

**MINUTES OF COMMERCE & REVENUE
APPROPRIATIONS SUBCOMMITTEE**

January 23, 1998 - 2:00 P.M.
Room 414, State Capitol Building

MEMBERS PRESENT: Sen. Al Mansell, Co-Chair
Rep. Lowell A. Nelson, Co-Chair
Sen. Lorin Jones
Rep. Eli H. Anderson
Rep. Duane Bourdeaux
Rep. John E. Swallow
Rep. John L. Valentine

MEMBERS ABSENT: Sen. Eddie Mayne
Rep. Beverly Ann Evans
Rep. Christine R. Fox-Finlinson

STAFF PRESENT: William J. Greer, Fiscal Analyst
Sylvia Newton, Committee Secretary

VISITORS LIST: Attached to and made a part of these minutes.

Rep. Nelson called the meeting to order at 2:15 p.m. He turned the time over to Bill Greer, Legislative Fiscal Analyst, who explained the Utah Tomorrow Strategic Plan.

Sen. Jones made a motion to approve the minutes of the January 21, 1998 meeting. The motion passed unanimously.

Scott Green gave an overview of the Governor's budget recommendation. He discussed Welfare Reform and some of the problems connected with it, as well as the successes during the past year. The Tax System Modernization (UTAX) is continuing, with a recommendation of \$17.8 M for FY 1999. He also reviewed the critical service, safety, and legal issues and the Year 2000 information systems requirements. Pay equity issues for state employees, the need to balance state infrastructure needs with other demands, and electrical deregulation were also discussed.

Bill Greer gave the fiscal analyst's overview of the departments. He listed the departments that will be reviewed and highlighted the critical issues related to each. Some of the key issues are: Year 2000 technology and software upgrades, statutory requirements, and increased workload.

Budget Reviews:

The Department of Financial Institutions examiners use laptop computers that need to be replaced. Commissioner Ed Leary and Craig Kennedy discussed the issues involved in leasing rather than buying the computers. The Department Funding recommendation is for \$2,749,100 General Fund Restricted.

The Insurance Department Commissioner Merwin Stewart and Assistant Commissioner John (Mickey) Braun, Jr. discussed operational aspects of the Insurance Department. Bill Willson and Joan Ogden explained the purposes of the Comprehensive Health Insurance Pool, which insures people in the state who otherwise cannot obtain insurance. The Analyst recommended a budget of \$3,998,600 for the Insurance Department and \$10,037,00 for the Comprehensive Health Insurance Pool. This includes a General Fund reduction of \$1,000,000 for the Comprehensive Health Insurance Pool. The Analyst explained that sufficient funds should be available to accept the number of applicants estimated for FY 1999.

Rep. Anderson moved to adjourn the meeting at 3:25 p.m. The motion passed unanimously.

Sen. L. Alma Mansell, Co-Chair

Rep. Lowell A. Nelson, Co-Chair