

**MINUTES OF THE
COMMERCE AND REVENUE
JOINT APPROPRIATIONS SUBCOMMITTEE**

Tuesday, July 9, 2002 – 9:00 a.m. – Room 303 State Capitol

MEMBERS PRESENT: Sen. Scott Jenkins, Co-Chair
 Rep. Chad Bennion, Co-Chair
 Sen. Dan Eastman
 Sen. Ed Mayne
 Rep. Eli H. Anderson
 Rep. Cindy Beshear
 Rep. David Cox
 Rep. Steven Mascaro
 Rep. Peggy Wallace

STAFF PRESENT: Mr. Stan Eckersley, Fiscal Analyst
 Ms. Joy Miller, Legislative Secretary

VISITORS LIST: A list of others present will be filed with committee minutes.

Chair Bennion called the meeting to order at 9:45 a.m.

Mr. Stan Eckersley, Fiscal Analyst, distributed handouts "Commerce and Revenue Appropriations Subcommittee: Budget Reduction Items for Consideration" and "Majority Party Agreement Balanced Budget - FY 2003." He reviewed the proposed budget reduction items within the State Tax Commission; the Departments of Insurance, Workforce Services, and Commerce; and the Labor Commission.

Mr. Rod Marrelli, State Tax Commission, stated an additional cut will mean a reduction in services and will affect the way they do business. He asked the Legislature to look elsewhere for cuts but realized it is a difficult decision.

Ms. Tomi Ossana, Executive Director, HIP (Health Insurance Pool of Utah), said they will be recommending to the board to cap enrollment. That will affect 261 enrollees that will not be able to join the HIP. She stated they will not be able to make up the reductions in premiums.

Ms. Raylene Ireland, Department of Workforce Services, commented that at a time when the state is in a financial crisis, they are grateful that a way has been found to leave the General Assistance Fund in tack which provides service to Utah's most vulnerable community.

Mr. Ted Boyer, Department of Commerce, suggested adding in the appropriation for the geologist funding which will be revenue neutral. He also suggested increasing the licensing fee for broker dealers which would be a better long-term solution.

Mr. Lee Ellertson, Labor Commission, indicated that the proposal to cut \$455,500 is divided between the Uninsured Employers' Fund and the Workplace Safety Fund and is a much better alternative than laying off 8-10 employees and cutting current expenses. He commended the employers organizations of the state for their cooperation.

President Greg Fitch, UCAT (Utah College of Applied Technology) expressed appreciation for the

committee's effort in this area. He discussed the Vocational Industrial Clubs of America which holds regional, statewide, and national competitions. The Ogden-Weber Applied Technology College sent 13 students to the national competition. Seven of the 13 students placed, six of them in first place. President Fitch said it is proof that the programs are doing a good job.

Mr. Dave Spatafore, Utah League of Cities and Towns, expressed concern with the elimination of the profit distribution to local governments. He said keeping DUI offenders off the street is probably the most significant outcome measure the program could have. He asked that the Legislature not balance the state budget on the back of local governments.

Sen. Mayne asked for clarification on the Reed Act Distribution which was listed on Mr. Eckersley's handout.

Mr. John Nixon, Department of Workforce Services, stated the \$2.1 million requested in federal funds to Employment Services Administration is what is anticipated for 2003 only.

MOTION: Sen. Jenkins moved to accept Items 1-3 on page 1 of the handout concerning the State Tax Commission. The motion passed. Sen. Mayne and Rep. Beshear voted in opposition.

MOTION: Sen. Jenkins moved to approve Item 5 on page 2 and Item 3 on page 3 of the handout regarding a Securities Broker/Dealer License Fee Increase. Item 4 would be restored using the monies gained from the \$5 fee increase. The motion passed unanimously.

MOTION: Sen. Jenkins moved to approve Item 6 on page 2 and Item 2 on page 3 of the handout. The following intent language should be included: "It is the intent of the Legislature that the funds appropriated from the Reed Act Distribution be used for Employment Services Administration." The motion passed. Sen. Mayne, Rep. Anderson, and Rep. Beshear voted in opposition.

MOTION: Sen. Jenkins moved to approve Item 8 on page 2, Item 9, and Item 1 on page 3 of the handout. The motion passed unanimously.

MOTION: Sen. Jenkins moved to approve Item 10. The motion passed unanimously.

Ms. Debbie Headden, Fiscal Analyst, distributed a handout "FY 2003 UCAT Budget Reductions for July 9, 2002 Appropriation Act." She explained that the percentage of the total amount cut from UCAT has been raised slightly bringing the reduction to \$212,900.

MOTION: Sen. Jenkins moved to approve the UCAT budget reduction of \$212,900. The motion passed unanimously.

MOTION: Sen. Jenkins moved to adjourn the meeting. The motion passed unanimously. Chair Bennion adjourned the meeting at 10:50 a.m.