Administrative Rules Review Committee

January 20, 2014

Insurance Department and Title and Escrow Commission — Governance Issues

Discussed the unique, as well as the shared, responsibilities of the Insurance Department and the Title and Escrow Commission and whether the current governing relationship between these entities should be modified.

Reauthorizing Administrative Rules

*Action:* Approved as a committee bill, draft legislation "Administrative Rules Reauthorization," which reauthorizes all state agency administrative rules except for any administrative rules specifically listed in the bill. No administrative rules were designated for sunset in this bill.

May 12, 2014

Public Shooting Ranges

Received a report from the State Armory Board explaining why no administrative rules have been completed and submitted to implement 2013 General Session S.B. 107, “Public Shooting Ranges.”

(Continued next column)
Obtaining Cost Information Related to Student Information System

Discussed the State Office of Education’s reportedly slow response to requests from the Free Market Protection and Privatization Board for data regarding the office’s Student Information System and whether an administrative rule, state law, or state agency policy has contributed to the delay.

Staff: Art L. Hunsaker (Policy Analyst) / Christine R. Gilbert (Attorney) / Tracey Fredman (Secretary)

Business and Labor

Long-Term Planning Issues

As directed by 2014 General Session H.J.R 10, “Joint Rules Resolution Regarding a Long Term Planning Conference,” the committee received comment from leaders of the following five executive branch departments and one executive branch commission that are overseen by the committee:

- Labor Commission;
- Department of Commerce;
- Insurance Department;
- Department of Financial Institutions;
- Department of Alcoholic Beverage Control; and
- Alcoholic Beverage Control Commission.

The committee also received written comments on long-term planning issues from committee members and various interested parties.

Regulation of Title and Escrow Industry

Received comments from the insurance commissioner, the chair of the Title and Escrow Commission, the Utah Land Title Association, and interested parties regarding the regulation of the title and escrow industry and the various regulatory duties of the Title and Escrow Commission and the insurance commissioner.

Staff: Bryant R. Howe (Assistant Director) / Christine R. Gilbert (Attorney) / Patricia Owen (Attorney) / Kristen C. Ricks (Secretary)

Child Welfare Oversight Panel

Homeless Youth

Received recommendations for addressing the needs of homeless youth from a community service agency, an activist for homeless youth, and two state agencies.

Also received comments from formerly homeless youth about their experiences.

Youth in Foster Care

Received reports from the Division of Child and Family Services and the State Foster Care Council on the impact of 2014 General Session H.B. 346, “Foster Children Amendments,” which increases a foster parent’s ability to make decisions regarding the activities of the foster child.

Staff: Mark D. Andrews (Policy Analyst) / Lee A. Killian (Associate General Counsel) / Lori Rammell (Legislative Secretary)

Economic Development and Workforce Services

Long-Term Planning

Received presentations from committee staff and from the Governor’s Office of Economic Development, the Department of Workforce Services, the Department of Heritage and Arts, and comments from the audience on long-term planning for the policy areas assigned to the committee.

The committee discussed emerging issues and challenges, information needed for the Legislature to address the issues and challenges, and processes that might be helpful in addressing these issues and challenges on an ongoing basis.

Economic Development and Workforce Services 2014 Legislation

Received a briefing from committee staff on bills that passed during the 2014 General Session.

Staff: Benjamin N. Christensen (Policy Analyst) / Peter Asplund (Attorney) / Debra Hale (Secretary)

Education

Development and Implementation of Core Curriculum Standards

Received a report from the State Board of Education on the development and implementation of core curriculum standards. The chair of the State Board of Education reported that the board adopted a timeline for the review of core standards as required by 2014 General Session H.B. 342, “Powers and Duties of the State Board of Education.”

The State Board of Education discussed issues related to the new math core curriculum, including:

- The reasons for adopting an international model for the sequencing of secondary math courses;

(Continued next page)
- The need for professional development for math teachers; and
- The results of a survey of math teachers regarding the new math core curriculum.

**Long-Term Planning**

Received presentations on long-term planning for public and higher education.

The higher education system, the Utah College of Applied Technology, and the State Board of Education each indicated that their long-term plans are based on the state’s goal of 66% of the adult population obtaining a postsecondary degree or certificate by 2020. The commissioner of higher education discussed:
- The investment needed to achieve the goal of 66% by 2020, which would be $70 million in new ongoing funding for the next six years; and
- The impact of achieving the goal, in terms of increased wages, tax revenue, and reduced poverty.

The president of the Utah College of Applied Technology reported that students and parents are not adequately informed regarding applied technology education and career opportunities. The deputy superintendent of the Utah State Office of Education reported that the high school graduate rate continues to improve. The goal is to have 90% of students graduate within four years of enrollment. The current graduation rate is 81%.

**Federal Funds Commission**

*May 14, 2014*

**Request for Proposals for Expert Services**

Received a presentation from commission staff on:
- The process and requirements for issuing requests for proposals; and
- The money that the Legislature appropriated to the commission for professional contingency planning and an economic risk analysis.

**Action:** Appointed four commission members to work with staff to draft two request for proposals to bring back to the commission for further consideration.

**Government Communications Task Force**

*May 22, 2014*

**Update of Technology and Expansion of Governmental Radio Communication Systems**


The Utah Communications Agency Network (UCAN) gave an update on the merger of UCAN and the radio communications functions of the Department of Technology Services into the new Utah Communications Authority created by H.B. 155.

An engineering consultant gave an update on his work in preparing a cost estimate and implementation plan for upgrading and expanding the governmental radio communication system in Utah.

The task force discussed a vision for moving forward, including tracking funding challenges. The task force also scheduled site visits in Richfield, Utah (June 23) and Vernal, Utah (July 10).

**Government Operations**

**Government Operations Term Planning Reports**

Received a report on long-term planning from each entity over which the committee has oversight. Each report discussed the office or department's long-term plans and the most important long-term issues the Legislature should address.

**Timing of Campaign Finance Disclosures**

Received a presentation from committee staff on the campaign finance reporting deadlines for each type of filing entity in the state.

Committee staff also provided information on recent changes in campaign finance reporting requirements.

**Health and Human Services**

**Interstate Sharing of Putative Father Registry Information**

**Action:** Approved as a committee bill, draft legislation “Compact for Interstate Sharing of Putative Father Registry Information,” which creates and enacts the interstate compact.

Also approved as a committee bill, draft legislation “Joint Resolution Urging Interstate Sharing of Putative Father Registry Information,” which encourages other states to adopt the Compact for Interstate Sharing of Putative Father Registry Information and encourages the United States Congress and the Uniform Law Commission to promote the interstate sharing of putative father registry information.
Regulation of Electronic Cigarettes and Other Tobacco Products

Received a briefing by committee staff on a federal Food and Drug Administration proposed rule that would deem certain products to be within the scope of its regulatory authority under the Family Smoking Prevention and Tobacco Control Act (2009). Products would include currently unregulated products, such as electronic cigarettes, cigars, and pipe tobacco.

**Action:** Directed staff to draft comments regarding the proposed rule for consideration at the committee’s next meeting. Comments to the Food and Drug Administration are due by July 9, 2014.

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Health Reform Task Force

May 22, 2014

Mandatory Medicaid Eligibility Expansion

Received information from the Department of Workforce Services on mandatory Medicaid enrollment changes attributable to implementation of the new federal Health Insurance Marketplace created by the federal Patient Protection and Affordable Care Act. The department also reported that two-way transfer of Medicaid application data between the department and the marketplace has been occurring since the end of February 2014.

Optional Medicaid Eligibility Expansion

Viewed a video presentation prepared by task force staff comparing four proposals to expand Medicaid that were considered during the 2014 General Session.

Received a report from the Department of Health on its negotiations with the United States Department of Human Services (HHS) to gain approval for the governor’s Healthy Utah Plan, one of the four expansion proposals.

Primary Care Network

Received information on the need for the state to reduce the Primary Care Network’s upper income eligibility limit from 100% to 95% in order to allow a person with a household income between 100% and 105% of the federal poverty level to qualify for subsidies in the federal Health Insurance Marketplace.

The Federal Health Insurance Marketplace

Received reports on issues related to the roll-out of the Health Insurance Marketplace created and operated in Utah by HHS in response to the federal Patient Protection and Affordable Care Act.

Received reports from a navigators organization, a certified application counselors organization, the Utah Association of Health Underwriters, and five health insurers. Insurers are still dealing with various “behind the scenes” problems associated with the marketplace.

(Continued next column)
Overview of 2014 Interim

Reviewed priority items assigned by the Legislative Management Committee, items from the Master Study Resolution, and the statutorily required reports and studies assigned to the committee to review throughout the interim.

Staff: Chelsea B. Lloyd (Policy Analyst) / Esther Chelsea-McCarty (Attorney) / Kristen C. Ricks (Secretary)

Law Enforcement and Criminal Justice

Commission on Criminal and Juvenile Justice
Update

Received a presentation from the Commission on Criminal and Juvenile Justice regarding existing programs and plans to improve the criminal justice system in Utah.

The commission has implemented a Justice Reinvestment Initiative to partner with the PEW Charitable Trust and has been receiving input from local groups by holding hearings across the state and meeting with stakeholders. The commission expects to finish its evaluation in the late autumn and return to the Legislature with any recommendations at that time.

Department of Corrections Overview

Received a presentation by the Department of Corrections regarding specific programs and their effectiveness. The department gave an update on the West 1 construction, a 192-bed expansion at the Gunnison prison. The department also gave the committee a status update on the Prison Relocation Commission that the Legislature authorized in the 2014 General Session.

This year, the department will be working with the PEW Charitable Trust to evaluate Utah as a justice reinvestment site, looking for opportunities to operate more efficiently or more effectively rehabilitate offenders. The department also discussed changes to the female offender programs and initial results of those programs, as well as long-term plans for reducing recidivism by 25%.

2014 General Session Summary

Received a report from committee staff regarding:
- 2014 General Session statistics;
- A status update on legislation that the Law Enforcement and Criminal Justice Interim Committee recommended as committee bills for the 2014 General Session; and
- The prioritized study items referred by the Legislative Management Committee.

Long-Term Planning

Received information from departments and agencies about key issues and long-term goals and discussed the possibility of creating a task force to study the entire criminal justice process, including charging, trial, sentencing, incarceration, and post-incarceration supervision.

Master Study Resolution Items

Discussed the nine study items assigned to the committee in the Master Study Resolution. The sponsors of the study items presented their issues and the committee discussed each item.

Staff: Nathan W. Brady (Policy Analyst) / Susan Creager Allred (Attorney) / Lori Rammell (Secretarial Supervisor)

Native American Legislative Liaison Committee

May 1, 2014, at Paiute Indian Tribal Headquarters, Cedar City, Utah

Received a status report from the chair of the Paiute Indian Tribe and status reports from the chairs of each of the five bands of the Paiute Tribe:
- Kanosh Band;
- Shivwits Band;
- Indian Peaks;
- Cedar Band; and
- Koosharem Band.


Received a report from the director of economic development of the Paiute Tribe, who discussed:
- The economic development projects the various bands were pursuing; and
- The Intergovernmental Internship Cooperation Program that the tribe has with Southern Utah University.

Received a report on tribal health care and health care facilities from the tribal health director and from the health services supervisor.

Staff: Michael E. Christensen (Director) / Patricia Owen (Associate General Counsel) / Phalin L. Flowers (Administrative Assistant)

Natural Resources, Agriculture, and Environment

Long-Term Planning

The Department of Natural Resources, the Department of Environmental Quality, and the Department of Agriculture and Food reported on the following areas as they relate to each department’s area of responsibility:
- Economic and demographic trends;
- Current, emerging, and future issues and challenges; and
- Action plans to address the issues and challenges, including additional research needed, options, and potential legislation.

Public Lands Transfer Economic Analysis

The Public Lands Policy Coordination Office reported on the schedule and itemized costs of a study and economic analysis designed to evaluate the ramifications and impacts of the transfer of public lands from federal ownership to state ownership.

(Continued next column)
State Fairpark Financial Oversight and Performance

The Office of the Legislative Auditor General reviewed the state fairpark’s financial oversight and controls and the office of the Utah State Auditor reviewed a performance audit of the Utah State Fairpark Corporation.

State Fairpark Master Plan

The Division of Facilities Construction and Management and the division’s consultant reported on the progress of a master plan for the state fairpark and the surrounding area.

Staff: J Brian Allred (Policy Analyst) / RuthAnne Frost (Attorney) / Anna M. Allen (Secretary)

Political Subdivisions

Assessment Areas

Discussed perceived gaps and deficiencies in Utah Code, Title 11, Chapter 42, Assessment Area Act.

Long-Term Planning

Received information from the Utah Association of Counties, the Utah League of Cities and Towns, and the Utah Association of Special Districts regarding population, economic, and demographic trends; existing long-term planning; and current, emerging, and future issues and challenges.

Mobile Home Parks

Action: Voted to create an informal ad hoc working group to discuss issues relating to mobile home parks.

Staff: Joseph T. Wade (Policy Analyst) / Victoria Ashby (Attorney) / Sara J. Thomas (Secretary)

Prison Relocation Commission

May 22, 2014

Commission Responsibilities

Received a report from commission staff on the organization and responsibilities of the commission.

The presentation included a comparison between the commission and the Prison Relocation and Development Authority regarding status, membership, duties, and authority.

Consultant Contract

Received a briefing from the Department of Corrections and commission staff on the Prison Relocation and Development Authority’s contract with MGT of America, Inc. Representatives from MGT presented findings from work MGT did under the contract.

Action: Voted to succeed the position held by the Prison Relocation and Development Authority under its contract with MGT of America, Inc. and authorized the commission chairs to negotiate with MGT to modify the terms and scope of the contract.

Prison System Status and Capacity

Received a presentation from the Department of Corrections on the current state of the prison system.

Organization of Work Groups

Commission chairs organized the following work groups, assigned chairs for each work group, and outlined responsibilities for each work group:

- Criminal Justice Reform and Programming;
- Site Selection; and
- Plan of Financing.

Timeline of Commission Objectives

Received a presentation from commission staff on a proposed timeline by which the commission may complete its objectives before the 2015 General Session of the Legislature.

Staff: Brian J. Bean (Policy Analyst) / Bryant R. Howe (Assistant Director) / Robert H. Rees (Associate General Counsel) / Sara J. Thomas (Legislative Secretary)

Public Utilities and Technology

Integrated Utility Network Impacts on Competitive Energy Costs

Received a presentation from PacifiCorp about the process of existing energy generation, regulation, and future energy demand with the advent of new electricity generators, including alternative energy.

Interstate Transmission Line Planning

Received a presentation from the Western Electricity Coordinating Council about four major concerns in transmission line planning: economics, environment, policy, and reliability. The Office of Energy Development also commented and offered to host an industry-supported process for developing transmission line siting guidelines. The committee accepted the offer.

Parity of Communication Assessments between Regulated and Unregulated Providers

Received a presentation from CenturyLink about achieving parity in levying taxes, fees, and surcharges between all regulated and unregulated providers of communication services.

Prohibition of Electronic Data Collection Assistance

Received a presentation by a former member of the House of Representatives about Utah law governing assistance by private sector entities in the collection of data. He addressed how law enforcement and the courts have different perspectives on enforcement based upon statutes and court rulings. He also provided information about the use of individual data by private sector companies and the importance of the Legislature’s studying the collection, use, and selling of that data.

Utility Franchise Tax Business Forecasting

Received a presentation from the Utah Association of Energy Users about a proposal for legislation that will base the municipal energy tax on energy used rather than the energy price.
Using price-based tax collection results in significant volatility in taxes collected, which has caused a burden for municipalities and energy users. Utah’s municipal energy tax is currently 6% and is over 100% higher than most other western states.

Retirement and Independent Entities  
May 14, 2014

Long-Term Planning
Received presentations from committee staff and from the Utah Retirement Systems (URS), Department of Human Resource Management, School and Institutional Trust Lands Administration, and Utah Communications Authority on long-term planning for the policy areas assigned to the committee.

The committee discussed emerging issues, additional information needed for the Legislature to address the issues and challenges, and processes that might assist in addressing these issues and challenges on an ongoing basis.

Retirement and Independent Entities 2014 Legislation
Received a committee staff briefing on committee-related bills that passed during the 2014 General Session.

Utah Retirement Systems Active Member Death Benefit
Received a committee staff briefing on URS active member death benefits. Recent line-of-duty deaths of public safety officers have highlighted the need to understand the death benefits provided by URS for members who participate in its defined benefit systems. The URS benefits are separate from one-time or ongoing payments from life insurance, other insurance coverage, workers’ compensation, annuities, or other programs provided and funded by the employer, federal government, local government, or private entities.

Utah Retirement Systems Benefit Claim Limitations
Received a presentation from URS on benefit claim limitations.

Service credit is earned by a member for qualifying service with a participating employer who pays any required contributions to URS. A member’s claim for service credit adjustments, if granted, may result in additional required employer payments of retirement contributions and interest to URS on behalf of the member.

Action: Voted to direct staff to open a bill file to address benefit claim limitations submitted to URS.

Voted to direct staff to open a bill file to address revisions to URS statutory provisions.

Utah Retirement Tier II Systems
Received a presentation from URS on the Tier II retirement systems. During the 2010 General Session, the Legislature made significant retirement system reforms for URS systems and plans.

(Continued next column)
Sales and Use Tax Exemption for Charitable and Religious Organizations

Discussed whether the current sales and use tax exemption for charitable and religious organizations exempt under Section 501(c)(3), Internal Revenue Code, should be expanded to include other organizations that are not 501(c)(3) organizations.

Valuation Appeals for Centrally Assessed Property

Received a presentation from a local attorney on appeals made by counties regarding the State Tax Commission’s valuation of centrally assessed property. The attorney noted that sometimes appeals go to district court and take several years to resolve, and the appeal value may or may not be adjusted. The committee requested additional information on this issue.

Senate Judicial Confirmation Committee

February 24, 2014

The committee recommended to the Senate, and the Senate confirmed the appointment of, Tupakk A.G. Renteria as a judge for the Third District Juvenile Court.

March 7, 2014

The committee recommended to the Senate, and the Senate confirmed the appointment of, Keith Barnes as a judge for the Fifth District Court.

April 9, 2014

The committee recommended to the Senate the confirmation of Joseph Bean as a judge for the Second District Court. The Senate held an extraordinary session on April 16, 2014, and confirmed the appointment of Mr. Bean.

Transportation

Transportation Funding for Future Needs

Discussed transportation funding legislation introduced in the 2014 General Session, identified additional transportation funding approaches, and discussed forming working groups to address specific transportation funding options.

Traffic Code Revisions

The committee chairs asked committee members to review and identify whether there are any conflicts or inconsistencies in Utah’s Traffic Code that the committee would like to address.

Federal Transportation Funding — Update

Received a presentation from the Utah Department of Transportation on the impact of federal funding on the state highway construction program and how a delay or reduction in federal funding will impact the program. Also received an update from United States Senate Finance Committee staff regarding the Senate Finance Committee’s recent efforts to address the Federal Highway Trust Fund’s solvency and the direction the committee may take to stabilize the trust fund. The update included perspectives on how Congress might approach transportation funding issues generally this year.