



# 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

#### STUDIES:

- Discussed draft legislation “Employee Noncompetition Contracts” regarding agreements that restrict an employee’s ability to compete after leaving a company’s employment.
- Discussed state policy for payment of health 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 the On-premise Banquet Licensing Pilot Program that is scheduled to sunset in 2005.
- Received a status report on the Utah Comprehensive Health Insurance Pool Act.

**ACTION:** Moved to direct staff to prepare draft legislation that makes permanent the On-premise Banquet Licensing Program with changes based on Alcoholic Beverage Control Commission recommendations.

See recommended legislation on page 3.

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

### Education

**STUDY:** Reviewed a comparison between the accountability program in the federal No Child Left Behind law and U-PASS, the state accountability program.

#### REPORTS:

- Received a report from the State Board of Education on its implementation of S.B. 154, Public Education Amendments, enacted in the 2003 General Session.
- Received a report on the work of the School Building Legislative Task Force.

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

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### Government Operations

**STUDY:** Conducted a sunset review of the State Appropriations and Tax Limitation Act. The Committee recommended to remove this chapter from the sunset act.

**ACTION:** See recommended legislation on page 3.

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

### Health and Human Services

**STUDIES:** Considered draft legislation “Licensure and Regulation of Programs and Facilities,” which would modify the licensing of human services residential treatment programs.

#### REPORTS:

- Received the annual Child Welfare Legislative Oversight Panel report.
- Received a report on the effects of the change in involuntary commitment standards made by 2003 S.B. 27, “Susan Gall Involuntary Commitment Amendments.”
- Received a report on the competitive position of in-state pharmacies relative to mail order pharmacies.
- Received a report on local mental health centers’ funding shortfalls.

**ACTION:** See recommended legislation on page 3.

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

### Judiciary

**STUDY:** Discussed issues related to the emancipation of minors.

**REPORT:** The Child Welfare Legislative Oversight Panel reported that oversight by the federal court may conclude as early as 2006 if the state continues to meet objectives of the Performance Milestone Plan.

**ACTION:** See recommended legislation on page 3.

*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

**STUDY:** Considered issues related to draft legislation "Medical Device Notification and Liability"

**REPORT:** Received an annual report from the State Emergency Medical Services Committee.

**ACTION:** Recommended to the Executive Offices and Criminal Justice Appropriations Subcommittee that priority be given to more funding for the Department of Corrections' sex offender treatment program.

See recommended legislation on page 3.

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

## Natural Resources, Agriculture, and Environment

### REPORTS:

- Received the Hazardous Waste Regulation and Tax Policy Task Force final report and recommended legislation.
- Received the Water Issues Task Force report and considered draft legislation "Water Law - Criminal Penalties Amendments" and "Water Enforcement Procedures and Penalties."
- The Board of Water Resources and the Division of Water Resources reported on compliance with 2004 H.B. 71, "Water Conservation Plans" and water conservation plans in the state.

**ACTION:** See recommended legislation on page 3.

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

## Political Subdivisions

### STUDIES:

- Received an update on recommended revisions to the Municipal and County Land Use Development Acts.
- Discussed recommendations of an ad hoc GIS (Geographic Information Systems) workgroup which addressed GIS data in the State Geographic Information Database.
- Discussed a proposal to amend redevelopment agency statutes to encourage transit oriented developments.
- Received an update on the proposal to change the state boundary to merge Wendover, Utah into Wendover, Nevada.
- Received information on the "Economic Development Toolbox" developed by Envision Utah.

### REPORT:

- Received the Utah Quality Growth Commission annual report.

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

## Public Utilities and Technology

**STUDY:** Discussed proposed legislation, "Utility Vegetation Management," which would allow utilities to manage vegetation in easements.

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

## Revenue and Taxation

### REPORTS:

- Received a report from the Utah State Tax Commission on the taxpayer contributions to various programs and exemptions for sales or leases of semiconductor materials.
- Received a report from the Utah Tax Review Commission.
- Received a report from the Individual Income and Corporate Franchise and Income Tax Task Force
- Received a report from the Motion Picture Task Force.
- Received a report from the Hazard Waste Regulation and Tax Policy Task Force.
- Received a presentation on the possible use of land value property tax to fund highway improvements.
- Received a presentation on a proposal to replace all existing local option sales and use taxes with a sales and use tax that would include state and local option rates.
- Received a presentation on Utah State Tax Commission collection processes.

**ACTION:** See recommended legislation on page 3.

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

## Transportation

### REPORTS:

- Received a report on land value taxation for transportation financing from the Lincoln Institute of Land Policy.
- Received a Transportation Planning Task Force final report.

**ACTION:** See recommended legislation on page 3.

*Chairs: Sen. Sheldon L. Killpack/Rep. Joseph G. Murray  
Staff: Benjamin Christensen (analyst)/Shannon Halverson (attorney)/Tracey Fredman (secretary)*

## Workforce Services & Community and Economic Development

**STUDY:** Discussed concerns with the "Covered at Work" program for public assistance clients in the Department of Workforce Services.

**REPORT:** Heard a report, updated from the October Interim meeting, on concerns with the adequacy of the Family Employment Program in the Department of Workforce Services.

**ACTION:** See recommended legislation on page 3.

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

## RECOMMENDED LEGISLATION

Bills recommended during the 2004 interim for the 2005 General Session

### Business and Labor Committee

- Consumer Sales Practices Act Amendments\*
- Conveyances of Property
- Limitation of Liability for Propane Professionals\*
- Regulating Proprietary Postsecondary Schools

### Government Operations Committee

- Bond Election Process Amendments\*
- Initiative Petition Amendments\*
- Office of Legislative Auditor General - Access to Information
- Procurement Code Renumbering\*
- Repeal of State Debt Collection Advisory Board
- Repeal of Vehicle Equipment Safety Commission

### Health and Human Services Committee

- Assistance for People With Bleeding Disorders\*
- Child Protection Team Meetings\*
- Dental Services for Adults on Medicaid\*
- Direct-entry Midwife Act\*
- Disease Testing of Individuals Exposed to Blood Borne Pathogens
- Foster Care Citizen Review Board\*
- Health Care Assistants
- Health Insurance Fair Marketing Standards\*
- Occupational and Professional Licensing Sunset Amendment
- Vision Care for Medicaid Recipient\*

### Judiciary Committee

- Intercountry Adoption Accreditation\*
- Liability Reform Act Amendments
- Divorce Mediation Program

### Law Enforcement and Criminal Justice Committee

- Automobile Crime Prevention\*
- Children's Justice Center Amendments\*
- Drug Offender Reform Act\*
- Juvenile Justice Recodification\*
- Uniform Parentage Act\*

### Natural Resources, Agriculture, and Environment Committee

- State Engineer's Powers and Duties Amendments\*
- Waste Amendments\*

### Public Utilities and Technology Committee

- Energy Related Amendments\*
- Telecommunications Amendments\*

### Revenue and Taxation Committee

- Calling Local Special Elections for Sales and Use Tax Purposes\*
- Individual Income Tax - Contributions for Education
- Individual Income Tax - Subtraction for Certain Military Income
- Motion Picture Incentive Fund\*
- Property Tax Treatment of Tangible Personal Property
- Sales and Use Tax Agriculture Exemptions\*
- Sales and Use Tax Exemption - Agricultural Exemption Vehicle Limitation\*

### Transportation Committee

- Master Highway Designation Amendments
- Person With a Disability Motorcycle Parking
- Uninsured Motorist Property Damage Coverage Amendments
- Traffic Code Amendments\*
- Traffic Code Recodification and Revisions\*

### Workforce Services and Community and Economic Development Committee

- Aerospace and Aviation Development Zone Modifications
- Department of Workforce Services - Access to Financial Records\*
- Department of Workforce Services Amendments\*
- Department of Workforce Services - Work Experience and Training Programs\*
- Economic Development Incentives\*
- Employment Security Act Amendments
- Funding For Tourism\*
- Motion Picture Incentive Fund\*

## LEGISLATIVE MANAGEMENT COMMITTEE

### REPORTS:

- Received the report from Utah State University professors Roberta Herzberg and Chris Fawson on Tuition Tax Credits.
- Received a report from the Armory Board requesting permission for a land purchase in North Salt Lake for the Utah National Guard Northwest Salt Lake City Readiness Center.
- Received a report from Michael Heinz and Jason Perry from the state Division of Securities regarding Tenant in Common Interest in developed real estate.
- Received a letter from the Natural Resources Appropriations Subcommittee requesting permission for a subcommittee meeting on November 11, 2004. The agenda is: State park capital improvement and development priorities; performance measures for Department of Natural Resources, Department of Agriculture and Food, and State Institutional Trust Lands; conservation investment; and campus farm relocation for the College of Agriculture, USU.
- Received a letter from the Health and Human Services Interim Committee to review draft legislation that would require health insurance plans to provide consumers with information facilitating comparison of plans.
- Received an overview by Legislative General Counsel Gay Taylor of a handout entitled "Sunset Act and Repealers - Acts or Entities That Are Scheduled For Repeal in 2005."
- Received an overview by Legislative Deputy General Counsel John Fellows of a bill dealing with control of legislative space in the Capitol Complex. Also heard from Dave Hart, Capitol Preservation Board architect.

- Received a report by Ms. Taylor of actions taken by Legislative Management Committee's Audit Subcommittee, recommending that Deputy Legislative Auditor General John Schaff be appointed Legislative Auditor General.

### ACTIONS:

- Approved the appointment of John Schaff as Legislative Auditor General and directed that a joint resolution be prepared for the 2005 legislative session, making this appointment.
- Approved the purchase of land in North Salt Lake as requested by the Armory Board.
- Approved the Natural Resources Appropriations Subcommittee request to hold a committee meeting on November 11, 2004.
- Approved the Health and Human Services Interim Committee request to study proposed legislation.
- Moved that Legislative Management Committee send a letter to entities affected by the sunset review process, as reviewed by Ms. Taylor, advising them that to be reauthorized they must find a legislative sponsor before December 1, 2004. In addition, LMC moved to approve the sunset recommendations of the interim committees as a LMC bill with President Mansell as the sponsor.
- Went on record supporting the legislation "Capitol Complex", regarding control of legislative space in the Capitol Complex, which addressed Capitol Preservation Board architect Dave Hart's concerns.



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*Editor: Susan Creager Allred*



# FISCAL HIGHLIGHTS

JOHN E. MASSEY  
LEGISLATIVE FISCAL ANALYST

## EXECUTIVE APPROPRIATIONS COMMITTEE

CO-CHAIRS:  
SENATOR LEONARD BLACKHAM - REPRESENTATIVE RON BIGELOW

### Report: Federal Funds

**Summary:** The Governor's Office of Planning and Budget presented the listing of federal fund applications for the time period from September 1, 2004 through September 30, 2004. The list requiring legislative approval contained two new grant applications - one for the Department of Environmental Quality and one for the Attorney General. The list also contained seven applications that are renewals or revisions.

The federal grant list requiring legislative approval for the month of October (presented in November) contained four new grant applications, including the one for the Attorney General which was held over from the October meeting. The list also contained 12 applications that are renewals or revisions. The presentation also provided the requested additional information regarding the ten temporary employees associated with the "Solving Cold Cases with DNA" federal grant for the Attorney General's office, stating that the ten positions would be temporary, but would have the same level of benefits as regular full-time employees of the AG's office.

**Committee Action:** During the October meeting, the Committee approved the list with the exception of the application for the Attorney General because of questions dealing with the 10 additional staff positions that would be hired with the federal funding. In November, the entire list presented to the Committee was approved.

**Staff Contact:** Spencer Pratt

### Report: Utah Homeland Security Overview (Presented in October)

**Summary:** The Utah Departments of Public Safety (DPS) and Health (DOH) were given the responsibility of administering homeland security by the 2002 Legislature. Since FY 1999, the state has received more than \$90.8 million from the federal government to provide homeland security and to guard against bioterrorism. DPS coordinates security and emergency management efforts between federal, state, and local governments. DOH coordinates with state and local health departments to hire and train personnel, as well as to obtain equipment and other resources to protect against bioterrorism.

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

### Report: Executive and Judicial Compensation Commission Report (Presented in November)

**Summary:** John T. Nielsen, Chairman, presented the Commission's report to the committee. The EJCC makes recommendations for three groups: elected officials, appointed officials, and the judiciary. The EJCC recommends that the Governor's salary be increased by 4.5 percent for FY 2006, and that the salaries of the other four elected officials be tiered from the Governor's. The recommendation would place the Lieutenant Governor's salary at 77 percent of the Governor's, the Attorney General's salary at 90 percent of the Governor's, and the State Auditor's and State Treasurer's salaries at 80 percent of the Governor's.

The EJCC recommends adjusting the salary ranges for the appointed officials by 4.5 percent. This adjustment allows the Governor latitude in setting actual salary levels for Cabinet members.

Based on compelling information brought to the Commission, the recommendation for the judiciary is an increase of 7 percent for District Court Judges; with other judicial salaries being based on that level. This increase would help reverse the trend of less-qualified and/or younger applicants for judicial positions.

**Committee Action:** No formal action was taken on this item, the Committee expressed its appreciation for the report.

**Staff Contact:** Spencer Pratt

### Report: Significant Factors Driving Department, Institutional, and Public Education Budgets (Presented in November)

**Summary:** State agencies and institutions provided summaries of the significant cost factors driving their budgets in FY 2005 and FY 2006. The Significant Factors summary provides the Legislature with an understanding of current and future budget concerns throughout state government.

In preparing this exercise, staff requested that where possible the agencies provide a funding amount associated with FY 2005 and/or FY 2006. This funding level works as a point of reference for the Legislature, the numbers may be modified by the agencies as the budget process unfolds. The funding amounts presented in the report do not reflect the official recommendations of the Governor or the Legislative Fiscal Analyst.

**Staff Contacts:** For further information please contact the appropriate subcommittee analyst.

## EXECUTIVE APPROPRIATIONS - CONTINUED

**Report:** Governor's Reading Initiative - School District Actions to Date (Presented in October)

**Summary:** The school district literacy plans aim to provide a plan to insure reading success for all students. The school districts have provided some great plans and all of the plans include a pre, post and ongoing student assessment component. So far, thirty-six school districts and three charter schools have submitted K-3 Literacy Plans. Twenty-five of these plans provides for a literacy coach in every school. Other plans include programs to reduce class size, teacher professional development plans, and summer programs.

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

**Report:** Use of Funds for On-line Testing (Presented in October)

**Summary:** Utah State Office of Education staff provided an update on the allocation of appropriated as well as the school district plans for implementation. All 40 districts and charter schools have declared their intent to participate. The presenters highlighted four district plans. The state office will use a distribution formula that divides 25 percent of the funds equally among districts and 75 percent on a per pupil basis. Final student counts must be completed in order to distribute the funding.

The appropriation will be used as follows: 61 percent for computers, 23 percent for networking wiring and equipment, 12 percent for computer technicians, 3 percent for software and 1 percent for professional development.

**Committee Action:** The Committee requested the following additional information: a break out of on going costs for on line testing based on a three year computer replacement cycle; and a breakdown by school district of the cost per test and how much would it cost to do all tests.

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

**Report:** School LAND Trust Program (Presented in November)

**Summary:** The School and Institutional Trust Lands Administration manages 3.3 million acres of land on behalf of Utah's schools. The State Treasurer invests trust funds (currently \$468 million) in equities and fixed income assets. The Treasurer deposits the interest and dividends into the Uniform School Fund where they earn interest. At the beginning of each Fiscal year, all interest, dividends, and the interest earned throughout the year are distributed to the schools.

Ninety percent of trust land funds are distributed on a per pupil basis, the remaining ten percent is distributed equally among the districts and charter schools. Personnel expenditures comprise the majority of trust land fund expenditures. These expenditures primarily cover reading teachers, after school tutoring programs, volunteer coordinators, etc. Other uses of funds include; computers, supplies, textbooks, library/media resources, assemblies and fieldtrips. Each school has a community council that creates a trust lands plan. The council targets the revenue to meet the goals of this plan. All plans receive approval of the local board and USOE tracks and oversees the program.

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

**Report:** USOE - Development of common definitions for classified personnel. (Presented in November)

**Summary:** The State Board of Education responded to the Committee's requests made in September. The Committee asked the State Board to do two things: develop a common definition of full time equivalent employment to be adopted by all state school districts and charter schools; and collect data using the new definition beginning in FY 2005 both retrospectively for each of the past five years, as well as prospectively.

The State Board will put in place the following solutions:

1. FTE data will be uniformly collected from district and charter school payroll systems.
2. FTE data for the past years will be standardized, particularly for the two large districts that changes counting methodologies this past year.
3. The Utah Association of School Business Officials' Accounting and Reporting Committee will study and make recommendations on the issue of uniform FTE measures.

The Board provided additional information in response to the FTE report provided in September. The Board believes the aforementioned steps will result in more consistent FTE data and provide the information the Legislature needs in its discussions.

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

**Report:** Hazardous Waste Regulation & Tax Policy Task Force Report (Presented in November)

**Summary:** The task force co-chairs, Senator Curtis Bramble and Representative Stephen Urquhart, reported the findings of the task force. They reported on the committee's study of regulation and tax policy issues related to radioactive wastes, hazardous wastes, and solid non-hazardous wastes that are currently accepted and stored in Utah. The task force met seventeen times during the past two years. The task force adopted and recommended that legislation "Waste Amendments" be presented in the 2005 General Session.

**Staff Contacts:** Mark Bleazard, LFA and Brian Allred, LRGC

**Report:** Economic Development and Human Resources Appropriations Subcommittee Report (Presented in November)

**Summary:** In its September meeting, the subcommittee discussed items requested by the Executive Appropriations Committee following the in-depth budget review of the Division of Community and Economic Development. The subcommittee adopted performance measures for the International Development Trade Missions. In addition, The subcommittee provided the adopted performance measures in a letter to Executive Appropriations. The subcommittee will hear a progress report on the development of these measures during the division budget hearings of the 2005 General Session.

**Staff Contacts:** Andrea Wilko