

**MINUTES OF THE
WORKFORCE SERVICES AND COMMUNITY
AND ECONOMIC DEVELOPMENT INTERIM COMMITTEE**
Wednesday, June 21, 2006 – 9:00 a.m. – Room W025 House Building

Members Present:

Sen. John W. "Bill" Hickman, Senate Chair
Rep. David N. Cox, House Chair
Sen. Karen Hale
Sen. Peter C. Knudson
Rep. Janice M. Fisher
Rep. Steven R. Mascaro
Rep. Karen W. Morgan
Rep. Mark W. Walker
Rep. Peggy Wallace

Members Absent:

Sen. Dan R. Eastman

Staff Present:

Mr. Arthur L. Hunsaker, Policy Analyst
Mr. James L. Wilson, Associate General Counsel
Ms. Glenda S. Whitney, Legislative Secretary

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

1. Committee Business

Chair Cox called the meeting to order at 9:11 a.m.

MOTION: Sen. Hickman moved to approve the minutes of the May 17, 2006 meeting. The motion passed unanimously with Sen. Hale, Sen. Knudson, Rep. Mascaro, Rep. Morgan, and Rep. Wallace absent for the vote.

Mr. Wilson distributed handouts, "Can Rural America Support a Knowledge Economy?" and "Sections 35A-1-206, 35A-1-207, 35A-2-101, 35A-2-103, 35A-2-201, 35A-2-203, and 35A-4-312 of the Utah Code," information dealing with rural economic development and Workforce Services statutes on economic development.

2. Unemployment Contributions by Certain Corporations

Rep. Sheryl Allen noted the issue brought to the Committee for study, is whether principals of small "S" corporations, should be required to contribute to the state Unemployment Insurance Fund.

Mr. Mont Gates, a constituent of Rep. Allen's, expressed concern that he is obligated to pay into the fund but would not be able to receive benefits from the fund.

Rep. Allen asked staff to research this issue and determine if those taxes could be reduced. She indicated it was her desire to open a bill file to address this concern.

Mr. Bill Starks, Director, Unemployment Insurance Division, Department of Workforce Services, distributed a handout, "2006 Master Study List #181, Unemployment Contributions by Certain Corporations" and spoke from the handout.

Mr. Christopher W. Love, Deputy Director, Department of Workforce Services, commented that if an

"S" corporation closes with no intent to reopen in the foreseeable future, then a corporate officer would be eligible for Unemployment Insurance benefits as long as the claimant is available for and seeking full-time suitable work.

3. Horizon Card Abuse

Rep. Karen Morgan discussed the Horizon Card program, a method of receiving public assistance, and the importance of eliminating potential abuses of the program.

Ms. Kathy Link, Assistant Director, Operation Support Division, Department of Workforce Services, presented an overview on the Horizon Card program and explained how the card can be used and what items may be purchased.

Mr. Jim Olsen, Utah Food Industry Association, commented on the use and abuse of Horizon Cards.

Mr. Dan Belnap, Utahns Against Hunger, commented on the benefits of the Horizon Card program for those with low income.

4. Covered-At-Work

Rep. Kory Holdaway noted that in the 2006 General Session he sponsored H.B. 276, "Medicaid Covered-At-Work Premium Subsidy." He indicated that the pilot program authorized under the bill is to assist those within the low-income spectrum and to increase health care coverage among the uninsured. He explained how HIFA (Health Insurance Flexibility and Accountability Act) will benefit the citizens of the state.

Ms. Sheila Walsh-McDonald, Health Care Advocate, Salt Lake Community Action Program, distributed a handout, "(PCN) Primary Care Network Quick Facts." She presented an overview on the PCN health plan that is offered by the Utah Department of Health.

Ms. Judi Hilman, Executive Director, Utah Health Policy Project, distributed and reviewed handouts "Premium Assistance thru President Bush's HIFA Waiver," "Can States Stretch the Medicaid Dollar Without Passing the Buck? Lessons from Utah," and "Virtual Mentor." She noted Utah's new HIFA waiver will build on the progress of H.B. 276 by raising the premium subsidy combined with Federal matching funds.

Mr. Michael Hales, Director, Division of Health Care Financing, Department of Health, responded to questions.

5. Increased Cost of Workforce Services' General Assistance Program

Ms. Tani Pack Downing, Executive Director, Department of Workforce Services, distributed and referred to the handout in the Committee mailing packet, "Department of Workforce Services General Assistance Program." She reviewed the report from the Department of Workforce Services on the increased costs of offering the General Assistance Program and options for addressing funding shortfalls.

Ms. Helen Thatcher, Assistant Director, Operational Support Division, Department of Workforce Services, assisted Ms. Downing with the presentation and responded to questions.

Mr. Steve Ericksen, Utah Issues, spoke in support of the General Assistance Program.

6. Economic Impact of Utah's Child Care Industry

Ms. Lynette Rasmussen, Director, Office of Work and Family Life, Department of Workforce Services, distributed and referred to the handout in the committee mailing packet, "Child Care and Early Childhood Development: High Economic Development Return for Utah." She presented an overview of the study. At the end of the presentation, she distributed a newsletter "Snapshot" that is published quarterly by the Office of Work and Family Life.

Ms. Patrice Schell, Voices for Utah Children, spoke in support of the economic report and the contributions that child care providers bring to Utah's economy.

7. Other Items / Adjourn

MOTION: Sen. Hale moved to adjourn the meeting. The motion passed unanimously. Sen. Hickman was absent for the vote.

Chair Cox adjourned the meeting at 11:14 a.m.