

**MINUTES OF THE  
JOINT CAPITAL FACILITIES & ADMINISTRATIVE SERVICES  
APPROPRIATIONS SUBCOMMITTEE  
FIFTH SPECIAL SESSION  
TUESDAY, JULY 9, 2002  
Room 131, State Capitol Building**

Members Present: Sen. Beverly Evans, Committee Co-Chair  
Rep. Gerry A. Adair, Committee Co-Chair  
Sen. John Valentine  
Rep. Stuart Adams  
Rep. Roger Barrus  
Rep. DeMar "Bud" Bowman  
Rep. David Clark  
Rep. Ty McCartney  
Rep. Loraine T. Pace

Members Absent: Sen. Mike Dmitrich  
Rep. Jeff Alexander  
Rep. Ralph Becker  
Rep. Greg J. Curtis  
Rep. Brent H. Goodfellow

Staff Present: Kevin Walthers, Fiscal Analyst  
Saundra Maeser, Committee Secretary

Public Speakers Present: Joe Jenkins, Director, Dept. of Facilities Construction & Management

List of others present on file.

Co-Chair Gerry Adair called the meeting to order at 9:38 a.m.

**1. Committee Business**

Kevin Walthers, Analyst, distributed a handout, "Majority Party Agreement Balanced Budget-FY 2003."

Joe Jenkins, Director, Department of Facilities Construction and Management, presented a proposal of how to address the budget shortfall. He distributed a handout outlining his concerns and his proposed solution. He noted that \$8.9 million has already been taken from capital improvements, and suggested reducing the amount going into capital improvement projects by another \$2.7 million. These are general fund dollars and can be used as ongoing revenues for whatever purpose necessary to balance the budget. Mr. Jenkins then suggested taking \$2.7 million out of the project reserve and contingency reserve accounts to put back into the capital improvement project fund. Thus, capital

improvements for 2003 would remain whole.

The disadvantage is that \$2.7 million of one-time dollars will have been put into capital improvements, but that does provide time to evaluate what the fiscal status is going to be a year from now, and see if there are enough general fund revenues to go back into capital improvements. It also is an opportunity to get through one more year of construction to see if there will be extra project reserve dollars and contingency reserve dollars to be able to take care of this one more time, if necessary.

Sen. Evans suggested that at the Appropriations Subcommittee meeting in August, there be a chance to analyze this presentation and have an opportunity for discussion and evaluation. Rep. Adair answered that it will be evaluated in August. He said that by accepting Mr. Jenkins proposal now, we will be kept functioning and able to balance the budget.

Kevin Walthers, Analyst, commented that, rather than a statutory change, it would be better to draft intent language that essentially says that DFCM can use contingency reserve and project reserve funds for ongoing costs. He said he could work with Research to come up with intent language that would meet the spirit of what the Committee wants, and could then be inserted into the Appropriations Act. He said he would check to see if a floor amendment is needed. A caveat to the intent language could be added that says the Committee will address the situation again in the 2003 general session.

Mr. Walthers also noted that there is an understanding that Item 1a. on Mr. Jenkin's handout is a difficult problem, but it can be addressed in January as a supplemental item. He said that perhaps in August a list of options to do that can be formulated.

**MOTION:** Rep. Pace made a motion that the Committee direct Staff in whatever piece of legislation is appropriate to create intent language to transfer \$2.7 million as temporary funds from the project reserve and contingency reserve accounts and designate those dollars to be used in capital improvement projects.

Rep. Adair asked for discussion to the motion.

Sen. Evans agreed that intent language is the simpler way to handle this.

Rep. Clark commented that he wants to get back to the original intent of the Committee, and asked Mr. Walthers to discuss the intent. He felt that this is not only a fiscal shift, but a policy shift. Mr. Walthers answered that Mr. Jenkins is suggesting that the professional staff, the architects, engineers and project managers, be funded directly out of the projects, and the support staff members be funded from general funds. Given the budget concerns, it was felt that this is a good way to get some substantial money in one place. It would provide a little more flexibility for general fund money without costing jobs. Mr. Walthers felt that the long-term policy decision is something the Committee will have to address in August and again in January. He said there is some ongoing money that comes

back to the Committee for the 2004 budget.

Rep. Clark wondered if DFCM has a long range plan, or if the Committee should initiate a plan.

Rep. Adair said that the chair's intent is to bring this back to the August meeting for full discussion.

Rep. Pace commented that this is a good immediate solution, and gives the Committee time to make major policy changes without pressure.

Sen. Valentine commented that he has had a private discussion with Mr. Jenkins and supports the motion.

Sen. Evans called the question on the motion.

The motion passed unanimously.

**MOTION:** Sen. Evans moved to accept Majority Party Agreement Balanced Budget-FY 2003, lines 12 through 118, as presented in the handout.

The motion passed unanimously.

## 2. **Approval of Minutes**

**MOTION:** Rep. Pace moved to approve the minutes of June 26, 2002.

The motion passed unanimously.

**MOTION:** Sen. Evans moved to adjourn the meeting.

The motion passed unanimously.

The meeting was adjourned at 9:59 a.m. by Rep. Gerry Adair.

The minutes were reported by Sandra Maeser