

**MINUTES OF THE  
EXECUTIVE APPROPRIATIONS COMMITTEE**

Tuesday, December 12, 2017 • 2:00 p.m. • 445 State Capitol

**Members Present:**

Sen. Jerry W. Stevenson, Senate Chair  
Rep. Bradley G. Last, House Chair  
Sen. Kevin T. Van Tassell, Senate Vice Chair  
Rep. Mike Schultz, House Vice Chair  
Sen. J. Stuart Adams  
Sen. Gene Davis  
Sen. Luz Escamilla  
Sen. Jani Iwamoto  
Sen. Karen Mayne  
President Wayne L. Niederhauser  
Rep. Joel K. Briscoe  
Rep. Francis D. Gibson  
Rep. Sandra Hollins

Speaker Gregory H. Hughes  
Rep. Brian S. King  
Rep. Angela Romero  
Rep. Brad R. Wilson

**Members Absent:**

Sen. Peter C. Knudson  
Sen. Ralph Okerlund  
Rep. John Knotwell

**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](http://www.le.utah.gov).

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

Chair Jerry W. Stevenson called the meeting to order at 2:20 p.m.

Chair Stevenson expressed his appreciation to former House Chair, Rep. Dean Sanpei, who recently resigned from the Legislature. He welcomed Rep. Bradley G. Last as the new House Chair, and Rep. Mike Schultz as the new House Vice Chair.

The committee did not vote on the minutes at this time.

**2. Appropriations Subcommittee Reports on 2017 Interim Actions**

Sen. Daniel W. Thatcher and Rep. Bruce R. Cutler, Co-Chairs, presented the Executive Offices and Criminal Justice Appropriations Subcommittee Report on 2017 Interim Actions. Mr. Gary Syphus, Fiscal Analyst, Office of the Legislative Fiscal Analyst (LFA), and Mr. Alex Wilson, Fiscal Analyst, LFA, provided assistance.

3a-Subcommittee Interim Report - Executive Offices

[3a-Subcommittee Interim Report - Executive Offices](#)

Rep. R. Curt Webb, Co-Chair, presented the Business, Economic Development, and Labor Appropriations (BEDL) Subcommittee Report on 2017 Interim Actions. Dr. Andrea Wilko, Chief Economist, LFA, provided assistance.

Chair Stevenson also noted the resignation of Sen. Brian Shiozawa, Co-chair of the Business, Economic Development, and Labor Appropriations Subcommittee.

3b-Subcommittee Interim Report - Business, Econ. Devel., and Labor

[3b-Subcommittee Interim Report - Business, Econ. Devel., and Labor](#)

Sen. Daniel Hemmert and Rep. Lavar Christensen, Co-Chairs, and Rep. Timothy D. Hawkes, House Vice Chair, presented the Retirement and Independent Entities Appropriations Subcommittee Report on 2017 Interim Actions. Dr. Thomas Young, Senior Economist/Forecaster, LFA, provided assistance.

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3c-Subcommittee Interim Report - Retirement

[3c-Subcommittee Interim Report - Retirement](#)

**MOTION:** Rep. Last moved to adopt the minutes of October 17 and November 14, 2017. The motion passed with a vote of 15-0-5.

Yeas-15

Rep. J. Briscoe  
Sen. G. Davis  
Sen. L. Escamilla  
Rep. F. Gibson  
Rep. G. Hughes  
Sen. J. Iwamoto  
Rep. B. King  
Rep. B. Last  
Sen. K. Mayne  
Sen. W. Niederhauser  
Rep. A. Romero  
Rep. M. Schultz  
Sen. J. Stevenson  
Sen. K. Van Tassell  
Rep. B. Wilson

Nays-0

Absent-5

Sen. J. Adams  
Rep. S. Hollins  
Rep. J. Knotwell  
Sen. P. Knudson  
Sen. R. Okerlund

### 3. Federal/Non-federal Grants

Mr. Ken Matthews, Federal Assistance Management Officer, Governor's Office of Management and Budget (GOMB), presented the report. Mr. Syphus provided assistance.

2-Federal/Non-federal Grants Summary, December 2017

[2-Federal/Non-federal Grants Summary, December 2017](#)

**MOTION:** Rep. Last moved to recommend acceptance of the federal grants as outlined on page 1 of the handout entitled, "Federal/Non-Federal Grants Review and Approval" under the heading, "Grants Requiring EAC Review and Recommendation" and dated today, December 12, 2017. The motion passed with a vote of 15-0-5.

Yeas-15

Rep. J. Briscoe  
Sen. G. Davis  
Sen. L. Escamilla

Nays-0

Absent-5

Sen. J. Adams  
Rep. S. Hollins  
Rep. J. Knotwell

Rep. F. Gibson  
Rep. G. Hughes  
Sen. J. Iwamoto  
Rep. B. King  
Rep. B. Last  
Sen. K. Mayne  
Sen. W. Niederhauser  
Rep. A. Romero  
Rep. M. Schultz  
Sen. J. Stevenson  
Sen. K. Van Tassell  
Rep. B. Wilson

Sen. P. Knudson  
Sen. R. Okerlund

#### **4. Fiscal Health Check-up: Current Status of Obligations (JR3-2-402(2)(a)(iii)),**

Mr. Brian Wikle, Fiscal Analyst, LFA, discussed the current status of state obligations, liabilities, and reserves on the Fiscal Health Dashboard and responded to questions.

Mr. Wikle presented two statutorily-required reports that included an annual report on the trends in tax receipts and a revenue volatility report.

4b-Trend Analysis of Major Revenue Types

[4b-Trend Analysis of Major Revenue Types](#)

4c-Revenue Volatility Report - LFA

[4c-Revenue Volatility Report - LFA](#)

Sen. Gene Davis asked clarifying questions about the deposit thresholds to the general and education rainy day funds. Mr. Wikle and Mr. Jonathan Ball, Director, LFA, responded.

Rep. Brad R. Wilson commented on Utah's reserve accounts and asked Mr. Ball for further comment.

Mr. Wikle also commented on the reserve accounts.

Mr. Ball discussed the recommendation to deposit some of the new revenue into the general and education rainy day funds to repay withdrawals made in the 2010 fiscal year.

Rep. Brian S. King discussed fiscal responsibility.

Rep. Joel K. Briscoe commented on state budget management.

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Mr. Nate Talley, Budget and Policy Manager, GOMB, presented a report from the Governor's Office.

4d-GOMB Revenue Volatility Report

[4d-GOMB Revenue Volatility Report](#)

Dr. Wilko presented the green sheet, "Revenue Estimates - December 2017 (in thousands of dollars)" and "Crosswalk from Revenue Estimates to Available GF/EF Revenue - December 2017."

4a-Revenue Estimates - December 2017

[4a-Revenue Estimates - December 2017](#)

Dr. Wilko and Mr. Ball responded to committee questions regarding the base budget spending allocations.

**MOTION:** Rep. Last moved under Joint Rule 3-2-402(2)(a)(i), to adopt the revised revenue estimates for Fiscal Year 2018 (Column c) and new estimates for Fiscal Year 2019 (Column e) as indicated on page 1 of the green sheet titled, "Revenue Estimates – December 2017" and dated today, December 12, 2017. The motion passed with a vote of 15-0-5.

Yeas-15

Rep. J. Briscoe  
Sen. G. Davis  
Sen. L. Escamilla  
Rep. F. Gibson  
Rep. S. Hollins  
Rep. G. Hughes  
Sen. J. Iwamoto  
Rep. B. King  
Rep. B. Last  
Sen. K. Mayne  
Sen. W. Niederhauser  
Rep. A. Romero  
Rep. M. Schultz  
Sen. J. Stevenson  
Sen. K. Van Tassell

Nays-0

Absent-5

Sen. J. Adams  
Rep. J. Knotwell  
Sen. P. Knudson  
Sen. R. Okerlund  
Rep. B. Wilson

**5. Base Budget Bills**

Mr. Ball discussed the Base Budget Motions Packet.

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5-Base Budget Motions - December 2017

[5-Base Budget Motions - December 2017](#)

5a-Draft Business, Economic Devel., and Labor Base Budget Bill

[5a-Draft Business, Economic Devel., and Labor Base Budget Bill](#)

5b-Draft Executive Offices and Criminal Justice Base Budget Bill

[5b-Draft Executive Offices and Criminal Justice Base Budget Bill](#)

5c-Draft Higher Education Base Budget Bill

[5c-Draft Higher Education Base Budget Bill](#)

5d-Draft Infrastructure and General Government Base Budget Bill

[5d-Draft Infrastructure and General Government Base Budget Bill](#)

5e-Draft National Guard, Veterans' Affairs, and Legislature Base Budget

[5e-Draft National Guard, Veterans' Affairs, and Legislature Base Budget](#)

5f-Draft Natural Resources, Agric., and Enviro. Qual. Base Budget

[5f-Draft Natural Resources, Agric., and Enviro. Qual. Base Budget](#)

5g-Draft Public Education Base Budget

[5g-Draft Public Education Base Budget](#)

5h-Draft Retirement and Independent Entities Base Budget

[5h-Draft Retirement and Independent Entities Base Budget](#)

5i-Draft Social Services Base Budget

[5i-Draft Social Services Base Budget](#)

Rep. Francis D. Gibson asked about the motion on page 32 (Base Budget Motion Packet) that excludes certain programs from the initial FY 2019 Public Education Base Budget Bill. Mr. Ball responded.

Rep. Briscoe asked for further clarification about the Flexible Allocation - WPU Distribution program and offered some additional comments. Mr. Leishman responded.

Speaker Gregory H. Hughes spoke in support of the work of the Public Education Appropriations Subcommittee during the Interim.

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**MOTION:** Rep. Last moved under Joint Rule 3-2-402(2)(a)(vii) to authorize legislative staff to include the changes in the packet entitled, “Base Budget Motions” when drafting base budget bills: The motion passed with a vote of 16-0-4.

Yeas-16

Sen. J. Adams  
Rep. J. Briscoe  
Sen. G. Davis  
Sen. L. Escamilla  
Rep. F. Gibson  
Rep. S. Hollins  
Rep. G. Hughes  
Sen. J. Iwamoto  
Rep. B. King  
Rep. B. Last  
Sen. W. Niederhauser  
Rep. A. Romero  
Rep. M. Schultz  
Sen. J. Stevenson  
Sen. K. Van Tassell  
Rep. B. Wilson

Nays-0

Absent-4

Rep. J. Knotwell  
Sen. P. Knudson  
Sen. K. Mayne  
Sen. R. Okerlund

**MOTION:** Rep. Last moved under Joint Rule 3-2-402(2)(a)(viii), to authorize legislative staff to prepare and number base budget bills for each appropriations subcommittee and the Executive Appropriations Committee (EAC) as EAC bills to be introduced on the first day of the 2018 General Session. Staff shall include in these bills: 1. The changes adopted by the Executive Appropriations Committee in the previous motion; 2. Ongoing General, Education, and Uniform School Fund appropriations defined in the current year's appropriations acts; 3. Federal Fund, Dedicated Credit, Restricted fund and account amounts that are the lesser of current year ongoing appropriations or agency budget requests; and 4. Adjustments to nonlapsing balances, transfers, and other dependent amounts as calculated. In consultation with the Co-Chairs of the Executive Appropriations Committee, staff may make any technical changes necessary, including balancing between the General Fund and Education Fund, in order to balance the overall budget. The motion passed with a vote of 17-0-3.

Yeas-17

Sen. J. Adams  
Rep. J. Briscoe  
Sen. G. Davis  
Sen. L. Escamilla

Nays-0

Absent-3

Rep. J. Knotwell  
Sen. P. Knudson  
Sen. R. Okerlund

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Rep. F. Gibson  
Rep. S. Hollins  
Rep. G. Hughes  
Sen. J. Iwamoto  
Rep. B. King  
Rep. B. Last  
Sen. K. Mayne  
Sen. W. Niederhauser  
Rep. A. Romero  
Rep. M. Schultz  
Sen. J. Stevenson  
Sen. K. Van Tassell  
Rep. B. Wilson

**6. Medicaid Intergovernmental Transfers**

Rep. Last explained that LFA staff would be working with the Utah Department of Health (UDOH) to resolve concerns about the Beaver Valley Hospital Upper Limit Payment Program.

Mr. Ball and Rep. Last responded to clarifying questions.

Speaker Hughes spoke in support of eliminating some of the uncertainty of the program before moving forward.

**7. Subcommittee Allocations and EAC Set-asides**

Mr. Ball explained the red sheet titled "Subcommittee Allocations - December 2017."

Subcommittee Allocations - December 2017

[Subcommittee Allocations - December 2017](#)

**MOTION:** Rep. Last moved under Joint Rule 3-2-402(2)(v) and (vi), to allocate to subcommittees for the 2018 General Session the amounts shown on the red sheet titled "Subcommittee Allocations - December 2017" and dated today, December 12, 2017. The ongoing amounts represent the Fiscal Year 2018 budget's ongoing General and Education Fund appropriations. The motion passed with a vote of 17-0-3.

Yeas-17

Sen. J. Adams  
Rep. J. Briscoe  
Sen. G. Davis

Nays-0

Absent-3

Rep. J. Knotwell  
Sen. P. Knudson  
Sen. R. Okerlund

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Sen. L. Escamilla  
Rep. F. Gibson  
Rep. S. Hollins  
Rep. G. Hughes  
Sen. J. Iwamoto  
Rep. B. King  
Rep. B. Last  
Sen. K. Mayne  
Sen. W. Niederhauser  
Rep. A. Romero  
Rep. M. Schultz  
Sen. J. Stevenson  
Sen. K. Van Tassell  
Rep. B. Wilson

### **8. FY 2018 and FY 2019 Appropriations Limit Estimates**

Dr. Young reported on the appropriations limit estimates for FY 2018 and FY 2019.

8-FY 2018 and FY 2019 Appropriations Limit Calculation

[8-FY 2018 and FY 2019 Appropriations Limit Calculation](#)

### **9. Legislative Compensation Commission Report**

Mr. Ronald Mortensen, Vice Chair, Legislative Compensation Commission, presented the Commission's recommendations regarding an increase in the daily compensation rate for legislators and expanding the scope of "authorized legislative days." He was joined by Mr. Richie Wilcox, GOMB.

9-Report of the Legislative Compensation Commission - 2018 G.S.

[9-Report of the Legislative Compensation Commission - 2018 G.S.](#)

Chair Stevenson shared some remarks about legislators who live in large districts, travel long distances, and expend resources to do their jobs.

Sen. Davis suggested that the EAC refer this compensation issue to the Legislative Management Committee.

### **10. Other Business**

Chair Stevenson called attention to three written reports made available to the committee behind Tab 10.

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10a-Memorandum Re: Elected Official and Judicial Compensation Commission

[10a-Memorandum Re: Elected Official and Judicial Compensation Commission](#)

10b-Report on Contribution Dependent Accounts

[10b-Report on Contribution Dependent Accounts](#)

10c-Division of Finance FY 2017 Federal Receipts Reporting

[10c-Division of Finance FY 2017 Federal Receipts Reporting](#)

**MOTION:** Rep. Gibson moved to adjourn. The motion passed with a vote of 17-0-3.

Yeas-17

Sen. J. Adams  
Rep. J. Briscoe  
Sen. G. Davis  
Sen. L. Escamilla  
Rep. F. Gibson  
Rep. S. Hollins  
Rep. G. Hughes  
Sen. J. Iwamoto  
Rep. B. King  
Rep. B. Last  
Sen. K. Mayne  
Sen. W. Niederhauser  
Rep. A. Romero  
Rep. M. Schultz  
Sen. J. Stevenson  
Sen. K. Van Tassell  
Rep. B. Wilson

Nays-0

Absent-3

Rep. J. Knotwell  
Sen. P. Knudson  
Sen. R. Okerlund

Chair Stevenson adjourned the meeting at 4:00 p.m.