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Report: Non-Lapsing Balances
A report detailing the uses of non-lapsing balances by state agencies was presented to the Executive Appropriations Committee on September 16, 2008. The report looked at why and how non-lapsing authority is granted by the Legislature, how such usage compares with other states, how the balances have fluctuated over the past five years, and made suggestions for improvement in how these balances are handled.

Staff Contact: Rich Amon

Report: Federal Funds/Non-Federal Funds Grants Reports
Tenielle Young from the Governor's Office of Planning and Budget and Danny Schoenefeld from the Legislative Fiscal Analyst Office presented the Federal Funds report and non-federal grants. The Committee approved both the new applications and reapplications.

Staff Contact: Danny Schoenefeld

Report: State Vehicle Report
Richard Amon presented a report that examines vehicle and cost trends in the state fleet. The report found that vehicle counts have grown moderately over the last four years. At the same time 4x4 vehicles have grown more rapidly and total state vehicle costs have increased 40% in the last five years, driven primarily by the rapid escalation of fuel prices. In order to mitigate continued increases in fuel costs the Legislature enacted House Bill 110 (2007 G.S.) to focus on fuel efficiency and vehicle utilization. The report described the actions of the Division of Fleet Operations in implementing this bill including “right-sizing” the state fleet.

The report made a number of recommendations to improve fuel efficiency and utilization, lessen personal vehicle travel, and mitigate the rising cost of fuel.

Staff Contact: Rich Amon

Report: Report on CHIP and UPP Waivers
The Department of Health presented information relating to the CHIP and UPP program and their current status of new Medicaid waiver proposals. House Bill 133 that was passed during the 2008 General Session required the Department of Health to submit these reports to the Executive Appropriations Committee as per UCA-26-18-3.

Staff Contact: Russell Frandsen

Report: UDOT East/West Highway Study
The Department of Transportation information about their East/West Corridor study. House Bill 107, from the 2007 General Session, Transportation Study-East West Corridors in Salt Lake County and Counties of the First and Second Class, appropriated $3,500,000 to UDOT to carry out the study in the bill's title. Specific requirements included holding one or more public hearings and studying:
- Construction of one more limited access highways
- Improvements to the existing system of (Continued on page 2)
arterial highways including whether additional arterial highways should be constructed
• Development of other multimodal transportation projects
• Identification of alternative overpass, interchange, and intersection designs.

Staff Contact: Mark Bleazard

Appropriations Subcommittee Meeting

The Commerce and Workforce Services Appropriations Subcommittee held their second of two interim meetings. The committee heard reports from the Labor Commission on the Employers’ Reinsurance Fund and Uninsured Employers’ Fund.

The Department of Workforce Services updated the committee on the Department of Labor rescission of the Workforce Investment Act. They also reported on the status of the implementation of the eREP computer program. DWS reported that they are still planning on rolling out the eREP program over the next several months.

The Departments of Financial Institutions and Commerce updated the committee on the current status of Utah’s banking industry along with the health of the mortgage industry.

The committee also received reports on the status of building blocks that were funded during the 2007 General Legislative Session. There was also a report on the Governor’s new Working 4 Utah Initiative. The committee asked the Legislative Fiscal Analyst Office to follow the developments of this pilot project and report back during the next Legislative General Session.

Upcoming Capital Development Requests

State agencies and higher education institutions have submitted their state-funded capital development requests for the 2009 general session. The Board of Regents prioritized higher education requests at its last meeting. The State Building Board will prioritize all state agency and higher education requests in October. We will provide you as much information as possible about each building. For now, here is a summary of requests ($ in millions):

<table>
<thead>
<tr>
<th>Institution</th>
<th>Project</th>
<th>State Funds</th>
<th>Other Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>UU</td>
<td>Business Building Replace/Expand</td>
<td>$28.5</td>
<td>$71.1</td>
<td>$99.6</td>
</tr>
<tr>
<td>SLCC</td>
<td>Digital Art and Design Center</td>
<td>$21.7</td>
<td>$9.0</td>
<td>$30.7</td>
</tr>
<tr>
<td>USU</td>
<td>Business Building Addition/Remodel</td>
<td>$38.9</td>
<td>$20.0</td>
<td>$58.9</td>
</tr>
<tr>
<td>SUI</td>
<td>Science Center Addition</td>
<td>$15.0</td>
<td>$5.0</td>
<td>$20.0</td>
</tr>
<tr>
<td>DSC</td>
<td>Centennial Commons</td>
<td>$26.1</td>
<td>$10.0</td>
<td>$36.1</td>
</tr>
<tr>
<td>UVU</td>
<td>Sciences/Health Building Addition</td>
<td>$52.7</td>
<td>$0.0</td>
<td>$52.7</td>
</tr>
<tr>
<td>CEU</td>
<td>Arts and Education Building</td>
<td>$21.0</td>
<td>$1.0</td>
<td>$22.0</td>
</tr>
<tr>
<td>WSU</td>
<td>Davis County Building</td>
<td>$44.0</td>
<td>$9.5</td>
<td>$53.5</td>
</tr>
</tbody>
</table>

Subtotal Higher Education $247.9 $125.6 $373.5

<table>
<thead>
<tr>
<th>Agency</th>
<th>Project</th>
<th>State Funds</th>
<th>Other Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agric</td>
<td>New Administration Building</td>
<td>$20.0</td>
<td>$0.0</td>
<td>$20.0</td>
</tr>
<tr>
<td>Agric</td>
<td>Unified State Lab Module #2</td>
<td>$15.4</td>
<td>$0.0</td>
<td>$15.4</td>
</tr>
<tr>
<td>UDC</td>
<td>Cook Chill Kitchen</td>
<td>$21.0</td>
<td>$0.0</td>
<td>$21.0</td>
</tr>
<tr>
<td>UDC</td>
<td>CUCF 288 Bed Unit</td>
<td>$28.0</td>
<td>$0.0</td>
<td>$28.0</td>
</tr>
<tr>
<td>Courts</td>
<td>Ogden Juvenile Courthouse</td>
<td>$30.0</td>
<td>$0.0</td>
<td>$30.0</td>
</tr>
<tr>
<td>GOED</td>
<td>World Trade Center Office Space</td>
<td>$36.0</td>
<td>$0.0</td>
<td>$36.0</td>
</tr>
<tr>
<td>DEQ</td>
<td>Warehouse</td>
<td>$5.0</td>
<td>$0.0</td>
<td>$5.0</td>
</tr>
<tr>
<td>Fairpark</td>
<td>Multipurpose Arena</td>
<td>$25.0</td>
<td>$0.0</td>
<td>$25.0</td>
</tr>
<tr>
<td>DHS</td>
<td>State Hospital Bldg Consolidation</td>
<td>$59.0</td>
<td>$0.0</td>
<td>$59.0</td>
</tr>
<tr>
<td>Juv Just</td>
<td>Weber Valley Detention Center</td>
<td>$15.6</td>
<td>$0.0</td>
<td>$15.6</td>
</tr>
<tr>
<td>Parks</td>
<td>Wasatch Mtn Campground Renov</td>
<td>$4.8</td>
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</tr>
<tr>
<td>DPS</td>
<td>Emergency Ops Center/Offices</td>
<td>$20.5</td>
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<td>$20.5</td>
</tr>
<tr>
<td>DPS</td>
<td>Ogden Driver License Facility</td>
<td>$10.0</td>
<td>$0.0</td>
<td>$10.0</td>
</tr>
<tr>
<td>DTS</td>
<td>Richfield Alt Data Center Expans</td>
<td>$5.0</td>
<td>$0.0</td>
<td>$5.0</td>
</tr>
<tr>
<td>UCAT</td>
<td>MATC N. Utah County Bldg</td>
<td>$19.0</td>
<td>$0.0</td>
<td>$19.0</td>
</tr>
<tr>
<td>UCAT</td>
<td>OWATC Health Tech Bldg</td>
<td>$24.0</td>
<td>$0.0</td>
<td>$24.0</td>
</tr>
<tr>
<td>UCAT</td>
<td>SWATC Health and Tech Bldg</td>
<td>$12.0</td>
<td>$0.0</td>
<td>$12.0</td>
</tr>
<tr>
<td>UNG</td>
<td>Upgrades and Repairs to Armories</td>
<td>$8.0</td>
<td>$0.0</td>
<td>$8.0</td>
</tr>
<tr>
<td>USDB</td>
<td>Purchase/Renovate School</td>
<td>$6.0</td>
<td>$0.0</td>
<td>$6.0</td>
</tr>
<tr>
<td>USU</td>
<td>Kent Concert Hall Addition/Renov</td>
<td>$6.0</td>
<td>$0.0</td>
<td>$6.0</td>
</tr>
<tr>
<td>USU</td>
<td>US Highway 89 Interchange</td>
<td>$12.0</td>
<td>$0.0</td>
<td>$12.0</td>
</tr>
<tr>
<td>UU</td>
<td>Skaggs Pharmacy Research Bldg</td>
<td>$30.0</td>
<td>$41.6</td>
<td>$71.6</td>
</tr>
</tbody>
</table>

Subtotal Other Requests $412.3 $41.6 $453.9

Grand Total $660.2 $167.2 $827.4
**Interim Meeting Update**

The Economic Development and Revenue met on August 28, 2008 to discuss the following items assigned by management:

- Capital Facilities Prioritization - to study having the Department of Community and Culture’s boards annually prepare and submit a prioritized capital facilities request to the Governor and the Legislature.
- Grant Proposal Hearing Process - to study ways to improve the process for hearing grant proposals in the Economic Development and Revenue Appropriation Subcommittee.

The Department of Community and Culture presented an overview of an internal evaluation they are doing which looks at best practices and the current grant allocation procedures for all of the Divisions housed in DCC. The results of this evaluation will be presented in the committee’s September meeting. The committee will then consider potential changes to the grants program as directed by management.

The Committee also had a discussion of the concerns facing the Pete Suazo Utah Athletic Commission. These concerns included budget pressures, caseload growth, and staffing issues. The Pete Suazo Utah Athletic Commission is housed in the Utah Sports Authority which has not been appointed or created yet. This is becoming a larger problem for the existing staff. Currently, administrative support is provided by GOED which has no direct authority or responsibility for the Commission. Committee members asked the Commission to work with GOED to develop a proposal which would solve some of the inherent problems with the Utah Sports Authority including potential statute changes. Potential changes will be presented on September 29th, 2008.

**English Language Learner Family Literacy Centers**

During the 2008 General Session, the Legislature approved funding to establish English Language Learner Family Literacy Centers in the school districts. For the approximately 50,000 English Language Learners and their families in the state public education system, Legislators provided $2,000,000 ongoing funds for a three-year period, $3,000,000 one-time start-up funds and $3,000,000 one-time funds for software programs promoting English language learning in the centers.

According to Legislative intent, the English Language Learner Family Literacy Centers will be established to: “(1) increase parent involvement; (b) communicate with parents who are not proficient in English concerning required and optional activities at the school, in the parents’ preferred language to the extent practicable; (c) increase academic achievement, literacy skills, and language gains in all ethnic groups of students and their families; (d) coordinate with school administrators, educators, families, and students; and (e) support and coordinate with other language acquisition instructional services and language proficiency programs in the public schools.”

To receive funding allocations from the State Board of Education, districts and charter schools must annually submit plans for how they will coordinate activities and achieve the goals mentioned above. Funding will be distributed according to plan approval and the number of English Language Learners to be served within a district or charter school. The State Board of Education has adopted a funding formula that will evenly distribute the funds provided for the program by the Legislature to all participating districts and charter schools.

**LFA Staff Welcome**

We would like to give special welcome to the LFA:

**Steve Jardine:** Will be joining the Legislative Fiscal Analyst Office. Steve brings a great deal of experience working in the area of Human Services.
The Analyst Uses The Time Between Sessions To Sharpen Skills And Improve Products

For fiscal notes, we want to make things simple and easy for agencies so that responses will be quicker. We send a standardized form (called the Fiscal Note Worksheet) along with the bill when we ask for their input on fiscal note impacts. We have redesigned that form and added a new Short Form section that they can fill out when there is no fiscal impact. It’s shorter, quicker and reminds them that they may only use it if there is no fiscal impact to the state or anyone else. We have added customized drop down menus to the Long Form. We are asking agencies and our analysts for more details on their assumptions and calculations. This form will help us move towards a more digital process.

We are completely changing all our fiscal note training materials. We are combining the "Appropriations Process & Budget Analysis" booklet with the "Fiscal Notes" booklet. The contents will be reorganized for clarity. The reading level complexity will go from about grade 11.3 to grade 8.0. It doesn’t read like a novel but we have taken out the dull and bureaucratic passive voice (about 25% of the sentences). We have changed the tedious budget process timeline text into a critical path type graph. It shows all the tasks, when they take place, and who does what. We have changed the text describing the legislative process and all its deadlines into a calendar. This will make the information available to a wider audience. We hope that legislators will use it, or parts of it, when speaking to civic groups.

In the past we used comparison software. It helped us quickly and surely find bill changes for fiscal notes. We used it to compare a bill to its substitute and when doing a previous years bill. The company abandoned the software and substitutes were expensive. This summer we moved to Microsoft Office 2007 and Word has a useful comparison feature. We plan to make extensive use of it in upcoming sessions for our analysts and for agencies. It should improve both accuracy and response times on fiscal notes for substitute bills.

Inaugural Meeting of the Judicial Performance Evaluation Commission

The Governor’s Commission on Criminal and Juvenile Justice reported that the newly created Judicial Performance Evaluation Commission (JPEC) held its first meeting on September 9, 2008 at the State Capitol. JPEC is a 13 member part-time commission responsible for the evaluation and retention recommendations for the 219 judges and justices in the state. The first order of business is to recruit an Executive Director to guide the work of the Commission. Following provides additional details of the creation of JPEC, funding, and duties as established in statute.

The Legislature created the Judicial Performance Evaluation Commission and Program through passage of Senate Bill 105 during the 2008 General Session. This Legislation requires that a judicial performance evaluation/survey be performed for a judge who is subject to a retention election. The survey will include respondent samples from the following groups as applicable:

- attorneys who have appeared before the judge as counsel;
- jurors who have served in a case before the judge;
- litigants whose cases have been considered by the judge;
- witnesses who have testified in cases considered by the judge; and
- court staff who have worked with the judge.

The Commission will determine whether to recommend that voters retain a judge, but may choose to make no recommendation if it considers information from the evaluation to be insufficient. The Commission will compile a report of its judicial performance evaluation of a judge and provide it to him/her at least 45 days in advance of the last day to file for candidacy in the retention election. JPEC will also forward the evaluation/survey results, Commission recommendation, and the judge’s written response (if not recommended by the Commission) to the Lieutenant Governor for inclusion in the “Voters Information Pamphlet”.

The Legislature appropriated $349,000 to fund the ongoing work of the Commission. JPEC is formally searching for an Executive Director to guide the work. Support staff may be added depending on workload. As mentioned earlier, the evaluation/surveys will be performed by outside contract. The performance evaluations/surveys will be performed and prepared for use beginning with the 2012 judicial retention elections.
**Higher Education Grant Awards**

In its September 2008 meeting, the State Board of Regents approved 11 grant awards – eight of which will go to the University of Utah and three to Utah State University. The eight grants to the University of Utah are all health care-related, with five of them coming from the National Institutes of Health, and one each from Health Resources and Services Administration (HRSA) Maternal and Child Health, the Centers for Disease Control, and the Department of Community and Culture. The total for these eight grants is $20.8 million.

The three grants to Utah State University total $4.5 million and are from the U.S. Naval Research Laboratory, the National Sciences Foundation, and the U.S. Department of Education.

The Board of Regents also approved 83 proposals for grant awards – 72 from the University of Utah and 11 from Utah State University. The University of Utah’s grant proposals total $231.7 million, while Utah State University’s grant proposals total nearly $33 million. These proposals will be submitted for consideration from the respective grantors.

**Controlled Substance Database Update**

During the 2008 General Session the Legislature passed H.B. 119 which requires the Department of Commerce to contract with a third party to create a pilot project for real-time reporting to the Controlled Substance Database. An RFP evaluation committee was assembled and initially met on April 10, 2008, receiving an initial draft RFP. Following several rounds of feedback and modifications to the draft, it was issued on June 23, 3008 with bids due on August 18, 2008. During the RFP over 125 technical questions were received by potential bidders and responded to by the Department.

On August 18, 2008, the Department received 10 bids for the pilot project and began the bid evaluation process. The evaluation committee has received the bids and is in process of reviewing and scoring them.

**Internal Service Funds Rate Committees**

Internal service funds (ISFs) are funds created by the State to account for services provided by one state agency to another (such as vehicle operations, mail, and insurance). The State of Utah maintains six statewide internal service funds that operate as divisions within the Departments of Administrative Services (DAS), Human Resource Management (DHRM) and Technology Services (DTS).

An internal service fund sets its rates to recover the full cost of providing a particular service. A Rate Committee, comprised of representatives from user agencies, meets annually to approve rates for each of the six statewide internal service funds. The rate committees for the DAS, DHRM, and DTS internal service funds recently met and approved rates for fiscal year 2010. In the coming session, the Legislature will have the opportunity to deliberate on and give the final approval for these recently approved rates:

- **Purchasing and General Services (DAS)** provides mail and distribution, print, and electronic purchasing services to state agencies. It requests no change in rates for FY 2010.
- **Fleet Operations (DAS)** manages vehicles statewide including fuel, maintenance, repair, and replacement. It requests a $1.5 million increase for fuel and a $0.9 million increase for vehicle preventative maintenance for FY 2010.
- **Risk Management (DAS)** self-insures the state for liability and property insurance, as well as manages the contract for Workers’ Compensation. It requests a $1.0 million decrease in workers compensation and no significant change to property or liability insurance rates for FY 2010.
- **Facilities Management (DAS)** operates and maintains over 190 state facilities. It requests a $0.7 million rate increase to cover increased building maintenance and utilities costs for FY 2010.
- **Human Resource Management (DHRM)** provides human resource (HR) services including classification, recruitment, and performance management. It requests a $0.9 million decrease in HR and payroll rates for FY 2010.
- **Technology Services (DTS)** provides all information technology services to state agencies including application maintenance and desktop support. It requests a $3.7 million rate increase in FY 2010 to cover compensation and benefits increases.
A little over a month into the its pilot period, we legislative branch managers are fielding many questions about the Governor’s “Working 4 Utah” 4-tens work week initiative.

We get some questions from our extended families...

Well Intentioned Grandparent:  "How do you like working the Governor's new four day work week?"
Me:  "Like I was saying last time, Grandmom, I work for the Legislature.  It’s a separate branch of government."
Well Intentioned Grandparent:  "Uh huh.  So what's it like having the Governor for a boss?  He seems like a very nice man."
Me (somewhat deflated):  Yes, Grandmom, he does seem like a very nice man."

We get some from our employees...

Hard Working Legislative Staffer:  "Why aren’t we switching to the 4-tens?"
Me:  "The work of the Legislature never takes a holiday!  Besides, going to four tens would mean one less ten every week than you currently work."
Hard Working Legislative Staffer:  "Some Fiscal Analyst you are.  I work from 8-5 Monday through Friday with an hour each day for lunch.  That's five eights, not five tens."
Me (only slightly sarcastically): "Sen./Rep. [fill in the blank] must have forgotten your Blackberry number.” Most importantly, we get questions from our bosses...

If 4-Tens Were a Bill, Would it Have a Fiscal Impact?
Staff Contact: Jonathan Ball

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Sen./Rep. [fill in the blank] via Blackberry:  "How can going from a 40 hour work week to a 40 hour work week save the state $3 million per year?"
Me (very respectfully):  "Volume."

In all seriousness, we have never done a fiscal note on Working 4-Utah.  But I can tell you what we know about its costs.

The Working 4 Utah web site predicts that 4-tens will save state government $123,220 per year in utility bills on just six sample buildings.  According to the Division of Facilities Construction Management, this is approximately 20% per year.  The savings is not just from closing on Fridays, but is also from shaving a few hours off the normal operation of buildings on the other four weekdays.  Extrapolating from the six specific buildings, the Working 4 Utah performance baseline has set $3 million per year as a target for savings from reduced energy consumption in all state buildings.

At the same time, Working 4 Utah means that state employees will get 10 hours of leave on state holidays instead of 8.  In the past there have been eleven paid state holidays per year.  For the pilot period, the Executive Branch has eliminated one paid holiday -- Columbus Day.  So under the traditional schedule, 11 holidays at 8 hours per holiday is 88 hours of leave per year.  Under Working 4 Utah, 10 holidays at 10 hours per holiday is 100 hours off per year, a difference of 12 hours per year. The Division of Human Resource Management tells us that the Governor may try to make-up some of that ground by eliminating 4 hours of leave he traditionally gives on Christmas Eve.  This means that under Working 4 Utah state employees get an additional 8 hours per year in paid vacation.