

MINUTES OF THE JOINT EXECUTIVE APPROPRIATIONS COMMITTEE
February 19, 2004 at 4:30 P. M.
Room 303, State Capitol Building

Members Present: Sen. Leonard Blackham, Committee Co-Chair
 Rep. Ron Bigelow, Committee Co-Chair
 Sen. Ron Allen
 Sen. Gene Davis
 Sen. Mike Dmitrich
 Sen. Karen Hale
 Sen. Peter Knudson
 Pres. Al Mansell
 Sen. John Valentine
 Rep. Jeff Alexander
 Rep. Greg Curtis
 Rep. Brent Goodfellow
 Rep. Patricia Jones
 Rep. Karen Morgan
 Speaker Martin Stephens
 Rep. Michael Styler

Sen. Bill Hickman, Vice-Chair
Rep. Rebecca Lockhart, Vice Chair

Members Absent: Sen. Michael Waddoups
 Rep. Brad King

Staff Present: John Massey, Legislative Fiscal Analyst
 Michael Kjar, Deputy Director
 Sharon Johnson, Secretary

Others Present:

List of Others Present on File:

Committee Co-Chair Blackham called the meeting to order at 4:40 p.m.

Motion: Pres. Mansell moved to approve the minutes of Feb. 17, 2004. The motion passed unanimously.

1. Executive Offices and Criminal Justice

Rep. Hogue presented the subcommittee report as listed behind Tab 1. The subcommittee came in under budget and made changes in the base budget.

Legislative fiscal analyst, Gary Ricks, reviewed the results of the subcommittee changes. The committee appropriated an additional \$152,000 from the General Fund to the Chief Information Officer for personnel costs formerly covered by a one-time appropriation. This new appropriation was funded with savings identified by the CIO and "ITS". The subcommittee decreased the Dept. of Corrections budget by \$12,900 for one-time FY 2004 and transferred \$251,500 and 7 FTEs from Juvenile Services to Human Services. The subcommittee recommended a transfer of \$40,800 from the Dept. of Natural Resources to pay for a paralegal for DNR issues. The net effect is that the subcommittee is

\$223,600 below target, with a combination of cuts and off setting revenue. The FY 2004 supplemental recommendations are behind the divider of Tab 1. The subcommittee reallocated funds across line items in the Governor's office, and made an appropriation of \$559,300 to cover jury fees. This appropriation is offset by funds set aside by the Division of Finance.

Rep. Hogue addressed the priorities of the subcommittee. The first priority requests are not optional and are mandated by lawsuits, The subcommittee used money from savings for this fiscal year to reduce the UPEA lawsuit. After mandates the first priority is Public Safety. The subcommittee is requesting a 10% increase. Sworn officers are currently 22% below comparables for other officers in state. Also the Attorney General's office is losing attorneys to counties as they are paid more there.

Sen. Buttars addressed the third priority which is S.B. 21, The Drug Offender Reform Act. This bill came through the interim committee and addressed the issue that the main factor behind 86% of those who are incarcerated is a drug problem. S.B. 21 creates a screening assessment prior to sentencing that the judge can use to possibly give drug treatment rather than jail time. This would provide a savings to the state as it is cheaper for treatment than increasing the number of beds. The women's prison population is rapidly increasing. Some of this increase has been attributed to meth use. Rep Hogue followed up referencing a letter prepared for the committee chairs showing the Oxbow operations. The subcommittee was not aware of the finalizations for this and set the issue aside. After the priorities were all listed the subcommittee was polled and gave a recommendation for Oxbow. Sen. Buttars commented on the necessity of getting treatment for sex offenders before they leave prison. Rep. Hogue listed the critical priorities from FY 04 budget issues that came from the agencies which include: Fixing the wire harnesses for officer's cars which were done improperly by ITS, Youth Corrections facilities, and sex offender treatment.

Rep. Morgan asked if the \$6.2 million allocation for The Drug Offender Reform Act is on-going. Sen. Buttars stated that initially it was one-time but is now ongoing. Rep. Morgan also asked if there is any funding for the governor's literacy program. Rep. Hogue replied that is was on list the list but too far down. One-time money from last year also is not on this priority list. Rep. Goodfellow commented that the Attorney General's office and Highway Patrol deserve raises but it is necessary to consider that all other departments have great needs and yet did not lobby for raises. Rep. Hogue and Sen. Buttars defended the need for raises as the state trains people who then leave for higher paying jobs. Rep. Goodfellow repeated his concern that these departments get preferential treatment when other needy departments were instructed to not lobby for salary increases. Sen. Dmitrich requested a point of information about the Carbon and Emery County youth facilities and why they were not addressed in this priority list.

Motion: Rep. Bigelow moved to adopt the committee report and approve the recommendations of the Executive Offices and Criminal Justice Appropriations Subcommittee for FY 2004 supplemental appropriations and FY 2005 appropriations. Those recommendations are shown in the Committee Report found behind Tab 1.

The motion passed unanimously with Pres. Mansell and Rep. Jones absent for the vote.

2. Natural Resources

Sen. Hatch reported that the subcommittee is under the General Fund target due to the transfer of one employee to the Attorney General's office. They are not asking for a supplemental appropriation this year as they did last year for fire suppression. There were fewer fires on state lands this year and it was partially due to better prevention and education. The subcommittee reallocated \$696,500 in General Fund revenue to fund several one-time projects. The subcommittee submitted their priority list on pages 6 and 7 of the blue priority list for consideration. It includes requests for funding for the director of the State Fair to enter into contracts and the study for This is the Place Monument and Hogle Zoo to help the two entities to work together. Many of their other priority items are tied to funding in HB 283.

Motion: Rep. Bigelow moved to adopt the committee report and approve the recommendations of the Natural Resources Appropriations Subcommittee for FY 2004 supplemental appropriations and FY 2005 appropriations. These recommendations are shown in the Committee Report found behind Tab 8.

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

3. Transportation Environmental Quality and National Guard

Sen. Eastman reported an increased efficiency in transportation and a savings of 98.5 FTE reductions. They are continuing to build Centennial Highway projects as planned. A priority of \$4 million one-time money from the General Fund is for extra snowplow requirements. Another committee recommendation is for an additional \$25,000 for lease and maintenance requirements for the National Guard for which there is a \$95,000 federal match. The recommendation also includes a part time office assistant for the Veteran's Affairs office at a cost of \$37,000. Sen. Eastman explained the increased National Guard maintenance costs. The Guard does half of the maintenance and DFCM picks up the rest. Last year DFCM took over more of the maintenance because the maintenance was below the required standard. DFCM's contract is priced higher per square foot than the Guard's. An additional appropriation to fund the carryover from last year is \$297,900, and \$747,900 for FY 2005 is needed. The subcommittee has not recommended these appropriations.

Rep. Alexander commented on the DCM contract with the Guard and the increased cost. Sen. Hickman clarified that under law/rule if facility is not adequately maintained then DFCM has the obligation to take over. Sen. Eastman replied that the Guard is content with the agreement for DFCM to pick up the work but the rate difference has affected this year's budget. Rep. Alexander commented that before changes are made mid-year it should first be determined if funds are available to pay for the change. Speaker Stephens asked if the Guard made a presentation to the subcommittee for a nursing home. Sen. Eastman replied that a presentation was not made. The Guard approached the Capital Facilities subcommittee with that request instead.

Motion: Rep. Bigelow moved to adopt the committee report and approve the recommendations of the Transportation, Environmental Quality and National Guard Appropriations Subcommittee for FY 2004 supplemental appropriations and FY 2005 appropriations. These recommendations are shown in the Committee Report found behind Tab 10.

Rep Curtis asked about the fee changes and Mark Bleazard, fiscal analyst replied that the changes are shown on pages 20 and 21 of the buff sheet.

The motion passed with Rep. Alexander voting no and Reps. Goodfellow and Jones absent for the vote.

4. Higher Education

Rep. Johnson told the committee that the budget had been presented the last time and there was no need to review the figures. He added that the subcommittee had unanimous approval for the budget.

The committee had presented questions to the subcommittee chairs. Sen. Allen expressed concern about balancing the budget from overhead reimbursement. The university presidents have been told that they have flexibility and yet the budget is forced. The response was that intent language at the next meeting will address the issue. The vote for today is for Tab 5 only and transfers the FY 04 base budget to FY 05. Sen. Valentine asked for clarification that the source of funds for O and M is still 2nd tier tuition. Speaker Stephens commented that some of the university presidents are not happy with this philosophical realignment and asked the chairs why they chose this option.

Sen. Gladwell responded that they want to inject realism into the process. Every year there are unfunded balances that become festering wounds. As a result student opportunities are being sacrificed to deal with these issues. The subcommittee wants to realistically examine the situation to get rid of the unfunded carry forward and then address the future direction of higher education. The presidents are concerned but understand the direction the subcommittee is headed and are prepared to meet after session to redo the budget with this philosophy in mind.

Rep. Alexander expressed concern that by reallocating funding for fuel, power, O and M and enrollment growth that the carryover is being written off and that the problem has really not been dealt with. Sen. Gladwell stated that basically the universities have the money they need but there is a tendency to expand other programs and not deal with the past problems. This reallocation would create a fresh start and they can move forward starting from a better place. The newer schools, such as Richfield and Weber State will see a large impact because when capital improvement problems began O and M was stopped for new buildings and at the time the institution wasn't required to cover O and M. Rep. Alexander wanted to ensure that the universities know up front that they have to cover their own O and M if this policy change occurs. For example UVSC will have \$1.1 million taken from their budget for O and M. Rep. Johnson commented that the subcommittee's first priority is a salary increase, and hope that Executive Appropriations takes care of that and he then listed the next three priorities.

Rep. Morgan asked about the subcommittee's recommended reduction in Weber State's and the Regents' budget. Sen. Gladwell replied that it was due to transfers from Weber State to SUU's long distance program which has been picked up by SUU. The Regent's reduction is actually a reallocation for the engineering program. Rep. Curtis requested an actual figure as to the amount of O and M that has accrued as well as enrollment and fuel and power, also how long has this been accruing. He was told that fuel is \$21,414,300 million, O and M is \$2.4 million and enrollment has a \$43.6 million carry forward, \$10.8 million of this is taken care of in this allocation but there is still carry forward of \$33 million. Sen. Gladwell explained that fuel and power shortfall dates back to 2000 when power rates increased by 50 % and efficiency plans were in progress. Rep. Curtis wanted to know if the carryover are unique to higher ed and they have continued to accrue here but not in other areas of the state. Sen. Gladwell replied that

higher ed has the highest square footage and the costs accumulate faster. John Massey, Legislative Fiscal Analyst explained that generally other agencies have not been funded for this either. Rep. Curtis expressed concern that higher ed lobbies for more square footage and then they come back and want O and M as well. There needs to a line drawn and Sen. Gladwell stated that this is what the subcommittee is recommending. Sen. Valentine and Rep. Alexanders both want to ensure that this is permanently done and that later on there are not requests for the same issues. Rep. Johnson commented on the weakness in the system where one subcommittee approves the building construction and another approves the O and M.

Motion: Rep. Bigelow moved to adopt the committee report, and approve the recommendations of the Higher Education Appropriations Subcommittee for FY 2004 supplemental appropriations and FY 2005 appropriations. These recommendations are for the Utah System of Higher Education, Utah Education Network and Utah Medical Education Council and are shown in the Committee Report found behind Tab 5.

Rep. Goodfellow requested a clarification that this vote does not include intent language. The motion passed unanimously with Rep. Jones absent for the vote.

Sen. Blackham reminded the committee to look through the fee schedule and intent language to prepare for the next meeting.

Motion: Pres. Mansell moved to adjourn. The motion passed unanimously. The meeting adjourned at 5:40 p.m.

Minutes reported by Sharon Johnson

Sen. Leonard Blackham, Co-Chair

Rep. Ron Bigelow, Co-Chair