing this bill may have on the federal funds currently received by the state or the state's ability to procure additional federal funding.

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

**Summary: H.B. 1006, "Changes in Task Force Membership"** increased membership requirements for the Highway Jurisdictional Transfer Task Force by one member from the House of Representatives. Membership requirements for the Governments Records Access and Management Task Force, the Tax Reform Task Force, and the Tourism Task Force were each increased by two members from the House of Representatives.

**Staff Contact:** Mark Bleazard

**Summary: H.B. 1008, "Transportation Investment Act"** creates the Transportation Investment Fund (TIF) and the Centennial Highway Fund Restricted Account. The bill transfers \$59,594,700 from sales tax revenue to the Centennial Highway Fund Restricted Account. After general obligation bonds that will have been authorized for the Centennial Highway Program are paid off, sales tax revenues will be deposited into the new TIF. The bill further transfers \$30 million of one time General Funds appropriated to the Centennial Highway Program during the 2005 General Session to the TIF and then to the Construction Management - State Construction New - line item.

**Staff Contact:** Mark Bleazard

**Summary: H. B. 1009, "Executive Compensation"** increased the salaries for the Governor, Lieutenant Governor, State Auditor, and State Treasurer by 2.5 percent. The bill also increased the salary ranges for appointed officials by a similar 2.5 percent. The cost of the increase for the elected officials was included in the regular FY 2006 appropriations. Any fiscal impact for executive branch agencies will be determined by actions taken by the Governor, within the approved salary ranges.

**Staff Contact:** Spencer Pratt

**Summary: H.B. 1011, "Funding for Convention Facilities"** appropriates \$4,000,000 from the General Fund in FY 2005 and repeals the earmarking of the local innkeeper tax.

**Staff Contact:** Andrea Wilko

**Summary: H.J.R. 101, "Joint Resolution Supporting Expansion of Correctional Facilities"**: A resolution supporting Beaver, Millard and Sanpete Counties expansion of their correctional facilities. The intent is to ease the prison population housing shortage.

**Staff Contacts:** Bill Greer, Gary Ricks

**Summary: S.B. 1002, "Funding for Tourism"** appropriates \$14,000,000 from the General Fund with a contingent appropriation of another \$4,000,000 if surplus is available. The bill also establishes the criteria on how funding should be used.

**Staff Contact:** Andrea Wilko

**Summary: S.B. 1004, "Drug Offenders Reform Act - Pilot Program"** creates a pilot program limited to the third district court for screening, assessing and treating up to 250 probationers. The program will run for three years, with a total cost limited to \$1,417,400. The legislation included an appropriation of \$500,000 (one-time General Fund) for FY 2006 (non-lapsing). This amount is distributed as follows: \$75,000 to the Commission on Criminal and Juvenile Justice for research and evaluation, \$315,000 to the Department of Human Services for assessment, drug testing and treatment and case management, \$10,000 to the Judicial Council / State Court Administrator for court clerk time, and \$100,000 to the Department of Corrections for probation supervision of participants in the pilot program. It is anticipated that agencies involved with the program will request the balance of \$917,400 in the next budget cycle for the 2007 fiscal year.

**Staff Contacts:** Bill Greer, Gary Ricks