

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

Room 445 State Capitol Building
February 7, 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. Peter C. Knudson
Sen. Kevin T. Van Tassell
Sen. Evan J. Vickers
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

Members Absent: Sen. Karen Mayne
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.leg.utah.gov.

1. Call to Order

Co-Chair Harper called the meeting to order at 2:18 p.m.

2. Unfinished Items from Previous Meetings

3. Nephi Ag Lab

Dr. Tom Baldwin, Director, Utah Veterinary Diagnostic Laboratory, explained the functions, safety issues, and need for the Nephi Ag Lab. The request was for a \$744,816 Revenue Bond. Bond payments would be made with existing rent monies and be paid off in 7-10 years.

Rep. Anderegg asked what the landlord was doing to make repairs to the existing building or address safety issues and how long the lease was. Dr. Baldwin stated the landlord had stabilized

the foundation and indicated that is the extent of the repairs that would be made. The lease is month to month.

Rep. Fisher asked about different diseases that are diagnosed in the lab and asked if there were other similar labs in the State. Dr. Baldwin answered there were other vet labs, but not with the same functions.

Sen. Jenkins asked what the soft costs were and stated the construction cost seemed high for the size of building. Dr. Baldwin stated soft costs were blue prints, permit costs, and impact fees. Dr. Bruce L. King, State Veterinarian, stated the cost of laboratories increased the construction costs.

Co-chair Harper requested that DFCM review the cost of the building.

4. Eighth District Court Building

Alyn Lunsford, Facility Director, Utah State Courts, presented the \$7.56 million project shared between Duchene County and the State court system; \$2.28 million of the project is for county space, \$5.37 million is State court space. The request is for \$5.37 million in a Lease Revenue Bond.

Sen. Van Tassell stated his support for the project.

Sen. Jenkins stated the cost of the building seemed high.

Co-chair Harper requested that DFCM review the cost of the building.

5. Alcoholic Beverage Control

Sal Petilos, DABC, presented the study completed by University of Utah MBA program to increase the number of State Liquor Stores.

Co-chair Harper asked for the average cost in opening a new store. Mr. Petilos stated an average of \$4 million per store with 12 potential stores proposed. About 1-2 stores a year would be built.

Rep. Fisher stated that it is ironic the State has disdain for alcohol, but because money is made the State would build more stores.

Rep. Hemmingway asked if any liquor stores were losing money. Mr. Petilos replied no stores were losing money.

6. In-depth Budget Items

Gary Ricks, Analyst, Office of the Legislative Fiscal Analyst, presented a report on off-budget funds to bring funds online or to close them in statute. The Aeronautics Construction Revolving

Loan Fund, Finance Suspense Fund, Savings Bond Fund, Misc. Agency Fund, and Motor Carrier Fee were recommended to be closed. Funds needing action by the committee for inclusion in the appropriation's process as an information item were: Child Welfare Parental Defense Fund, State Archives Fund, Office of State Debt Collection Fund, Wire Estate Memorial Fund, Utah Navajo Royalties Holding Fund, Office of State Debt Collection Collections Fund, and the Capital Projects Fund.

Sen. Jenkins asked if there was cash in the funds and how the committee should handle the funds. Mr. Ricks stated there was cash and the committee would need to take action. Mark Bleazard, Analyst, Office of the Legislative Fiscal Analyst, explained the Wire Estate Memorial Fund.

John Reidhead, Director of Division of Financing, explained funds that are budgeted and not budgeted. The cash was not currently available to be spent and what to do with the money would need to be researched.

Co-chair Harper asked if the committee would know what to do with the funds next week or next year. Sen. Hillyard stated there would be eleven bills to remove the funds from statute to be returned to the General Fund.

Sen. Hillyard reviewed the history of the Aeronautics Construction Revolving Loan Fund.

Rep. Sagers asked if the off budget funds were audited periodically and how often. Mr. Reidhead stated the State Auditor audits all State funds every year.

Sen. Hinkins stated rural airports are concerned about not having use of the funds in the Aeronautics account.

Rep. Christofferson and Rep. Fisher asked for clarification on the Aeronautic Funds. Mr. Bleazard stated there were two Aeronautics funds and explained the difference.

Sen. Hillyard stated the fund that would be closed had never had donations or funding and should be closed.

7. DAS/DTS Building Blocks and Intent

Mr. Ricks reviewed the following building blocks and adjustments of the Departments of Administrative Services (DAS) and Technology Services (DTS):

DAS:

Historic Building Maintenance building block, FY 2015, General Fund, ongoing: \$100,000;

Jail Reimbursement building block, FY 2015, General Fund, ongoing: \$1,000,000;

Purchasing and General Services ISF transfer, FY 2015, retained earnings to General Fund, one-

time: \$1,000,000;

Administrative Rules eRules enhancements, FY 2015, General Fund, one-time: \$25,000;

Archives Storage System upgrade, FY 2015, General Fund, one-time: \$150,000;

DFCM Energy Efficiency Program, FY 2015, General Fund, one-time: \$600,000;

Post Conviction Indigent Defense, FY 2014, General Fund, one-time: \$100,000;

Finance Division Dedicated Credits: FY 2014, \$500,000, FY 2015 ongoing, \$500,000;

Archives Dedicated Credits: FY 2014, \$126,000;

Parental Defense Dedicated Credits: FY 2015 ongoing, \$20,000;

Budget Correction FY 2014: \$32,100 from transfers and pass-through to Capital Projects Fund;

Archives Federal Funds FY 2015: adjust amount to \$38,900;

DTS:

CIO Federal Funds FY 2014: \$566,700; FY 2015 \$566,700;

AGRC Federal Funds FY 2014: adjust amount to \$314,600; FY 2015: \$500,000, no changes (see item # 25, SB 6);

DAS:

New line item creation: DFCM Administration, transfer, FY 2015, \$248,000 Capital Projects Fund to the new Building Board Program line item;

New Building Board Program line item building blocks: FY 2015, \$900,000 Facilities

Conditions Assessments; \$85,000 Maintenance Auditor; \$20,000 Vehicle for Maintenance Auditor, all from the Capital Projects Fund;

Fleet Services Motor Pool ISF Capital Outlay adjustments to: FY2014 \$24,054,400 and FY 2015 \$21,975,000;

Risk Management ISF FTE increase: FY 2015, 1 FTE;

Risk Management ISF Programs breakout for greater transparency, FY 2016.

Kim Hood, Executive Director, DAS, outlined the department priorities, the funds that would be returned to the General Fund, and the new Building Board line item.

Rich Amon, Deputy Director, DAS, added the importance of the \$1 million reallocation of funds internally with \$600,000 going to the Energy Revolving Loan Fund.

Co-chair Harper asked where the funds go that are paid back from the Energy Revolving Loan Fund. Mr. Amon stated funds are repaid into the revolving loan fund to be used again.

8. DOT Building Blocks and Intent

Mr. Bleazard stated the request to increase DOT budget of \$1.9 million from the Transportation Fund to update and pay licensing fees for software. An increase in the Maintenance Management Program, there is an anticipated shortfall of \$40-60 million annually. A \$4 million increase from the Transportation Investment Fund to the maintenance line item. Proposed intent language includes: Construction Management, Engineering Services, Equipment Management, Operation/Maintenance Management, Mineral Lease,

Region Management, Safe Sidewalk Construction, Support Services, Transportation Investment Fund Capacity Program.

Carlos Braceras, Executive Director, Utah Department of Transportation had no concerns with UDOT building blocks or intent language.

9. Committee Action on Budget Adjustments

MOTION: Rep. Knotwell moved to adjourn. The motion passed unanimously.

Co-Chair Harper adjourned the meeting at 4:04 p.m.

Sen. Wayne A. Harper, Co-Chair

Rep. Gage Froerer, Co-Chair