Utah Intergovernmental Roundtable

Meeting Minutes
March 15, 2012
10:00-12:00
State Capitol Building, Room 130

In Attendance:
John Bennett
Carlos Braceras
Marie Christman
Larry Ellertson
Sally Elliott
Geoffrey Landward
Karen Mayne
Brian Somers
Keith Squires
Barbara Thomas

Guest:
Jonathan Ball, Director, Office of the Legislative Fiscal Analyst

Staff:
Jennifer Robinson
Jolaine Randall
Kara Glaubitz

Excused:
LeGrand Bitter
Paul Isaac
Lincoln Shurtz
Ken Sizemore
Gordon Walker

1. Welcome and introductions
   a. Thank you to Jolaine Randall for all of her work for UIR over the years and congratulations on her retirement at the end of March

2. Review 2012 calendar
   a. (See UIR 2012 calendar following minutes)
   b. UIR Summit will be held on Thursday, September 20th
   c. The 2012 Summit topic is Tourism
      i. The Utah Council on Tourism holds a conference every May, so we should work with them and find ways to differentiate the UIR Summit from their conference
      ii. Leigh Von der Esch should be involved
      iii. Include discussion of heritage or historical tourism
      iv. Focus on large, well-known attractions in the state as well as smaller historical attractions, to make the Summit applicable to a wide audience

3. Jonathan Ball, Director, Office of the Legislative Fiscal Analyst
   a. Legislative Update
i. This was the first year that the state has had more money than was already committed since the beginning of the recession
   1. Last year we experienced growth, but there was a structural imbalance that exceeded the growth
   2. New revenue estimates show positive growth, estimated to be around $450 million in new ongoing and one-time money

ii. Revenue growth was used primarily to balance the budget, provide for high priority needs, and provide for a small raise (1%) for public employees for the first time in four years
   1. A significant portion of new moneys went to public and higher education (39%) and social services (34%)

iii. Medicaid
   1. There is a misperception that Medicaid is growing faster than education, but it appears this way because there was a significant structural imbalance in Medicaid during the economic downturn and those costs that were being postponed and now are being addressed
   2. Utah is experiencing faster growth than many other states and because of this we pay a higher portion of Medicaid costs
     a. The Federal Medical Assistance Percentages (FMAP) are determined based primarily on personal income within the state

iv. Public safety
   1. Increased funds will pay for 20 state troopers to be added to current field operations

v. Public education
   1. Amount budgeted for public education in 2012 will cover the growth in schools and provide for a 1.15% inflation factor
     a. The inflation increase will cover retirement cost increases and may go to raises for teachers, although this hasn’t yet been determined

vi. Higher education
   1. This is the first year since the recession began that higher education has received an increase in funding
   2. The University of Utah is receiving approximately $22 million in capital funds mainly for the underground electrical infrastructure
   3. Higher ed employees are expected to receive approximately 1% raise

vii. Personnel
   1. Health and retirement benefits are driving increases in personnel costs
     a. We’re still paying for losses suffered in 2008 in retirement investments and will see retirement costs increase approximately $11 million next year
        i. The state is obligated to pay for the retirement benefits of employees in the defined benefit system,
but future liabilities are limited as new employees fall under the defined contribution or hybrid system

b. PHP is going to have to change the benefits package so benefits will decrease and/or the cost to employees will increase
   i. This increase is expected to be necessary in 2014

viii. Infrastructure
   1. Since 2008 we have been using rainy day funds and bonding to pay for infrastructure
      a. Before 2008 the state was able to support infrastructure projects in a “pay as you go” manner
   2. Utah’s bonded indebtedness is now up to around 90% of our constitutional debt limit
      a. This year we’re starting to work on reducing that indebtedness level, expecting to be at 83% in two years.
## UIR 2012 Schedule

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<td>• Legislative Summary Post-Session</td>
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<td>• Discuss UIR Summit</td>
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<td>April 19</td>
<td>• Tourism in Utah</td>
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<td>May 17</td>
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<td>June 21</td>
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<td>July 19</td>
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<td>December 20</td>
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