Legislators had a short amount of time to tackle tough issues this session. In six weeks, one of the shortest state legislative sessions in the nation, over 900 bills and resolutions received language; four areas that particularly stand out are immigration, health care reform, balancing the budget, and GRAMA.

**Immigration Reform**

Immigration reform was one of the principle issues addressed this legislative session. The three most significant bills passed on immigration reform this session are HB 497, HB 116, and HB 466. Both HB 497 and HB 466 were sponsored by Representative Stephen Sandstrom; HB 166 was sponsored by Representative Bill Wright.

HB 497, “Utah Illegal Immigration Enforcement Act,” will require local law enforcement officers to verify the immigration status of individuals arrested for Class A misdemeanors and felonies. Class A misdemeanors include such offenses as negligent homicide, DUI with injury, assault on a policy officer, and possession of marijuana over an ounce; felonies include offenses such as murder, rape, kidnapping, robbery, and arson. Furthermore, HB 497 allows for the investigation of an individual’s immigration status when stopped for a class B or C misdemeanor if that person is not able to furnish government issued forms of ID that indicate lawful presence. Some activist groups, such as the National Immigration Law Center and American Civil Liberties Union, label HB 497 as a reworking of Arizona’s controversial SB 1070.

HB 466, “Migrant Workers and Related Commission Amendments,” authorizes the creation of a 27-member advisory commission under the Utah Commission on Immigration and Migration Act to conduct a review of the economic, legal, cultural and educational impact of illegal immigration on the state and its political subdivisions, as well as review federal and state immigration laws. This commission will then develop a state plan to address these issues. Furthermore, HB 466 provides for the creation of the Migrant Worker Visa Pilot Program, which will allow the governor to enter an agreement with the Mexican state of Nuevo Leon to develop a non-immigrant, migrant worker program.

HB 116, “Utah Immigration Accountability and Enforcement Amendments,” authorizes the Utah Department of Public Safety to issue guest worker permits to undocumented immigrants who have worked or lived in Utah before May 10, 2011, pending criminal background checks and other requirements, such as English language education and proof of residency and employment. Furthermore, the bill requires employers who hire undocumented workers to ensure their employees are authorized under the permit program; failure to do so will result in fines and loss of professional licenses. The Legislative Review Note accompanying this bill relates the fact that the areas addressed by this bill, namely hiring an unauthorized immigrant and accessing and disclosing immigration information, are unconstitutional under federal law. HB 116 provides for implementation in the absence of a federal waiver; however, the bill can avoid conflict over constitutionality by obtaining a waiver to implement areas that are preempted by federal statute.

The state can expect a federal reaction to all three of these immigration bills, as each is preempted through federal court rulings or law. Utah Attorney General Mark Shurtleff has already started discussions with the Obama administration to work cooperatively with the federal government to obtain the necessary waivers, exemptions or authorizations to implement Utah’s immigration laws.

**Health Care Reform and Medicaid**

Each state has tackled issues surrounding health care reform this legislative session due to the passage of the Patient Protection and Affordable Care Act in 2010. Two issues within Utah’s health care reform that are of particular interest are its approach to Medicaid and the Utah health insurance exchange. SB 180, “Medicaid Reform”, sponsored by Senator Daniel Liljenquist, tackles the payment structure around Utah’s Medicaid program by shifting compensation from a fee-for-service structure to that of a shared savings or accountable care model. The goal is to create incentives for providers and consumers to use the best care at the lowest price rather than over utilizing services, which is the primary cost driver in the current health care system. Under SB 180, Medicaid recipients will be managed through Accountable Care Organizations (ACOs), which are groups of providers who are accountable for the quality, cost and overall care of these recipients. ACOs are designed around a bundled payment system based on a per member/per month spending cap.
HB 128 “Health Reform Amendments”, sponsored by Representative Jim Dunnigan, affects the Utah Health Exchange by making it more user-friendly, transparent and beneficial for small employer groups. Key provisions include eliminating large business groups from participating in the exchange and the implementation of premium subsidy program training for brokers selling through the exchange. Furthermore, this bill requires the Health Data Committee to publish a yearly report comparing the quality standards and charges of health care facilities and institutions in Utah. This information is also to appear on the exchange. These efforts on transparency and accountability push the exchange toward one of its main goals: providing quality, easily accessible health care information to the public. This bill does not address, however, how the exchange will operate in the individual market or how it will utilize screening and enrollment for public programs. Utahns can expect these issues to be addressed in coming sessions.

A Balanced Budget
Every year the Utah legislature is required to pass a balanced budget. This task has become harder in recent sessions due to the economic downturn experienced in Utah and across the nation. This year’s session was no different, but lawmakers ensured that Utah maintained its reputation as a fiscally prudent state in passing the $12 billion spending plan for fiscal year 2012.

Legislators adopted a base budget early in the session that would cut spending by seven percent. This initial reduction was designed to reduce a $313 million shortfall in current ongoing revenue; ongoing commitments of FY 2011 were covered with one-time sources, such as rainy day funds and federal stimulus money. The seven percent reduction in the base budget arose as lawmakers tackled an expected $650 million in additional ongoing funding requests with only a projected $216 million in new FY 2012 ongoing revenue. To decrease the amount of projected cuts, lawmakers re-prioritized ongoing funding to cover high-priority costs. The resulting reallocation of $80 million benefited public and higher education, public safety and corrections, and resources for social services. Education fared particularly well this session, with a state funding increase of 4.5% for higher education and 3.7% for public education from FY 2011 state appropriation levels.

Ultimately, the $216 million in ongoing revenue, coupled with a February revenue forecast update of an additional $47 million, reduced the structural imbalance of $313 million to $50 million for FY 2012. Revenue that accumulates beyond this $50 million can go to new costs, and the preservation of $204 million in Utah’s Rainy Day fund gives the state an element of fiscal security should new economic difficulties present themselves in the coming year. However, there were areas of the state budget that witnessed significant decreases in funding, most notably Utah State Parks and the Department of Alcoholic Beverages Control (DABC).

The Legislative Auditor General submitted an audit requested by the Natural Resources Appropriations Subcommittee to determine how the Utah State Parks system could become more efficient and self-sufficient. It was determined from this audit that “even after all cost cutting measures are deployed, the revenues generated at some parks may not meet expenditures.” For this reason, the legislature followed recommendations to shift some park oversight to county and local governments; privatize management of selected parks; and institute measures to monitor and improve efficiencies within the Division of Parks and Recreation. Utah State Parks absorbed $3 million of the $4.3 million reductions in total budget resources experienced by the Natural Resource, Agriculture, and Environmental Quality Appropriations Subcommittee this session.

The DABC received a $2.2 million budget cut for FY 2012. This budget adjustment will result in the closure of several state liquor stores and employee layoffs. The Business, Economic Development, and Labor Appropriations Subcommittee this session felt that DABC could reduce store hours and close neighboring stores in ways that will shift purchases to other outlets at lower marginal cost. The Legislature appropriated $100,000 to DABC to “hire a consultant to develop a business plan that minimizes costs while maximizing profits. The Department shall consider all relevant factors in arriving at unbiased recommendations, such as: demand-price elasticity, proximity analysis, demand shifting, customer service, monopoly considerations, demographics and products offered.” There is some debate whether this measure will be more cost-efficient or actually reduce state revenues derived from liquor store sales.

The 59th General Legislative Session in Utah was witness to new challenges: an unprecedented amount of submitted bills and resolutions; balancing a budget under tight fiscal constraints; and a host of polemic issues, such as immigration and health care, which caught the eye of constituents. One such controversial issue not previously discussed is HB 477, “Government Records Amendment,” sponsored by Representative John Dougall, which amends the Government Records Access and Management Act. Public outcry over HB 477 stems from a lack of public debate over provisions of the bill that limit access to government records. Rather than veto the bill, Governor Gary Herbert has asked legislative leadership to recall and amend the bill to include what he terms
three key components: transparent and accountable government; protect individuals’ right to privacy; and protect taxpayers from overreaching "fishing expeditions." The state of HB 477, as well as several immigration bills, will continue to change as the year progresses.

Despite a few areas of contention, lawmakers in general feel that the 2011 General Session was a success. The state has a balanced budget, and key programs like education and social services maintained a healthy standard of funding. But, their work is not yet over, and the 2011 Special Session and interim period are sure to be equally challenging.


