

REVISED
MINUTES OF COMMERCE & REVENUE
APPROPRIATIONS SUBCOMMITTEE

February 1, 1999 - 2:00 P.M.
Room 414, State Capitol Building

MEMBERS PRESENT: Sen. Lorin Jones, Co-Chair
 Rep. Lowell A. Nelson, Co-Chair
 Sen. Ed Mayne
 Rep. Eli Anderson
 Rep. Chad Bennion
 Rep. David Cox
 Rep. Neil Hansen
 Rep. Susan Koehn
 Rep. Marlon Snow

MEMBERS ABSENT: Sen. Lyle Hillyard
 Rep. Martin Stephens

STAFF PRESENT: Bill 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 2:06 p.m.

MOTION: Sen Mayne moved to approve the minutes for the January 29, 1999 meeting. The motion passed unanimously with Rep. Anderson and Rep. Koehn absent for the vote.

The Labor Commission's budget request was reviewed and discussed.

MOTION: Sen. Mayne moved to put \$51,300 for a LAN administrator on a prioritized list established by the Subcommittee to be taken to Executive Appropriations Committee and funded if additional funds become available. The motion passed unanimously with Rep. Koehn absent for the vote.

MOTION: Sen Mayne moved to accept the Analyst's recommendation for the Labor Commission in the amount of \$8,104,100. The motion passed unanimously with Rep. Koehn absent for the vote.

MOTION: Sen. Mayne moved to accept the intent language relating to nonlapsing funds discussed in the budget review of the Labor Commission as follows:

It is the intent of the Legislature to allow the Labor Commission to make fees received from sponsoring and holding seminars as nonlapsing funds, allowing the agency to continue offering yearly training seminars using funds collected from fees instead of using

*General Fund money.
It is the intent of the Legislature to allow the Labor Commission to make funds remaining at the end of the fiscal year nonlapsing for the purchase of computer equipment and the replacement of a copy machine.*

The Analyst recommends that the Commission be authorized to spend up to \$60,000 of the carryover from FY 1999 for computer equipment and a copy machine.

The motion passed unanimously with Rep. Koehn absent for the vote.

Public Service Commission Budget Review:

Bill Greer, Fiscal Analyst, explained the recommendations for the Public Service Commission. There is no significant change to the Commission's budget for FY 2000. The Commission carries over a substantial sum of money in nonlapsing balances. Nonlapsing funds for the Speech and Hearing Impaired will be used in the next two years for a major overhaul of the Utah Relay Service System. Funds carried over from previous years will be used to accomplish this project. The request for proposal will be processed in February 1999.

The Commission has separated out the Lifeline Telecommunications Service Fund. The purpose of the fund is to assist low income individuals who qualify to have basic telephone service at a lower rate. It is paid for by a \$.10 surcharge per month per non-lifeline telephone access line. The Analyst recommends funding of Dedicated Credit Revenue in the amount of \$400,000. The Analyst also recommends funding of \$60,000 Dedicated Credits for Research and Analysis.

Commissioner Stephen Mecham expressed agreement with the Analyst's recommendations and answered questions from the committee members.

Sen. Jones asked about the need for the \$.18 fee for the Speech and Hearing Impaired. The amount collected versus the amount needed for the system overhaul project was discussed.

Department of Commerce Budget Review:

Bill Greer, Fiscal Analyst, gave an overview of the budget of the Department of Commerce. Funding for the Department is primarily made up of fees generated by the Department. Fees over the amount appropriated to the Department are deposited into the General Fund. There is a recommendation for \$20,000 for Attorney General services to deal with the increase in litigation. There is a need for an additional part-time accounting technician for \$25,000 to handle increased workload .

The Controlled Substance Database passed by last year's legislature has grown beyond original

estimates. The Analyst recommends an ongoing building block of \$55,000 Commerce Service Fund. The Committee of Consumer Services has requested \$4,000 to be able to take meetings outside the Wasatch Front.

House Bill 351 passed by the 1998 Legislature established the Nurse Practice Act. Estimated revenue is \$10,000 but legislative appropriation approval is required before those funds can be spent. The Manufactured Housing Restricted Funds are collected from \$75.00 on each factory-built home sold by a dealer. These funds are deposited into a General Fund Restricted Account and must be appropriated before they can be used. Estimated revenue for FY 2000 is \$104,400.

The Committee of Consumer Services represents rate payers in disputes with utility companies. It is expected that more expert witnesses may be needed and \$100,000 in ongoing funding is recommended. Roger Ball explained the expenditures of the Committee due to electrical deregulation and other rate cases.

Doug Borba explained the large variety of businesses regulated by the Department of Commerce. He explained there is a need for a one-time appropriation of \$330,000 to replace noncompliant hardware for Year 2000. This is being reviewed by the Capital Facilities Appropriation Subcommittee.

Craig Moody, Rocky Mountain Chapter of Professional Employer Organizations, spoke to the committee regarding business regulation, specifically in the areas of employee leasing and payroll services.

Jeff Fox of Crossroads Urban Center addressed the committee. He works on utility issues representing small business and residential consumers. He spoke on behalf of the \$100,000 appropriation requested by the Committee of Consumer Services.

Kathy Berg of the Department of Commerce responded to questions by the committee members. Mr. Greer called attention to the Schedule of Fees and the changes that will generate approximately \$987,000 in additional Commerce Service Funds.

Department of Alcoholic Beverage Control Budget Review:

Bill Greer, Fiscal Analyst, gave an overview of the budget for the Department of Alcoholic Beverage Control. There is a reduction in the request for FY 2000 because of one-time funding in FY 1999 that was used to upgrade technology and replace the point-of-sale system, as well as purchase a semi-truck and other equipment.

The Department has requested a \$551,000 General Fund Restricted-Liquor Control Fund building block to raise all department employees to mid-point on the salary scale. The Analyst recommends the Legislature consider a range of options from full funding to bring all employees to mid-point to no funding for any employee.

The Analyst recommends an ongoing increase of \$120,000 to establish a program for methodical acquisition, replacement and upgrading of outdated computer equipment and software. This would provide funds for a systematic replacement on a three-year rotation. One-time funding of \$100,000 is also requested to address programming, consulting and system needs for the new point-of-sale and warehousing systems.

The department is required to maintain state-owned facilities at a certain level of compliance to state code. The Department has begun to turn this responsibility over to the Division of Facilities and Construction Management (DFCM). Additional funding of \$197,000 is required to reimburse DFCM to maintain the higher standards.

Ken Wynn and Dennis Kellen of the Department of Alcoholic Beverage Control answered questions by the committee members. Mr. Wynn stressed the need for \$70,000 for a systems analyst. The Department requires \$101,200 to satisfy increases in the bond payments for purchase of new buildings and warehouse space. They also request \$56,200 for package agency compensation increases.

MOTION: Rep. Bennion moved to adjourn the meeting at 3:35 p.m. The motion passed unanimously.

Sen. Lorin Jones, Co-Chair

Rep. Lowell A. Nelson, Co-Chair