



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: Discussed state policy for payment of providers who are not members of a health insurance company's provider plan. Members of the health provider community, the health insurance industry, and other interested parties commented.

REPORTS:

- Received a report on a statutorily required review of health insurance mandates being conducted by the Health and Human Services Interim Committee.
- Received a report on customer information and billing practices of automobile insurance companies including the addition of individuals to policies without the policy holders' authorization.

*Chairs: Sen. Parley Hellewell/Rep. Katherine M. Bryson
Staff: Mark Steinagel (analyst)/Patricia Owen (attorney)/Tracey Fredman (secretary)*

Education

STUDY: Received a presentation from the Salt Lake County Commission on Youth on a plan to reduce truancy while saving taxpayer dollars.

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

Government Operations

STUDY: Discussed preliminary results of the survey of state advisory boards and criteria for evaluating advisory boards for possible repeal or consolidation.

ACTION: Discussed issues related to the Government Records Access and Management Act (GRAMA). The Committee amended and adopted as a committee bill the draft legislation "Office of Legislative Auditor General - Access to Information."

*Chairs: Sen. John W. Hickman/Rep. James A. Ferrin
Staff: John Cannon (analyst)/John Fellows (attorney)/Cassandra Bauman (secretary)*

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Health and Human Services

STUDY: Began a study on the regulation of group homes.

ACTION: Recommended the Legislature reauthorize the Nurse Practice Act and the Health Facility Administrators Act for ten years. Created an informal working group to study how to assist persons with hemophilia and other blood disorders.

*Chairs: Sen. Sheldon Killpack/Rep. Mike Thompson
Staff: Mark Andrews (analyst)/Catherine Dupont, Thomas Vaughn (attorneys)/Joy Miller (secretary)*

Judiciary

STUDY: Concluded a discussion on the performance audit of the Administrative Office of the Courts.

REPORTS:

- Received a report on the total percentage of 2003 divorce cases which took longer than one year in an effort to determine if a statute limiting divorce trial deadlines could decrease the time frame for the divorce process.
- Received a report on enforcement of court ordered visitation.

*Chairs: Sen. David L. Gladwell/Rep. Ben C. Ferry
Staff: Jerry Howe (analyst)/Esther Chelsea-McCarty (attorney)/Cassandra Bauman (secretary)*

Law Enforcement and Criminal Justice

REPORTS:

- Received a report from the Bureau of Criminal Investigations on the procedures and costs of background checks for volunteers and employees working with children in the private and public sectors.
- Received a report from the Attorney General's Office on federal and state laws related to Internet and computer issues including unsolicited pornographic email, spam, and computer viruses.

*Chairs: Sen. D. Chris Butters/Rep. DeMar "Bud" Bowman
Staff: Jami Momberger (analyst)/Susan Creager Allred (attorney)/Wendy Bangerter (secretary)*

Natural Resources, Agriculture, and Environment

STUDIES:

- The Division of Air Quality reviewed air quality regulation and standards. Local government officials discussed emerging air quality issues in Washington and Cache counties.
- Representatives of Utah Wildlife Services, the Division of Wildlife Resources, and the Department of Agriculture and Food discussed predator control practices in Utah. Agriculture and livestock representatives requested increased funding for predator depredation reimbursement.

Chairs: Sen. Beverly Evans/Rep. Craig W. Butters
Staff: Brian Allred (analyst)/Jeanenne Larson (attorney)/Joy Miller (secretary)

Political Subdivisions

STUDIES:

- Received public comments on whether the provisions of S.B. 183, "Local Government - Authority for Design-Build Construction," 2004 General Session, relating to design-build projects should be extended to future projects, modified, or eliminated.
- Discussed the rewrite of land use procedures in the Municipal and County Land Use Development and Management Acts.

Chairs: Sen. Carlene M. Walker/Rep. Kory M. Holdaway
Staff: Joseph Wade (analyst)/Robert Rees (attorney)/Wendy Bangerter (secretary)

Public Utilities and Technology

REPORTS:

- Received a report on the development of a joint western state review board for the siting of interstate electric power transmission lines.
- Received a report on the General Agreement On Trades In Services Treaty proposed by the World Trade Organization and the potential effect on state legislatures' ability to regulate areas such as electric power, education, and water.
- Received an introductory report on the development of an Internet authentication standard for controlling spam that is either unsolicited or sexual in content.

Chairs: Sen. Leonard M. Blackham/Rep. Stephen H. Urquhart
Staff: Richard North (analyst)/Christopher Parker (attorney)/Phalin Flowers (secretary)

Revenue and Taxation

STUDIES:

- Reviewed implementation of S.B. 195, "Taxation of Multi-Channel Video or Audio Service," 2004 General Session, including testimony from industry representatives.
- Received a staff update regarding imposing a uniform fee in lieu of a property tax on certain classes of tangible personal property including motor homes, boats, and trailers.

(Continued next column)

REPORTS:

- Received an update on tax collections from the Utah State Tax Commission. For fiscal year 2004, combined General Fund/Uniform School Fund collections are \$98.07 million above the Legislative forecast.
- Received a report from a professor of Public Management, Brigham Young University, regarding the relationship between state employment changes and tax collections.

ACTIONS:

- Directed staff to draft legislation delaying by one year implementation of the Streamlined Sales and Use Tax Agreement.
- Approved draft legislation "Individual Income Tax -- Treatment of Certain Military Income."
- Asked that the Governor call a legislative special session to consider these two bills.

Chairs: Sen. Curtis S. Bramble/Rep. Wayne A. Harper
Staff: Bryant Howe (analyst)/Rebecca Rockwell (attorney)/Phalin Flowers (secretary)

Transportation

STUDY: Discussed special group license plates including the history, legal issues, and potential options to address the issue.

REPORTS:

- Received from the Office of the Legislative Auditor General "A Performance Audit of the Division of Motor Vehicles." which recommended a process-based cost identification system if the Legislature chooses to allocate division costs to user agencies.
- Received a report on the implementation of state highway access management programs designed to optimize highway system operation by balancing safety, mobility, and capacity with reasonable access to land uses.

Chairs: Sen. Dan R. Eastman/Rep. Joseph G. Murray
Staff: Benjamin Christensen (analyst)/Shannon Halverson (attorney)/Tracey Fredman (secretary)

Workforce Services & Community and Economic Development

REPORTS:

- Received a report on unemployment insurance as required by S.B. 202, "Unemployment Insurance Amendments," 2004 General Session.
- Received a report from the Department of Workforce Services on issues related to outsourcing employment.
- Received a report from the Department of Workforce Services regarding improvements and efficiencies in the department's food stamp and adjudication services.
- Received a report on the potential implementation of a "pause the clock" feature related to the benefit eligibility time limits of Temporary Assistance for Needy Families (TANF) clients.

Chairs: Sen. Scott K. Jenkins/Rep. David N. Cox
Staff: Art Hunsaker (analyst)/Jim Wilson (attorney)/Glenda Whitney (secretary)

National Conference of State Legislatures

2004 Annual Meeting Schedule • Salt Lake City, Utah

SUNDAY 7/18	MONDAY 7/19	TUESDAY 7/20	WEDNESDAY 7/21	THURSDAY 7/22	FRIDAY 7/23
	General & Exhibitor Registration 8:00 am - 5:00 pm Convention Center NCSL Executive Committee, LSCC & International Registration 8:00 am - Noon	Registration 8:00 am - 5:00 pm Bookstore 8:00 am - 5:00 pm Continental Breakfast 7:30 am - 9:00 am Opening Plenary 8:30 am - 10:00 am Exhibit Hall 10:00 am - 4:00 pm	Ancillary Groups 7:00 am - 8:00 am Registration 8:00 am - 5:00 pm Bookstore 8:00 am - 5:00 pm Coffee Service 7:30 am - 8:30 am Standing Cmtes 8:00 am - Noon Exhibit Hall 9:00 am - 4:00 pm	Ancillary Groups 7:00 am - 8:00 am Registration 8:00 am - 5:00 pm Bookstore 8:00 am - 5:00 pm Coffee Service 8:00 am - 9:00 am Concurrent Sessions Staff Sections 8:30 am - 10:30 am Exhibit Hall 9:00 am - Noon Concurrent Sessions Staff Sections 10:45 am - 12:15 pm	Registration 8:00 am - Noon Bookstore 8:00 am - Noon Coffee Service 8:00 am - 9:00 am Plenary Session 8:30 am - 10:00 am
NCSL Executive Cmte, LSCC & International Registration 4:00 pm - 7:00 pm Grand Hotel	NCSL Executive Cmte, LSCC & International Program 10:00 am - 5:00 pm Grand Hotel	Standing Cmtes 10:15 am - Noon Legislative Staff Luncheon Noon - 1:30 pm Democratic Lunch Republican Lunch Noon - 1:30 pm	Exhibit Hall Lunch Noon - 1:00 pm	Staff Sections 12:30 pm - 2:00 pm Lunch provided Legislators' Plenary Luncheon 12:30 pm - 2:00 pm	Business Meeting 10:15 am - 12:15 pm
		Standing Cmtes 1:30 pm - 5:00 pm	Concurrent Sessions 1:15 pm - 3:00 pm Staff Sections 1:15 pm - 5:00 pm Ancillary Groups 3:15 pm - 5:00 pm	Staff Sections 2:15 pm - 5:00 pm Concurrent Sessions 2:15 pm - 3:45 pm Ancillary Groups 4:00 pm - 5:00 pm	
		Welcome Reception Capitol Plaza 6:00 pm - 7:30 pm Temple Square 8:00 pm - 9:00 pm	State Night	Closing Social Event 6:30 pm - 9:30 pm Olympic Oval	

Utah is hosting the National Conference of State Legislatures this year. NCSL meetings and events for approximately 5,600 participants and guests will be held in Salt Lake City July 19 - 23rd. Nationally recognized speakers will include Stephen Covey (leadership), Bill Kristol (election insight), and Stacey Davis Stewart (economic development). The NCSL annual meeting and exhibitions will be held at the Salt Palace Convention Center.

The Welcome Reception is Tuesday, July 20th, and will provide a lovely evening of great Utah fare in the Capitol and on the plaza between the new House and Senate Buildings. Following the buffet, the Mormon Tabernacle Choir will perform in the Tabernacle on Temple Square in a private concert for conference participants.

The Closing Social Event is on Thursday, July 22nd, at the Utah Olympic Oval in Kearns. Olympic athletes Derek Para, Kristen Gale, and Picabo

Street will be available for autographs and pictures. Skating and other activities, dancing to live band, and a festive BBQ dinner will round out this special evening.

All Utah legislators are automatically registered for the conference; NCSL will mail badges and information this Friday, May 21st. Spouses and guests may register for a fee of \$125 which includes the opening and closing events, the museum tour, and genealogy workshop. For further registration information, please contact Carole Peterson in the House (538-1280), or Annette Moore in the Senate (538-1458), or Georgianna Knudson at 435/723-2035.

For more information, please check the Utah State Legislature website at le.utah.gov or ncsl.org.

LEGISLATIVE MANAGEMENT COMMITTEE**ACTIONS:**

- Approved a request from the Commerce and Revenue Appropriations Subcommittee to meet at the Capitol Complex on August 24, 2004 to address the following issues: 1) Utah Health Insurance Pool; 2) industrial banks (previously called industrial loan corporations); 3) clinical social workers professional licensing; and 4) a report from the Tax Commission on its progress towards implementing the recommendations of the Legislative Auditor's Report #2003-08.
- Approved a request from the Health and Human Services Interim Committee to study the following Master Study Resolution Items: #61 Midwifery; #63 Prescription drug pricing data; and #64 Prescription drugs for seniors - Arizona's CoppeRx program. Refused to concur in the committee's request to redirect to the Child Welfare Legislative Oversight Panel, the study of Master Study Resolution Item #54 Guardian ad litem.
- Awarded the tuition tax credit study, for which the Legislature had appropriated \$150,000, to Utah State University rather than to one of the other two bidders: 1) PolEcon (Dover, New Hampshire) or 2) Pricewaterhouse Coopers, National Economics Consulting Practice (Washington, D.C.). Also moved to direct the Division of Finance to hold the \$150,000 appropriated for the tuition tax credit study rather than letting it lapse at the end of the fiscal year now that the contract has been awarded.

IT'S NOT TOO LATE!

If you have not already returned the 2004 Legislator Survey to the Office of Legislative Research and General Counsel, please send it in at your earliest convenience.

If you have misplaced the survey, please call Bev at 538-1032, and she will send one to you with a stamped return envelope. If you prefer, the survey can be sent by email or fax.

We appreciate your time and input in completing this survey as we strive to improve our services to you.

DIGITAL DEMOCRACY AWARD

Congratulations to Mark Allred and Brooke Anderson from the Office of Legislative Research and General Counsel Information Technology staff. On May 24, 2004 Governor Olene Walker presented them with the Chief Information Officer's Digital Democracy award for the online tracking application for legislation. This application tracked the 693 bills and resolutions introduced, amended, substituted, and voted on during the 2004 General Session.



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FISCAL HIGHLIGHTS

JOHN E. MASSEY
LEGISLATIVE FISCAL ANALYST

EXECUTIVE APPROPRIATIONS COMMITTEE

CO-CHAIRS:
SENATOR LEONARD BLACKHAM - REPRESENTATIVE RON BIGELOW

Report: Feasibility of establishing an electronic filing system in the court system.

Summary: 2004 General Session intent language directed the courts to examine the possibility of establishing an electronic filing system which could be used for most, if not all, documents filed with the State courts. Benefits exist for both the public consumer and the courts in moving toward an electronic filing system. The courts started the electronic filing of tax liens in 1992. Since then, several other types of documents have been added for electronic filing. Over 97,000 documents were e-filed during 2003. The Courts established a seven-year plan to add five additional types of documents for electronic filing. Estimates indicate that this will add over 150,000 e-filed documents per year. Since 2001, the Courts have implemented e-filing on an "as resources allow" basis. Funding for the seven-year plan will require one-time funding of \$277,500 for infrastructure and ongoing funding of \$148,000 for staff and current expenses.

Committee Action: No formal action was taken, but the Executive Offices and Criminal Justice Appropriations Subcommittee will review the Courts progress and resource needs for this activity.

Staff Contacts: Bill Greer, Gary Ricks

Report: Update on Inmate Housing at the Department of Corrections

Summary: The Department of Corrections presented data showing that Utah is facing a critical shortage of space for female inmates. The State is no longer pursuing the purchase or lease of the Oxbow Facility from Salt Lake County. The Department provided an update on the planning process to address this need. Options include contracting with a private provider, expanding space at the Gunnison complex to free up space in Draper or remodeling existing facilities.

Committee Action: No formal action taken, but the Department was directed to thoroughly explore all of the options and prepare a recommendation for the Legislature.

Staff Contacts: Bill Greer, Kevin Walthers

Report: Remedial Education – Report from Higher Education

Summary: Richard Kendell, Commissioner of Higher Education, presented a progress report in response to H.C.R. 11, "Resolution on Higher Education Remedial Classes," (2004 General Session) with the following recommendations:

1. Adoption of a system-wide test to ensure uniform placement for transfer students;
2. Definition of "student success" and determine the appropriate data to accomplish this recommendation;
3. Coordination with public education to align secondary and post-secondary curriculum requirements through 10th grade exit exams and college placement exams; and
4. Revise Regent Policy R506, Inventory of Budget-related and Self-supporting Courses with the following change: students under 21 years enrolled in remedial courses to be excluded from enrollment counts for state funding purposes beginning with the 2005-06 budget request.

Committee Action: Committee members expressed concern that the fourth recommendation may impact some students and/or institutions adversely; therefore, the committee deferred supporting that recommendation. The committee requested that USHE further study the impact of this change, investigate other options, and present these options at a later meeting.

Staff Contacts: Boyd Garriott, Debra Headden

Report: Proposal for Medicaid Vision Program

Summary: Stephen Schubach, President and CEO of Standard Optical, appeared before the Executive Appropriations Committee to present a proposal to offer limited vision care for Medicaid recipients. The offer would discount the cost of services to recipients, e.g., eye exam and single vision glasses and frames for \$49.95. The fee would be paid by the recipient; no State or Federal funding would be involved. Standard Optical also suggested to the Committee that approximately \$500,000 in State funding, appropriated during the 2005 General Session, could restore Medicaid vision services.

Committee Action: The committee stated it would review the proposals. No formal action was taken.

Staff Contact: Spencer Pratt

EXECUTIVE APPROPRIATIONS - CONTINUED

Report: Federal Funds

Summary: The committee reviewed the list of Federal Assistance Applications Requiring Legislative Action. This list includes 10 new grant applications that are (1) over \$1 million, (2) require state matching funds, or (3) add new permanent staff. The committee had questions about two of the grant applications. Item #6, Transforming Healthcare Quality Through IT at the Department of Health was discussed due to the \$160,048 in state matching funds required and Item #8, Utah Dance Education Research at the Department of Community and Economic Development was questioned as to the purpose and nature of the grant. The Committee was asked to voice any other concerns to the Legislative Fiscal Analyst. If there were no additional concerns, the remaining eight new grant applications would be recommended to proceed.

Committee Action: The Governor's office was requested to provide further information on the two applications with questions.

Staff Contact: Spencer Pratt

Report: Division of Aging and Adult Services – Aging population and potential impacts on programs and budgets.

Summary: Director Helen Goddard and Assistant Director Ron Stromberg presented statistics on the current older population and projections on the growth of this population over the next 40 years. Utah is tied with Minnesota as having the second longest life expectancy of all the states. For men, the age expectancy is 79 (72 nationally) and for women it is 85 (79 nationally). Currently, those aged 65 and above comprise 8.5 percent of its population. However, many rural counties have a much higher

percentage, such as Kane, Piute and Washington Counties, where the percentage is about 17 percent. Several urban areas, such as South Ogden and central Salt Lake City, have a percentage of 15 percent or greater.

Utah has the sixth fastest growing population of all the states of residents aged 65 and older and will increase by 125 percent in the next 25 years. About 11,500 Utahns will turn 65 in the current year. In the year 2012, nearly 20,000 Utahns will reach that age. The fastest segment of the aging population is those aged 85 and above. Between 1990 and 2000, this age group increased 60 percent in Utah (38 percent nationally).

Another great concern is the shrinking ratio of workers to retirees. Nationally, in 1950, there were 16 workers to every retired individual. By 1999, there were only 3.3 workers for every retiree, and this is expected to drop to 1.6 workers by the year 2040.

According to Mr. Stromberg, these demographic shifts will significantly impact society in general and state budgets in particular. Demands on services for the elderly, such as health care, long term care facilities, needs for in-home care providers and other services will increase dramatically. Just in “meals on wheels” alone, it is estimated that the need for this service will grow by about 70 percent in the next 15 years, from 1.05 million meals served in the current year, to over 1.7 million by the year 2020.

In conclusion, Director Goddard urged the committee to consider impaneling a task force or other body to study how to best meet the needs and demands of this growing elderly population.

Staff Contact: Thor Nilsen

HIGHER EDUCATION APPROPRIATIONS SUBCOMMITTEE

On June 20, 2004, the Higher Education Appropriations Subcommittee met at Weber State University for an interim meeting. The subcommittee invited the State Board of Regents, the Presidents of the USHE institutions and the Governor's Office of Planning and Budget to sit around the table and have an open discussion of policy issues relating to growth management within the confines of budgetary constraints while ensuring quality and productivity through accountability and performance measures.

The following conclusions were a result of the meeting:

- The USHE system-wide will offer open opportunity for all students to participate in higher education.
- There is a need for collaboration in the education systems to ensure student success.
- Research institutions may need to limit growth; therefore students may be redistributed to other institutions.
- There may be significant tuition increases in the future to accommodate enrollment growth.
- The presidents may need more discretion in setting tuition rates.
- Financial aid support will become a critical component to offset tuition rate increases.

In addition, the Commissioner presented an update on H.B. 320, “Transferability of Credits among Higher Education Institutions,” and H.C.R. 11, “Resolution on Higher Education Remedial Classes.”

Staff Contacts: Boyd Garriott, Debra Headden