

**MINUTES OF THE
EXECUTIVE APPROPRIATIONS COMMITTEE**
Tuesday, October 17, 2017 • 2:00 p.m. • 445 State Capitol

Members Present:

Sen. Jerry W. Stevenson, Senate Chair
Rep. Dean Sanpei, House Chair
Sen. Kevin T. Van Tassell, Senate Vice Chair
Rep. Bradley G. Last, House Vice Chair
Sen. J. Stuart Adams
Sen. Gene Davis
Sen. Luz Escamilla
Sen. Jani Iwamoto
Sen. Peter C. Knudson
Sen. Karen Mayne
President Wayne L. Niederhauser
Sen. Ralph Okerlund
Rep. Joel K. Briscoe

Rep. Francis D. Gibson
Speaker Gregory H. Hughes
Rep. Brian S. King
Rep. John Knotwell
Rep. Angela Romero
Rep. Brad R. Wilson

Members Absent:

Rep. Sandra Hollins

Staff Present:

Mr. Jonathan Ball, Director
Mr. Steven M. Allred, Deputy Director
Ms. Greta G. Rodebush, Administrative Assistant

Note: A copy of related materials and an audio recording of the meeting can be found at www.le.utah.gov.

1. Call to Order/Approval of Minutes

Chair Jerry W. Stevenson called the meeting to order at 2:07 p.m.

2. Other Post-Employment Benefits (OPEB) Actuarial Update

Mr. Steven Allred, Deputy Director, Office of the Legislative Fiscal Analyst (LFA), introduced the report.

Mr. Bob Russell, Korn Ferry Haygroup, presented the actuarial valuation of Utah's accrued liability for Other Post Employment Benefits. He was joined by Mr. John Reidhead, Director, Division of Finance.

2-State of Utah Other Postemployment Benefits Plan Presentation

[2-State of Utah Other Postemployment Benefits Plan Presentation](#)

MOTION: Rep. Sanpei moved to adopt the minutes of August 22, 2017. The motion passed with a vote of 16-0-4.

Yeas-16

Rep. J. Briscoe
Sen. G. Davis
Sen. L. Escamilla
Rep. F. Gibson
Rep. G. Hughes
Sen. J. Iwamoto
Rep. B. King
Rep. J. Knotwell
Rep. B. Last
Sen. K. Mayne
Sen. W. Niederhauser
Sen. R. Okerlund
Rep. D. Sanpei

Nays-0

Absent-4

Sen. J. Adams
Rep. S. Hollins
Sen. P. Knudson
Rep. A. Romero

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Sen. J. Stevenson
Sen. K. Van Tassell
Rep. B. Wilson

3. Federal/Non-Federal Grants

Mr. Gary Syphus, Fiscal Analyst, LFA, introduced the report and verified that the federal/non-federal grants were compliant with statute.

Mr. Ken Matthews, Federal Assistance Management Officer, Governor's Office of Management and Budget, presented the report.

3-Federal/Non-federal Grants Summary, October 2017

[3-Federal/Non-federal Grants Summary, October 2017](#)

Mr. Syphus noted that the Department of Health (UDOH) would be presenting additional information about the IAPD - Pediatric Patient Summary Grant.

Dr. Joseph K. Miner, Executive Director, UDOH, discussed the IAPD - Pediatric Patient Summary Grant Program.

MOTION: Rep. Sanpei moved to recommend acceptance of the federal and non-federal grants as outlined on page 1 of the handout, "Federal/Non-Federal Grants Review and Approval" under the heading, "Grants Requiring EAC Review and Recommendation" and dated today, October 17, 2017. The motion passed with a vote of 18-0-2.

Yeas-18

Sen. J. Adams
Rep. J. Briscoe
Sen. G. Davis
Sen. L. Escamilla
Rep. F. Gibson
Rep. G. Hughes
Sen. J. Iwamoto
Rep. B. King
Rep. J. Knotwell
Rep. B. Last
Sen. K. Mayne
Sen. W. Niederhauser
Sen. R. Okerlund
Rep. A. Romero

Nays-0

Absent-2

Rep. S. Hollins
Sen. P. Knudson

Rep. D. Sanpei
Sen. J. Stevenson
Sen. K. Van Tassell
Rep. B. Wilson

4. Medicaid Intergovernmental Transfers

Mr. Russell Frandsen, Fiscal Analyst, LFA, introduced the UDOH Medicaid Intergovernmental Transfer Report.

Mr. Nathan Checketts, Deputy Director, UDOH, reported on Medicaid intergovernmental transfers by program, entity, and amount of intergovernmental transfer. The report also included an analysis of the risk of federal disallowance for the State.

4-Medicaid Intergovernmental Transfers

[4-Medicaid Intergovernmental Transfers](#)

Mr. Checketts commented on the high risk associated with the University of Utah School of Dental Disability Dental Program and the Nursing Facility Upper Payment Limit Program in response to committee questions.

Rep. Brad Last mentioned that a legislative audit relative to the Nursing Facility Upper Payment Limit Program would be forthcoming later that afternoon. He suggested that the Executive Appropriations Committee be given the opportunity to review the audit and address any concerns in next month's meeting.

Rep. Francis D. Gibson indicated that he would be willing to make a motion to that affect.

Sen. Gene Davis said that the Legislative Audit Subcommittee would be hearing the audit that afternoon, and based on today's discussion, the Legislative Audit Subcommittee would most likely refer the audit back to the EAC for further review.

The Chairs directed staff to put the legislative audit on next month's agenda.

5. Get Healthy Utah - Utah Hospital Association

Mr. Greg Bell, CEO, Utah Hospital Association, and Chairman, Get Healthy Utah, presented the Get Healthy Utah initiative, introduced Ms. Sara Hodson, Executive Director, Get Healthy Utah, and responded to questions.

5-Memorandum Re: Get Healthy Utah

[5-Memorandum Re: Get Healthy Utah](#)

Sen. Mayne raised a number of issues related to the economics of eating healthy. Ms. Hodson responded.

Mr. Bell concluded his remarks and responded to Rep. Gibson's inquiry about future funding.

6. Fiscal Health Check-Up:

Mr. Ball introduced the budget presentations and commented on Utah's revenues and reserves.

Mr. John Reidhead, Director, Division of Finance, presented the State of Utah Financial Highlights report and responded to questions. He was joined by Ms. Marcie Handy.

6a-Financial Highlights - Preliminary October 2017

[6a-Financial Highlights - Preliminary October 2017](#)

Sen. J. Stuart Adams asked about the average tax revenue increase. Dr. Wilko responded.

Dr. Wilko presented the quarterly revenue report for October.

6b-Revenue Update - October 2017

[6b-Revenue Update - October 2017](#)

6b-Revenue Update - October 2017 - Presentation

[6b-Revenue Update - October 2017 - Presentation](#)

6b-October 2017 TC-23 Summary

[6b-October 2017 TC-23 Summary](#)

Dr. Wilko responded to Rep. Gibson's question about corporate taxes and Rep. Sanpei's question about inflation and savings.

Mr. Ball discussed the available surplus reported in the Division of Finance's Financial Highlights and the Revenue Update.

Mr. Brian Wikle, Fiscal Analyst, LFA, discussed the following three issue briefs:

6c-Issue Brief - 2017 Interim - General Revenue Set-Asides

[6c-Issue Brief - 2017 Interim - General Revenue Set-Asides](#)

6d-Issue Brief - 2017 Interim - FY 2017 Preliminary Lapsing and Nonlapsing Balances

[6d-Issue Brief - 2017 Interim - FY 2017 Preliminary Lapsing and Nonlapsing Balances](#)

6d-Issue Brief - 2017 Interim - FY 2017 Preliminary Fund Balances

[6d-Issue Brief - 2017 Interim - FY 2017 Preliminary Fund Balances](#)

Mr. Wikle indicated that some of the information in the issue briefs could also be found on the Fiscal Health Dashboard.

Mr. Ball discussed the budgetary reserves in the General and Education Rainy Day Funds as shown on the Fiscal Health Dashboard.

7. Tools to Address Risk of a Federal Government Shutdown

Rep. Justin Fawson, Chair, Federal Funds Commission, presented the report. He discussed the potential risks of a federal government shutdown.

7a-Letter from Federal Funds Commission

[7a-Letter from Federal Funds Commission](#)

7b-Report on Addressing a Federal Government Shutdown

[7b-Report on Addressing a Federal Government Shutdown](#)

Rep. Gibson compared the estimated daily cost of operating federal programs with the estimated daily cost of keeping Utah's schools open.

Rep. Fawson discussed the financial resources available to offset federal funds.

8. Corrections Offender Population and Daily Incarceration Rate

Mr. Syphus introduced the report and briefly talked about the main cost drivers for the Utah Department of Corrections (UDOC). He indicated that the department would be giving a status update on population trends, capacity, and the statutory daily incarceration rate.

Mr. Rollin Cook, Executive Director, UDOC, discussed current issues related to jail contracting and responded to questions.

8-Department of Corrections Presentation

[8-Department of Corrections Presentation](#)

Mr. Mike Hadden, Deputy Director, Utah Department of Corrections, reported on the average daily incarceration rate for 2017 and responded to questions.

Speaker Gregory H. Hughes acknowledged the work of the UDOC and their coordinating efforts with the county jails to procure beds for Operation Rio Grande.

9. Career and Technical Education Work-Based Learning Study

Mr. Ball recognized Dr. Jill Curry, Fiscal Analyst, LFA, for her work with LFA. Dr. Curry recently accepted a position with the Utah State Board of Education.

Dr. Jill Curry, Fiscal Analyst, LFA, introduced the topic.

Ms. Ginger Chinn, Managing Director, Governor's Office of Economic Development, reported on the CTE Board recommendations related to career and technical education and work-based learning programs.

9a-Career and Technical Education Work-Based Learning Study

[9a-Career and Technical Education Work-Based Learning Study](#)

9b-Excerpt from Career and Technical Education in Utah (EAC November 2016)

[9b-Excerpt from Career and Technical Education in Utah \(EAC November 2016\)](#)

10. Other Business/Adjourn

Chair Stevenson invited committee members to read the performance reports behind Tab 10.

10-EAC Agency Performance Reports

[10-EAC Agency Performance Reports](#)

MOTION: Rep. Sanpei moved to adjourn. The motion passed with a vote of 9-0-11.

Yeas-9

Sen. G. Davis

Rep. F. Gibson

Rep. B. King

Rep. J. Knotwell

Sen. P. Knudson

Rep. B. Last

Rep. D. Sanpei

Sen. J. Stevenson

Rep. B. Wilson

Nays-0

Absent-11

Sen. J. Adams

Rep. J. Briscoe

Sen. L. Escamilla

Rep. S. Hollins

Rep. G. Hughes

Sen. J. Iwamoto

Sen. K. Mayne

Sen. W. Niederhauser

Sen. R. Okerlund

Rep. A. Romero

Sen. K. Van Tassell

Chair Stevenson adjourned the meeting at 4:22 p.m.