

**MINUTES OF THE
EXECUTIVE APPROPRIATIONS COMMITTEE**

Thursday, February 18, 2016 – 4:10 p.m. – Room 445 State Capitol

Members Present:

Sen. Lyle W. Hillyard, Co-Chair
Rep. Dean Sanpei, Co-Chair
Sen. Jerry W. Stevenson, Vice Chair
Rep. Brad L. Dee, Vice Chair
Sen. J. Stuart Adams
Sen. Jim Dabakis
Sen. Gene Davis
Sen. Luz Escamilla
Sen. Peter C. Knudson
Sen. Karen Mayne
President Wayne L. Niederhauser
Rep. Ralph Okerlund
Rep. Patrice M. Arent
Rep. Joel K. Briscoe

Rep. Rebecca Chavez-Houck
Rep. James A. Dunnigan
Speaker Gregory H. Hughes
Rep. Brian S. King
Rep. Brad R. Wilson

Members Excused:

Rep. Francis D. Gibson

Staff Present:

Mr. Jonathan Ball, Legislative Fiscal Analyst
Mr. Steven Allred, Deputy Director
Ms. Greta Rodebush, Legislative Secretary
Ms. Karen Mitchell, Secretary

Note: A copy of related materials and an audio recording of the meeting can be found at www.leg.utah.gov.

1. Call to Order/Approval of Minutes

Co-Chair Hillyard called the meeting to order at 4:25 p.m. There were no minutes to approve.

2. Subcommittee Budget Reports

a. Infrastructure and General Government (Tab 5)

Sen. Wayne A. Harper and Rep. Gage Froerer, Co-Chairs, and Rep. Craig Hall, House Vice Chair, presented the [Infrastructure and General Government Appropriations Subcommittee Recommendation Report](#). Ms. Angela Oh, Senior Statistician, LFA, and Mr. Brian Wikle, Fiscal Analyst, LFA provided assistance.

Rep. Froerer remarked that the subcommittee had a successful year.

Rep. Froerer highlighted a number of subcommittee actions that included a transfer of \$2.0 million from Finance Mandated to the Utah Communications Authority; a \$223,000 one-time reallocation from the General Obligation Debt Service that was used to fund a rest area on Highway 29 and a bridge to complete the Jordan River Trail Project; and a \$6.0 million one-time reallocation from UDOT efficiencies to the Avalanche Control Program.

The subcommittee prioritized buildings for higher education totaling \$211,712,600 in building costs and \$5.0 million in ongoing operations and maintenance, and for state agencies totaling \$14,892,000 in

building costs and \$23,400 in ongoing O&M. The prioritizations can be found on pages 5-1 and 5-2 of the report.

The subcommittee also recommended but did not prioritize the following funding:

- Capital improvement at the statutory 1.1 percent, \$6,271,200 ongoing;
- Debt payback from the Division of Fleet Operations to the General Fund, \$8.0 million ongoing; and
- Reimbursement to the Department of Technology Services for a payback to the federal government, \$5.5 million one-time.

Rep. Froerer stated that the subcommittee also approved four non-state funded items and amended language for this year's revenue bond bill. This information was included in a memorandum on the last page of the report.

Rep. Hall discussed a request from the Division of Facilities Construction and Management to reallocate \$550,000 from the Capital Improvement budget to the State Building Energy Efficiency Program.

Rep. Sanpei asked why the subcommittee did not reallocate \$5.0 million from Capital Projects Funds. Rep. Froerer explained that Snow College had building overruns of \$4.8 million this year and that over the past 12 months, construction costs had increased significantly. In anticipation of future construction cost overruns, the subcommittee did not think it would prudent to spend that money on other things.

Rep. Briscoe asked if the ongoing adjustments to the Transportation Fund and the Transportation Investment Fund of 2005 represent the growth in those funds created by formula. Rep. Froerer stated that the ongoing adjustments include the growth as well as gas tax revenue set up in H.B. 362, "Transportation Infrastructure Funding" (2015 General Session), which went into effect on January 1, 2016. Rep. Froerer indicated that the subcommittee had some concerns about the diversion of the Transportation Funds.

b. Executive Offices and Criminal Justice (Tab 3)

Sen. Daniel W. Thatcher presented the [Executive Offices and Criminal Justice Appropriations Subcommittee Report](#). Rep. Eric K. Hutchings, Co-Chair, and Rep. Keven J. Stratton, House Vice Chair, were not in attendance. Mr. Gary Syphus and Ms. Clare Tobin Lence, LFA Fiscal Analysts, provided assistance.

Sen. Thatcher reported that the subcommittee had asked some of the criminal justice agencies to look very closely for items that could be reprioritized. He referred to the Ongoing Funding Request Priority List on page 3-1 and called attention to the Draper Prison adjustments. Sen. Thatcher pointed out that the additional scrutiny of the criminal justice system leading up to the Justice Reinvestment Initiative had led to a significant decrease in incarceration and an increase in the number of people paroled. As such, the subcommittee recommended closing one of the older, less functional units at the Draper Prison and redirecting those dollars into Adult Probation and Parole.

Sen. Thatcher noted that the subcommittee used a \$450,000 reallocation to address compensation for corrections officers. Similarly, the subcommittee also funded Guardian ad Litem Recruitment and Retention.

As per the One-time Funding Request Priority List on page 3-2, the subcommittee's top priority is (AG) Case Settlements - \$224,000 one-time. The subcommittee also recommended the following: (COR) Jail Contracting Rate Increase (\$50/day) - \$1.4 million one-time; (DPS) DNA Supplies - \$250,000 one-time; and UHP Video Storage and Crime Lab Data - \$500,000 one-time.

c. Higher Education (Tab 4)

Sen. Stephen H. Urquhart, Co-Chair, and Rep. Jon E. Stanard, House Vice Chair, presented the [Higher Education Appropriations Subcommittee Recommendation Report](#). Co-Chair Grover had asked to be excused from today's meeting due to a previous commitment. Mr. Spencer Pratt, Fiscal Manager, LFA, and Ms. Jill Curry, Fiscal Analyst, LFA, provided assistance.

Sen. Urquhart distributed a handout outlining the subcommittee's approved priority lists for the Utah System of Higher Education (USHE) and the Utah College of Applied Technology (UCAT). The top two priorities on both lists were compensation and health insurance.

Sen. Urquhart proceeded to review the ongoing and one-time funding requests for the USHE and the UCAT. This information was also available on pages 4-1 and 4-2 of the report.

Sen. Urquhart stated that he was very excited about what the subcommittee was able to accomplish.

Rep. Stanard said that the subcommittee spent quite a bit of time talking with the USHE campuses about what they were doing within their existing budgets and programs to stay efficient. He indicated that most of the institutions submitted reports on programs they were able to eliminate or consolidate. Several campuses showed reports on the top degrees they were turning out. Rep. Stanard noted a dramatic shift to degrees in the STEM areas.

Sen. Urquhart remarked that the institutions are constantly cutting and adding new programs to coincide with market demand.

Rep. Stanard mentioned that the subcommittee had also asked each of the presidents to explain what they were doing to keep tuition costs from rising.

Rep. Sanpei complimented the subcommittee for their work. He inquired about the 15 – 17 percent growth in funding for ATC Campus Program Expansion. Sen. Urquhart explained the ATCs have been timid in their requests for funding. The campuses were encouraged to request enough funding that would help them meet the pent up demand to train workers.

Rep. Briscoe inquired about the two funding requests listed on page 4-2 on the report: Item 12 - (SUU) Student Athlete Graduation Improvement - \$300,000 ongoing, and Item 12 - (WSU) Student Athlete Graduation Improvement - \$1,000,000 ongoing. Sen. Urquhart explained that this funding ensures that student athletes at WSU and SUU will have the resources they need to graduate, which includes tutors and space to study. Rep. Briscoe recalled that the Legislature funded a similar program at Utah State University last year. He remarked that we should not be surprised if the Legislature receives a funding request from the University of Utah and UVU as well.

Rep. Chavez-Houck inquired about the funding for the various UCAT Campus Program Expansions. Rep. Stanard mentioned that some ATCs do not have the physical capacity to train students, while other ATCs lack the funding to hire staff or add new programs. He did note however, that the ATCs have more flexibility in adjusting to the changing needs of their local communities than the USHE institutions.

Sen. Hillyard inquired about increasing tuition costs. Sen. Urquhart explained that the Legislature has been funding salaries and health insurance and not providing much additional funding. Consequently, the institutions are having to turn to tuition to make ends meet. He also pointed out that higher education costs are fueled by accreditation requirements and that those costs are accelerating four times faster than the rate of inflation, which puts added pressure on tuition. Rep. Stanard said that we need to watch tuition costs more closely and that we cannot keep up with the same pace of tuition increases that we have had for the last 10 years.

Sen. Dabakis inquired further about some possible solutions to increasing tuition costs. Sen. Urquhart responded that the Legislature should increase its commitment to higher education. He pointed out that even though the State continues to put in more money, the costs are outpacing the taxpayers' ability to keep up. Sen. Urquhart said that in ten years, higher education is going to look a lot different than today.

Co-Chair Sen. Hillyard thanked Sen. Urquhart for the great job work he has done for Higher Education as a legislator over the years.

d. Executive Appropriations Committee Agencies (Tab 10)

Mr. Allred introduced the [Executive Appropriations Committee Agencies Recommendations Report](#). The agencies that report directly to the EAC are the Capitol Preservation Board (CPB), the Legislature, Utah Department of Veterans' and Military Affairs (UDVMA), and the Utah National Guard (UNG). Mr. Allred pointed out that the ongoing and one-time funding requests were not prioritized but were listed alphabetically. He invited to agencies to present their requests.

Mr. Gary Harter, Executive Director, UDVMA, presented the funding request for (UDVA) Dump Truck at Veterans Cemetery - \$36,000 one-time. The funding will be used to replace a dump truck that has outlived its usefulness. Mr. Harter also highlighted a \$1 million funding request that will address three main program areas: Veterans' Outreach, Education, and Employment. He discussed the need for a Veterans Outreach Specialist who will focus on providing services to veterans living in central Utah and the southern Wasatch Front area. The funding will also be used to enhance educational programs for veterans at USHE institutions and UCAT and to expand the Accelerated Credentialing for Employment (ACE) program for veterans living in Utah.

Ms. Allyson Gamble, Executive Director, CPB, discussed the funding request for (CPB) Capitol Preservation Board Scheduling - \$55,000 ongoing. Ms. Gamble commented on the need for hiring an employee to assist with the increasing number of large events being held at the State Capitol. Rep. Dee and Rep. Arent spoke in support of CPB's funding request.

Captain Jess Anderson, Utah Highway Patrol (UHP), Capitol Security, discussed the funding request for (CPB) Capitol Security - \$1,000,000 one-time. This funding would be used to remodel UHP's control room in the East Building and upgrade technology and camera systems. Capt. Anderson pointed out that

the control room would serve as the central hub for monitoring other state buildings once camera systems were installed in those buildings.

Mr. Mike Christensen, Director, LRGC, discussed and distributed a one-page handout with two graphs that illustrate the growing demands on LRGC to provide bill drafting and legal consultation services. In addition, over the last six years, there has been a 41 percent increase in the number of committee meetings held during Interim. To help with the increased workload, Mr. Christensen requested funding for three full time employees that includes an attorney, analyst, and administrative assistant.

Rep. Arent asked if LRGC had a new policy in place to prepare more substitute bills rather than amendments. Mr. Christensen responded that LRGC does not have a new policy to prepare more substitute bills. He explained that generally when there is a significant change in a bill, a substitute bill is prepared. However, sometimes it is easier and cleaner to prepare a substitute bill rather than an amendment.

3. Request for Appropriation – Business Cycle Management (Rep. Wilson)

Rep. Brad Wilson presented the request for appropriation for Business Cycle Management - \$135,000 ongoing, FY 2017. He explained that the funding would be used to support longer term approaches to state budget planning and management including revenue trend analysis, rainy day fund deposit rules, and budget stress testing. The funding is for economic data sets and one FTE in the Governor's Office of Management and Budget.

4. Camp Floyd State Park Funding

Co-Chair Hillyard indicated that Sen. Mark Madsen would not be available to present the Camp Floyd State Park Funding request. This item was not heard.

5. Other Business/Adjourn

MOTION: Rep. Sanpei moved to adjourn. The motion passed unanimously.

Co-Chair Hillyard adjourned the meeting at 5:31 p.m.