

**MINUTES OF THE JOINT CAPITAL FACILITIES & ADMINISTRATIVE SERVICES  
APPROPRIATIONS SUBCOMMITTEE  
Monday, January 25, 1999  
ROOM 405, STATE CAPITOL BUILDING**

Members Present:            Sen. Beverly Evans, Committee Co-Chair  
                                 Sen. Mike Dmitrich  
                                 Rep. Ralph Becker  
                                 Rep. DeMar "Bud" Bowman  
                                 Rep. Brent H. Goodfellow  
                                 Rep. Bradley T. Johnson  
                                 Rep. Loraine T. Pace  
                                 Rep. Raymond W. Short  
                                 Rep. Richard L. Walsh

Members Excused:        Pres. Lane Beattie  
                                 Rep. Gerry A. Adair, Committee Co-Chair  
                                 Rep. Jeff Alexander

Staff Present:            Kevin Walthers, Fiscal Analyst  
                                 Jonathan Ball, Fiscal Analyst  
                                 Susy Carter, Committee Secretary

List of others present is on file.

Co-Chairman Evans called the meeting to order at 2:00 p.m.

**1. Utah Sports Authority**

Randy Montgomery, Executive Director, Utah Sports Authority, presented a handout with key dates and key legislation regarding the Utah Sports Authority. He outlined the sale of the Utah winter sports park to SLOC for the Olympics. \$59 million will be distributed to the cities in 2002 just before the Winter Olympics, and in May 2002 SLOC will transfer the winter sports park to an athletic foundation with a \$40 million legacy fund. Mr. Walthers commented that the Legislative Fiscal Analyst's report on the Utah Sports Authority is found in Budget Analysis FY 2000 in Finance Administration on page 4. Mr. Montgomery responded to questions from Rep. Walsh.

**2. Prisons/Corrections**

Mr. Pete Haun, Executive Director, and Blair Evans, Facilities Director, both of the Department of Corrections, explained the developments in the privatized construction project for jails approved in last year which is not being implemented because of bid process delays. They presented their plan to construct prefabricated buildings to house a low risk offender population

of 300 expected in 1999 who would perform community service projects. A paper on Corrections' Issues outlined their minimum security dorms proposal to solve this expected need. Mr. Walthers presented the recommendation of the Legislative Fiscal Analyst, stated in the memo distributed in the first meeting, noting that there may be means to provide supplementals. The Analyst noted that the Department of Corrections will be over-funded by \$970,000 in FY 2000. David Walsh, Commission on Criminal & Juvenile Justice, discussed a paper on Violent Offender Incarceration & Truth-in-Sentencing (VOI/TIS) Program which outlined federal grants and state and local matching funding for corrections facilities. Mr. Haun and Mr. Evans answered questions from Reps. Walsh, Pace, Goodfellow, Johnson, and Sen. Evans.

### 3. Information Technology Expenditures

Jonathan Ball explained the perspective of the Office of the Legislative Fiscal Analyst in considering the budget. The expected new revenue for the state is \$221 million and the priority and mandated spending items amount to \$196 million, leaving \$25 million for subcommittee allocation. Of that, \$20 million is needed for facility operation and maintenance and Medicaid growth, leaving only \$5 million in discretionary appropriations across all subcommittees and all state government agencies. There are potential discretionary requests for \$32 million, which means that potentially \$27 million in discretionary requests will be unfunded in FY2000. He reminded the members that these figures include General Fund and Uniform School Fund but do not include bonding or dedicated revenues or other funding mechanisms in state government. Mr. Walthers commented that the reduction of \$578,300 to the subcommittee was due to a dramatic drop in internal service funds rates and stated that fuel mitigation and Y2K funding are not included in these allocations.

Mr. Ball presented the recommendations of the Legislative Fiscal Analyst, giving an overview of **Year 2000 Computer Issues** for state government, Public Ed, and Higher Ed, which could cost between \$21 million to \$117 million. The Analyst's recommendation is \$11,423,600 in state and federal funding, as outlined on page 5, with the proposed intent language. He noted that this funding is a recommendation for the priority spending items, not from the discretionary allocation of this committee. He explained that desktop PCs would not be included, as they are covered under other budgets. David Moon, Governor's Chief Information Officer, and Dave Fletcher, State Y2K Coordinator, outlined the efforts of the various agencies to become Y2K compliant and responded to questions about Year 2000 Issues from Sen. Dmitrich and Reps. Goodfellow and Walsh. Vicki Dahn, Technical Coordinator, USOE, and Jerry Fullmer, Higher Ed, commented on the difficulties of Y2K compliance, noting that the largest concerns are enough PCs for students and embedded chips not Y2K compliant. They responded to questions from Reps. Johnson, Walsh, Pace and Bowman. Mr. Ball explained that in each recommendation by the Legislative Fiscal Analyst, three options will be given, one of which is the request of the agency.

Mr. Ball presented the recommendation of the Legislative Fiscal Analyst for the **800MHz - Utah Communications Agency Network (UCAN)** on page 9, with the intent language. The Analyst's recommendation is \$421,400 in new resources and a \$370,500 base cut in UDOT. Steve Proctor, UCAN, and Craig Dearden, Department of Public Safety, explained the implementation of the radio system and responded to questions from Reps. Johnson, Becker, and Goodfellow and Sen. Evans.

Mr. Ball made some corrections in the recommendation of the Legislative Fiscal Analyst for **UTAX** on pages 13 and 14 and stated that the new target cost of UTAX is \$40 million and the new implementation date is spring 2002. The Analyst is recommending \$8.5 million. Rodney Marrelli, Executive Director, Tax Commission, and Kevin Van Ausdal, UTAX Project Leader, explained the progress of the project in collections, motor vehicles, and integrated taxes and stated that the vender is committed to the \$40 million target cost. They responded to questions from Reps. Goodfellow and Walsh and Sen. Evans. Mr. Marrelli suggested that "for all tax types" be deleted in the intent language on page 13. Mr. Olsen stated that the governor supported the analyst's recommendation. Mr. Walthers inquired if any of the overdue tax receivables could be turned over to the Office of Debt Collection. Mr. Van Ausdal noted that interfaces need to be built between the Tax Commission and Debt Collection. Some of the \$130 million in tax debt is estimated because of non-filed tax returns. A briefing paper outlining the history of UTAX was distributed to the members.

Mr. Ball introduced the **Department of Corrections O-TRACK** system of tracking offenders that has been successfully sold to New Mexico and Alaska on page 15. He commended the Department of Corrections for their innovative development efforts and the savings to the state. The Analyst's recommendation is \$1,050,000 from dedicated credits and a base cut of \$400,000. Mike Chabries, Deputy Director, Department of Corrections, outlined concerns regarding the recommendation.

Mr. Ball outlined the recommendation of the Legislative Fiscal Analyst to convert two public television frequencies from analog to digital broadcasting, found on page 19. **Channels 7 and 9** would be affected. The Analyst's recommendation is \$4,215,000 from Bonds and \$1,875,600 from dedicated credits. Steve Hess, Director, Utah Education Network, and Fred Esplin, KUED, concurred with the analyst. Mr. Esplin noted that the total cost would be \$15.1 million and the state would be funding \$6 million, and the rest would come from federal funding and donations. They responded to questions from Sen. Evans and Mr. Walthers.

Mr. Ball presented the recommendation of the Legislative Fiscal Analyst not to increase funding for **AGRC** this year, found on page 23. He also explained the recommendation of the Legislative Fiscal Analyst relative to the other information technology projects on page 29. Dennis Goreham, ITS - AGRC Manager, was present.

4. **Other Committee Business**

Mr. Walthers outlined the Budget Analysis FY 2000 books distributed to each member.

**MOTION:** Rep. Walsh moved to adjourn.

The motion passed unanimously.

The meeting was adjourned at 4:25 p.m.

The minutes were reported by Susy Carter.

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Sen. Beverly Evans  
Committee Co-Chair

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Rep. Gerry A. Adair  
Committee Co-Chair