

**MINUTES OF THE
JOINT CAPITAL FACILITIES & ADMINISTRATIVE SERVICES
APPROPRIATIONS SUBCOMMITTEE
THURSDAY, JANUARY 10, 2002, 9:00 A.M.
Room 131, State Capitol Building**

Members Present: Sen. Beverly Evans, Committee Co-Chair
Rep. Gerry A. Adair, Committee Co-Chair
Sen. John Valentine
Rep. Jeff Alexander
Rep. Roger Barrus
Rep. DeMar "Bud" Bowman
Rep. David Clark
Rep. Greg J. Curtis
Rep. Brent H. Goodfellow
Rep. Ty McCartney
Rep. Loraine T. Pace

Members Excused: Sen. Mike Dmitrich

Members Absent: Rep. Ralph Becker
Rep. Kevin S. Garn

Staff Present: Kevin Walthers, Fiscal Analyst
Jonathan Ball, Fiscal Analyst
Bonnie Brinton, Committee Secretary

Public Speakers Present: John Fellows, Legislative Research and General Counsel
Ken Nye, Department of Administrative Services, Division of
Facilities Construction and Management
Joe Jenkins, Director, Division of Facilities and Construction
Management
Raylene Ireland, Executive Director, Department of Administrative
Services
David Lamb, Financial Manager, Department of Administrative
Services
Kim Thorne, Director, Department of Administrative Services,
Division of Finance
Joe Jenkins, Director, Department of Facilities Construction and
Management
Randa Bezzant, Governor's Office of Planning and Budget
Analysis

Visitor List on File

Committee Co-Chairman Beverly Evans called the meeting to order at 9:20 a.m.

1. Committee Business

John Fellows, Legislative Research and General Counsel, presented a draft of an bill entitled “**General Obligation Bonds for Engineering Buildings.**” This act modifies provisions governing capital facilities authorizations for engineering buildings at Utah State University and the University of Utah and enacts provisions authorizing the issuance of general obligation bonds for capital facilities, buildings, and related facilities. This act species the use of bond proceeds and the manner of issuance, imposes and abates a property tax, creates sinking funds, and makes technical corrections.

For the division, proceeds shall be provided for the following:

Utah State University Engineering Building Renovation:

Amount Funded: \$5,943,500
Estimated Operating and Maintenance Costs: \$425,000

University of Utah New Engineering Building:

Amount Funded: \$15,000,000
Estimated Operating and Maintenance Costs: \$489,000

Costs of Issuance \$306,500
Total Capital and Economic Development \$21,250,000

Rep. Goodfellow questioned at what point in time the Legislature could still bond for capital projects. Mr. Fellows responded that as long as cash appropriations have not been spent, bonding could still be done. The Legislature could stop the process at any point in time, particularly if the money is not available to complete the project.

Sen.Valentine, suggested amending the bill on page 4, line 112, following the word “received” to include the words, “a legally binding commitment of at least \$13,000,000 in cash donations.” The Analyst, Kevin Walthers, the Committee, and the sponsor, Rep. Adair agreed to this change.

MOTION: Rep. Goodfellow moved to recommend Draft Bill 2002FL-0T72/004 to Executive Appropriations for movement to House 3rd Reading Calendar.

Motion carried unanimously

Rep. Adair will make appropriate changes to this draft bill before it is recommended to Executive Appropriations.

Mr. Walthers distributed and reviewed a Memo regarding Payroll System and DFCM.

Ken Nye, Department of Administrative Services, Division of Facilities Construction and Management, objected to the intent language and asked to strike "the year 2002."

MOTION: Sen. Valentine moved to approve the Analyst's recommendations on pages 7 - 11 with the exceptions of #2.4, 2.7, 2.9, and 2.16 and approve intent language included in the Payroll System Memo as amended, eliminating the phrase, "during the 2001 General Session."

SUBSTITUTE MOTION: Rep. Clark moved to approve the Analyst's recommendation on pages 7-11 with the exceptions of #2.4, 2.7, 2.9, and 2.16 and approve intent language included in the Payroll System Memo as amended, eliminating the phrase, "during the 2001 General Session," but replacing the dollar amount "\$100,000" with the dollar amount "545,000" in the intent language.

Joe Jenkins, Director, Division of Facilities and Construction Management, stated that his division would be adamantly opposed to the substitute motion.

Rep. Adair urged defeat of substitute motion.

Sen. Valentine requested a division of the substitute motion. The first division would be to approve the Analyst's recommendation with the exception of #2.4, 2.7, 2.9 and 2.16, including the Payroll System Memo intent language.

Motion carried unanimously with Rep. Curtis absent for the vote.

Raylene Ireland, Executive Director, and David Lamb, Financial Manager, Department of Administrative Services, distributed and discussed the following handouts:

Department of Administrative Services' Appropriated Agency Summary, and FY2002 Budget Proposals.

Ms. Ireland stated that the Budget Proposals were presented as a good will document and that she hoped for the support of the Committee.

Mr. Walthers distributed and discussed two handouts:

Administrative Services FY1993 to 2002 and DAS Budget Growth Appropriated
Items, and
Growth of Internal Service Funds, FY1996 - 2002

Kim Thorne, Director, Department of Administrative Services, Division of Finance, clarified the use of the Indigent Defense Fund.

Sen. Evans commended the Department and thanked them for their efforts to find cuts.

Rep. Clark withdraw his substitute motion from consideration.

MOTION: Rep. Clark moved to use revenue from ISF transfers, Indigent Defense Fund, Salaries of two Archives employees and a Finance Programmer, Risk Management, and Project Reserve Fund.

Rep. Adair reserved the right to make a substitute motion.

SUBSTITUTE MOTION: Rep. Adair moved to approve a 5.7% cut across-the-board for all employees.

Rep. Adair withdraw substitute motion.

Motion failed with Reps. Bowman, Clark, Goodfellow and McCartney voting in favor of the motion.

MOTION: Rep. Adair moved to accept the recommendations of the Department on \$493,400.

SUBSTITUTE MOTION: Rep. Pace moved to not vote on the recommendations of the Department and continue this discussion next week.

Substitute Motion failed in the Senate.

Motion failed in the House.

Randa Bezzant, Governor's Office of Planning and Budget Analysis, reported the Governor's position the issues discussed.

MOTION: Rep. Adair moved to approve the Analyst's recommendation on 2.16 as written.

Motion passed unanimously with Rep. Alexander, Curtis, and Goodfellow absent for the vote.

MOTION: Rep. Adair moved to reconsider the motion on #2.4, 2.7, and 2.9, accepting the Agency's recommendation.

Mr. Walthers responded to questions from Committee members regarding one-time and on-going money and how the determinations are made. He also urged support of the motion.

The motion passed with Reps. Clark and McCartney voting in opposition to the motion and Reps. Alexander, Curtis and Goodfellow absent for the vote.

MOTION: Rep. Adair moved to approve the intent language as corrected, removing FY 2002.

The motion passed with Reps. Clark and McCartney voting in opposition to the motion and Reps. Alexander, Curtis and Goodfellow absent for the vote.

Sen. Evans announced that there will be no meetings of this Committee next week.

MOTION: Rep. Barrus moved to adjourn the meeting.

The meeting was adjourned at 11:40 a.m. by Sen. Beverly Evans.

The minutes were reported by Bonnie Brinton

Sen. Beverly Evans
Committee Co-Chair

Rep. Gerry A. Adair
Committee Co-Chair

