

**MINUTES OF THE
ECONOMIC DEVELOPMENT AND WORKFORCE SERVICES INTERIM COMMITTEE**
Wednesday, June 18, 2014 – 9:00 a.m. – Room 20 House Building

Members Present:

Rep. Rebecca P. Edwards, House Chair
Sen. Patricia W. Jones
Sen. Stuart C. Reid
Sen. Brian E. Shiozawa
Sen. Jerry W. Stevenson
Rep. Jim Bird
Rep. Rich Cunningham
Rep. Lynn N. Hemingway
Rep. Ronda Rudd Menlove
Rep. Kraig Powell
Rep. Angela Romero

Rep. Dean Sanpei
Rep. Brad R. Wilson

Members Absent:

Rep. Bradley G. Last
Sen. Aaron Osmond, Senate Chair

Staff Present:

Mr. Benjamin N. Christensen, Policy Analyst
Mr. Peter Asplund, Associate General
Counsel
Ms. Debra Hale, 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 Edwards called the meeting to order at 9:22 a.m. Sen. Osmond and Rep. Last were excused from the meeting.

MOTION: Sen. Jones moved to approve the minutes of the May 21, 2014, meeting. The motion passed unanimously. Sen. Stevenson, Rep. Romero, and Rep. Wilson were absent for the vote.

2. Department of Workforce Services Assistance Programs

Mr. Christensen reviewed a handout and visual presentation, "Department of Workforce Services Assistance Programs," and said it was prepared for the committee as a useful, detailed reference. He said the Department of Workforce Services provides 24 temporary public assistance programs. He added that these programs are aimed to assist people living in poverty or who are unemployed to obtain food, shelter, and employment and are funded primarily by federal funds (69%). He said that state funds accounted for 31% of the \$1.034 billion spent in FY 2013.

Mr. Christensen stated that by far the biggest program is the Supplemental Nutrition Assistance Program or SNAP (food stamps), which accounts for 42% of the total funding and is 95% federally funded. He explained that a family of four must have an annual income of less than \$29,976 and less than \$2,000 in assets to be eligible for food stamps.

Mr. Christensen said Unemployment Insurance is the next biggest program, which accounts for 34% of the total funding and is 69% state funded through a state-administered unemployment payroll tax on employees' wages. To obtain unemployment benefits, he added, individuals must be unemployed through no fault of their own and be looking for work. He concluded that Temporary Assistance for Needy Families or TANF is the third biggest program, which accounts for just 6.7% of the total funding and is 75% federally funded.

Mr. Geoffrey Landward, Deputy Director, Department of Workforce Services, explained that, along with its programs, the department handles Medicaid eligibility for the Department of Health to allow customers to go to one location to apply for services and avoid duplication of effort.

Mr. Landward said that the programs the Department of Workforce Services runs are complex and numerous. To continue to provide the best service possible for the state, he listed complications, challenges, and issues for committee members to be aware of. Addressing a handout, "DWS - Eligibility Services Division - Operational Update," Mr. Landward reviewed the number of Utah citizens served, accuracy determinations, wait times, number of new applications, and the total of myCase accounts opened and completed for the year May 2013 to May 2014.

Even with a 50% increase in cases, Mr. Landward reported that accuracy has increased and shows continual improvement. With the implementation of the Affordable Care Act and Medicaid and the resulting increase in numbers of individuals to be served, he said that system changes were challenging, and successful connections had to be established with the exchange.

Mr. Landward concluded his presentation by addressing the prevalent issue of wage contraction—employment numbers have risen, but wages have been reduced.

3. Affordable Housing

Mr. Asplund addressed the subject of Utah's population, which is projected to double by the year 2050 and increase by nearly one million people in another 15 to 20 years. He stated that this growth is expected to occur primarily along the Wasatch Front and in urban areas, requiring significant attention to affordable housing issues.

Mr. Gordon D. Walker, Director, Housing and Community Development Division, Department of Workforce Services, reviewed the division's visual presentation, "OWHLF-Assisted Properties Throughout Utah," which consisted of photographs of state-subsidized housing projects. He stated that Utah needs around 44,000 additional units to help meet the needs of working adults, young families, people with disabilities, seniors, people who are homeless, and refugees.

Mr. Walker distributed a booklet, "Olene Walker Housing Loan Fund – Annual Report 2013," which addressed the state's low-income housing needs, the consolidated plan required by the United States Department of Housing and Urban Development for the allocation of federal funding, FY 2013 accomplishments and statistics, and the fund's administration, portfolio management, funding history, and board membership.

Mr. Walker said that the division works hard to incentivize cities and investors to build additional affordable housing. He invited committee members to the Navajo reservation in southeastern Utah to tour the affordable housing projects there.

Mr. Grant S. Whitaker, President and Chief Executive Officer, Utah Housing Corporation, reviewed a handout that addressed state area median income for 2013 for a metro four-person household, defined the affordable housing program, and addressed who the program helps and how it benefits the economy. Mr. Whitaker discussed home-buyer loan programs, Department of Housing and Urban Development data, Federal Housing Administration loan foreclosure rates for Utah, and multifamily housing developments. He concluded that affordable housing is critical to the economic well-being of all citizens.

Ms. Kim C. Datwyler, Executive Director, Neighborhood Nonprofit Housing Corporation, reviewed a handout, "Utah Housing Matters," which showed how affordable housing and employment compare in each Utah county.

Mr. Robert Allphin, Regional Vice President, Academy Mortgage Corporation, spoke of Utah Housing Corporation's affordable housing loans. He said that bringing the corporation's services in-house has provided a critical partner and needed assistance.

Mr. Robert J. Grow, President and Chief Executive Officer, Envision Utah, described Envision Utah as a not-for-profit, public-private partnership that engages people to create and sustain communities that are beautiful, prosperous, healthy, and neighborly for current and future residents. He explained that the partnership's role is to understand the big picture of this issue and how it can be addressed. He reviewed the effects of transportation costs on housing and the partnership's support of the rail system. He said that a large percentage of Utahns spend more than 45% of their income on housing and transportation.

Mr. Grow stated that the number one value of Utahns is to have a safe and secure place and neighborhood in which to live. He said that, in a three-to-one margin, Utah citizens felt that if their children were not raised in a diverse environment, they would not be able to handle life's challenges as well. Mr. Grow stressed that housing requires a robust strategy that helps with a wide range of things in people's lives. He informed the committee of the importance of restoring and rebuilding areas and addressed the redevelopment changes in downtown cities and towns around the state.

Mr. Grow listed the major issues that affect the lack of housing and the need for subsidized housing: a) lack of education; b) underemployment; c) crime rates; and d) recidivism. He said that when looking at the cost of negative things that happen because people do not have housing, the cost of the housing subsidies is a very small investment compared to the difference housing can make in people's lives. He concluded by addressing two main issues:

- 1) Assisting people out of poverty and increasing their income levels to afford housing on their own can be an effective strategy; and
- 2) Land and development costs are increasing housing costs, which increases the need for subsidized housing.

4. Utah Workforce Services Code – Sunset Review (draft legislation)

At the direction of Chair Edwards, this agenda item will be addressed at a later date.

5. Abusive Workplace Conduct

Rep. Keven J. Stratton introduced this item and stated his reasons for bringing it to the attention of the committee.

Mr. Travis Hackerman, Ms. Claudia Hategan, and Ms. Teresa Johnson, shared their experiences of workplace abuse.

Dr. Denise Halverson, Legislative Coordinator, Workplace Bullying Institute, addressing a binder handout, "Freedom From Workplace Bullies," defined abusive workplace conduct as malicious, repeated, health-harming mistreatment. She explained how verbal abuse, threats, humiliation, intimidation, work sabotage, exploitation of a known vulnerability, and retaliation for ethical conduct exist in the workplace. She added that an abusive work environment exists when an employer or one or more of its employees, acting with intent to cause pain or distress to an employee, subjects that employee to abusive workplace conduct that causes physical harm, psychological harm, or both.

6. Other Committee Business / Adjourn

MOTION: Rep. Cunningham moved to adjourn the meeting. The motion passed unanimously. Sen. Reid, Sen. Stevenson, Rep. Bird, Rep. Menlove, Rep. Powell, Rep. Sanpei, and Rep. Wilson were absent for the vote.

Chair Edwards adjourned the meeting at 12:29 p.m.