

2018 Appropriations Subcommittee Interim Issues

Executive Appropriations Committee

May 15, 2018

Overview: During the 2018 Interim Session, appropriations subcommittees will meet June 19, August 14, and October 16. The Executive Appropriations Committee encourages subcommittees to use these three meetings as follows:

- *June:* Look back at what was accomplished – and not accomplished – in the 2018 General Session, including technical corrections. Follow-up on any issues that are outstanding from the General Session. List and identify items from the 2017 General Session and earlier on which LFA might report in August.
- *August:* Discuss FY 2018 fiscal year close-out and what it means going forward. Follow-up on fiscal notes and funding items from 2017 General Session and earlier. Receive reports on performance metrics for FY 2018. Identify potential base budget actions for discussion in October.
- *October:* Review base budgets as known including one-time appropriations that fall-out. Adopt recommendations for current year and new year budget changes identified in June, August, or otherwise. Review new funding initiatives/requests for appropriation as available. Receive reports on performance metrics from 2018 GS, if possible.

Business, Economic Development, and Labor

June:

- USTAR evaluation: Grants and other programs (post SB 239)
- Discussion of a Better Process for Pass-through Funding Items: Past Attempts and Current Proposals

August:

- GOED evaluation: Grants and pass-through entities (post SB 239)
- Fiscal Notes and Budget Items Follow-Up Report
- Review performance metrics

October:

- Conclusion of USTAR/GOED evaluations, looking forward to changes for G.S. 2019
- Discuss a better procedure for RFA Processes, looking forward to changes for G.S. 2019

Social Services

June:

- Comparison of Subcommittee Priorities and Final Funding
- Proposed Performance Measures for New Funding
- Budget Deep-Dive Follow ups on Homelessness and Disability Service Provider Rates
- Hear and Follow up on Recent Legislative Audits of Agencies: Road Home
- Division of Services for People with Disabilities – Additional Needs, Waiting List Management, and Interpretation of the Settings Rule (Employment and Sheltered Workshops)

- Return on Investment Data for the Utah Parent Center
- Addiction and Recovery Rates for Young People
- Workforce Services Reorganization
- New Federal Funding Opportunities with the 2018 Omnibus Agreement
- Impact of Medicaid Expansion on Treatment Gap for Offenders and Need for DORA

August:

- Discuss FY 2018 close-out and what it means going forward (movement of money among programs, nonlapsing balances, federal funds, dedicated credits)
- Evidence-Based Interventions for Intergenerational Poverty and Homelessness
- Time-Series Analysis on General Assistance Funding
- Options to Save Money in Medicaid and Address High Cost Drugs
- Medicaid Coverage and Reimbursement Provisions
- Hear and Follow up on Recent Legislative Audits of Agencies:
 - Family Health and Preparedness
 - Department of Health
 - Inspector General
 - TANF Follow Up
- Budget Item and Fiscal Note Follow-Up Report 2018
- Identify potential base budget actions for discussion in October

October:

- Coordination of Mental Health Services in the Schools
- Hear and Follow up on Recent Legislative Audits of Agencies:
 - Juvenile Justice Services
 - Family Health and Preparedness (part 2)
- Options to Save Money in Medicaid and Address High Cost Drugs (part 2)
- Medicaid Coverage and Reimbursement Provisions (part 2)
- Direct Care Staff Salary Increase Report (for Individuals with Disabilities)
- Base Budget Performance Measures for FY 2018 (due October 15th)
- Budget Item Performance Measures for 2017 GS (due September 30th) and 2018 GS, if available (due October 31st)
- Consensus funding reductions for General Session

Public Education

June:

- *FY 2019 Budget Summary*: Discuss the final appropriated budget for FY 2019 as passed during the 2018 General Session. Compare subcommittee recommendations to the final budget.
- *State Education Fund – Relationship of Public and Higher Education*: Discuss the movement of Education Fund revenue between public and higher education since the 1996 constitutional amendment, including a history of funding. Highlight how non-education budget pressures impact this relationship.

- *New Personnel*: The Legislature appropriated \$543,000 one-time and \$543,000 ongoing for additional staff for the State Board of Education. The Board will report how they intend on using these funds.
- *State Board of Education IT Systems*: The Board will provide the subcommittee with a detailed plan to improve board IT systems, specifically, financial reporting and educator licensing. The plan will include systems that will be addressed, implementation timelines, and budget estimates.

August:

- *USBE Nonlapsing Balances*: Review the use of balances at the end of FY 2017 and anticipated FY 2018 balances.
- *Electronic Learning Providers*: Review of private providers that provide e-learning products to the public schools on a statewide contract, including funding structure, RFP process, contract review, performance, etc.
- *To and From Pupil Transportation*: Statute provides that the State will pay up to 85 percent of approved transportation costs. The subcommittee will determine how to measure the 85 percent so that is replicable for all participating LEAs and what happens if an LEA's distribution exceeds 85 percent.
- *Charter School Local Replacement Review (New Item)*: Review the CSLR formula changes made in 2016. Discuss potential formula adjustments to mitigate the data reporting lag from school districts.
- *Statewide Assessment Contracts*: The Board will report on the process, cost estimates, and scope of replacing the SAGE assessment. This will include how Utah Core Standards abandon the "common core" standards and limit impacts of federal ESSA changes.

October:

- *2019 General Session Preparation*: Review potential budget "clean-up" items from the changes made during the 2018 General Session and 2018 Interim study items. One item, from HB 293 "Tax Rebalancing Revisions," did not include provisions on how to calculate the state guarantee rate for the Voted & Board Local Levy program beginning in FY 2020.
- *Necessarily Existent Small Schools*: Study potential distribution formula changes to simplify the distribution of funding to qualifying schools or students.
- *Special Education – Intensive Services*: Review the reimbursement process and formula for distributing appropriated funding. Determine which revenue sources should be included for reimbursement.
- *Funding for At-Risk Students*: Review the funding formula developed by the State Board of Education based on statutory changes made during the 2018 General Session. Conduct further study on converting the program to WPUs and providing for student weightings.
- *Career & Technical Education*: Study how the federal maintenance of effort (MOE) is calculated. Review the state requirement that LEAs must spend both the CTE Add-on and regular student WPU on career and technical education program. Discuss providing consistency in application of regular and Add-on funding for CTE and special education.

Higher Education

June:

- 18GS Look Back
- Strategic Workforce Initiative Review (17 and 18)
- Follow-Up Items Discussion – Items proposed below for 8/14 and 10/16 Meetings
- Tuition Waivers (USHE)

August:

- Cost Per Degree (USHE)
- Student Pipeline Development (UTECH)
- Fiscal Notes/Building Blocks Follow-up Report Presentation
- 17GS Performance Measure Follow-up (USHE and UTECH)

October:

- HED Strategic Planning Commission Report (HB 300, 2018 GS)
- 18GS Performance Measure Follow-up (USHE and UTECH)
- Items Leading to 2019 GS:
 - Space Utilization (USHE)
 - SLCC CTE Rates (USHE)
 - Nursing Program funding (USHE)
 - 5-year employer-driven program performance (UTECH)

Natural Resources, Agriculture, and Environmental Quality

June:

- In-Depth Follow-up of the Division of Drinking Water's Minimum Source Sizing Requirements, Report #2017-16 assigned by the Audit Subcommittee to the Natural Resources, Agriculture, and Environmental Quality Appropriations Subcommittee.
- A Performance Audit of State Energy Incentives, Report #2017-14 assigned by the Audit Subcommittee to the Natural Resources, Agriculture, and Environmental Quality Appropriations Subcommittee by the Audit Subcommittee.
- Other Items as Allowable:
 - a. Solid & Hazardous Waste Issues
 - b. Practical Application and Effectiveness of DEQ Research
 - c. Utah's Ability to Access Newest Air Quality Technology
 - d. R.S. 2477 update
 - e. Local Health Departments Relationship with DEQ
 - f. Current Superfund Liabilities and Potential for Additional Liabilities

August:

- Review of Fees' Data: LFA Evaluation and Report, Required by Subcommittee Motion
- Report on FY 2018 Building Blocks Usage
- Wild Horses and Burros, Plans to Use the Funding
- PLPCO Performance Progress
- Other Items as Allowable:
 - a. PLPCO's State Resource Management Plan Application and Quality

- b. What Projects can be Funded with the Volkswagen Settlement
- c. Unregulated Public Health Concerns
- d. Storm Water Pollution Strategy

October:

- Report and Review of Performance Measures, required by legislative intent language
- Report the performance measures for all new funding (exceeding \$20,000 appropriated during the 2018 General Session), required by legislative intent language
- Other Items as Allowable:
 - a. Waste Management Facilities Self Inspection and Technology Improvements
 - b. New Federal Budget Effect on the State Agencies

Executive Offices and Criminal Justice

June:

- General Session Budget Summary
- Pass Thru/State County Funding Balance
- Attorney General Internal Service Fund
- Allocation of Corrections Compensation Increases
- Driver License Plan for New Revenue
- Voting Equipment

August:

- Fiscal Notes/Building Block Follow-up Report
- Jail Reimbursement Funding Issues
- Justice Reinvestment Initiative and Operation Rio Grande Status
- Board of Pardons Automation
- Prison Update - Construction and Transition

October:

- Full-time Equivalent and Vacancy Savings
- Aero Bureau Reimbursement
- Surcharge Related Programs
- Juvenile Justice Services Follow-up

Infrastructure and General Government

June:

- \$20 million bond proceeds for transportation infrastructure loan fund (S.B. 110, 2018 General Session)
- State agency space utilization analysis (DAS)
 - a. List of vacant properties
 - b. Attempts to sell/liquidate
 - c. Lease vs. ownership analysis
- Review of additional building costs due to state building code
- Highway 6 improvements
- Water and transportation growth demand

August:

- Fiscal Notes/Building Blocks Follow-up Report presentation
- State audit of the Utah Office of the Inspector General of Medicaid Services and recommended legislative in-depth follow up audit
- Capital development goals and performance measures
- DTS Overbilling and Customer Internal Controls
- DTS status of single sign-on
- DAS internal service fund retained earnings

October:

- Higher education capital development issues (with Higher Education subcommittee)
- Higher Education Capital Facilities (SB 174, 2018 GS)
- Future of online higher education and impacts on demand for buildings
- Comparison of classroom buildings across multiple campuses
- Division of Aeronautics follow up (the division has contracted with a third party to provide a report at the end of summer)
- Debt affordability study (this was added after discussion with EAC chairs)
- UDOT restructuring and budget line items (this was added after discussion with EAC chairs)