

**MINUTES OF THE
INFRASTRUCTURE AND GENERAL GOVERNMENT APPROPRIATIONS
SUBCOMMITTEE**

Room 445 State Capitol Building
January 30, 2014

Members Present: Sen. Wayne A. Harper, Co-Chair
Rep. Gage Froerer, Co-Chair
Rep. Jacob L. Anderegg, House Vice Chair
Sen. Lyle W. Hillyard
Sen. David P. Hinkins
Sen. Scott K. Jenkins
Sen. Karen Mayne
Sen. Kevin T. Van Tassell
Rep. Kay J. Christofferson
Rep. Janice M. Fisher
Rep. Lynn N. Hemingway
Rep. John Knotwell
Rep. Douglas V. Sagers
Rep. R. Curt Webb
Rep. John R. Westwood

Member Absent: Sen. Peter C. Knudson
Sen. Evan J. Vickers
Rep. Johnny Anderson

Staff Present: Mr. Mark Bleazard, Fiscal Manager
Mr. Gary K. Ricks, Fiscal Analyst
Ms. Cami Deavila, Secretary

Note: A copy of related materials and an audio recording of the meeting can be found at www.le.utah.gov.

1. Call to Order

Co-Chair Harper called the meeting to order at 2:25 p.m.

2. Approval of Minutes

No minutes to approve.

3. Base Budget Bill S.B. 6 and IGG Agencies Discussion and Analysis

a. Unfinished Items from Previous Meeting

No unfinished items.

b. Department of Transportation

Carlos Braceras, Executive Director, Utah Department of Transportation (UDOT) introduced the UDOT organization, responsibilities, and 2014 strategic direction and performance measures.

Sen. Van Tassell asked about the effectiveness of wildlife fencing on preventing accidents. Mr. Braceras stated there had been tremendous success but work still needed to be done.

Mr. Braceras explained UDOT SUCCESS Framework, keys to innovation and efficiency, and outsourcing of construction projects.

Co-chair Harper commented on the importance of snow plow drivers.

Rep. Anderegg asked if services provided to UDOT through the Department of Technology Services (DTS) were adequate. Mr. Braceras stated the pace of development and delivery of applications could be faster and more opportunity to establish fair value through competition. Rep. Anderegg and Mr. Braceras discussed data processing, including increased costs. Rep. Anderegg asked if line item 86, Construction Management of \$1,470,000 could be returned to the General Fund. Mr. Braceras stated the Construction Management funds could be returned to the General Fund. Rep. Anderegg suggested funds from the Restricted Aeronautics Account be returned to the Transportation Fund. Mr. Braceras stated individual airport operators feel they own the airport line item money for airport repairs.

Steve Allred, Analyst, Office of the Legislative Fiscal Analyst, clarified funding from the aeronautics fund.

Sen. Mayne stated support for UDOT.

Rep. Westwood asked for further explanation on private contracts. Mr. Braceras stated all construction jobs were contracted out and only one out of six traffic operations employees were UDOT employees, all others were contracted.

Rep. Christofferson acknowledged UDOT for innovation, efficiency, and working with private industry, and asked what UDOT could do to have further improvement, cut programs, and how the Legislature could help. Mr. Braceras stated UDOT shares ideas with other states, outsource rest areas, have a better understanding of the true value of maintenance services, more competition, and adding roads without adding people.

Rep. Hemmingway asked about the success of the 80 MPH speed limit areas. Mr. Braceras explained how areas were decided for the 80 mph speed limit increase, the average speed is around 82 MPH. Rep. Hemmingway asked about the variable speed limit signs going up Parley's Canyon. Mr. Braceras explained the adaptive speed limit signs and UDOT would provide updates to the committee.

Mark Bleazard, Analyst, Office of the Legislative Fiscal Analyst, reviewed the history of

transportation funding and explained different funding sources available to UDOT. The revenue estimate from the transportation fund is for FY14 was \$440 million and the estimate for FY15 was \$443 million, an increase of .57 percent, \$1.5 million from the General Fund. There was a Federal appropriation of \$200 million. Mr. Bleazard reviewed gas tax earmarks. The Critical Highway Needs Program received \$90 million, the Transportation Investment Fund (TIF) received .25 percent of sales tax on food, and 30 percent of the growth after 2011 was dedicated to TIF.

Sen. Hillyard asked if payments for interest and bonding was more than what was being paid for roads. Mr. Braceras stated the bond payment on July 1, 2014 would be \$300 million. Becky Bradshaw, Finance Director, UDOT, stated total principle and interest payments would be \$340 million. Sen. Hillyard asked how much money was going into roads. Mr. Braceras explained the process of projecting revenue sources and funding projects. Sen. Hillyard asked when the bond payment would be down to less than \$100 million. Ms. Bradshaw stated the year 2027 if no more bonding took place.

Mr. Allred presented trend analysis of UDOT funding.

Rep. Knotwell asked about the reduction in the Rehabilitation and Preservation line item. Mr. Braceras stated the line item was the appropriated amount, UDOT would be consistent in spending that amount.

Mr. Allred presented an analysis on unfilled vacancies that were still being funded.

Mr. Braceras presented UDOT trend analysis on overtime pay and excess time earned.

Rep. Anderegg asked if the UDOT process for staffing was required by statute or self-directed. Mr. Braceras stated self-directed.

Rep. Christofferson asked about fluctuation in the Civil Rights program line item. Mr. Braceras stated the program was under-funded and needed to be adjusted to meet Federal requirements.

Mr. Allred reviewed the fund trends report including the Aeronautics Fund, Share the Road Bicycle Account, and the Transportation Investment Fund (TIF). Mr. Allred continued with options to reduce 1 percent, or \$2.2 million, from the Transportation Fund including \$200,000 from support services.

Mr. Braceras stated administrative services lapsed \$100,000 and a \$200,000 cut would be difficult to manage.

Ms. Bradshaw stated 2013 was actual expenditures compared to the 2014 appropriated base budget.

Sen. Hillyard asked how UDOT could generate money internally to give salary increases to

employees. Mr. Braceras stated UDOT was committed to finding efficiencies to put money towards road projects.

Rep. Sagers asked if there was a measurable return on how UDOT projects feed the economy. Mr. Braceras stated there was clearly an impact, but an amount had not been quantified.

Rep. Anderegg asked about the status of the Thanksgiving Point interchange. Shane Marshall, Deputy Director, UDOT, stated \$8 million had been invested in the project. Mr. Braceras stated the project would be finished by 2017.

Co-chair Harper reviewed changes in the selection process for UDOT construction projects.

Sen. Hillyard stated if the gasoline tax were raised one cent per gallon, \$10 million in revenue could be generated for the State. Mr. Braceras added a one cent per gallon gas tax increase would raise \$15 million but includes a 70/30 percent split with local governments.

Mr. Allred continued with \$150,000 reductions in the procurement program by cutting one FTE in the comptroller program.

Mr. Braceras stated the comptroller program had reduced 10 positions in 10 years and a couple of positions were brought back to help close the financial side of projects quicker.

Mr. Allred reviewed data processing current expenses. Mr. Braceras differentiated what funds were spent on data processing and what funds went to DTS. Mr. Allred stated Ports of Entry were the largest possible reduction, \$300,000. Other reductions could include \$100,000 in Engineering Services, \$40,000 from the Structures Program, \$200,000 from the Research Program, \$400,000 from Construction Management, and \$75,000 from Civil Rights.

Sen. Hillyard asked about the research program using engineering students. Mr. Braceras stated there was a training program that students could complete as an internship.

Mr. Allred continued with reductions in the Region Management line item of \$600,000, Aeronautics Restricted Account, the General Fund of \$1.47 million, and the Safe Sidewalk Program of \$500,000.

Sen. Jenkins stated the impact on rural communities if there were reductions to the Safe Sidewalk Program. Mr. Braceras stated the Safe Sidewalk Program required a 25 percent match from the local community receiving the funds.

Sen. Hillyard added local governments may not be aware of the funds. The statute may need to be amended to allow the money to be used on sidewalks not along a highway. Mr. Braceras stated if the community does not use the money in two years the funds were returned and reallocated to other projects.

Mr. Braceras asked that airport operators be contacted prior to deciding on reducing the Aeronautics Fund.

Sen. Hillyard stated the committee should proceed with caution when considering a reduction in the Aeronautics Fund.

MOTION: Sen. Jenkins moved to adjourn. The motion passed unanimously.

Co-Chair Harper adjourned the meeting at 4:50 p.m.

Sen. Wayne A. Harper, Co-Chair

Rep. Gage Froerer, Co-Chair