

MINUTES OF THE JOINT EXECUTIVE APPROPRIATIONS COMMITTEE
January 17, 2002 at 2:00 P. M.
Room 303, State Capitol Building

Members Present: Sen. Leonard Blackham, Committee Co-Chair
 Rep. Jeff Alexander, Committee Co-Chair
 Sen. Ron Allen
 Sen. Gene Davis
 Sen. Mike Dmitrich
 Sen. Karen Hale
 Sen. Peter Knudson
 Sen. Steve Poulton
 Sen. John Valentine
 Rep. Patrice Arent
 Rep. Ralph Becker
 Rep. Jackie Biskupski
 Rep. Greg Curtis
 Rep. Kevin Garn
 Rep. Brad King
 Speaker Martin Stephens
 Rep. David Ure

 Sen. Bill Hickman, Vice-Chair
 Rep. Ron Bigelow, Vice Chair

Members Excused: Pres. Al Mansell

Staff Present: John Massey, Legislative Fiscal Analyst
 Michael Kjar, Deputy Director
 Sharon Johnson, Secretary

Others Present:

List of Others Present on File:

Committee Co-Chair Blackham called the meeting to order at 3:15 p.m.

1. **Approval of Minutes**

Sen. Valentine moved to approve the minutes of Dec. 19, 2001. The motion passed unanimously.

2. **Subcommittee Supplemental Motions**

Executive Offices and Criminal Justice

MOTION: Rep. Alexander moved to transfer funding for the Utah Science Advisor of \$72,000 General Fund, \$151,100 Dedicated Credits Revenue, and \$25,000 Transfer-Comprehensive Emergency Management Fund from the Office of the Governor to the Department of Community and Economic Development along with the authority for the Governor's Office to bill the Department of Community and Economic Development for administrative overhead and other expenses expended.

The motion passed unanimously.

MOTION: Rep. Alexander moved to accept the Subcommittee's recommendations for FY 2002 appropriations, both negative and positive as listed on page one and two and as modified by the previous motion. This will be a total General Fund reduction of \$21,321,600. These appropriation adjustments are to be distributed among the various agencies as listed at the bottom of page 2 with the additional reduction of \$248,100 from the Office of the Governor. The total recommendations are detailed by the line item summaries on pages 5 through 42.

The motion passed with Sen. Hale, Reps. Arent and Becker voting no.

MOTION: Rep. Alexander moved to accept the Subcommittee's recommendations for legislative intent language for Fiscal Year 2002 as listed on pages three and four of the Subcommittee's report.

The motion passed unanimously.

Capital Facilities and Administrative Services

MOTION: Rep. Alexander moved to approve the Subcommittee's recommendation for FY 2002 budget changes for the Capitol Preservation Board, the Department of Administrative Services, and the Capital Budget as shown on page forty-three. This includes a reduction of \$8,174,200 in General Fund and a reduction of \$18,628,500 in Uniform School funds along with other funds as shown and revenue transfers of \$1,570,100.

SUBSTITUTE MOTION: Rep. Becker moved that the capital budget as reflected on page fifty-eight be reduced by an additional \$52,874,800 in General Fund and that the Executive Appropriation Committee recommend a bond for the same amount to replace funds in the following projects:

FY 2002 Amount	
Logan Courts	\$11,793,800
Capitol Expansion	<u>\$40,991,000</u>
	\$52, 784, 800

The substitute motion tied in the Senate and failed in the House with Sens. Allen, Davis, Dmitrich, Hale, Reps. Arent, Becker, Biskupski, King voting yes and Sens. Blackham, Knudson, Poulton, Valentine, Reps. Alexander, Curtis, Garn, Stephens, and Ure voting no.

The original motion passed with Sens. Allen, Davis, Dmitrich, Hale, Reps. Arent, Becker, Biskupski voting no.

MOTION: Rep. Alexander moved to approve intent language as printed on page forty-four. The motion passed unanimously.

MOTION: Rep. Alexander moved that this committee accept the recommendation to replace \$18,628,500 in cash from the capital budget with bonding authority as described in House Bill 252, 2002 General Session.

Based on the favorable and unanimous recommendation of the Capital Facilities Appropriation Subcommittee, I also move that we recommend that the Rules Committee place this bill on the Third Reading Calendar when the 2002 General Session opens on Monday, January 21, 2002

The motion passed unanimously.

Commerce and Revenue

MOTION: Rep. Alexander moved to accept the Subcommittee's recommendations for Commerce and Revenue budgets as presented on pages 59 -73.

This includes budget reductions in the amount of \$5,682,700 in General Funds and \$283,800 in Uniform School Funds, the intent statements shown on page 61, and \$400,000 in new revenue to the Liquor Control Fund.

The motion passed unanimously.

MOTION: Rep. Alexander moved to reduce the FY 2002 budget for the Utah College of Applied Technology by \$2,055,000. This amount includes a reduction of \$95,000 from the General Fund, a reduction of \$640,200 from Income Tax Revenue and a reduction of \$1,319,800 from Uniform School Funds.

I move to accept the allocation of the reductions to the Utah College of Applied Technology as reported on pages 75 through 86.

I move to direct the Office of Legislative Research and General Counsel to draft legislation that gives the president of the Utah College of Applied Technology the authority to make reductions

across line items in the amount of \$367,000 adopted by the Legislature for each institution, with the approval of the Utah College of Applied Technology Board of Trustees.

Speaker Stephens requested clarification of the difference in income tax revenue and the Uniform School Fund. John Massey, fiscal analyst, responded. The Speaker requested a spreadsheet of cuts for the ATC's. Rep. Alexander withdrew the motion.

Economic Development

MOTION: Rep. Alexander moved to accept the Subcommittee's recommendations for Economic Development and Human Resources as outlined on page 87 with supporting documentation on pages 89 to 106. Which amounts to a total reduction of \$10,678,800 and includes a state fund reduction of \$4,896,200.

The motion passed unanimously.

MOTION: Rep. Alexander moved to accept the Subcommittee's recommendation for Legislative intent language for Economic Development and Human Resources for FY 2002 as listed on page 88.

SUBSTITUTE MOTION: Rep. Ure moved to delete the top paragraph of the intent language on page 88 and insert "It is the intent of the Legislature that the Department of Finance seek refund of the \$500,000 disbursed to Davis County for construction of the Davis County Conference and Community Center in HB 28, 1998 General Session together with interest for the time Davis County had use of the monies at the rate Davis County earned on the monies during the period that it had possession of the money.

It is the intent of the Legislature that funds refunded by Davis County then be redistributed to the Department of Finance to fund the Ogden High Tech Center.

Rep. Garn responded that the motion was in conflict with a letter from Commissioner Dan McConkie, Davis County Commission, distributed with the motion. Speaker Stephens commented and amended the motion to delete the language after 1998 General Session. The committee discussed whether the appropriation had been used for the conference center or not.

Commissioner Dan McConkie then addressed the committee regarding the Conference Center.

Sen. Dmitrich questioned whether the \$500,000 could be taken from Davis County without repealing HB 28 and whether or not intent language can nullify statute. Mr. Massey responded to Sen. Dmitrich's question. Commissioner McConkie stated that the \$500,00 had been used to purchase an initial six

acres of land and explained the delay in purchasing the remaining land was due to a lawsuit with the developer and a partner. In 2001 Davis County was able to purchase the additional six acres for a total of \$450,000. The county had been granted an extension until Dec. 2002 to get the project underway. The remaining \$50,000 is to be paid upon completion of the project.

Rep. Biskupski questioned the commissioner about whether or not a contract had been issued for the building. Commissioner McConkie responded that it is currently RFQ'ed out.

Rep. Ure commented on his disagreement with the project and withdrew the substitute motion under protest.

The original motion passed unanimously.

MOTION: Sen. Davis moved "It is the intent of the Legislature to transfer \$45,000 from the Industrial Assistance Fund to Incentive Funds Administration for the purchase of digital handshake database, software, and associated contractual services."

Sen. Blackham recommended postponement of the IAF language to the bill at the end of the session. Sen. Davis explained the needs for the intent language.

Todd Hauber, DCED explained that the opportunity to purchase the software just arose after the Governor's budget and the analyst's budget were already underway. The motion tied in the Senate and failed in the House with Sens. Blackham, Knudson, Poulton, Valentine and Reps. Alexander, Curtis, Garn, Stephens, Ute voting no.

MOTION: Rep. Alexander moved to appropriate \$329,400 to the Industrial Assistance Fund for replenishment of earned credits.

The motion passed unanimously.

Utah College of Applied Technology

MOTION: Rep. Alexander moved Rep. Alexander moved to reduce the FY 2002 budget for the Utah College of Applied Technology by \$2,055,000. This amount includes a reduction of \$95,000 from the General Fund, a reduction of \$640,200 from Income Tax Revenue and a reduction of \$1,319,800 from Uniform School Funds.

The motion passed with Sens. Allen, Davis, Dmitrich, Hale, Reps. Arent, Becker, Biskupski, and King voting no.

MOTION: Rep. Alexander moved to accept the allocation of the reductions to the Utah College of Applied Technology as reported on pages 75 through 86.

The motion passed Sens. Allen, Davis, Dmitrich, Hale and Reps. Arent, Becker, Biskupski, and King voting no.

MOTION: Rep. Alexander moved to direct the Office of Legislative Research and General Counsel to draft legislation that gives the president of the Utah College of Applied Technology the authority to make reductions across line items in the amount of \$367,000 adopted by the Legislature for each institution, with the approval of the Utah College of Applied Technology Board of Trustees.

The motion passed unanimously.

Health and Human Services

MOTION: Rep. Alexander moved to accept the Subcommittee's recommendations for the Department of Health as outlined on page 107. The total reduction is \$14,701,915, which includes a General Fund reduction of \$10,404,800.

The motion passed in the House and tied in the Senate with Sens. Allen, Davis, Dmitrich, Hale, Reps. Arent, Becker, Biskupski, and King voting no.

MOTION: Rep. Alexander moved to approve the drafting of legislation to consolidate the three financial assistance programs within the Department of Health.

Spencer Pratt, fiscal analyst, reported to the committee that this was supported by the subcommittee. Sens. Blackham and Valentine asked about the savings with this move. Rep. Arent and Sen. Davis both commented on the motion.

The motion passed unanimously.

MOTION: Rep. Alexander moved to approve the drafting of legislation to allow the usage of funds from the Tobacco Settlement Account to be used for programs within the Department of Health.

Rep. Arent requested clarification the trust fund and how the Tobacco account relates to the General Fund. Mr. Pratt responded to questions and Sen. Valentine told the committee that legislation will be presented relating to this issue.

The motion passed unanimously.

Speaker Stephens requested that Commissioner Dan McConkie address the committee for a second time. Mr McConkie stated to the committee that the funds appropriated in 1998 for the Davis County Conference Center were used for to purchase land for the center.

Department of Human Services

MOTION: Rep. Alexander moved to accept the Subcommittee's recommendations for supplemental negative appropriations to the Department of Human Services for FY 2002 in the amount of \$15,352,800 including a reduction of \$10,875,400 from the General Fund and other funding sources as listed on page 119. The total reduction is supported by line item summaries on pages 121 - 128 of the subcommittee's report.

Sen. Davis reserved the right for a substitute motion. He requested clarification of the reduction in Meals on Wheels and the Drug Court budgets. The response was that these items are not in this motion and need to be addressed later. Sen. Davis withdrew from a substitute motion.

The motion passed with Reps. Arent, Becker, Biskupski and King voting no.

MOTION: Rep. Alexander moved to accept the Subcommittee's recommendation for the new Legislative intent language for the Department of Human Services for FY 2002 as shown on page 120 of the Subcommittee's Supplemental report, items 1, 2, 3, 4, 5, 6, 7.

The motion passed unanimously.

MOTION: Rep. Alexander moved that the Health & Human Services Appropriations Subcommittee co-chairs be authorized to initiate drafting legislation which would allow the State to reduce the number of beds at the State Hospital available for use by local mental health authorities.

The motion was withdrawn.

MOTION: Rep. Alexander moved that budget reductions for a one-day furlough approved by the Health and Human Services subcommittee be reclassified as other budget reductions. Sen. Valentine requested information regarding how reductions will be made.

The motion passed unanimously.

Higher Education

MOTION: Rep. Alexander moved to reduce the FY 2002 budget for the Utah System of Higher Education by \$23,530,900. This amount includes a reduction of \$11,243,800 from the General

Fund and a reduction of \$12,287,100 from Income Tax Revenue.

I move to accept the allocation of the reduction to the Board of Regents and to the nine USHE institutions as reported on page 129.

The motion tied in both the House and the Senate with Sens. Blackham, Knudson, Poulton, Valentine, Reps. Alexander, Curtis, Garn, Ure, Voting yes. Sens. Allen, Davis, Dmitrich, Hale, Reps. Arent, Becker, Biskupski, and King voting no. Speaker Stephens absent at time of voting.

MOTION: Rep. Curtis moved to revisit intent language on Page 120 for the Dept. of Human Services.

The motion passed unanimously.

The committee discussed check fees for the Department.

MOTION: Rep. Alexander moved to reconsider the Higher Education budget. .

The motion passed with all Reps. Arent, Becker, Biskupski and King voting no.

MOTION: Rep. Alexander moved to reduce the FY 2002 budget for the Utah System of Higher Education by \$23,530,900. This amount includes a reduction of \$11,243,800 from the General Fund and a reduction of \$12,287,100 from Income Tax Revenue.

The motion passed with Sens. Allen, Davis, Dmitrich, Hale, Reps. Arent, Becker, Biskupski, and King voting no.

MOTION: Rep. Alexander moved I move to accept the allocation of the reduction to the Board of Regents and to the nine USHE institutions as reported on page 129.

The motion passed with Rep. Arent voting no.

MOTION: Rep. Alexander moved to direct the Office of Legislative Research and General Counsel to draft legislation that gives the president of each institution of higher education the authority to make reductions across line items in the amount adopted by the Legislature for each institution, with the approval of the institution's board of trustees.

The motion passed unanimously.

Utah Education Network

MOTION: Rep. Alexander moved to reduce the FY 2002 budget for the Utah Education Network by \$388,900. This amount includes a reduction of \$61,000 from the General Fund and a reduction of \$327,900 from the Uniform School Fund.

The motion passed with Reps. Arent and Biskupski voting no.

Natural Resources

MOTION: Rep. Alexander moved to accept the subcommittee's supplemental recommendations for Fiscal Year 2002. The total recommendation is \$5,438,900, with negative \$3,635,700 from the General Fund and the remainder from other sources as listed on pages 187 of the subcommittee's report. The total recommendation is supported by line item summaries on pages 191-209.

The motion passed unanimously.

MOTION: Rep. Alexander moved to accept the subcommittee's recommendations for legislative intent language for Fiscal Year 2002 as found on pages 189-190 of the subcommittee's report.

The motion passed unanimously.

Public Education

MOTION: Rep. Alexander moved to accept the Subcommittee's recommendations for Public Education Agencies as outlined on pages 212, 213, 214, 215, and 216. Which amounts to a total reduction of \$2,361,700 which includes a state fund reduction of \$2,751,400.

The motion passed with Sens. Allen, Davis, Dmitrich, Hale, Reps. Arent, Becker, Biskupski, and King voting no.

MOTION: Rep. Alexander moved to accept the Subcommittee's recommendations for Legislative intent language for Public Education Agencies for FY 2002 as listed on the following pages: 212, 213, 214, 215 and 216.

The motion passed with and Sens. Allen, Davis, Dmitrich, Hale, Reps. Arent, Becker, Biskupski, and King voting no.

MOTION: Rep. Alexander moved to accept the Subcommittee's recommendations for the Minimum School Program as outlined on page 217, section A and items 1-8. This will amount to a reduction of \$18,473,500 in state funds for FY 2002.

SUBSTITUTE MOTION: Rep. Garn moved to accept the Subcommittee's recommendations for the Minimum School Program as outlined on page 217, Section A and items 1-5, with the following

changes, in item 1 change \$29,373,500 to \$9,373,500.

MOTION: Sen. Hale moved to divide the motion to vote on the motion through "items 1-5". Sen. Hale withdrew the motion. Rep. Arent requested clarification on the substitute motion.

The substitute motion failed with Sens. Allen, Davis, Dmitrich, Reps. Curtis, Garn, King, Stephens, Ure voting yes and Sens. Blackham, Hale, Knudson, Poulton, Valentine, Reps. Alexander, Arent, Becker, Biskupski voting no.

The original motion failed with Sens. Blackham, Knudson, Poulton, Valentine voting yes and Sens. Allen, Davis, Dmitrich, Hale, Reps. Alexander, Becker, Biskupski, Curtis, Garn, King, Stephens, Ure voting no.

MOTION: Rep. Alexander moved to accept the Subcommittee's recommendation for the School Building Program as outlined on page 221. This amounts to a reduction of \$10,000,000 in state funds.

The motion passed with Sens. Allen, Hale, Reps. Arent, Becker, Biskupski, and King voting no.

The meeting recessed.
Meeting called to order

Transportation, Environmental Quality, & National Guard

MOTION: Rep. Alexander moved to accept the subcommittee's recommendations for the Utah National Guard for Fiscal Year 2002 supplementals in the amount of (\$40,100) as listed in page 225.

The motion passed unanimously.

MOTION: Rep. Alexander moved to accept the subcommittee's recommendations for the Utah National Guard for FY 2002 Nonlapsing Funds under terms of Section 63-38-8.1 Utah Code Annotated, as listed on page 225.

The motion passed unanimously.

MOTION: Rep. Alexander moved to accept the subcommittee's recommendations for the Dept. of Environmental Quality Fiscal Year 2002 supplementals in the amount of (\$276,000) distributed to the program items in the amounts shown on page 226.

The motion passed with Rep. Arent voting no.

MOTION: Rep. Alexander moved to accept the subcommittee's recommendations for the Department of Transportation for Fiscal Year 2002 supplementals in the net amount of \$205,400. The total recommendation is supported by the line item summaries in the following pages:

Support Services	page 227
Aeronautics	page 228

The motion passed unanimously.

MOTION: Rep. Alexander moved to accept the subcommittees recommendations for the Department of Transportation for Legislative intent language for Fiscal Year 2002 as listed on page 228.

The motion passed unanimously.

MOTION: Rep. Alexander moved to accept the subcommittee's recommendations for the Dept. of Transportation for FY 2002 Nonlapsing Funds under terms of Section 63-38-8.1 Utah Code Annotated, as listed on page 224.

The motion passed unanimously.

MOTION: Rep. Alexander moved to reconsider motion for Public Education-Minimum School Program.

The motion passed unanimously.

Education

MOTION: Rep. Alexander moved to accept the Subcommittee's recommendations for the Minimum School Program as outlined on page 217, Section A and items 1-5, with the following changes, in item 1 change \$29,373,500 to \$9,373,500.

The motion passed with Sen. Dmitrich, Reps. Arent, and Becker voting no.

MOTION: Rep. Alexander moved to accept the proposed statutory change as written on page 222.

The motion passed unanimously.

MOTION: Rep. Alexander moved to appropriate \$3,800,000 from the Uniform School Fund to

the School Land Trust Program.
 Rep. Ure asked if this had a committee hearing and the answer was that it had but was left off by mistake.

The motion passed unanimously.

Legislative Budgets

MOTION: Rep. Alexander moved to accept FY 2002 Legislative supplemental budget reductions in the amount of (\$729,700). The amount of reduction to each individual line item as listed below:

Senate	(\$79,000)
House of Representatives	(\$140,300)
Legislative Auditor	(\$106,900)
Legislative Fiscal Analyst	(\$112,200)
Legislative Printing	(\$13,500)
Leg Research & Gen. Counsel	(\$277,300)

The motion passed unanimously.

MOTION: Rep. Alexander moved to approve the following funding sources for the purpose of balancing the FY 2002 budget.

	FY 2002 Supplemental
Change in Ongoing Revenue	
Change in General Fund Beginning Balance	\$11,600,000
Change in Uniform School Fund Beginning Balance	\$700,000
Change in Mineral Lease Income	\$1,241,300
State of Utah Technology Finance Corporation	\$2,000,000
Revenue from Industrial Assistance Fund for DCED reductions	\$2,000,000
Revenue from Commerce Service Fund for Commerce reductions	\$128,000
Revenue from Liquor Control Fund for DABC reductions	\$222,000
Additional Investment Earnings due to Finance Allocation change	\$465,000
Rebate of ITS Earnings for Depreciation Change	\$1,280,000
Rebate of Fleet Earnings for Shuttle Elimination	\$150,000
Minimum School Program Beginning Balances	\$14,500,000
Unexpended from 2001 General Session	\$4,957,200
Sub Total	\$39,243,500
Capital Outlay Loan Repayment Fund	\$462,000
Fire Suppression Fund	\$1,578,600
ISF Retained Earnings	\$140,100
Revenue from Commerce Service Fund for Commerce reductions	\$100,000
Revenue from Liquor Control Fund	\$178,000
	\$41,702,200

The motion passed unanimously.

Health and Human Services

MOTION: Rep. Alexander moved to approve the following as additional funding items for the Department of Health for FY 2002, subject to availability and ability to reallocate current funding levels:

Reimbursement rates for Medicaid providers	\$662,300
Eliminate Medicaid Prescription Limit	\$439,300
Healthcare Workforce Financial Assistance Programs	\$200,000
Total	\$1,301,600

The motion passed unanimously.

MOTION: Rep. Alexander moved to approve \$75,000 in additional funding for the Children's Health Insurance Program (CHIP), funded from increased co-pays, subject to availability and ability to increase such co-pays.

Rep. King asked for clarification of the increase and the answer was that this is for future co-pays and there are two co-pay levels. This change will allow more participants to enter the program.

The motion passed unanimously.

MOTION: REP. Alexander moved to approve the following as additional funding items for the Department of Human Service for FY 2002 subject to availability and ability to reallocate current funding levels:

State Hospital Geriatric Beds	\$295,000
Mental Health Centers	419,000
Meals on Wheels	75,000
Total	\$789,000

Rep. Arent commented on the funding source for this motion and inquired if there was any additional funding for Meals on Wheels. Sen. Allen commented that the FACT program is not included in this motion.

SUBSTITUTE MOTION: Sen. Allen moved to add \$100,000 for FACT. Sen. Blackham stated that FACT is funded through multiple budgets and that the motion might not provide enough. Sen. Poulton commented on the worthiness of the FACT program and recommended looking at the issue in 2003. Sen. Allen restated the effectiveness of the program.

Rep. Ure suggested that the FACT motion be withdrawn and an additional \$50,000 be applied to Meals on Wheels.

The substitute motion failed with Sens. Allen, Davis, Dmitrich, Hale, Reps. Arent, Becker, Biskupski, King voting yes and Sens. Blackham, Knudson, Poulton, Valentine, Reps. Alexander, Curtis, Garn, Stephens, and Ure voting no.

SUBSTITUTE MOTION: Rep. Ure moved to add \$50,000 in one-time money for Meals on Wheels from the Judicial Conduct Commission Budget FY 2002 Standard Budget.

The motion passed with Sens. Blackham, Allen, and Rep. Becker voting no.

Davis Conference Center

MOTION: Rep. Ure moved "It is the intent of the Legislature that the Department of Finance seek refund of the \$500,000 disbursed to Davis County for construction of the Davis County Conference and Community Center in HB 28, 1998 General Session"

The motion passed with Sen. Blackham and Rep. Garn voting no.

MOTION: Rep. Alexander moved to authorize the Legislative Fiscal Analyst to prepare the Supplemental Appropriations Act based on approve actions to date, of the Executive Appropriations Committee and, in consultation with the Co-chairs of the Executive Appropriations Committee make other technical and non substantive corrections as necessary.

Rep. Alexander told the committee that this motion is for actions to date and would include actions on Monday, January 21, included in proposed legislation.
The motion passed unanimously.

MOTION: Sen. Knudson moved to adjourn.
The motion passed unanimously. Meeting adjourned at 4:53 p.m.

Sen. Leonard Blackham
Committee Co-Chair

Rep. Jeff Alexander
Committee Co-Chair