

(Draft - Awaiting Formal Approval)  
**MINUTES OF THE  
RETIREMENT & INDEPENDENT ENTITIES  
APPROPRIATIONS SUBCOMMITTEE**  
Room 20 House Building, State Capitol Complex  
February 9, 2016

**MEMBERS PRESENT:** Sen. Todd Weiler, Chair  
Rep. Kraig Powell, Chair  
Rep. Rich Cunningham, Vice Chair  
Sen. Curtis S. Bramble  
Sen. Gene Davis  
Sen. Margaret Dayton  
Sen. Karen Mayne  
Sen. Daniel W. Thatcher  
Rep. Sophia DiCaro  
Rep. Susan Duckworth  
Rep. Bradley G. Last  
Rep. John R. Westwood

**MEMBERS ABSENT:** Rep. Steve Eliason  
Rep. Lynn N. Hemingway  
Rep. Marie H. Poulson

**STAFF PRESENT:** Mr. Brian D. Fay, Fiscal Analyst  
Dr. Thomas Young, Senior Economist  
Ms. Lisa Jones, Committee Secretary

**Note:** A copy of related materials and an audio recording of the meeting can be found at [www.le.utah.gov](http://www.le.utah.gov).

### **1. Call to Order/Approval of Minutes**

Co-Chair Powell called the meeting to order at 6:20 p.m.

**MOTION:** Sen. Bramble moved to approve the minutes of the January 26, 2016 meeting.  
The motion passed unanimously.

### **2. Longitudinal Data Management Act** *Request for appropriation from Rep. Jacob Anderegg*

Co-Chair Powell welcomed Rep. Jacob Anderegg and invited him to present the request for appropriation, Longitudinal Data Management Act (LDMA). The LDMA makes sure data is safeguarded, that the statistical analysis is done correctly, and that when the data is brought into the warehouse, it is "scrubbed" so that it is completely de-identified and aggregated appropriately. The appropriation would continue the ongoing funding from S.B. 34, "Statewide Data Alliance and Utah Futures" (2014 General Session). Rep. Anderegg explained that the bill was in the process of being

drafted and at the encouragement of one of the chairs, he agreed to present the request to the subcommittee. He said that a fiscal note would be forthcoming.

Sen. Mayne asked for clarification about what data is collected, how it is used, where it is stored, and how she could have hers removed. Rep. Anderegg explained the path her information would take and how it would be removed from the data warehouse, but not from the data originating entity, if requested.

### **3. Utah Education and Telehealth Network Funding Requests - Telehealth Medicaid - Utah Futures - Equipment and Public Education Growth - E-Rate Modernization Program**

Dr. Thomas Young, Senior Economist, LFA, presented a 5-page handout of [Utah Education and Telehealth Network \(UETN\) Budget Requests](#) for FY 2017. He discussed:

- “UETN Federal Revenue” is a \$593,100 one-time increase in federal funds for Medicaid Telehealth Network.
- “Utah Futures FY16” contains a list of planned expenditures. Dr. Young noted that in the 2015 General Session, the Legislature appropriated \$2.0 million one-time to UtahFutures. The funding was used to hire new employees and build out the UtahFutures website. Dr. Young recommended that the subcommittee consider making the expenditure ongoing based on UETN’s pattern of spending. The Governor recommended \$1.7 million in one-time funding.
- “UETN Technology Equipment Replacement” is a one-time request of \$5.2 million to replace and improve core systems equipment.
- “UETN Operations Sustainability” is a request for \$5.7 million ongoing for circuit operations, upgrades, backbone capacity, elementary circuit funding, network security, filtering solutions, and professional development. The Governor recommended \$4.4 million in one-time funding.
- “UETN Building Blocks” provides a frame of reference for all UETN funding requests.

Dr. Ray Timothy, Director, UETN, discussed and distributed "[UETN Funding Request for FY2017](#)," "[UtahFutures](#)," and "[Welcome to UETN: We Network For Education and Healthcare](#)" to the subcommittee. Dr. Timothy referenced the statewide map in his handout and reminded the committee of their generous support in the past, specifically noting the increase usage (rather than increased cost) of data. He compared 2012 at 7.6 gigabits/second and 2015 at 40.55 gigabits/second. Dr. Timothy also explained E-rate federal policies and how the funding supports the system. UETN’s costs of \$3.3 million are funded with one-time money. An engineering study strongly recommended that UETN should do more about network security. Two FTEs are currently managing the security for the network.

Dr. Timothy discussed UETN's \$5.7 million ongoing funding request for statewide growth and \$5.2 million one-time funding request for equipment.

Rep. DiCaro asked Dr. Timothy to further prioritize UETN's Operations Sustainability ongoing requests. Dr. Timothy identified the three top priorities: Circuit Operations - \$3.3 million, growth increases - \$1.5 million, and Network Security - \$300,000.

Rep. Westwood asked for clarification on the Elementary Circuit Gap Funding, \$300,000 ongoing. Dr. Timothy explained that elementary schools have more recently been added to the network and that costs have increased accordingly.

**MOTION:** Sen. Weiler moved to approve an additional \$593,100 in federal funds for the Utah Education and Telehealth Network for Fiscal Year 2016. The motion passed unanimously.

**MOTION:** Sen. Weiler moved to approve the following intent language for the Utah Education and Telehealth Network:

*"The legislature intends that state funding appropriated to the Utah Education and Telehealth Network may be used for broadband infrastructure special construction costs for qualified eligible services under the E-rate Modernization Program adopted by the Federal Communications Commission in 2014. State funding allocated to UETN for special construction may qualify for an additional 10% E-rate discount funding for special construction charges."*

Dr. Timothy explained that this language would provide additional federal funding for the state.

The motion passed unanimously.

Dr. Laura Hunter, Chief Operating Officer, UETN, and Chair, UtahFutures Steering Committee, discussed the UtahFuture's funding request for \$2.0 million one-time. UtahFutures partners with state agencies, employers, and schools to guide Utahns toward informed career planning.

Dr. Hunter indicated that UtahFutures was making good progress toward fulfilling its mission. She noted that the number of registered users on the UtahFutures website has increased from 38,000 to 69,000 since last year. UtahFuture's request was for continued funding at the same level.

#### **4. House Bill 205 - Tier II Retirement Amendments** ***Request for appropriation, Rep. Rich Cunningham***

Rep. Cunningham explained that his appropriation request would equalize retirement benefits starting in 2017 for Tier I (20/30 year) with Tier II (25/30). The fiscal note on H.B. 205, "Tier II Retirement Amendments," is approximately \$10.0 million. Rep. Cunningham indicated that the

bill has a mechanism that would allow the Retirement and Independent Entities Appropriations Subcommittee to look at different possible revenue sources during the interim.

Mr. Fay clarified that the fiscal note on H.B. 205 shows a state impact of \$4,876,300 General Fund/Education Fund with a delay until FY 2018. The local impact is \$3.2 million to local entities and \$0.8 million for local districts and the schools.

**MOTION:** Sen. Weiler moved to recommend the following items, in order of priority, to the Executive Appropriations Committee:

1. UETN Equipment and Public Education Growth: \$5.7 million ongoing and \$5.2 million one-time;
2. UETN UtahFutures: \$2.0 million one-time;
3. Rep. Cunningham's request for H.B. 205: \$4,876,300 ongoing; and
4. Rep. Anderegg's request for Longitudinal Data Management Act: \$0.

Rep. Bramble expressed concern about the committee taking action on bills without fiscal notes, and without the ability to see and read the bills.

Rep. Cunningham withdrew the funding request for H.B. 205.

**AMENDED MOTION:** Sen. Weiler moved to recommend the following items, in order of priority, to the Executive Appropriations Committee:

1. UETN Equipment and Public Education Growth: \$5.7 million ongoing and \$5.2 million one-time; and
2. UtahFutures: \$2.0 million ongoing.

Sen. Bramble thanked Sen. Weiler for amending his motion. He thought that it was important to adhere to the process.

The motion passed unanimously.

**MOTION:** Sen. Weiler moved to adjourn. The motion passed unanimously.

Co-Chair Powell adjourned the meeting at 7:10 p.m.