



INTERIM HIGHLIGHTS

Office of Legislative Research
and General Counsel

Office of the Legislative
Auditor General

INTERIM LEGISLATIVE MEETINGS

Meetings held September 19, 2007, or as noted.

Administrative Rules

(July 26, 2007 Meeting)

STUDIES:

- Discussed the need for the Department of Transportation to write administrative rules regarding the use of high occupancy vehicle lanes.
- Discussed two drafts of a proposed Department of Health rule governing the development of a preferred drug list to enhance health care cost savings.

(August 13, 2007 Meeting)

STUDIES:

- Discussed the Utah High School Activities Association's role, its relation to the State Board of Education, and whether some of the association's responsibilities should be carried out by the State Board of Education.
- Discussed the impact of rules proposed by the Department of Health's Office of Licensing regarding parental rights.
- Discussed a third draft of a Department of Health rule governing the development of a preferred drug list to enhance health care cost savings.

Chairs: Sen. Howard A. Stephenson / Rep. Ben C. Ferry

Staff: Art L. Hunsaker (analyst)/Susan Creager Allred (attorney)/Tracey Fredman (secretary)

Business and Labor

STUDIES:

- Received a presentation from a private sector attorney on modifying the definition of an "employer" for purposes of the Utah Antidiscrimination Act.
- Discussed worker classifications, including "independent contractor" and "employee" and the effects of misclassification, such as unfair competition, lost state tax revenues, unpaid workers' compensation insurance premiums, impaired safety, and loss of funds for unemployment insurance. The committee heard from contractor representatives and the Division of Occupational and Professional Licensing, the Utah Labor Commission, and the Department of Workforce Services.
- Received updates from the Governor's Office of Economic Development and the United Way of Salt Lake on their efforts to address health care reform.

Chairs: Sen. Kevin T. Van Tassel / Rep. Stephen D. Clark

Staff: Allison Nicholson (analyst)/Patricia Owen (attorney)/Phalin L. Flowers (secretary)

Education

STUDIES:

- Received testimony from mathematicians, the State Board of Education, and others on whether the revised math curriculum standards are world class standards.
- Received a proposal from the State Board of Education to modify state assessments so that they may be more valuable, and less costly, in providing diagnostic information about a student's academic progress.

Chairs: Sen. Howard A. Stephenson / Rep. Greg Hughes

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

Joint Meeting of the Education Interim Committee & Local Issues Task Force

(August 14, 2007 Meeting)

ACTIONS:

- Approved as committee bills:
 - "School Capital Outlay Equalization," a countywide school facilities funding proposal;
 - "School District Facility Funding Equalization," a statewide school facilities funding proposal; and
 - "Creation of New School District Amendments," which modifies the process for creating school districts.
- The statewide proposal is the ultimate goal, and the countywide proposal is a second option if the statewide proposal is not widely received.

Education Chairs: Sen. Howard A. Stephenson / Rep. Greg Hughes

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

Local Issues Task Force Chairs:

Sen. Carlene M. Walker/ Rep. Aaron Tilton

Staff: Phil Dean & Joseph Wade (analysts)/Angie Oakes &

Bob Rees (attorneys)/Wendy Bangerter (secretary)

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Government Operations

REPORT:

- Received a briefing from the Office of Planning and Budget, the State Planning Coordinator, and the Department of Administrative Services on current state government efficiency efforts, including a report on the Governor's Balanced Scorecard Initiative and state agencies' strategic planning efforts.

ACTIONS:

- Recommended reauthorization for five years of Section 20A-2-107.5, which allows an unaffiliated voter to designate a political party affiliation at the polling location in order to vote in a regular primary election.
- Voted to direct committee staff to prepare draft legislation based on eight of nine election law recommendations made by the county clerks, including:
 - allowing early voting in nongovernmental buildings;
 - providing uniform dates for submitting ballot items;
 - providing uniform financial disclosure dates for candidates; and
 - addressing special district election provisions.
- Voted to support the expansion of ombudsman-type functions and the availability of the 2-1-1 telephone number which provides information on available public services.

Chairs: Sen. Peter C. Knudson / Rep. Glenn A. Donnellson
Staff: Benjamin Christensen (analyst)/Eric Weeks (attorney)/Chelsea Barrett (secretary)

Health and Human Services

STUDIES:

- Received comments from the Utah Association of Health Underwriters on how to expand the rate of health insurance coverage in Utah.
- Received comments from an amputee, medical doctor, and prosthetist on requiring health insurers to cover the costs of acquiring, maintaining, and replacing prosthetic devices required by amputees.

REPORT:

- Received a report from the Department of Human Services and committee staff on implementation of the requirement in the federal Adam Walsh Child Protection and Safety Act of 2006 for completing a background check before placing an abused or neglected child who is in the custody of the state with a relative.

ACTIONS:

- Approved as committee bills:
 - "Control and Prevention of Sexually Transmitted Diseases," which appropriates \$350,000 to the Department of Health to distribute information to health professionals and the public about sexually transmitted diseases, their probable side effects if left untreated, and local treatment providers;

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- "Smoking Ban in Motor Vehicle," which prohibits a person from smoking in a vehicle where a child is required to be in a child restraint device or is under five years of age;
- "Medicaid Coverage for Certain Telehealth Services," which requires the Department of Health to adopt rules under which services already covered by Medicaid may be reimbursed when provided via telemedicine; and
- "Cancer Screening and Mortality Reduction Program," which expands the Department of Health's breast cancer mortality reduction program to include cervical, colorectal, and other cancers, and appropriates \$2,300,000 to increase screening for specified populations.

Chairs: Sen. D. Chris Butters/ Rep. Paul Ray
Staff: Mark Andrews (analyst)/Catherine Dupont, Thomas Vaughn (attorneys)/Joy Miller (secretary)

Higher Education Task Force

(August 17, 2007 Meeting)

STUDIES:

- Received recommendations from the Commissioner of Higher Education on improving integration of the Utah College of Applied Technology into the Utah System of Higher Education.
- Received presentations from the Division of Facilities and Construction Management and the Utah System of Higher Education on processes for ranking capital project requests.
- Received information from the Utah System of Higher Education on efforts to address salary adequacy and equity.

Chairs: Sen. Greg Bell / Rep. Kory Holdaway
Staff: Connie Steffen, Allison Nicholson (analysts)/Dee Larsen (attorney)/Glenda Whitney (secretary)

Judiciary

STUDIES:

- Reviewed draft legislation:
 - "Title 78 Recodification;" and
 - "Wrongful Death Amendments."

REPORTS:

- Received a progress report from the Utah Judicial Council's Justice Court Study Committee regarding a plan to:
 - increase public trust and confidence in the justice court system;
 - increase judicial independence of justice courts; and
 - preserve the ability of local government to maintain a local court.

- Received a report from a senator regarding changes the senator is considering to divorce, child custody, and parent-time laws.

Received a report from an informal working group, including a discussion of a bill that changes the term "custody" to "parental responsibility" within the context of divorce.

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- Received a report from the Child Support Guidelines Committee, which is currently meeting twice each month.

ACTION:

- Extended the sunset date of the Administrative Office of the Courts for ten years.

Chairs: Sen. Gregory S. Bell / Rep. Douglas Aagard

Staff: Jerry Howe (analyst)/Esther Chelsea-McCarty (attorney)/Amanda Majers (secretary)

Law Enforcement and Criminal Justice

STUDY:

- Discussed proposed legislation, "Expungement Law Amendments."

REPORTS:

- Received a statutorily required report on criminal asset forfeitures under Utah law and federal equitable sharing of forfeiture proceeds.
- Received a report from the Utah Criminal Justice Center on the privatization of prisons. The report indicated that:
 - privately managed prisons provide no clear benefit or detriment;
 - cost savings from privatizing prisons are not guaranteed and appear minimal; and
 - publicly managed prisons deliver slightly better skills training and receive slightly fewer inmate grievances.

ACTIONS:

- Approved as committee bills:
 - "Material Harmful to Minors," which makes a language correction; and
 - "Assault on a Peace Officer Penalty Amendment," which increases the penalty.

Chairs: Sen. Jon Greiner / Rep. DeMar "Bud" Bowman

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

Local Issues Task Force

(July 23, 2007 Meeting)

STUDIES:

- Reviewed the guiding principles regarding forms of municipal government as adopted by the task force at a prior meeting.
- Considered a proposal, "Outline of an Option for Clarifying Statutory Provisions Relating to the Forms of Municipal Government."
- Studied whether to require the advice and consent of the municipal council or legislative body regarding the removal of department heads, officers and employees, commissions, boards, committees, and planning commission members.
- Reviewed statewide and countywide school building equalization issues, including:
 - the current Capital Outlay Foundation Program;

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- the current Enrollment Growth Program; and
- local replacement equalization.

(August 1, 2007 Meeting)

STUDY:

- Discussed local and statewide school building equalization proposals.

(August 14, 2007 Meeting)

Please see Page 1:

"Joint Meeting of the Education Interim Committee & Local Issues Task Force."

(August 21, 2007 Meeting)

STUDY:

- Discussed draft legislation, "School Capital Outlay Equalization."

ACTION:

- Recommended H.B. 1002, "Interlocal Agreement Participant Requirements for Creation of New School District," which passed in the legislative Special Session held August 22, 2007.

Chairs: Sen. Carlene M. Walker/ Rep. Aaron Tilton

Staff: Phil Dean & Joseph Wade (analysts)/Angie Oakes & Bob Rees (attorneys)/Wendy Bangerter (secretary)

Medicaid Interim Committee

(July 20, 2007)

STUDIES:

- Received information from committee staff, the Department of Health, the Utah Pharmacists Association, a pharmacy student, a pharmacist, a pharmaceutical manufacturer, and the National Association of Chain Drug Stores on Utah Medicaid's pharmacy program. The discussion focused on:
 - the establishment of a preferred drug list recently authorized by the Legislature; and
 - the methods used to pay pharmacists for the costs of acquiring and dispensing prescription drugs to Medicaid clients.
- Received a briefing by committee staff on various options for reducing pharmaceutical spending.

(September 7, 2007)

STUDY:

- Reviewed four potential approaches to reducing pharmaceutical spending in the Medicaid program:
 - replacing the preferred drug list physician override provision with an administrative prior authorization requirement;

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- tablet splitting and dose consolidation;
- bidding out the pharmacy program; and
- encouraging greater use of clinics using the 340B drug pricing program.
- The committee also discussed in detail the Department of Health's drug payment methodology and the imminent shift from the use of average wholesale price to average manufacturer's price for determining reimbursement.

REPORT:

- Received a briefing from committee staff on the nature, quantity, and cost of long-term care services provided by Utah's Medicaid program.

*Chairs: Sen. Allen M. Christensen / Rep. Merlynn T. Newbold
Staff: Mark D. Andrews & Leif G. Elder (analysts) / Cathy J. Dupont & Thomas R. Vaughn (attorneys) / Phalin Flowers (secretary)*

Natural Resources, Agriculture, and Environment

REPORTS:

- Received a report from the Radiation Control Board on funding perpetual care of radioactive waste disposal facilities.
- Received a report from the Solid and Hazardous Waste Control Board on the creation of a perpetual care fund for hazardous waste disposal facilities.
- Received a report from the Department of Environmental Quality, the Division of Air Quality, and the Air Quality Funding Task Force on the impacts of new air quality standards for PM 2.5 and ozone on public health, transportation, and economic development in Utah. The report included recommendations on how to fund the Division of Air Quality's efforts to identify and implement actions necessary to address those impacts.
- Received a report from the Division of Air Quality on how out-of-state sources of air pollution affect Utah's air quality.
- Received a report from the new coordinator of Public Lands Policy Coordinating Office on office objectives and initiatives.

*Chairs: Sen. Darin Peterson / Rep. Roger E. Barrus
Staff: Brian Allred (analyst) / Emily R. Brown (attorney) / Joy Miller (secretary)*

Political Subdivisions

STUDIES:

- Considered draft legislation, "Election Law - Financial Reporting," which would:
 - require municipalities and counties to make candidates' campaign finance disclosure statements available to the public no later than the working day following the filing date;
 - require municipalities and counties to either:
 - ▶ post an electronic copy of the contents of the disclosure statement on their website; or

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- ▶ submit a copy of the statement for posting on the lieutenant governor's campaign finance disclosure website;
- expand the regulation of political issues committees to include committees that receive contributions or make expenditures in relation to local ballot issues, as opposed to only statewide ballot issues; and
- require the lieutenant governor to:
 - ▶ make campaign finance disclosure statements available to the public the working day following the date of filing;
 - ▶ post campaign finance disclosure statements on the Internet; and
 - ▶ post on its website each campaign finance statement provided by a municipality or a county.

REPORTS:

- Received an Associations of Governments (AOG) briefing from Utah's seven AOGs. The briefing addressed the history, functions, boundaries, budgets and staff, and services provided by AOGs.
- Received a report from Utah State Archives and the Department of Technology Services regarding the implementation of H.B. 222 (2007), "Open and Public Meetings - Electronic Notice," which requires the creation of the Utah Public Notice Website.

*Chairs: Sen. Dennis Stowell / Rep. Fred Hunsaker
Staff: Joseph Wade (analyst) / Robert Rees (attorney) / Wendy Bangarter (secretary)*

Government Competition and Privatization Subcommittee

(July 31, 2007 Meeting)

STUDIES:

- Received information from Salt Lake, Summit, and Davis Counties and committee staff on the Transient Room Tax and the Tourism, Recreation, Cultural and Convention Facilities Tax, including how the revenues are expended.
- Received presentations from Davis County and Pleasant Grove City on funding and management of convention facilities.
- Received presentations from the Utah System of Higher Education, Utah Correctional Industries, and committee staff on procedural issues related to government competition with the private sector, including a discussion of state and federal guidelines to prevent unfair competition with the private sector.

ACTION:

- Voted to send a letter to the Legislative Audit Subcommittee requesting that the Legislative Auditor General conduct an audit of the hotel and convention center project involving Pleasant Grove and John Q. Hammons Hotels & Resorts, LLC.

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(September 6, 2007 meeting)

STUDIES:

- Discussed telecommunication infrastructure projects, including the Utah Telecommunications Open Infrastructure Agency (UTOPIA) and iProvo, and requested that UTOPIA provide additional information, including financial data and projections for future costs, revenues, and expected breakeven.
- Discussed issues related to municipal power systems.
- Received a presentation from a representative of Allied Waste on allowing a private waste disposal company to choose the landfill in which it disposes waste.

*Chairs: Sen. Howard A. Stephenson / Rep. Craig A. Frank
Staff: Leif G. Elder (analyst)/Patricia Owen (attorney)/Phalin Flowers (secretary)*

Public Utilities and Technology

REPORTS:

- Received a report from the State Office of Education regarding the integration of technology in the classroom. The report included information on the types and uses of technology, technology needed for the future, current measures of success, return on investment, and the roles of the Utah State Office of Education and the Legislature for improving the delivery of public education.
- Received a report from the Utah Education Network (UEN) regarding the state's network and delivery of services to districts and schools, including measures of network performance, such as the 99.99% success rate on network availability, and data speeds. The report also addressed plans to increase capacity and access by shifting the responsibility for providing networks from public education to UEN, and establishing a separate research network for Utah's universities.
- Received reports from two nuclear industry consultants with backgrounds in law and engineering regarding the building, operation, and costs of nuclear power plants. The reports also addressed policy questions of safety, energy sources, and market forces.

*Chairs: Sen. Scott K. Jenkins / Rep. Michael Noel
Staff: Richard North (analyst)/Christopher Parker (attorney)/Tracey Fredman (secretary)*

Revenue and Taxation

STUDIES:

- Reviewed draft legislation, "Repeal of Board Leeway for Reading Improvement."
- Received public comment on Utah's property tax system.

REPORTS:

- Received a report from the Jordan Valley Water Conservancy District regarding the use of property tax revenue to finance water development and delivery.

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ACTIONS:

- Approved as committee bills:
 - "Apportionment of Business Income, Attributing Sales to the State, and Deduction of Net Losses by a Unitary Group," which addresses the determination of income tax for businesses; and
 - "Research Activities Tax Credits Amendments," which addresses individual income tax and corporate franchise and income tax credits for research activities.

*Chairs: Sen. Wayne Niederhauser / Rep. John Dougall
Staff: Bryant Howe, Phillip Dean, & Leif Elder (analysts)/Rebecca Rockwell & Angela D. Oakes (attorneys) Phalin Flowers (secretary)*

Transportation

STUDIES:

- Reviewed criminal penalties that are in the Utah Department of Transportation's (UDOT) administrative rules and discussed whether the Legislature has properly delegated rulemaking authority to UDOT.
- Studied implementation and progress of the federal REAL ID Act of 2005, including statutory changes and budgetary needs if the state chooses to comply with the Act.

REPORTS:

- Received a report from UDOT on recent corridor preservation appropriations.
- Received a report from UDOT on the written prioritization process, including the status and progress of all projects.

*Chairs: Sen. Carlene Walker / Rep. Todd Kiser
Staff: Mark Steinagel (analyst)/Shannon Halverson (attorney)
Tracey Fredman (secretary)*

Utah International Trade Commission

REPORTS:

- Received reports from legislators and the governor's international trade representatives regarding the Legislature's involvement in trade missions. The legislators were encouraged to participate in trade missions and use their policy expertise in various areas, including energy, education, transportation, and bio-medical manufacturing, to benefit Utah.
- Received a report and presentations using geographic information systems (GIS) technology that were used to create maps by legislative district of businesses involved in international trade.
- Discussed the creation of a GIS database for tracking international businesses in Utah. The database would provide the legislative and executive branches, including Utah's World Trade Center, new economic development tools.

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- Received reports about diplomacy training for legislators as a means of enhancing their effectiveness in meeting with foreign dignitaries and business people in Utah and abroad. Utah's World Trade Center staff and the governor's international trade staff offered to provide the training as requested by the Legislature.

A Global Trade Newsletter is also being developed by staff members to inform policymakers as well as foreign visitors and business people about Utah.

Chairs: Sen. Mark Madsen / Rep. Sheryl Allen

Staff: Richard North (analyst)/Christopher Parker (attorney)/Tracey Fredman (secretary)

Workforce Services & Community and Economic Development

STUDY:

- Discussed how training Utah's senior and disabled populations can help address the current labor shortage.

REPORTS:

- Received an annual report from the Utah Fund of Funds, including an independent auditor's report on the fund.
- Received a report from the Office of Tourism regarding the state's advertising and branding campaign.

ACTIONS:

- Approved as committee bills:
 - "Utah Venture Capital Enhancement Act Amendments," which increases from \$100 million to \$300 million the ceiling on the amount of aggregate contingent tax credit certificates that can be issued by the Utah Capital Investment Board and increases the ceiling on the redemption reserve by the same amount; and
 - "Employment Security Act Amendments," which modifies state statutes regarding the eligibility of a claimant to receive unemployment compensation benefits.

Chairs: Sen. Mark B. Madsen / Rep. Steven Mascaró

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

LEGISLATIVE MANAGEMENT COMMITTEE

REPORTS:

- Received a report from the Office of the Attorney General informing the committee that the Attorney General will be filing suit against several dozen pharmaceutical companies for overcharging the state for prescription drugs in the Medicaid program. Utah will be the 26th state to file this type of lawsuit.
- Received a request from the Judicial Retention Election Task Force to provide per diem for a working group of four legislators from the task force. No action was taken.

ACTIONS:

- Assigned SB 1001, Animal Torture Offense, and SB 1002, Animal Cruelty Amendments (2007 First Special Session), to the Judiciary Interim Committee for study.
- Approved the meeting requests and agendas of the following appropriations subcommittees:
 - Public Education** - to meet October 4, 2007 at 9:00 a.m.
 - Transportation, Environmental Quality, and National Guard** - to meet October 2, 2007 at a time yet to be determined
 - Economic Development and Revenue** - to hold two meetings tentatively set for September 20 and October 18, 2007 at times not yet scheduled.

UPCOMING DATES

- **October 17, 2007** - Interim Day
- **November 14, 2007** - Interim Day (**second** Wednesday of month)
- **December 1, 2007** (Saturday) - Last day for legislators to designate up to three priority bills.
- **December 1, 2007** (Saturday) - Last day for governmental entities to request bills
- **December 19, 2007** (Wednesday) - Last day for Executive Appropriations Committee to set initial budget
- **January 21, 2007** (Monday) - First day of 2008 General Session

2007 FIRST SPECIAL SESSION REVIEW

The Legislature met in Special Session on August 22, 2007 and passed the following bills:

- **H.B. 1001 (1st Sub.)**
Creation of New School District Amendments
(Rep. J. Dougall)
This bill modifies provisions related to the creation of a new school district.
- **H.B. 1002**
Interlocal Agreement Participant Requirements for Creation of New School District
(Rep. K. Morgan)
This bill modifies a provision relating to requirements imposed on interlocal agreement participants that enter into an interlocal agreement to create a new school district. It allows a proposal for a new school district to be submitted to the voters if local government bodies representing 80% of the population of the proposed new school district approve.
- **H.B. 1003 (2nd Sub.)**
Equalization Task Force
(Rep. G. Hughes)
This bill creates the Equalization Task Force to review and make recommendations on methods to provide equalization of capital funding on a statewide or countywide basis.
- **H.B. 1004**
New School District Creation Amendments
(Rep. J. Dunnigan)
This bill modifies provisions related to the creation of a new school district, lowers the population threshold for a city to propose the creation of a school district, and requires transition teams to allocate school buildings to the school district that would best serve the student population.
- **S.J.R. 101**
Joint Resolution Supporting Garfield County Jail Expansion
(Sen. D. Stowell)
This joint resolution of the Legislature supports jail expansion in Garfield County through a contract with the Utah Department of Corrections.

Next Interim Day – October 17

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