

CORRECTED
**MINUTES OF THE
SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE**
Room 30 House Building, State Capitol Complex
Tuesday, February 12, 2013

MEMBERS PRESENT: Sen. Allen M. Christensen, Co-Chair
Rep. Ronda Rudd Menlove, Co-Chair
Rep. Daniel McCay, House Vice Chair
Sen. Deidre M. Henderson
Sen. Luz Robles
Sen. Evan J. Vickers
Sen. Todd Weiler
Rep. Rebecca Chavez-Houck
Rep. Edward H. Redd
Rep. Earl D. Tanner

MEMBERS ABSENT: Sen. Peter C. Knudson
Pres. Wayne L. Niederhauser
Sen. Brian Shiozawa
Rep. Tim Cosgrove
Rep. Brad L. Dee
Rep. Paul Ray
Rep. Marc K. Roberts

STAFF PRESENT: Mr. Russell Frandsen, Fiscal Analyst
Mr. Stephen Jardine, Fiscal Analyst
Ms. Paula Winter, Secretary

Note: A copy of related materials and an audio recording of the meeting can be found at <http://le.utah.gov>. A list of visitors and a copy of handouts are filed with the committee minutes.

Co-Chair Christensen called the meeting to order at 8:10 a.m.

Public Comment on Mental Health Issues.

Rusty Speake, parent, adoptive parent of 3 children with multiple disabilities from drug addicted mom; Rebecca Glasher, Executive Director, National Alliance for the Mentally Ill (NAMI) Utah, shared needs of families with mental illness; Miriam Hyde, Chair, Utah Disability Caucus; Cheryl Smith, Advocate, Autism Council of Utah; Lori Cerar, Advocate, Allies with Families; Shayne Tueller, parent, Treatment in the Utah State Hospital; Brooke Wilson, parent, Mental Health; Sylvia Scott, parent, Mental Health and Budget Priorities; Christina Osburn, parent, Mental Health; Tracy Johnson, advocate, New Frontiers for Families; Ginger Phillips, self, Substance Abuse and Mental Health; Joseph Reynolds, Advocate, Utah Family Coalition; Mayme Jensen, self, Mountain High; Andrew Riggle, Advocate, Disability Law Center; Angie Graff, Advocate, South West Center; Kylee Osborn, self, high school senior; Christy Hutchinson, self, school counselor involved with Davis Behavioral Health. The preceding all spoke on the validity of help for mental health in varying locations and situations and were proponents to continue funding.

Budget and Issue Briefs

Stephen Jardine, Fiscal Analyst, informed the committee that there were 24 staff briefs. Many were discussed before. The following topics were covered:

- a. Medicaid and Health Financing which is the administration part of Medicaid. The Analyst recommends approving a base budget for FY2014 of \$101,305,000.
- b. Medicaid Sanctions in the amount of \$250,000 which includes a change recommended in the

- c. brief. After a question by Sen. Christensen, sanctions were clarified by Russell Frandsen and more information on them referred to in the brief itself.
- d. Children's Health Insurance Program (CHIP) – The Analyst' recommends a base budget for FY 2014 in the amount of \$85,031,400 which includes changes in the CHIP caseload.

Sen. Christensen asked how it would work with the Affordable Care Act (ACA) and the CHIP clients who would be put into Medicaid. Mr. Frandsen clarified that the match rate will be richer, 80/20, because they are on Medicaid but the services will be the same so they will qualify for the higher CHIP match rate.

Rep. Cosgrove had a question about caseload growth and the number appropriated for. Mr. Frandsen explained that the baseline change is about 430 fewer children on CHIP than originally anticipated and is the primary reason for the savings reflected. The ongoing savings is less because there is an increase per child so the cost is increasing even though the enrollment is decreasing. Rep. Cosgrove also inquired about the tobacco settlement and Mr. Frandsen referred to the brief for the numbers.

- e. Medicaid Mandatory Services – the Analyst recommends a base budget for FY2014 a little over a billion dollars and is detailed in the brief.
- f. Medicaid Optional Services – the Analyst is asking for a base budget for FY2014 in the amount of \$926,075,800. This is a motion for subcommittee consideration.
- g. The Medicaid Consensus Forecasting Brief describes the process of recommendations coming from both the Governor's office and the Office of the Legislative Fiscal Analyst to come up with a consensus forecast and outcomes.

The Department of Workforce Services (DWS), Friday, February 8, 2013 Briefs

- h. Community Development Capital Budget and Special Service Districts budget has to do with mineral lease money. The Analyst recommends a base budget recommendation for the FY2014 budget at \$129,546,000 and \$7,300,000 for the Special Service Districts with funding as listed in the budget brief.
- i. Housing and Community Development and Zoos – The Analyst recommends the base budget of \$54,982,000 and \$908,400 be approved as well as the intent language included in the brief.
- j. Workforce Services Administration –a budget of \$12,071,400 is being recommended for approval. This amount also includes an agency requested transfer.
- k. DWS Operations and Policy Budget, which is the largest line item in DWS and has to do with work development and welfare public assistance, has a base budget of \$691,633,300 and includes a reduction of General Fund from Medicaid and Health Financing Medicaid line item to reflect the savings associated with a Legislative audit regarding plastic eligibility cards. The savings is being recommended by the Analyst. There has also been \$1,666,100 added in dedicated credits above that appropriated in FY2013 in order to comply with the law that says the committee's authority is necessary to increase the dedicated credit.
- l. DWS Structural Imbalance was presented previously and there is a request for a building block that was not recommended by the Governor. This brief requires no action but is intended to be background information.
- m. DWS General Assistance Program Brief which includes a base budget recommended by the Analyst of \$4.8 million along with non-lapsing carry-forward language. This program is state funded and provides limited financial assistance to disabled adults without dependent children.
- n. DWS Unemployment Insurance Brief covers the recommendation to approve \$21,687,300 along with the adoption of non-lapsing carry-forward intent language and the transfer of a hearing officer to the Department of Health.
- o. DWS Unemployment Compensation Fund Brief was prepared by Jonathan Ball. This fund provides compensation cash benefits to certain unemployed individuals which are funded through a dedicated tax paid by employers with additional benefits possibly being paid by the

federal government. The recommendation by the Analyst is to move the appropriations for the unemployment compensation fund into a new section of reporting for state entities that include business-like activities. Further information is available in the brief.

- p. DWS Service Fees – the Department of Workforce Services charges about \$1.8 million in fees and the Analyst recommends the subcommittee approve these fees.
- q. The purpose of the Intent Language and Non-lapsing Balances Follow-up Brief is to determine if the Department of Workforce Services complied with the 8 intent language statements adopted by the Legislature in the 2012 General Session and 7 intent language statements in the 2011 General Session with impact through July 2012. This brief provides follow-up and informs the committee of \$7,401,600 of a non-lapsing balance at the end of FY 2012 for use by the Department of Workforce Services.

Other DWS items on the budget briefs list were acknowledged and Mr. Jardine moved forward to the briefs for the day.

The Department of Human Services (DHS) – the Division of Substance Abuse and Mental Health

The Division of Substance Abuse and Mental Health brief included similar recommendations from the Analyst: a base budget recommendation, a transfer to do with Medicaid funding, 3 items of non-lapsing intent language, and taking \$1.5 million of the Division of Child and Family Services (DCFS) non-lapsing funds to apply to an Early Intervention for Mental Health for Youth building listed in the brief..

Sen. Christensen encouraged all committee members to read the briefs and do their homework to understand them. Rep. Redd inquired when the meetings to vote would be held. Mr. Frandsen informed Rep. Redd that the voting would take place on February 20 and 22.

Palmer DePaulis Executive Director of Human Services, spoke briefly along with Lana Stohl, Division Director, about the Mental Health and Substance Abuse Early Intervention Program. Ms. Stohl reiterated the importance of the programs which encourage individuals to live productive lives. She continued on to list the number served through 3 programs which are 1. School based services, 2. Using family resource facilitators, 3. Using mobile crises teams and also shared the purpose and location of the program. She also stated that most of the money received is passed on to the mental health centers. It was clarified to Rep. Tanner that all the \$3.5 million was passed through to the local authorities for the Early Intervention Program.

Drug Offender Reform Act (DORA)

Mary Lou Emerson is the Director of the Utah Substance Abuse Advisory Counsel which oversees the implementation of DORA. Ms. Emerson presented an overview and objectives of the program. She included what job the legislature has in conjunction with the program. Ms. Emerson also presented the report and response required of them in the past.

Craig Burr, Director of Programming, Utah Department of Corrections, Co-Chair of the DORA Oversight Committee, covered the 4 strategies recommended to strengthen DORA . They are:

1. Examine ways to improve outcomes of high risk offenders.
 2. Begin serving the parole populations again if funding becomes available,
 3. Maintain a high quality of supervision intensity and access to treatment,
 4. Continue to implement strategies to increase time in treatment and likelihood of completion.
- Mr. Burr referred to the tracking sheet on the last page of the brief.

Sen. Christensen referred to the original intent of DORA and that it was to be an open-ended

program but because of lack of funding it was cut back numerous times and perhaps in the future it will be fully funded. He expressed frustration that it is like putting out fires and that the program would be so valuable to our society.

Human Services Delivered to the Counties: Mental Health, Substance Abuse, and Aging

Adam Trupp, Utah Association of Counties, General Counsel, represented the local mental health authorities and mental health centers and substance abuse treatment centers. Mr. Trupp called attention to programs they are looking for funding for. The first is early intervention funding and its continuation with an increase of \$3.5 million. The other funding is for drug court which did not make it into the Governor's budget. There is less in the budget for drug court funding as a result of a loss of federal grants and expansion of drug courts. The request for this is \$2.5 million. Sen. Christensen clarified that drug court funding comes through criminal justice and the treatment dictated by the court comes through this committee. Mr. Trupp pointed out that there has been an increase in requests for Medicaid but the match for counties to help pay their part has not been there.

A conversation between Rep. Ray and Mr. Trupp took place to clarify if the \$2.5 million is for the treatment side or is it combined with the court side. Mr. Trupp indicated it is on the treatment side and the money that comes to drug court is divided out based on applications. The majority does go to the treatment side.

William Cox, Commissioner, Rich County, responded to Rep. Ray's question and confirmed that the DORA program is effective even though there is not complete funding. Mr. Cox explained details of plans currently being implemented in the Rich County area that have been effective and the needs that are there because of lack of growth in funding.

Sen. Christensen asked the two remaining presenters to return on another agenda.

Rep. Cosgrove thanked all who came for sharing the challenges they have and stated that is very humbling.

Motion to adjourn was made by Rep. Menlove
Co-Chair Christensen adjourned the meeting at 9:51 a.m.

Minutes were reported by Ms. Paula Winter, Senate Secretary

