

**MINUTES OF THE JOINT EXECUTIVE APPROPRIATIONS  
COMMITTEE MEETING  
September 15, 2009 at 1:00 P. M.  
Room 445, Capitol Building, State Capitol Complex**

Members Present:           Rep. Ron Bigelow, Co-Chair  
                                  Sen. Lyle W. Hillyard, Co-Chair  
                                  Sen. Peter C. Knudson, Vice Chair  
                                  Rep. Bradley G. Last, Vice Chair  
                                  Rep. David Clark, Speaker  
                                  Rep. Brad L. Dee  
                                  Rep. Kevin S. Garn  
                                  Rep. James R. Gowans  
                                  Sen. Scott K. Jenkins  
                                  Sen. Patricia W. Jones  
                                  Sen. Sheldon L. Killpack  
                                  Rep. David Litvack  
                                  Rep. Rebecca D. Lockhart  
                                  Sen. Karen Mayne  
                                  Rep. Carol Spackman Moss  
                                  Sen. Luz Robles  
                                  Rep. Jennifer M. Seelig  
                                  Sen. Michael G. Waddoups, President

Members Excused:         Sen. Ross I. Romero

Staff Present:             Jonathan Ball, Legislative Fiscal Analyst  
                                  Steven Allred, Deputy Director  
                                  Greta Rodebush, Secretary

Speakers Present:         Tenielle Young, Governor's Office of Planning and Budget  
                                  Danny Schoenfeld, Legislative Fiscal Analyst  
                                  Stan Eckersley, Legislative Fiscal Analyst  
                                  Dr. Andrea Wilko, Legislative Fiscal Analyst  
                                  Dr. Thomas Young, Legislative Fiscal Analyst  
                                  Gary Syphus, Legislative Fiscal Analyst  
                                  Dan Becker, Administrative Office of the Courts  
                                  Rick Schwermer, Administrative Office of the Courts  
                                  Gregg Buxton, Division of Facilities Construction and Management  
                                  Spencer Pratt, Legislative Fiscal Analyst  
                                  William A. Sederburg, Utah System of Higher Education  
                                  Cynthia A. Bioteau, Salt Lake Community College  
                                  Michael K. Young, University of Utah  
                                  Rick White, Utah College of Applied Technology  
                                  Brian Foisy, Utah College of Applied Technology  
                                  Stephen Jardine, Legislative Fiscal Analyst  
                                  Lisa-Michele Church, Department of Human Services

**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).

A list of visitors and a copy of handouts are filed with the committee minutes.

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

Committee Co-Chair Hillyard called the meeting to order at 1:15 p.m.

**2. Federal Funds/ARRA/Non-Federal Grants Reports**

Tenielle Young, Governor's Office of Planning and Budget, presented the Federal Funds/ARRA/Non-Federal Grants Reports through August 31, 2009. There were two new federal grants and one reapplication of existing grants requiring legislative action. The Governor's Office approved four new federal grants and three reapplications of existing grants.

Ms. Young presented the ARRA Federal Funds Report. There was one new grant and no reapplications of existing grants requiring legislative action. The Governor's Office approved one new grant and no reapplications of existing grants. Ms. Young noted one change to the report cover sheet that shows the Utah Public Service Commission's State Broadband Data and Development Program as having no state match. There is a \$739,000 in-kind state match.

Ms. Young presented the Non-Federal Grants Report. There were no new grants and no reapplications of existing grants requiring legislative action. The Governor's Office approved one new grant and no reapplications of existing grants.

President Waddoups asked for information on the Utah Public Service Commission's State Broadband Data and Development Program.

John Harvey, Public Service Commission, stated that Utah is participating in a federally mandated program of broadband mapping, analysis, and planning. He explained that the major portion of the \$739,000 in-kind state match consists of expenses previously incurred in the collection of data for the Automated Geographic Reference Center. Mr. Harvey stated that federal funding will be used to hire a consultant to collect new data, possibly down to the address level, on where and what type of broadband is available.

President Waddoups identified a number of continuing state match federal grants being tracked by the Governor's Office that may warrant funding reconsideration. Mr. Schoenfeld offered to follow up on specific grants and get back to President Waddoups.

Co-Chair Hillyard recognized Co-Chair Bigelow for a motion.

**MOTION:** Co-Chair Bigelow moved to approve two new federal grants and one reapplication of an existing grant requiring legislative action, as shown on page 1 under Tab 2, one new ARRA federal assistance application requiring legislative action, as shown on page 39 behind Tab A, of the packet dated today, September 15, 2009. The motion passed unanimously with Rep. Seelig absent for the vote.

Co-Chair Hillyard recognized Co-Chair Bigelow for a motion on the minutes.

**MOTION:** Co-Chair Bigelow moved to approve the minutes of the Executive Appropriations Committee meeting held on August 18, 2009. The motion passed unanimously with Rep. Seelig absent for the vote.

### **3. Fiscal notes on Substitutes and Amendments**

Stan Eckersley, LFA, reported on H.J.R. 21, Master Study Resolution, Item 183. The study examines the need for rules reform regarding fiscal notes for substitutes and amendments.

Mr. Eckersley reviewed current fiscal note practices for bills, substitute bills, and amendments. He stated that the Legislative Fiscal Analyst (LFA) prepares fiscal notes for regular bills as well as substitute bills, even though rule does not require it. All amendments are sifted for fiscal impact. Statistics for the 2009 General Session show that LFA prepared 957 fiscal notes - 684 fiscal notes on regular bills, and 269 fiscal notes on substitute bills. In addition, LFA sifted through 782 amendments which resulted in four fiscal notes.

The National Conference on State Legislatures (NCSL) reports that states use 30 to 100 percent of available time on fiscal notes. LFA estimates that in Utah 33 percent of total effort is spent on fiscal notes. During session, 50 percent of the analysts' time is spent on fiscal notes.

Mr. Eckersley presented five options for rules reform on fiscal notes for substitutes and amendments.

Co-Chair Hillyard asked how LFA handles amendments on the last night of floor debate. Mr. Eckersley responded that because of time constraints, fiscal analysts contact the agencies immediately if there is any question on fiscal impact. In cases when a bill has been amended several times, fiscal analysts are familiar enough with the bill to prepare a fiscal note in a timely manner.

Rep. Litvack asked if LFA continues to review the implementation of fiscal notes. Mr. Eckersley stated that LFA reviews fiscal note bills on a weekly basis.

Co-Chair Bigelow noted that last year was not a typical year in that many bills with potential fiscal impact were abandoned. He asked for a clarification on what would constitute a 50 percent increase in office workload during session. Mr. Eckersley stated that office workload would increase by 50 percent if the Analyst were to do fiscal notes on all amendments.

Co-Chair Hillyard asked if the fiscal analysts have the authority to begin preparing a fiscal note on an amendment or do they wait until a request is made. Mr. Eckersley explained that the fiscal analysts start right away.

No action was taken.

#### **4. Revenue Update**

Dr. Andrea Wilko, Chief Economist, and Dr. Thomas Young presented the Revenue Update for September 15, 2009. They reported on tax collections, wages and employment, consumer and savings, equity markets, and productivity and labor, and economic indicators for Utah and the nation.

Dr. Wilko stated that revenue collections for the fiscal year ending June 30, 2009 are \$23 million less than expected. However, revenue in accounts related to the General and Education Funds exceed expectations by more than \$23 million. Further, of total estimated General/Education Fund deposits, the Legislature budgeted \$150 million for expenditure in FY 2010, so no immediate action is required to address the FY 2009 revenue shortfall.

Based on current tax collection rates and economic indicators updated in June, General/Education Fund revenues for FY 2010 are expected to be within +\$50 to -\$150 million of February estimates. Dr. Wilko noted that the Legislative Fiscal Analyst's estimates lean toward the lower end of the range. The Revenue Assumptions Committee will meet in November, and there is the possibility that the economic indicators will be revised down before they improve.

Dr. Young commented on the table on page 6 of the report: "Revenue Collections to Date (Y/E Preliminary)." Overall, FY 2009 year end tax revenues for General and Education Fund are down \$23 million which equates to a revenue growth rate of -12.5 percent.

Co-Chair Hillyard inquired about changes in the withholding tables.

Dr. Wilko stated that the Tax Commission adjusted the withholding tables in February of 2008. The table on page 3, "Withholding Change - 2008 - 2009," compares the first half of CY 2008 to the first half of CY 2009. In effect, withholding taxes are down \$135 million, \$70 million as a result of a change in withholding tables, and \$65 million due to the downturn in the economy.

President Waddoups observed that the "Utah and United States Economic Indicators" chart on page 7, with the exception of nonagricultural employment, seems to indicate that the economy is turning the corner when you compare 2009 with 2010.

Dr. Wilko stated that the chart shows a turning of the corner in CY 2010, but it only picks up a portion of the upswing in FY 2010.

Co-Chair Hillyard asked if the revenue projections warrant a call for a Special Session.

Mr. Ball stated that last year, revenues were down \$80 million in September for FY 2008, and February estimates were well outside the September 2008 consensus range. This year, February estimates are within the consensus range targets for FY 2009. As far as the \$23 million deficit is concerned, shortfalls will be covered by float monies budgeted for expenditure in FY 2010. The economic trend has changed somewhat for the positive, but it will be up to legislators to decide whether or not to convene a Special Session.

Speaker Clark stated that the economists' revenue projections have been accurate in the last couple of years. In light of the fact that the economists are leaning toward the -\$150 million range of February estimates, and that Utah is looking at a higher unemployment rate, Speaker Clark asked his colleagues to move forward with caution.

Sen. Jones asked what impact the drop in the income tax rate from 7 percent to 5 percent has had on the Education Fund. Dr. Wilko responded that the original fiscal note was for \$200 million but with the downturn in the economy, that figure is closer to \$178 million.

Sen. Jones stated that a recent statewide poll asked whether the Legislature had increased the income tax rate, kept it the same, or decreased it. Only 5 percent of the respondents believed that the income tax rate had dropped, while 30 percent believed that it had increased. Sen. Jones felt that the public needs to be better informed.

Co-Chair Bigelow emphasized that the \$23 million revenue shortfall will not require legislature action at this time. Staff has been very effective in setting up funds so that the Legislature will not have to deal with these issues outside of General Session.

Co-Chair Hillyard mentioned that the Governor's Office has reviewed LFA's figures and is in general agreement with the consensus range.

Mr. Nixon, Executive Director, Governor's Office of Planning and Budget, confirmed this.

Speaker Clark noted that the Legislature also added a sizeable amount of money to the Education Fund during the same period that the income tax rate was dropped.

Dr. Wilko confirmed that this was correct.

**5. Agency Plans for Implementing FY 2011 Base Budget Allocations: Service Impacts, Employee Impacts, and Strategies**

***a. Judiciary***

Gary Syphus, LFA, presented a brief overview of the Utah Courts System. Court has a General Fund budget of \$110,578,700 for FY 2010. Budget reductions for FY 2010 total \$1,465,600, including ongoing and one-time adjustments.

The Courts are implementing reductions by reducing 44.5 FTE net positions in FY 2010 - 65.5 FTE permanent reductions with 21 FTE one-time positions funded with one-time funding sources. The full 65.5 FTE reduction impact will be realized in FY 2011. In order to adapt to these reductions, the Courts have established new business practices designed to maximize court services.

Within the Administration line item, 18 court reporters were eliminated at the end of FY 2009, replacing court reporting with digital recording. Court has also placed a freeze on judicial hiring in January 2009 with a target of filling six of eight judgeships within a set time frame.

A hiring freeze for non-judicial positions began in September of 2008 transitioning into a hiring slow down on July 1, 2009. Indirect ARRA funding through a competitive grant helped fund one-time clerk positions in FY 2010.

The Courts accelerated the development and release of online business such as e-filing, e-payment, and e-documents. Other changes include reduction and reorganization of the Administrative Office of the Courts (11 FTEs), expanded videoconferencing capabilities and usage, and reductions of Juvenile Probation staff (11.5 FTEs) to minimize travel.

Within the Contracts and Leases line item, changes were made to reduce janitorial services and renegotiate a contract with the Bountiful Courthouse that will generate \$425,600 in one-time savings in FY 2010 and \$212,800 in FY 2011. Courts intends to evaluate the value of all leases as they expire.

Dan Becker, State Court Administrator, addressed the committee. He was assisted by Rick Schwermer, Assistant Court Administrator. One handout was distributed, "Outline of Judicial Branch Reductions, September 15, 2009."

Mr. Becker stated that he has worked with the Judicial Council to implement new business practices and improve efficiencies.

Mr. Becker stated that \$3.8 million of the \$5.5 million budget reductions in FY 2010 were taken in personnel, 65.5 positions eliminated (11 separated by RIFS) or approximately 6 percent of the workforce. He noted a 15 percent increase in new case filings or an additional 42,413 filings. The additional workload equates to three judges and thirty clerks.

As a cost saving measure, a freeze on filling judgeships was put in place in January 2009. With eight announced retirements, the Judicial Council set time frames for filling six of the eight judgeships. Six positions will be held open a cumulative 37 months.

Mr. Becker discussed two specific actions taken to address business efficiencies. Courts has accelerated release of e-filing, e-payments, and e-documents applications, and increased services on the web. Courts has also instituted new rules and a transcript management system effective July 1, 2009. This action saved \$1.1 million in personnel costs by eliminating court reporters and consolidating the work of multiple clerks into a single position in the appellate courts.

Mr. Becker stated that revenue from civil court filing fees has exceeded the original projection of \$1.4 million, coming in at \$1.6 million for the period of May 12 - June 30, 2009. Small claims and security fee increases are meeting or exceeding the projections.

With respect to the FY 2011 budget submission, the Judicial Council has met and decided not to advance any new ongoing funding. The Council is looking at additional structural and operational changes that may require legislation or rule changes. Mr. Becker discussed a number of efficiency proposals currently being considered such as a single site filing requirement, requiring law enforcement to file citations electronically, and consolidating protective orders and/or warrants and filing them electronically.

Mr. Becker stated that the Judicial Council has been both innovative and responsible in the actions it has taken thus far.

Sen. Jones asked about the 15% increase in workload and the impact the increase has had on services.

Mr. Becker stated that Courts has seen an increase in civil case filings, particularly in the area of debt collection, contracts, child support, and domestic cases. Courts has had to shift clerical resources to handle the additional civil case filings.

President Waddoups asked if there are any monetary savings associated with judgeships being held open for more than six months. Mr. Becker stated that Courts realizes a savings of \$14,000 when a judgeship is held open for one month. This money is being used to hire senior judges to cover shortfalls.

Co-Chair Bigelow complimented the Courts' efforts in identifying increased efficiencies to deal with growth.

Mr. Becker stated that he would be remiss if he did not recognize the clerical workforce and its willingness to absorb the 15 percent workload increase along with a 10 percent hiring freeze during the last fiscal year.

Sen. Mayne inquired about Drug Courts. Mr. Becker stated that he is very supportive of Drug Courts and has been careful not to cut back on them. Drug courts are labor intensive and require a lot more court time for judges. If caseloads continue to increase, Mr. Becker indicated that he may have to cut back on the time judges have for Drug Courts.

Sen. Mayne spoke in favor of Drug Courts and the role they play in meeting social needs.

Sen. Mayne commented further about eliminating positions. She stated that she does not like to see anyone lose his/her job. Joblessness disrupts families and there is often a rippling effect to other social ills.

Mr. Becker mentioned that Drug Courts is a partnership between Courts and the Department of Human Services. Therefore, funding for Drug Courts includes funding for case management and treatment services as well.

Rep. Litvack asked about other performance measures that track the distribution of resources in the Courts. Mr. Becker stated that Courts pays close attention to the backlog index, that is, the number of cases pending and how long it takes to clear those cases, if no additional cases come in. They are trying to keep that number down as much as possible. For now, Courts is in reasonably good shape, but they do see some slippage.

Sen. Robles expressed concern that the Courts may not be able to handle the increase in caseload without compromising access to quality systems and services. Mr. Becker emphasized that Courts' number one guiding principle is to minimize reductions that reduce access or direct services.

Co-Chair Hillyard asked if more people were filing impecunious affidavits because they are unable to pay increased filing fees. Mr. Becker stated that some judges have noticed a slight increase in the number of impecunious affidavits but not enough to impact revenues.

Co-Chair Hillyard also inquired about increased demands on the Courts when people choose to represent themselves. Mr. Becker stated that this is a huge issue for the Courts. An on-line court assistance program and a self help center in the State Law Library are now available to assist people with procedural questions via the phone or online. While this service is available to individuals in the 2nd, 7th, and 8th Districts, Mr. Becker would like to expand these services statewide.

***b. Division of Facilities Construction and Management***

Gregg Buxton, Director, Division of Facilities Construction and Management (DFCM) reported on a new electronic telecommunications system that uses video teleconferencing equipment to review offsite architectural programs. This system is wireless and is piggy backed onto the Utah Education Network (UEN).

Mr. Buxton explained that through an antenna system, construction supervisors use hand-held cameras to watch job sites that are viewed by a project manager in a conference room located in the State Office Building. This technology saves on travel time, lowers fleet expenses, and improves the efficiency of man hours. Thus, far, DFCM has run the system live from the Capitol, North Salt Lake, and Odgen. Next week cameras will be live in Vernal, and the following week, live from the Uintah Basin Applied Technological College also in Vernal.

***c. Higher Education***

Spencer Pratt, LFA, presented an overview of FY 2010 funding for the Utah System of Higher Education. Over the past year, Higher Education's budgets have been reduced by \$110 million. For FY 2009-2010, the Legislature gave the institutions' presidents the authority to manage the budget cuts. Because about 80 percent of the USHE budget is personnel related, Higher Education (excluding UCAT) has indicated that each percent of reduction would result in approximately 100 positions being eliminated.

In order to implement the 9 percent budget reduction in FY 2010, Higher Education reported that 936 positions have been eliminated. For FY 2011, at 17 percent below the original FY 2009 appropriation, an additional 750 positions will be eliminated. UCAT, UEN, and the Medical Education Council also reported eliminated positions.

William A. Sederburg, Commissioner of Higher Education, addressed the committee. A handout was distributed, "Budget Reduction Implementation within Higher Education, dated September 1, 2009."

Commissioner Sederburg stressed that Higher Education views itself in partnership with the Legislature. He reiterated that for each percent of reduction about 100 positions are eliminated. Higher Education (excluding UCAT) eliminated 936 positions. If the cuts reach 17 percent, another 500 or 600 positions will be cut from Higher Education. If cuts exceed 17 percent, campuses will have to start eliminating entire academic programs. Mr. Sederburg asked the Legislature to partner with Higher Education in reducing any future cuts as much as possible.

Cynthia A. Bioteau, President, Salt Lake Community College, outlined strategies used to address budget reductions. Reductions included the following: offering early retirements, eliminating unfilled positions, closing programs, doubling classroom sizes, and discontinuing an annual subsidization of the prison program.

Pres. Bioteau pointed out that full time student enrollment has increased by 16 percent. In order to ensure that all students have open access, Salt Lake Community College is now open from 6:00 a.m. until 10:00 p.m., Monday through Saturday. In addition, online course offerings have been increased by 27 percent.

President Bioteau mentioned that Salt Lake Community College has also used federal stimulus funding to hire 214 adjunct instructors and add 700 sections of educational courses. At this point in time, tuition increases are not a viable option because students already pay 133 percent more in tuition than students in neighboring states.

Michael K. Young, President, University of Utah, stated that last year, the University of Utah's base budget was cut 19 percent - more than \$42 million, resulting in a loss of 355 state-funded positions. The University saw increased class sizes, reduced course offerings, less counseling and advising support, longer replacement of renewal cycles for physical facilities, reduced support for research grants and infrastructure, and outreach activities.

Some efficiencies were achieved using information technology to streamline the student advising process and the expansion of online courses. With the proposed additional cuts for FY 2011, the University will need to cut significant programs while trying to accommodate student growth, particularly in the graduate programs.

Pres. Young concluded that any additional cuts beyond those already planned will be very consequential for the University. Another 5 percent would mean that a quarter of the University's base budget would be gone. Currently, the University is about \$50 million ahead in

extramural research funding. However, the University's capacity to attract research dollars and faculty will depend on solid funding support from the state.

Sen. Jones asked Pres. Young about the reduced slots in the Medical School and the percentage of state funds that support the Medical School.

Pres. Young clarified that the loss of twenty openings for medical students was not a result of state budget cuts. State funding accounts for only 4.5 percent of the school's budget. Most of the school's funding comes from outside sources. In this instance, an additional \$10 million was cut because of the way that the federal Medicare/Medicaid Plan interacted with the State Medicare/Medicaid Plan.

Sen. Jones asked about the long term ramifications for the University if there continues to be reductions in state funding. President Young pointed out that much of the core personnel budget is funded through the state. Continued reductions will limit the University's ability to hire and retain faculty.

Sen. Jones recognized the work of the USTAR program and its ability to bring in research teams. She asked if budget constraints are impacting the University's ability to recruit and retain those teams. Pres. Young stated that the University is working very hard to retain prominent faculty members who were drawn to the University to work collaboratively with their colleagues.

Speaker Clark asked what the universities are doing to prepare for the loss of \$74.5 million in ARRA money that is going away at the end of the fiscal year. He also asked if the institutions would like continued flexibility in administering budget reductions for an additional year.

Commissioner Sederburg stated that the institutions would like the additional latitude in making those decisions. Each of the campuses has plans in place to address the 17 percent reduction. If reductions exceed 17 percent, the consequences will be far more negative. Last year, enrollment was up 8.5 percent and this year, the numbers will be at least that. The institutions need the flexibility, but they are on course to hit the 17 percent.

Pres. Young emphasized that while the institutions are working hard to make these cuts by expanding efficiencies, it is important to understand that quality will be sacrificed.

Pres. Bioteau informed the committee that Salt Lake Community College has been applying for federal grants to offset federal stimulus monies. If reductions continue, programs may have to be discontinued and enrollment capped.

Pres. Young added that the University of Utah has been pursuing federal funding as well. Private donor contributions have been consistent and are enhanced by the University's ability to maintain a strong funding base.

Sen. Mayne spoke on behalf of Salt Lake Community College and her involvement with the college in addressing reduced funding levels.

Rick White, President, Utah College of Applied Technology (UCAT), addressed the committee. He was assisted by Brian Foisy, VP Finance, UCAT. Handouts were distributed to the committee: "Budget Cuts for FY 2010 and FY 2011," "Employment Update for FY05-FY09," and a brochure about UCAT.

Pres. White stated that UCAT's budget cuts included reductions in personnel, reductions in operating budgets, off campus sites, programs, course offerings, and after hour classes and services. Some campuses are requiring mandatory furloughs and reducing salaries. He noted that efficiencies have been achieved through the use of technology (two way video and audio devices) to minimize travel. UCAT has also chosen to hire part time adjunct instructors.

Pres. White stated that UCAT has had to reduce business partnerships. The Ogden/Weber campus cut back its partnership with Williams International and the Lean Manufacturing Training Center.

Pres. White stated that UCAT has also experienced enrollment growth and is concerned that budget cuts will jeopardize their ability to prepare Utah's workforce for the future.

***d. Department of Human Services***

Stephen Jardine, LFA, called attention to the handouts behind Tab 5. They included: "Agency Plans for FY2011 Base Budge: Courts, Higher Education, Human Resources"; two spreadsheets - "Human Services FY 2010 Operating Budget Reductions and One-time Add Backs" and "Juvenile Justice Services FY 2010 Operating Budget Reductions and One-time Add Backs"; "2009/10 Budget Cut Implementation Report Summary - 8/25/09"; and "Summary of Headcount Reductions at the Department of Human Services, 2009/2010 Budget Cycle, 8/25/09."

Lisa-Michele Church, Executive Director, Department of Human Services, highlighted budget reductions in personnel, administrative costs, and services.

Total headcount reduction in the 2009/2010 budget cycle was 274 positions. Of those, 252 positions represent a combination of retirements, temporary employees, reassignments, quits, and unfilled vacancies. Twenty-two were reductions-in-force. These reductions have had an impact on employee morale, program response time, frequency of visits, and auditing capabilities.

Administrative costs have been cut by \$6 million with reductions taken in lease terminations, overtime management, and travel.

In regards to services, the Division of Services for People with Disabilities will experience an \$11 million shortfall in FY 2011. Because DHS is legally obligated to provide these services, new policy decisions may be necessary to change the way DHS delivers disability services. Similarly, other program areas impacted by budget cuts include: Mental Health, Child and Family Services, and Juvenile Justice Services.

Co-Chair Hillyard asked how reassignments are a reduction in personnel. Ms. Church explained that state office employees were reassigned to fill positions held by temporary staff working out in the field at lower rates.

Ms. Church recommended that future policy discussions examine programs that have federal match requirements and programs that are legally mandated. It will also be important to look at the delivery of services in terms of intervention and prevention or an acute system.

Ms. Church asked for a clarification on whether or not the Legislature intends to permanently scale back social services or tie DHS over until recovery happens. She will need to know if there will be any statutory changes that will affect budget considerations in the upcoming fiscal year.

Sen. Jones asked about cost savings using private providers vs. state workers in serving people with disabilities. Ms. Church stated that there is not a lot of cost savings in salaries, but DHS has been able to realize savings in closing offices, eliminating support staff, and setting contract standards.

Sen. Jones asked if state workers are going to other jobs or if they are on state assistance. Ms. Church responded that the caseworkers are going over to private casework and contracting back with the Department. DHS has not tracked clerical staff.

Sen. Mayne suggested that it might be better to furlough employees rather than lose jobs. Ms. Church stated that last year, she would have liked more employee input, but due to budgeting time constraints, employees were informed that the Department would have to privatize or lose jobs. Some employees came forward and voluntarily moved into the private sector.

Co-Chair Bigelow stated that furloughs are a temporary solution. The economy is not going to turn around that rapidly, and there will be no significant increases in revenue over the next couple of years. The Legislature will be fortunate enough to cover growth, but that is all. He stated that there is not going to be any one-time money. Rainy Day Funds will be needed for the most critical programs over the next two or three years.

Co-Chair Bigelow expressed his appreciation for the cuts made thus far across all the agencies. At this time, the public is not willing to accept a tax increase. Additional cuts will have to be made. He stated that we are past the point of eliminating vacant positions, eliminating ineffective programs, and cutting waste. We are now going in and cutting programs that work and people that are effective and doing their jobs.

Co-Chair Bigelow commended Ms. Church for the program summary sheets and the informational clarity they provide.

Sen. Robles stated that the public has not been sufficiently informed about the consequences of these budget cuts. She is in favor of providing DHS with the direction it needs to make decisions regarding programs and services. She indicated that she was interested in knowing how Utah compares with other states in programs and services.

Ms. Church pointed out that the key indicators listed by program in the 2009/10 Budget Cut Implementation Report Summary are helpful in looking at budget impacts.

Ms. Church reiterated that she would like some direction regarding policy and statute changes now so that she can do some thoughtful analysis.

Co-Chair Bigelow clarified that the Executive Appropriations Committee deals not only with economics and dollars, but also with individuals and program impacts. He pointed out that he has personally met with agencies, advocates, and individuals to try and understand their needs and their concerns. Many legislators have done the same.

Co-Chair Bigelow stated that before the next Executive Appropriations meeting, DHS would have the opportunity to review and discuss proposals for policy changes.

Co-Chair Hillyard requested Ms. Church meet with Sen. Christensen and Rep. Dougall, Co-Chairs, Health and Human Services Appropriations Subcommittee, for further discussions on these issues.

## **6. Other Business**

Co-Chair Hillyard directed the committee's attention to four written reports found behind Tab 6: (1) Utah Capital Investment Board Report on Fund of Fund Activities; (2) Division of Homeland Security Report on Disaster Recovery Funding; (3) Utah 911 Committee Annual Report on Surcharge Collections; and (4) Personnel Services Report Follow-Up.

Co-Chair Hillyard recognized Co-Chair Bigelow for a motion.

**MOTION:** Co-Chair Bigelow moved to adjourn. The motion passed unanimously with Sen. Knudson, Sen. Killpack, Rep. Dee, and Rep. Garn absent for the vote.

Co-Chair Hillyard adjourned the meeting at 3:52 p.m.