

**MINUTES OF THE
EXECUTIVE APPROPRIATIONS COMMITTEE**
Tuesday, November 13, 2018 • 2:00 p.m. • 445 State Capitol

Members Present:

Sen. Jerry W. Stevenson, Senate Chair
Rep. Bradley G. Last, House Chair
Sen. Evan J. Vickers, Senate Vice Chair
Rep. Mike Schultz, 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. Kevin T. Van Tassell

Rep. Joel K. Briscoe
Rep. Francis D. Gibson
Rep. Sandra Hollins
Speaker Gregory H. Hughes
Rep. Brian S. King
Rep. John Knotwell
Rep. Angela Romero
Rep. Brad R. Wilson

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 2:12 p.m.

2 . Appropriations Subcommittee Reports on 2018 Interim Actions

Sen. Allen M. Christensen and Rep. Paul Ray, Co-Chairs, and Rep. Raymond P. Ward, House Vice Chair, presented the Social Services Appropriations Subcommittee Report on 2018 Interim Actions and responded to questions. Mr. Russell Frandsen, Ms. Clare Tobin Lence, and Ms. Maddy Orritt, Fiscal Analysts, Office of the Legislative Fiscal Analyst (LFA), provided assistance.

[3a-Subcommittee 2018 Interim Report - Social Services](#)

MOTION: Rep. Last moved to adopt the minutes of October 16, 2018. The motion passed with a vote of 13 - 0 - 7 .

Yeas-13

Rep. J. Briscoe
Sen. L. Escamilla
Sen. J. Iwamoto
Rep. J. Knotwell
Sen. P. Knudson
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-7

Sen. J. Adams
Sen. G. Davis
Rep. F. Gibson
Rep. S. Hollins
Rep. G. Hughes
Rep. B. King
Sen. E. Vickers

3 . Federal/Non-federal Grants

Mr. Ken Matthews, Federal Assistance Management Officer, Governor's Office of Management and Budget, presented the report. Mr. Gary Syphus, Fiscal Analyst, LFA, provided assistance.

MOTION: Rep. Last moved to recommend acceptance of the federal and non-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, November 13, 2018. The motion passed with a vote of 16 - 0 - 4 .

Yeas-16

Sen. J. Adams
Rep. J. Briscoe
Sen. L. Escamilla
Sen. J. Iwamoto
Rep. B. King
Rep. J. Knotwell
Sen. P. Knudson
Rep. B. Last
Sen. K. Mayne
Sen. W. Niederhauser
Rep. A. Romero
Rep. M. Schultz
Sen. J. Stevenson
Sen. K. Van Tassell
Sen. E. Vickers
Rep. B. Wilson

Nays-0

Absent-4

Sen. G. Davis
Rep. F. Gibson
Rep. S. Hollins
Rep. G. Hughes

Chair Stevenson returned to the previous agenda item: Appropriations Subcommittee Reports on 2018 Interim Actions.

Sen. Wayne A. Harper and Rep. Gage Froerer, Co-Chairs, and Rep. Walt Brooks, House Vice Chair, presented the Infrastructure and General Government Appropriations Subcommittee Report on 2018 Interim Actions and responded to questions. Mr. Brian Wikle, Fiscal Analyst, LFA, provided assistance.

[3b-Subcommittee 2018 Interim Report - Infrastructure and General Government](#)

Rep. Froerer expressed his appreciation for having served on the IGG committee.

Sen. Karen Mayne thanked the IGG Chairs in looking for ways to better utilize higher education buildings.

Rep. Brad R. Wilson asked clarifying questions about changing the process for selecting capital development projects. Rep. Froerer responded.

Chair Stevenson thanked Rep. Froerer for his service to the State.

Mr. Ball announced that Mr. Spencer Pratt, Fiscal Manager, LFA, would be retiring next month after 35 years of dedicated service to the State.

Sen. Evan J. Vickers and Rep. Derrin R. Owens, Co-Chairs, presented the Higher Education Appropriations Subcommittee Report on 2018 Interim Actions and responded to questions. Mr. Pratt and Mr. Sean Faherty, Fiscal Analyst, LFA provided assistance.

[3c-Subcommittee 2018 Interim Report - Higher Education](#)

Sen. David P. Hinkins, and Rep. Stewart E. Barlow, Co-Chairs, and Rep. Scott H. Chew, House Vice Chair, presented the report for the Natural Resources, Agriculture, and Environmental Quality Appropriations Subcommittee on 2018 Interim Actions and responded to questions. LFA Fiscal Analysts, Mr. Ivan Djambov, Mr. Alex Wilson, and Mr. Tim Dinehart, provided assistance.

[3d-Subcommittee 2018 Interim Report - Natural Resources, Agriculture, and Enviro. Quality](#)

Mr. Ball introduced LFA's newest staff member, Mr. Tim Dinehart, who will be working with the NRAEQ and Business, Economic Development, and Labor Appropriations Subcommittees. Mr. Dinehart will also help process the Federal Funds Report.

Rep. Chew expressed his appreciation to committee members who attended last month's EAC site visit to the Uintah Basin. Chair Stevenson added that the day was well spent learning about the potential for the Uintah Basin. Sen. Mayne noted that she attends the Annual Energy Summit in Vernal, Utah and encouraged committee members to attend as well.

4 . Significant Factors Affecting Budgets in the 2019 General Session

[4-Significant Factors Affecting Budgets in the 2019 General Session](#)

a. Mr. Ben Leishman, Fiscal Analyst, LFA, discussed "Consensus forecast on PED enrollment growth" and responded to a question from Rep. Schultz.

b. Mr. Frandsen discussed "Consensus forecast on Medicaid enrollment growth."

c. Mr. Frandsen discussed "Medicaid mandated program changes in the base."

d. Mr. Dee Larsen, General Counsel, Utah Retirement Systems (URS), discussed "URS report on upcoming rate expectations" and responded to questions from Rep. Joel Briscoe.

e. Mr. Chet Loftis, Director, PEHP, discussed "PEHP report on upcoming rate expectations" and responded to questions from Sen. Vickers and Rep. Francis D. Gibson.

f. Chair Stevenson postponed the presentation for "Technical corrections for inclusion in base budget" until later.

g. Mr. Syphus discussed "Jail Contracting and Jail Reimbursement."

h. Mr. Wikle discussed "Debt Service."

i. Mr. Wikle discussed "Capital Development commitments and Capital Improvements."

j. Mr. Wikle discussed "Internal Service Fund upcoming rates and impacts."

k. Ms. Lence discussed "ISF/Compensation Package upcoming rates and impacts" that included "Non-statutory Exceptions Approved for the 2018 General Session." She suggested that the EAC may want to approve the non-statutory exceptions for the 2019 General Session.

f. Mr. Ball commented on the significant factors affecting budgets in the 2019 General Session. He discussed "Technical corrections for inclusion in base budget" and introduced the new budget.utah.gov website.

MOTION: Rep. Last moved to adopt the technical corrections proposed for the base budget bills as explained by Jonathan Ball and included in the page behind Tab 4 entitled, "Technical Corrections Proposed for Base Budget Bills," and to adopt the non-statutory exceptions to the funding mix for internal service funds and compensation as presented by Clare Tobin Lence and included in the report behind Tab 4 entitled, "Non-Statutory Exceptions Approved for the 2018 General Session." 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. S. Hollins
Rep. G. Hughes

Nays-0

Absent-4

Rep. F. Gibson
Sen. K. Mayne
Sen. W. Niederhauser
Sen. E. Vickers

Sen. J. Iwamoto
Rep. B. King
Rep. J. Knotwell
Sen. P. Knudson
Rep. B. Last
Rep. A. Romero
Rep. M. Schultz
Sen. J. Stevenson
Sen. K. Van Tassell
Rep. B. Wilson

5 . Elected Official and Judicial Compensation Commission Report

Mr. David Clark, Chair, Elected Official and Judicial Compensation Commission (EJCC), presented the annual report and highlighted the Commission's recommendations. He was joined by EJCC Commission Member, Meghan Holbrook.

[5-Elected Official and Judicial Compensation Commission 2018 Report](#)

Rep. Last commented on the Commission's recommendation to statutorily remove the requirement for the EJCC to review and make recommendations on State Board of Education compensation.

Chair Stevenson asked a clarifying question. Mr. Wilson responded.

MOTION: Rep. Last moved to open a bill file to remove the statutory requirement that the Elected Official and Judicial Compensation Commission review the compensation of State Board of Education members. The motion passed with a vote of 16 - 0 - 4 .

Yeas-16

Sen. J. Adams
Rep. J. Briscoe
Sen. G. Davis
Rep. S. Hollins
Rep. G. Hughes
Sen. J. Iwamoto
Rep. B. King
Rep. J. Knotwell
Sen. P. Knudson
Rep. B. Last
Sen. W. Niederhauser
Rep. A. Romero

Nays-0

Absent-4

Sen. L. Escamilla
Rep. F. Gibson
Sen. K. Mayne
Sen. E. Vickers

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

6 . Tobacco Settlement Funds Follow-up

Mr. Frandsen reported on Rep. Last's plan to address issues related to the Tobacco Settlement Funds, including recommended statutory and appropriation changes in the 2019 General Session. He noted that Rep. Last had opened a bill file to address the statutory changes.

[6-Issue Brief - 2018 Interim - Tobacco Settlement Funds](#)

Mr. Ball commented further.

7 . Performance Audit of the Utah Board of Regents

Mr. Kade Minchey, Audit Manager, Office of the Legislative Auditor General (OLAG), introduced the audit.

Mr. Jesse Martinson, Audit Supervisor, OLAG, presented the audit findings and recommendations.

[7-A Performance Audit of the Utah Board of Regents](#)

Speaker Gregory H. Hughes asked questions about the audit findings regarding the establishment of measurable goals and metrics, the availability of reviewable information, and tuition rate increases.

Rep. Mike Schultz inquired about uniform tuition increases.

Rep. Brad Last commented on tuition rate increases.

Chair Stevenson asked if the Board of Regents had accepted the audit recommendations. Mr. Minchey confirmed that the Board had accepted every recommendation and was moving forward with implementation.

Speaker Hughes commented on setting of goals and metrics, funding formulas, and delineating needs.

Rep. Wilson expressed concern that the Board of Regents has not complied with the provisions of S.B. 248, "Higher Education Governance Revisions" (2017 General Session).

Mr. Dave Buehler, Commissioner, State Board of Regents, indicated that the Board of Regents was in full support of the audit and had begun implementing the audit recommendations.

Sen. J. Stuart Adams commented on tuition rates, the efficiency of the institutions, and the importance of metrics. Commissioner Buehler agreed with Sen. Adams' assessment.

8 . Other Business/Adjourn

Chair Stevenson called attention to four reports that were available for committee review.

[8a-Division of Finance Report on Long-term Liabilities](#)

[8b-Inspector General of Medicaid FY 2018 Annual Report](#)

[8c-Health Coverage Improvement Program Report](#)

[8d-Intergovernmental Transfers in the Medicaid Program](#)

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

Yeas-11

Sen. J. Adams
Rep. G. Hughes
Rep. B. King
Rep. J. Knotwell
Sen. P. Knudson
Rep. B. Last
Sen. W. Niederhauser
Rep. M. Schultz
Sen. J. Stevenson
Sen. E. Vickers
Rep. B. Wilson

Nays-0

Absent-9

Rep. J. Briscoe
Sen. G. Davis
Sen. L. Escamilla
Rep. F. Gibson
Rep. S. Hollins
Sen. J. Iwamoto
Sen. K. Mayne
Rep. A. Romero
Sen. K. Van Tassell

Chair Stevenson adjourned the meeting at 4:27 p.m.