

**MINUTES OF THE  
BUSINESS, ECONOMIC DEVELOPMENT, & LABOR  
APPROPRIATIONS SUBCOMMITTEE**

**Room 25, House Building**

February 4, 2015

**Members Present:** Sen. Brian E. Shiozawa, Senate Chairman  
Rep. Dixon M. Pitcher, House Chairman  
Rep. Stewart E. Barlow, House Vice Chair  
Sen. Curtis S. Bramble  
Sen. Wayne A. Harper  
Sen. Ann Millner  
Sen. Jerry W. Stevenson  
Sen. Evan Vickers  
Rep. Patrice M. Arent  
Rep. Jeremy A. Peterson  
Rep. Val L. Peterson  
Rep. John R. Westwood  
Rep. Mark Wheatley  
Rep. Brad R. Wilson

**Members Absent:** Sen. Gene Davis  
Rep. Johnny Anderson  
Rep. James A. Dunnigan

**Staff Present:** Dr. Andrea Wilko, Chief Economist  
Ms. Clare Tobin Lence, Fiscal Analyst  
Ms. Rosemary Young, Committee Secretary

Note: A copy of related materials and an audio recording of the meeting can be found at [www.le.utah.gov](http://www.le.utah.gov).

Sen. Shiozawa called the meeting to order at 8:08 a.m.

**MOTION:** Sen. Stevenson moved to approve the minutes of the January 27, 2015 meeting. The motion passed unanimously with Rep. Arent absent for the vote.

**Alcoholic Beverage Control Building Blocks**

Sal Petilos, Director, DABC, distributed a handout which summarizes the building block requests as follows:

1. \$1.5 M ongoing to keep open 6 stores previously slated for closure in FY 10 but which were kept open through one-time funding and contributed approximately \$9.4 M to the General Fund, School Lunch Program, Public Safety and sales taxes.
2. \$35,000 to fund increases in package agency compensation.
3. \$65,000 to open a package agency in Eden, Utah.

Dr. Wilko informed the committee that these are items which will have to be prioritized. Other items that the agency does not have to compete for are an increase in credit card processing fees and one-time saving on their bond for stores amounting to about \$2M which they requested to upgrade the information technology system. The committee may want to consider authorizing an FTE for IT maintenance and granting non-lapsing authority for the \$2M.

### **Base Budget Voting and Prioritization**

Dr. Wilko and Analyst Tobin Lence discussed the various agencies and the associated line items and federal funds on the base budget bill, H.B. 4. Any changes were noted and can be found in the committee materials titled H.B. 4 Proposed Budget Changes.

A list of all grants to non-profits found in the base budget was requested by Sen. Bramble.

**MOTION:** Rep. Barlow moved to accept the Utah Health Exchange federal grant in the amount of \$500,000. The motion passed unanimously with Rep. Arent absent for the vote.

**MOTION:** Rep. Barlow moved to accept the changes that have been proposed for Heritage and Arts base budget and the GOED base budget as found in the bill. The motion passed unanimously with Rep. Arent absent for the vote.

**MOTION:** Rep. Jeremy Peterson moved to adopt lines 14-17 as found in the bill concerning the State Tax Commission. The motion passed unanimously with Rep. Arent absent for the vote.

**MOTION:** Rep. Wilson moved to accept the proposed changes to the USTAR budget, line items 18-21. The motion passed unanimously with Sen. Bramble and Rep. Arent absent for the vote.

**MOTION:** Rep. Westwood moved to adopt the DABC base budget, line items 22 & 23. The motion passed unanimously with Sen. Bramble and Rep. Arent absent for the vote.

**MOTION:** Rep. Pitcher moved to adopt the Labor Commission budget, line item 24. The motion passed unanimously with Sen. Bramble and Rep. Arent absent for the vote.

**MOTION:** Rep. Westwood moved to adopt the Department of Commerce base budget, line items 25-28. The motion passed unanimously with Sen. Bramble and Rep. Arent absent for the vote.

**MOTION:** Rep. Westwood moved to adopt the base budget of the Department of Financial Institutions, line item 29. The motion passed unanimously with Sen. Bramble and Rep. Arent absent for the vote.

**MOTION:** Rep. Wheatley moved to adopt the Department of Insurance base budget, items 30-33. The motion passed unanimously with Sen. Bramble and Rep. Arent absent for the vote.

**MOTION:** Rep. Barlow moved to adopt the Public Service Commission base budget, items 34-35. The motion passed unanimously with Sen. Bramble and Rep. Arent absent for the vote.

Dr. Wilko explained that items 36 to 57 deal with expendable revenue funds.

**MOTION:** Rep. Pitcher moved to accept items 36-57 in H.B. 4. The motion passed unanimously with Sen. Bramble and Rep. Arent absent for the vote.

Dr. Wilko informed the committee that a substitute H.B. 4 will be drafted which will reflect the changes voted on today. The 2% budget efficiencies list was presented and discussed, with the explanation that items would be listed in order of lowest priority to highest priority. The original list had about \$1.2 M in flexibility.

Kimberly Henrie, GOED, responded to questions about the \$191,200 amount concerning STEM Action Center. The number was reduced to \$191,000.

**MOTION:** Rep. Barlow moved to have the Antelope Island Stampede Festival in position #1 on the prioritization list. The motion passed unanimously with Sen. Bramble and Rep. Arent absent for the vote.

Sal Petilos, Director, DABC, responded to concerns expressed by saying that the agency would prefer cuts to transportation costs than cuts that affect store operations.

**MOTION:** Rep. Wilson moved to remove Heritage and Arts programs: Museum of Natural History, at \$150,000; Symphony in the Park, Taylorsville Dayzz at \$20,000; and Humanities Council at \$22,100. The motion passed unanimously with Senator Bramble and Rep. Arent absent for the vote.

John Valentine, Chairman, Tax Commission, and Barry Conover, Executive Director, responded to questions about turnover savings by informing the committee that not filling positions will adversely affect maintenance and security programs. The \$518,500 amount represents 2% of turnover savings and 10 positions. There was discussion as to the value of the efficiencies exercise which all of the agencies have been asked to do.

**MOTION:** Sen. Harper moved to place Insurance reallocate in position 2, Department of Commerce SUCCESS at 3, GOED STEM action at 4, DABC shipping increase at 5, Labor inspection at 6, Commerce IT at 7, GOED Sports Commission at 8, Commerce land use planning at 9, Tax uninsured motorist at 10, USTAR research teams at 11, DABC efficiencies at 12, Heritage and Arts Digital Library at 13, Labor turnover savings at 14, Tax Commission turnover savings at 16, Heritage and Arts fellowship program at 17.

**SUBSTITUTE MOTION:** Sen. Bramble moved to take the Sports Commission off the list. The motion passed unanimously with Sen. Vickers and Rep. Arent absent for the vote.

**MOTION:** Rep. Wilson moved to change the amount on item 14, Tax turnover savings from \$518,500 to \$46,300. The motion passed unanimously with Sen. Bramble and Rep. Arent absent for the vote.

**MOTION:** Sen. Stevenson moved to accept the Prioritized Budget Efficiency List as found under Related Links on this committee's web page. The motion passed unanimously with Sen. Bramble and Rep. Arent absent for the vote.

### **Heritage and Arts Building Blocks**

Julie Fisher, Director, Department of Heritage and Arts and Brian Somers, Deputy Director, presented the Department's building blocks. The agency is asking for \$120,000 on-going for museum grants. An additional request is for \$40,000 on-going for restoration of the aging fine art collection of the state. Emily Johnson, Registrar from Arts and Museums, displayed 2 paintings needing restoration which would require the paintings to be sent out of state. Slides of other paintings were shown. There was discussion as to why more art pieces aren't displayed in the Capitol and other rooms. Capitol Preservation Board and Risk Management are involved in those decisions. In the State Library Division the agency is requesting for Community Library Enhancement Fund Grants \$130,000 on-going. Museums must be certified to receive this funding. Carry Forward Funds were referenced. Questions about the security of the Department's facility were discussed.

**MOTION:** Sen. Vickers moved to adjourn. The motion passed unanimously with Sen. Bramble absent for the vote.

Sen. Shiozawa adjourned the meeting at 10:12 a.m.

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Sen. Brian E. Shiozawa, Chair

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Rep. Dixon Pitcher, Chair