

**MINUTES OF THE  
SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE**

Room 30 House Building, State Capitol Complex

Friday, February 8, 2013

MEMBERS PRESENT:        Sen. Allen M. Christensen, Co-Chair  
                                 Rep. Ronda Rudd Menlove, Co-Chair  
                                 Rep. Daniel McCay, House Vice Chair  
                                 Sen. Deidre M. Henderson  
                                 Pres. Wayne L. Niederhauser  
                                 Sen. Brian E. Shiozawa  
                                 Sen. Todd Weiler  
                                 Rep. Rebecca Chavez-Houck  
                                 Rep. Tim Cosgrove  
                                 Rep. Brad L. Dee  
                                 Rep. Edward H. Redd  
                                 Rep. Marc K. Roberts  
                                 Rep. Earl D. Tanner

MEMBERS ABSENT:        Sen. Peter C. Knudson  
                                 Sen. Luz Robles  
                                 Sen. Evan J. Vickers  
                                 Rep. Paul Ray

STAFF PRESENT:         Mr. Russell Frandsen, Fiscal Analyst  
                                 Mr. Stephen Jardine, Fiscal Analyst  
                                 Ms. Paula Winter, Secretary

Note: A copy of related materials and an audio recording of the meeting can be found at <http://le.utah.gov>. A list of visitors and a copy of handouts are filed with the committee minutes.

Co-Chair Menlove called the meeting to order at 8:10 a.m.

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**Public Comment**

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Gina Cornia, representing Utahns Against Hunger, spoke on behalf of the food stamp program and the Department of Workforce Services' responsibility to administer it as well as the importance of it to the population.

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**Department of Workforce Services**

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John Talcott, chief financial officer with the Department of Workforce Services, covered a structural imbalance issue within the department's funding. Mr. Talcott referred to the issue of funding available and required expenditures in the department. He began by giving an overview of the General Fund appropriated to the Department and the four categories the fund fits into. Mr. Talcott enumerated the categories and specifics associated with each one. He referenced the handout entitled General Fund Expenses, Appropriation, Customers Served and Cost Per Customer Served. The bar chart reflects the

trend of declining expenditures for General Fund purposes and mirrors the reductions given in appropriated funding. Currently there is about an \$8 million imbalance. Referring to the pie chart handout, Mr. Talcott discussed each of the areas represented.

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Sen. Weiler asked for an explanation of the term maintenance of effort. Mr. Talcott explained that it is a fixed requirement the Department has to draw the TANF program dollars. The Department has to contribute just over \$20 million in state funds or replacement costs associated with TANF purposes to draw \$68 million in federal funding. That pool of money goes to any of the TANF program activities. Sen. Weiler also asked for a comparison of surrounding state efficiency numbers.

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Mr. Talcott continued with information that the projection is for an \$8 million imbalance this year. The intent would be to claim replacement maintenance of effort through agreements with partners at that level.

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Rep. Redd asked for some examples of maintenance of effort requirements in our state. Mr. Talcott enumerated the four key purposes of the TANF program including assisting needy families so that children can be cared for in their own homes, reducing dependency of needy parents by promoting job preparation, preventing out of wedlock pregnancies and encouraging the formation and maintenance of two-parent families. Some examples are baby-watch programs, juvenile justice programs, some child-protective items, and the Boy Scouts of America. Any costs incurred to operate and run components of those programs that meet the TANF program purposes can be used. Agreements with all the entities need to be in place in order for them to be able to provide costs or volunteer hours. Contact with religious organizations is a possibility also.

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Rep. Cosgrove asked a question about the the Department of Workforce Services structural imbalance and the \$8 million usage.

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Mr. Talcott informed the subcommittee that the Governor has not recommended funding for this issue and they are just trying through internal efforts to reduce the structural imbalance and have made great progress. The goal is to have this completed by 2016 as a result of efficiencies, enhancing online systems and tools and self-service for customers. They are reducing FTEs through attrition and continuing the operation methodologies they have used.

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Rep. Menlove remarked that closing a gap of \$8 million over a period of time seems daunting and wondered if more money would be requested later. Mr. Talcott replied that historically General Fund expenditures over the last five years have been reduced by close to \$17 million. The request would be for no more cuts rather than additional funding.

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Sen. Shiozawa requested a written breakdown of objectives and the plan to accomplish the goal. Mr. Talcott responded that would be provided.

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Rep. Cosgrove asked that in the breakdown requested by Sen. Shiozawa there be an assurance of the quality provided to the families served.

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Rep. Tanner asked for an explanation of how the bar and pie chart relate and Mr. Talcott stated that they don't relate but include different information. He further clarified that the \$60 million on the bar chart is the state General Fund and a piece of that is \$20 million in TANF Maintenance of Effort (MOE), another part is associated with the general assistance program another is to food stamps match, and child care MOE. The pie chart is a subset of the bar chart.

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Rep. McCay and Mr. Talcott had a discussion about the reduction of the \$8 million imbalance as to where the savings would come from and Mr. Talcott mentioned the targets that have been set in place which were mentioned previously in a conversation with Rep. Menlove. Rep. McCay voiced the concern that the federal funds might not be there and additional appropriations would have to be requested. Mr. Talcott stated this is a temporary solution because there is no guarantee TANF can be reauthorized along with other variables.

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**MOTION:** Sen. Christensen moved to approve the minutes for January 29, 2013. The minutes were approved unanimously

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**How Effective is our Five Year Look Back Period for Long Term Medicaid**

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Kevin Burt with the Department of Workforce Services' Eligibility Program and Training, clarified that in this division eligibility for Medicaid, food stamps TANF and child care programs are determined. He spoke to the long-term care, five year look back, long term and transfer of assets. Many of their programs have an asset test. He explained the asset process used for the five year look back in relation to long term care programs. The strategy was to look at bank account balance each December for five years, the e-find system pulls more information from 21 different sources to verify information such as: the Department of Motor Vehicles, an IRS match looks for interest information, the application asset, home questions about home ownership and transfer which is the most common.

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Sen. Christensen asked if long term care is synonymous with nursing homes and Mr. Burt clarified that

there is the nursing home Medicaid program and seven waiver programs: aged, physical disability, new choices, brain injury, tech dependent waivers etc. The waivers are not necessarily that a person is elderly but rather has a long term disability that is unlikely to be resolved with treatment.

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Rep. Tanner inquired regarding long term disabilities and whether or not it is affected by the Affordable Care Act (ACA). Mr. Burt explained that the asset test is not affected along with many Medicaid programs as well as waiver programs.

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Mr. Burt continued on with the number of long term care applications received, approved and denied. He stated that in 2012 there 3,600 nursing home waiver applications with 86 percent approved. Of the 14 percent denied, 72 percent of those were denied because of assets, which is the most common reason for denial.

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Sen. Christensen asked about clarifying the five year look back part of the asset test and he and Mr. Burt went through a what-if scenario. When asked if he thought if there should be ways to expand the look back Mr. Burt stated that transfer of asset is the not the issue, rather not knowing the assets of applicants for the nursing home is an issue. Another common issue is a home and the transfer of it from parent to child. Mr. Burt continued to explain the procedure which included USOR participation.

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Rep. McCay questioned the process as being extra effort by the state that could be handled differently. Mr. Burt reminded that the recovery is only on the home and available cash would be the first asset collected before the home would be involved and staying in a home longer would be saving costs.

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Sen. Weiler asked if elimination of the asset test according to the ACA is across the board. Mr. Burt replied the mandatory asset elimination is for children receiving Medicaid and the optional expansion would eliminate the asset test for adults under 64 years of age. Categories of aid, meaning there is some other reason that makes a person eligible, do not change with the ACA and the asset test will continue. Mr. Weiler inquired whether that system has begun now and Mr. Burt replied that it will begin in 2014.

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Sen. Christensen asked what the exclusions are for the asset test as far as long term care. Mr. Burt explained that selling a home and receiving the fair market value, burial plots paid for, life insurance policies without cash value, and valuable home decorations would count as exclusions.

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Pres. Niederhauser asked for more reasons why it was decided to do away with asset tests and what percentage of the appropriation is due to new complexities with the asset test. Mr. Burt stated that the five year look back period is not done for all Medicaid programs. There are programs that have the asset test but many of the children programs do not. Many of the older populations do have the asset test.

With ACA Medicaid for adults under 65 and children all under 133 percent FPL will be eligible for Medicaid. The Supreme Court determined that people cannot be required to become eligible. The mandatory changes are any child currently covered and income for a child under 133 percent. The CHIP population will move into Medicaid. The nursing home program will not change. The mandatory changes are children's eligibility. The conversation between Sen. Niederhauser and Mr. Burt continued on the validity of the asset tests and the question arose about why administrative costs would not decrease because of the elimination of the asset test and Mr. Burt explained that the caseload mandate will increase the volume coming in. They continued to converse about the asset test, eligibility and the required insurance rule up coming.

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**Department of Workforce Services**

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Jon Pierpont, Executive Director of the Department of Workforce Services (DWS), reviewed two building block requests along with Pamela Atkinson about the use of TANF funds to rehouse the homeless.

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Pamela Atkinson, community advocate and advisor to Governor Herbert, presented two Building Blocks being requested for \$500,000 each. One of those is for a one-time transfer to the Pamela Atkinson Trust Fund for additional case managers. She explained that over the years many of the chronically homeless who received intensive case management can stay in the permanently supported housing. Each case manager has approximately 50 clients and each case requires varying times depending on their issues. Over the past 5-6 years chronic homelessness has been reduced by about 72 percent. Ms. Atkinson continued on to explain about the Midvale Shelter. The building has been leased to The Road Home and is now owned by The Road Home. It gives stability to the families there. The building is not in good shape. There are many there who, because of the recession, find themselves needing the shelter. Another issue is St. Ann's in Ogden which is full to overflowing and is also asking for \$500,000. It is in need of refurbishing.

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Sen. Shiozawa asked about the increase of case managers and whether this is an incremental increase or is it to continue on the number of case managers.

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Ms. Atkinson replied that it is actually both because there are some clients who can be moved on quickly and others who require much more intensive attention. In response to a question by Rep. Tanner she clarified that St. Ann's is requesting \$500,000, and in the building blocks another \$500,000 for the case managers and another \$500,000 for The Road Home Midvale Shelter.

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Rep. Dee commented that this is a process of paying now to save millions later. It is also a partnership with the community, volunteers and religious organizations.

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**Building blocks**

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Jon Pierpont referred to the Building Block request to cover the mandatory changes with ACA. There is a one-time request to purchase computers and cover system changes and staffing costs. The ongoing costs would be to cover the operations that will be ongoing with the system. The other priority would be connection to the Health Exchange.

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A description of what Utah Futures involves was given. It is an online tool for career planning. The request is to finish the project. Some plans for that completion were put forth. Commissioner Dave Buhler shared his thoughts on the project. DWS has been a partner in this because of the Department has the data available.

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Rep. Chavez-Houck posed the question of whether or not granting opportunities had been taken advantage of by DWS for the expansion. Mr. Pierpont did not know and agreed to follow up on that information.

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Rep. Menlove raised a concern from constituents about how personal data is collected for Utah Futures. There seems to be a consistency issue and issues about the personal information being collected from young people. Rep. Menlove also brought up the issue that there are many requests being made for appropriations and would this issue be better served in another arena. Mr. Buhler suggested that the Utah Futures be considered on the priority list and look at all the state needs including education and at least consider it.

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Mr. Pierpont presented a one-time building block for unemployment insurance administration or re-employment. Funding will be used to keep a focus on employment in our department. Last was the job growth project with a \$5.8 million Building Block request. This involves collecting taxes from employers either late or fraudulent and putting them into an account where funds are used for: 1) job creation and placement to give the unemployed a foot in the door as well as 2) educational partnerships. Support is also being asked for multiple projects with the job growth fund in 2014.

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Sen. Christensen explained the process for determining the prioritization of requests which will be passed on to the Executive Appropriations Committee. He advised that perhaps a special session would need to be called when the federal government makes decisions and the true budget is known.

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Kevin Burt, DWS, spoke about PIDs, Personal Identification Number, which everyone in the system is

- assigned. It allows multiple agencies to use the same number rather than using social security numbers
79. and is unknown by the customer. In the audit it was found there were instances when the same customer had two PIDs. In 1.1 million PIDs there were 2,300 duplicates. This is an issue that is being corrected by changing the online application and centralizing the paper applications to a single team/supervisor.
- 80.
81. Rep. Redd asked if there were any instances when an applicant has had the same social security number and Mr. Burt replied that there have been instances but the person whose number has been comprised and they are notified. It is not common. The more common instance is when we have not connected a person using a nickname and give them two PIDs
- 82.
83. Sen. Christensen encouraged all to become familiar with the 10 briefs and others not covered and be prepared to ask questions.
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85. Motion from Rep. Roberts to adjourn
86. Vice-Chair McCay adjourned the meeting at 9:50 a.m.
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Minutes were reported by Ms. Paula Winter, Senate Secretary

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