



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 draft legislation, "Electronic Filing of Lien Documents" and "Mortgage Act Amendments" The committee did not vote on these bills.

REPORT: Received a statutorily required report from the Financial Institutions Task Force.

ACTIONS: See recommended legislation on page 3.

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

Education

REPORTS:

- Received a report from the Public Education Legislative Task Force.
- Received a report from the State Board of Education regarding mandated studies in S.B. 154, "Public Education Amendments."

ACTIONS: See recommended legislation on page 3.

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

Government Operations

REPORT: Received a report from a task force examining the issue of governmental immunity.

STUDY: Received a report regarding policy boards in the state and directed staff to send a letter to certain policy boards asking for additional information.

ACTIONS: See recommended legislation on page 3.

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

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2003 Second Special Session**

Health and Human Services

STUDY: Reviewed the legislative performance audit of the Public Employees Health Program and Children's Health Insurance Program.

REPORT: Received a report from the Child Welfare Legislative Oversight Panel.

ACTIONS:

- Recommended that the provision requiring coverage of diabetes by health insurers be removed from the repealer statute.
- Recommended that the Medical Assistance Act, Veterinary Practice Act, and Massage Therapy Practice Act be reauthorized for 10 years.
- See recommended legislation on page 3.

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

Judiciary

ACTIONS:

- Recommended reauthorization of Commission on Criminal and Juvenile Justice, the Appellate Court Nominating Commission, the Trial Court Nominating Commission, the Board of Pardons and Parole, and the Children's Justice Center for 10 years.
- Recommended reauthorization of the Alternative Dispute Resolution Act for two years.
- Considered draft legislation, "Commission on Criminal and Juvenile Justice." A motion to recommend the bill failed.
- Considered draft legislation, "Commission on Criminal and Juvenile Justice Membership." A motion to recommend the bill failed.
- 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

REPORT: Received a report from a private consultant regarding the Department of Corrections administration of clinical services to inmates.

ACTIONS: See recommended legislation on page 3.

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

Natural Resources, Agriculture, and Environment

STUDIES:

- Discussed draft legislation establishing state land use policy and how counties can use local land use management plans to influence federal resource management decisions. The Committee did not vote on this issue.
- Discussed draft legislation, "Instream Flow Amendments." The Committee did not vote on this bill.

REPORTS:

- Received final reports from the Impacts of Gravel Pits Task Force and the Gubernatorial and Legislative Task Force on Alternative Revenue Sources for Water Funding.
- Received a preliminary report of the Hazardous Waste Regulation and Tax Policy Task Force and reviewed draft legislation "Hazardous Waste and Nonhazardous Solid Waste Fee and Tax Amendments."

ACTION: Endorsed regulatory changes to dam safety regulations proposed by the State Engineer.

Chairs: Sen. Beverly Evans/Rep. Craig W. Butters

Staff: Brian Allred (analyst)/Jeanenne Larson (attorney)/Joy Miller (secretary)

Political Subdivisions

REPORTS:

- Received a report from an ad hoc workgroup discussing conflicts between governmental entities when siting facilities with regional impact.
- Received a report from the Utah Quality Growth Commission regarding quality growth in Utah.

ACTIONS: See recommended legislation on page 3.

Chairs: Sen. Carlene M. Walker/Rep. Kory M. Holdaway

Staff: Joseph Wade (analyst)/Robert Rees (attorney)/Wendy Bangerter (secretary)

Public Utilities and Technology

REPORT: Received the Public Service Commission's annual statutorily required report, "The State of the Telecommunications Industry in Utah."

STUDIES:

- Discussed the multi-state process for cost allocation of power generating resources, including the fairness of future allocations.
- Discussed the impact on Utah of the wireless and wire-line telephone number portability implementation scheduled for November 24, 2003.
- Discussed utility line safety including the need for wider participation by political subdivisions and excavators.
- Considered draft legislation, "Internet Privacy Act." The committee did not vote on the bill.
- Considered draft legislation, "Reauthorization of Energy Policy Task Force." The committee did not vote on the bill.
- Considered draft legislation, "Sales and Use Taxes - Exemption For Energy Related Equipment and Machinery." The committee did not vote on the bill.

ACTIONS: See recommended legislation on page 3.

Chairs: Sen. Leonard M. Blackham/Rep. Stephen H. Urquhart

Staff: Richard North (analyst)/Thad LeVar (attorney)/Clay Hatch (secretary)

Revenue and Taxation

STUDY: Considered draft legislation, "Amendments to Sales and Use Tax and Certain Taxes or Charges Imposed by a County or Municipality." The committee did not vote on the bill.

REPORTS:

- Received the progress report of the Hazardous Waste Regulation and Tax Policy Task Force.
- Received the annual report of the Utah Tax Review Commission.
- Received a report from the Utah Tax Commission (Commission) on the amount of individual income tax voluntary contributions (checkoffs) made during the 2002 tax year.
- Received a report from the Commission regarding its efforts to unify and streamline its collection efforts.
- Received a report from the Commission indicating that less than \$85,000 in sales and use tax exemptions was claimed for sales of certain semiconductor manufacturing and fabrication equipment.

ACTIONS:

- Recommended S.B. 2004, "Property Tax - Confidentiality of Certain Information," for the 2003 Second Special Session.
- See recommended legislation on page 3.

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

Staff: Bryant Howe (analyst)/Rebecca Rockwell (attorney)/Sandra Wissa (secretary)

Transportation

STUDY: Considered draft legislation, "Fuel Tax Provisions for Clean Fueled Vehicles." The committee did not vote on the bill.

REPORT: Received the final report from the Transportation Planning Task Force.

ACTIONS: See recommended legislation on page 3.

Chairs: Sen. Dan R. Eastman/Rep. Joseph G. Murray

Staff: Benjamin Christensen (analyst)/Shannon Halverson (attorney)/Wendy Bangerter (secretary)

Workforce Services & Community and Economic Development

STUDY: Discussed a statutory unemployment insurance tax rate increase.

REPORT: Received a statutorily required report from the Office of Child Care regarding the status of child care in Utah.

ACTIONS:

- Recommended HB 2004, "Utah Venture Capital Enhancement Act Amendments," for the 2003 Second Special Session.
- Referred a study of unemployment insurance for seasonal workers to the Administrative Rules Review Committee.
- See recommended legislation on page 3.

Chairs: Sen. Scott K. Jenkins/Rep. David N. Cox

Staff: Mark Steinagel (analyst)/Jim Wilson (attorney)/Glenda Whitney (secretary)

RECOMMENDED LEGISLATION

Bills recommended during the 2003 interim for the 2004 General Session

Business and Labor Committee

- Captive Insurance Companies Act Amendments*
- Construction Bonding Statutes*
- Licensing - Insurance Law Amendments*
- Lien Amendments*
- Life Insurance Law Amendments*
- Requirement of Trustees of Trust Deeds*
- Requirements for Recording Certain Real Estate Documents*

Education Committee

- Civic and Character Education in Schools*
- Refurbished Computers in Schools Program*
- Repeal of Education Mandates*

Government Operations Committee

- Absentee Ballot Amendments
- Amendments to Local Referendum Process*
- Local Referendum Amendments*
- Publication of Resolution or Notice
- Repeal of Utah Interstate Commission for Cooperation in Higher Education
- Repeal of Cost Savings Suggestions Pilot Program
- Technical Amendment - Polling Place Supplies

Health and Human Services Committee

- Insurance Code Exemption*

Judiciary Committee

- Marriage Preparation Education
- Parent-Time Schedule Amendments*
- Transportation of Children for Parent-Time*

Legislative Process Committee

- Resolution Amending Dates of Annual Legislative Session

Law Enforcement and Criminal Justice Committee

- Drug Abuse Reform Act*
- Management, Enhancement, and Funding of 911 System*
- Unlawful Controlled Substances in Correctional Facilities*

Natural Resources, Agriculture, and Environment Committee

- Concurrent Resolution Approving Solid Waste Permit

Political Subdivisions Committee

- Amendments to County Service Area for Extended Fire Protection*
- Municipal Annexation Petition, Notice, and Signature Provisions
- Property Rights Amendments*
- Rail Corridor Provisions*

Public Utilities and Technology Committee

- Governmental Internet Information Privacy Act*

Revenue and Taxation Committee

- Individual Income Tax Amendments*
- Resort Communities Tax Amendments*
- Sales and Use Tax - Repeal of Cable and Satellite Service

Retirement and Independent Entities

- Unused Sick Leave for State Employee Provisions

Transportation Committee

- Driving Under the Influence Amendments*
- Motor Vehicle Code Revisions*
- Motor Vehicle Title and Registration Amendments*
- State Highway System Changes
- Utah Scenic Byway Committee*

Workforce Services and Community and Economic Development Committee

- Employment Security Modifications
- Employment Support Act Amendments*
- Unemployment Insurance Benefits - Social Security Benefits Offset

LEGISLATIVE MANAGEMENT COMMITTEE**REPORTS:**

- Received a report from the Legislative Process Committee (LPC) recommending: a two-day interim committee schedule, consideration of a set of concepts known as "Legislating for Results," and additional training to standing committee chairs on committee procedures relating to public testimony.
- Received a report regarding the Southwest Salt Lake Valley Groundwater Cleanup Project.
- Received a report regarding the Judicial Conduct Commission litigation concerning the Honorable Judge Joseph Anderson.

ACTIONS:

- Adopted the LPC recommendation to switch the times of Thursday and Friday standing and appropriation subcommittee meetings so that Friday afternoon would be open for some legislators.
- Recommended that the Attorney General execute the Miners Hospital settlement agreement.
- Approved the recommended changes to the Utah Legislature's Policies and Procedures for Handling Records Requests.
- Approved the sunset reviews as conducted by the interim committees and assigned Representative Greg Curtis to be the sponsor of the bill.
- Approved the resolution reappointing John Massey for a six-year term as the Legislative Fiscal Analyst.
- Approved a meeting of the Public Education Appropriations Subcommittee.
- Denied the request to pay legislative members of the Minority Affairs Subcommittee for attendance to two meetings because the subcommittee had not been approved by the Legislative Management Committee (LMC) prior to the subcommittee meeting. Approved sending a letter to all interim committee chairs reminding them that subcommittees need to be approved by LMC and that no pay will be approved for such subcommittee meetings without prior authorization.

2003 SECOND SPECIAL SESSION**BILLS PASSED:****H.B. 2001, "Election Law Amendments"**

This bill increases the number of active voters authorized to vote at a common polling place. This bill allows fourth, fifth, and sixth class counties to combine voting precincts at all elections.

H.B. 2002, "Court Security Fund Amendments"

This bill corrects a cross-reference that was inadvertently omitted from this section during the 2003 General Session. This bill redirects the five dollar increase in the filing fee for a complaint into the Court Security Account.

H.B. 2003, "Trust Law Amendments"

This bill makes changes in legislation passed during the 2003 General Session that allowed for the administration of trusts created outside Utah by trustees within Utah, and provided favorable tax provisions.

H.B. 2004, "Utah Venture Capital Enhancement Act Amendments"

This bill modifies: the definition of the Utah fund of funds; the Utah Capital Investment Board and the Utah Capital Investment Corporation. This bill provides for restrictions for issuing contingent tax credits and states that public money may not be invested in the Utah fund of funds. The bill also provides that any amount in the redemption reserve in excess of \$100,000,000 shall be reinvested in the Utah fund of funds and directs where assets of the corporation shall be distributed upon dissolution.

S.B. 2001, "Alcoholic Beverage Amendments"

This bill modifies provisions related to the Alcoholic Beverage Enforcement and Treatment Restricted Account and appropriates monies. This bill appropriates \$2,712,500 from the Alcoholic Beverage Enforcement and Treatment Restricted Account to the State Tax Commission for fiscal year 2003-04 only.

S.B. 2003, "Amendments to County Service Area for Extended Fire Protection"

This bill eliminates a requirement that a proposed county service area for fire protection, paramedic, and emergency services include one or more municipalities in order to avoid an election requirement.

S.B. 2004, "Property Tax - Confidentiality of Certain Information"

This bill provides for the confidentiality of commercial information obtained from a property, taxpayer, or information derived from that commercial information; provides exceptions to the confidentiality provisions; and provides penalties for disclosing commercial information.

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FISCAL HIGHLIGHTS

JOHN E. MASSEY, DIRECTOR

EXECUTIVE APPROPRIATIONS COMMITTEE

CO-CHAIRS:

SENATOR LEONARD BLACKHAM - REPRESENTATIVE RON BIGELOW

Report: Executive and Judicial Compensation Commission (EJCC)

Summary: The Commission is charged with recommending compensation adjustments for the five elected officials and the judiciary, as well as ranges for the appointed state officers. The EJCC recommends that the Governor's salary be increased by 4% to \$104,600, and then the other four elected officials' salaries be set at a fixed percentage of the Governor's. The recommendation includes the Lieutenant Governor's salary at 77% of the Governor's, the Attorney General's salary at 90% of the Governor's, and the State Auditor's and Treasurer's salaries at 80 percent. The actual recommended levels are: Lieutenant Governor - \$80,500, Attorney General - \$94,100, State Auditor and State Treasurer - \$83,700.

The EJCC recommends that the salary of the District Court Judges be increased by 4% to \$107,850. The salaries of all the other judges would be adjusted according to the percentage relationship established in Code (67-8-2).

The EJCC also recommends that the salary ranges for the Executive Compensation Plan (E-3 through E-6) be increased by the same percentage recommended by the Department of Human Resource Management. Any actual salary adjustments would be at the discretion of the Governor, within each of the E levels.

Committee Action: The Executive Appropriations Committee received the report and thanked the Commission for its work.

Staff Contact: Spencer Pratt

Presentation: Department of Workforce Services

Summary: Mr. Mark Knold, Economist for the Department of Workforce Services, presented "Economic Recovery for the Two Tiers of Utah's Workforce." He emphasized that while the dollar economic recovery has begun, jobs are still down and for the clients Workforce Services usually helps, higher unemployment rates are likely to continue for some time. Mr. Knold indicated that this is a result of the excess production capacity built up during the technology boom of the late 1990's. The presenter estimated that job growth may remain below potential for several more years.

Staff Contact: Stan Eckersley

Report: Legislative Compensation Commission

Summary: The Commission is charged with recommending salary adjustments for the Utah State Legislature. The Commission made the following recommendations:

That the legislative salary level remain at the present \$120 per day for each calendar day of the annual General Session, and for each day a legislator attends veto-override and special sessions; and for other authorized legislative meetings, including monthly interim meetings.

That the additional compensation for legislative leaders remain at \$2,500 per year for the Senate President and the House Speaker and at \$1,500 per year for the Majority and Minority Leaders.

The Commission also proposed that the Legislature amend state statute to allow the Commission the authority to review and make recommendations on the entire compensation package for legislators and to be able to recommend an annual salary, daily salary, or a combination of the two.

Committee Action: The Executive Appropriations Committee received the report and thanked the Commission for its work.

Report: Analysis of Cost and Service within the Utah Department of Corrections Bureau of Clinical Services

Summary: Jacqueline Moore, of Jacqueline Moore and Associates presented the final report regarding the potential for privatizing the Bureau of Clinical Services (BCS) at the Utah State Prison. The report is a follow up to the report conducted by the Office of the Legislative Fiscal Analyst in May of this year. The findings in Dr. Moore's report confirm staff's initial analysis regarding operations within the BCS.

In addition to verification of staff budget analysis, Dr. Moore provided recommendations for improving clinical care, psychiatric services, pharmaceutical costs and clinical protocol. A summary of the findings can be found on pages 6, 7 and 8 of the report.

Based on conversations with Dr. Moore and UDC staff, Moore and Associates received full access to records, budgets, personnel

(Continued on page 2)

EXECUTIVE APPROPRIATIONS - CONTINUED

(Continued from page 1)

and protocols in completing their study. Beyond monitoring progress and facilitating publication of the final report, the Office of the Legislative Fiscal Analyst did not participate in the study to ensure complete independence of the final product.

In answering the primary question of the study – if privatizing the BCS provides the state with additional savings and/or better services, Dr. Moore finds that the staff within the BCS is already providing services at an appropriate level for a cost similar to that offered by private providers. While privatization is a viable alternative for other states – and may be for Utah in the future – it is not likely that any significant savings can be found at this time through outsourcing medical care for inmates.

Staff Contact: Kevin Walthers

Report: Significant Factors Driving Department and Institutional Budgets: FY 2004 - FY 2005

Summary: With the passage of HB 1, Annual Appropriations Act, during the 2003 General Session of the Legislature, the following intent language was approved:

It is the intent of the Legislature that all state departments and institutions prepare a one page summary of the significant factors that are driving their various budget requests for FY 2004 and FY 2005. This summary should be given to the Office of the Legislative Fiscal Analyst by November 1, 2003. The departments and institutions should present their summaries to the Executive Appropriations Committee in the November 2003 meeting.

The draft report is the result of compliance with this intent. As the departments submitted their budget requests to the Governor, they included a form “102” which was used to identify the significant factors driving their budget increases.

In working with the departments and institutions, the Legislative Fiscal Analyst requested that, where possible and/or applicable, a funding request amount be included in order for the Executive Appropriations Committee members to have a point of reference. It is important to note that the funding requests are not the recommendations of the Governor or the Legislative Fiscal Analyst. In fact, the numbers may be modified by the departments and institutions as the budget process unfolds.

The full report may be found in the Related Materials section of the Executive Appropriations Committee on the Legislature’s website.

Committee Action: The committee reviewed the report and asked various clarifying questions. The report will be used as a working document in preparation for the General Session.

Staff Contact: Please contact the staff person responsible for the appropriate budget area.