

**MINUTES OF THE JOINT CAPITAL FACILITIES & ADMINISTRATIVE SERVICES
APPROPRIATIONS SUBCOMMITTEE
Monday, February 16, 1998
ROOM 405, STATE CAPITOL BUILDING**

Members Present: Sen. David L. Buhler, Committee Co-Chair
Rep. Gerry A. Adair, Committee Co-Chair
Sen. Leonard Blackham
Sen. Mike Dmitrich
Rep. Ralph Becker
Rep. DeMar (Bud) Bowman
Rep. Brent H. Goodfellow
Rep. Joseph G. Murray
Rep. Loraine T. Pace
Rep. Raymond W. Short
Rep. Richard L. Walsh

Staff Present: John Massey, Fiscal Analyst
Susy Carter, Committee Secretary

List of others present is on file.

Co-Chairman Adair called the meeting to order at 2:05 p.m.

Four supplementals, Tab 28 in Budget Analysis FY 1999, were discussed by Mr. Massey. He noted the intent language related to supplementals on pages 2 and 3.

MOTION: Rep. Goodfellow moved to approve the supplementals on page 1, paragraph 1.0, funding the Army Reserve Relocation with \$100,000 from the General Fund, funding the Tax Commission - Year 2000 Programming with \$267,700 from the Uniform School Fund, and funding the FI-NET Data Processing/System Maintenance with \$379,900 from the G.F. Restricted - ISF Overhead Reimbursement for a total of \$747,600.

The motion passed with Rep. Short voting against and Sen. Blackham absent for the vote.

MOTION: Rep. Goodfellow moved to approve the intent language for the supplementals for the Executive Director and Finance-Mandated on pages 2 and 3.

The motion passed with Rep. Short voting against and Sen. Blackham absent for the vote.

MOTION: Rep. Goodfellow moved to approve the supplemental of \$993,000 from the Uniform School Fund for Debt Service on page 4.

The motion passed unanimously.

MOTION: Sen. Dmitrich moved to approve the minutes of Friday, February 6, and Monday, February 9, 1998.

The motion passed unanimously.

Intent Language was distributed to the members and the public. The intent language through page 6 having already been approved, the analyst discussed Item #6 on page 6, Use of Percent-for-the-Arts.

MOTION: Rep. Becker moved to accept Intent Language Item #6 on page 6, amending the amount to \$230,000 and adding “The Percent-for-the-Arts for FY 1999 shall apply to the Children’s Health Care Facility.”

Rep. Short opposed the amended sentence.

The motion passed with Rep. Short voting against.

MOTION: Sen. Buhler moved to approve the Intent Language Item #7 on page 6 with the last sentence amended to “If HB 330, 1998 General Legislative session, does not pass, all proposed projects for the Capitol Building shall be approved by the Speaker of the House and the President of the Senate prior to any expenditure.”

Rep. Goodfellow expressed his feeling that all previous plans for the Capitol Building should be considered in the Rehabilitation Master Concept. Sen. Buhler clarified that this intent language was written to underscore the concerns over the use of vacated space in the Capitol Building.

The motion passed unanimously.

MOTION: Rep. Bowman moved to approve the Intent Language Item #8 on page 6 to allow the Courts to expend agency funds to acquire land in Provo.

The motion passed unanimously.

MOTION: Rep. Murray moved to approve the Intent Language Item #9 on page 7 to redirect funds to aid in the purchase of land in Vernal for Courts and Youth Correction.

The motion passed unanimously.

MOTION: Rep. Pace moved to approve the Intent Language Item #10 on page 7 to redirect the \$326,900 Draper land sale to convert the Women’s Facility for Forensics.

The motion passed unanimously.

MOTION: Sen. Dmitrich moved to approve the Intent Language Item #11 on page 7 to use the proceeds from the Decker Lake land exchange for the new Youth Corrections center, with the amendment “to be applied”.

The motion passed unanimously.

MOTION: Rep. Walsh moved to approve the Intent Language Item #12 on page 7 to add the canteen in the Forensics project at the State Hospital at \$336,000.

The motion passed unanimously.

The analyst explained the Bond Bill - FY 1999 need for intent language on page 7.

MOTION: Sen. Blackham moved to approve the Intent Language for the Bond Bill - FY 1999 General Application on page 7 to fund some former lease revenue bonds with General Obligation bonds and redirect rent payments to Debt Service.

Reps. Murray, Short, Adair, Walsh, and Goodfellow and Sens. Buhler and Blackham discussed the motion.

The motion passed unanimously.

Mr. Massey noted that the next four items on pages 7 and 8 pertained to Lease Revenue Bonds and would be better considered after the Capital Budget would be approved.

The committee moved on to the five items which are requested to be built with federal or private funds on state-owned properties in Other Intent Language on page 9. Sen. Blackham raised the concern that the funding be in place before legislative authorization be given. Mr. Massey noted that the representation that had been made to the legislative fiscal analyst is that the non-state funding is in place. Kenneth Nye, DAS DCFM Finance/Real Estate Prog, responded to the members' concerns.

MOTION: Sen. Blackham moved to approve the Intent Language Item #8 on page 9 for the CEU San Juan Arts and Conference Center, with the additional language “The project is subject to availability of total project costs from non-state funded sources.”

The motion passed unanimously.

MOTION: Rep. Pace moved to approve the Intent Language Item #5 on page 9 for the USU - American West Heritage Center.

SUBSTITUTE MOTION: Sen. Blackham moved to approve the Intent Language for Items 5, 6, 7, and 9 on page 9 with the clarifying language "The project is subject to availability of total project costs from non-state funding sources." added to each item.

The substitute motion passed with Rep. Short voting against.

The Higher Education Revenue Bonds were introduced and Mr. Massey explained that this committee has been asked to make a recommendation on these to the Executive Appropriations Committee. Sen. Blackham asked for clarification on Item 15, the U of U Health Sciences Facilities, and Tom Nycum, U of U, responded. Reps. Short and Walsh and Sen. Buhler discussed these revenue bonds.

MOTION: Sen. Buhler moved to approve the Higher Education Revenue Bonds for Items 10 through 16, including the U of U Student Housing for \$86,000,000, U of U Student Housing - Olympic Revenues for \$22,500,000, U of U Health Sciences Parking Structure for \$12,000,000, U of U South West Campus Parking Structure for \$6,500,000, U of U Eccles Broadcast Center for \$5,100,000, and U of U Health Sciences Facilities for \$23,300,000; and WSU Student Housing for \$19,000,000.

The motion passed unanimously.

Mr. Massey requested the members to approve the Funding Adjustments on page 11.

MOTION: Sen. Dmitrich moved to approve the Funding Adjustments related to last years' Sevier Valley ATC funding as explained on page 11.

The motion passed unanimously.

Mr. Massey explained the need for the members to approve the process of allowing the office of the legislative fiscal analyst to make technical corrections in the intent language drafted and approved by the committee as necessary. These are also subject to the review of the legislative research and general counsel.

MOTION: Sen. Buhler moved to allow the office of the legislative fiscal analyst to make any technical and grammatical changes that would become necessary in the intent language approved by the subcommittee.

The motion passed unanimously.

The proposed Capital Budget list was distributed.

MOTION: Sen. Buhler moved to approve the proposed Capital Budget list, which included \$46,061,900 General Funds, \$21,500,000 Uniform School Funds, \$78,957,200 General Obligation bonding, \$3,505,800 Federal Funds, \$2,118,900 Transportation Funds, and \$686,300 from land sales and redirection of previous project funding.

Sen. Buhler explained the rationale for the proposed list, noting that designed projects were to be completed the following years. It was also noted that the recommendations exceeded the \$20,000,000 General Obligation bond. Sen. Blackham spoke for the proposed list. Sen. Buhler noted that the State Capitol Building and Dixie College land purchase were not on the list and explained why. Rep. Short discussed the purpose of the list which recommends a \$79 million General Obligation bond. Comments were taken from each committee member individually. Rep. Short made what he called his annual speech about giving the money for the projects and then building to the appropriation amounts; he thought we should look at this list as representatives of the taxpayers and he was concerned that the caucuses would not accept this list. Rep. Adair requested that each member comment about the proposed list. Rep. Bowman supported the list, especially the SUU PE building and land purchase. Rep. Murray supported Rep. Short's concerns, but he felt that the arguments for the list were persuasive. Rep. Becker supported the list because of the need to invest in state buildings for the future. Rep. Pace felt that some buildings that were not on the list were more critical than those on the list, but she didn't have any great opposition to those on the list. Sen. Blackham commended the members for the list this year which addresses the needs of the state, especially as relates to Corrections, which will raise the ante on the General Obligation bonds. He noted that if the two big projects and Corrections were removed from the list, the members were right on target, and he commended Rep. Short for his concerns on the costs. Rep. Goodfellow noted that Utah has the AAA bond rating because we pay for our buildings almost pay-as-we-go. He supported the moving of revenue bonds to General Obligation bonds for the best rate. Sen. Dmitrich thought the list was fair and he wished that Dixie College land purchase was also on the list. He also commented that \$1 million should be moved from the transportation buildings to repair Highway 6. Rep. Walsh raised the concerns of costs and said he would like time to look at trimming costs. Rep. Short wanted to hear the response from the legislative leaders, and he felt that Youth Corrections should build at least 40-bed facilities for the same cost as 32-bed facilities. He also noted the inflation costs in the SUU building original request and other concerns as well. Sen. Buhler commented on reallocating the funding on the capital budget list, but that the totals would not change. Rep. Adair explained that the list can be fine-tuned, he noted that because the bond rate is 4.07%, it can be rationalized that it will be cheaper to build these projects now. He commended Sen. Buhler for his work on the committee this year to make the process better. Mr. Massey clarified the federal funds for

Corrections.

The motion passed with Reps. Short and Walsh voting against.

In other committee business, Mr. Massey suggested that the committee consider intent language relative to the request for the dynamometer in the Sevier Valley ATC and also a formal motion will be needed to repeal the bond last year for the Women's Facility.

MOTION: Sen. Blackham moved to repeal the part of the Bond Bill - FY 1998 funding the new Women's Correctional Facility.

The motion passed unanimously.

MOTION: Sen. Blackham moved to identify a funding source to appropriate \$300,000 for the map digitizing program, but it was not to be part of the formal subcommittee recommendation. .

The motion passed unanimously.

Rep. Adair adjourned the meeting at 3:30 p.m.

The minutes were reported by Susy Carter.

Sen. David L. Buhler
Committee Co-Chair

Rep. Gerry A. Adair
Committee Co-Chair