

**MINUTES OF THE  
EXECUTIVE APPROPRIATIONS COMMITTEE**  
Friday, February 6, 2015 – 12:20 p.m. – Room 445 State Capitol

**Members Present:**

Sen. Lyle W. Hillyard, Co-Chair  
Rep. Dean Sanpei, Co-Chair  
Sen. Jerry W. Stevenson, Vice Chair  
Rep. Brad L. Dee, Vice Chair  
Sen. Jim Dabakis  
Sen. Gene Davis  
Sen. Luz Escamilla  
Sen. Peter C. Knudson  
Sen. Karen Mayne  
President Wayne L. Niederhauser  
Sen. Ralph Okerlund  
Rep. Patrice Arent  
Rep. Joel K. Briscoe  
Rep. Rebecca Chavez-Houck

Rep. James A. Dunnigan  
Rep. Francis D. Gibson  
Rep. Brian S. King  
Rep. Brad R. Wilson

**Members Excused:**

Sen. J. Stuart Adams  
Speaker Gregory H. Hughes

**Staff Present:**

Mr. Jonathan Ball, Legislative Fiscal Analyst  
Mr. Steven Allred, Deputy Director  
Ms. Greta Rodebush, Legislative Secretary  
Ms. Karen Mitchell, Committee Secretary

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

**1. Call to Order/Approval of Minutes**

Co-Chair Hillyard called the meeting to order at 12:37 p.m. There were no minutes to approve.

**2. Subcommittee Base Budget Reports**

During the December 2014 meeting, the Executive Appropriations Committee allocated a base budget amount to the subcommittees that represents 98 percent of the current fiscal year budget's ongoing General and Education Fund appropriations, which would require each subcommittee to come up with 2 percent in reallocations or savings. The committee heard reports from five appropriations subcommittees and Executive Appropriations Committee Agencies on February 5, 2015. In today's meeting, the remaining three appropriations subcommittees reported on their base budgets and 2 percent reductions lists.

**a. Executive Offices and Criminal Justice**

Sen. Daniel W. Thatcher, and Rep. Eric K. Hutchings, Co-Chairs, and Rep. Keven J. Stratton, House Vice Chair, presented the [Executive Offices and Criminal Justice Base Budget Report](#). Mr. Gary Syphus and Ms. Clare Tobin Lence, LFA Fiscal Analysts, provided assistance.

Rep. Hutchings remarked that the subcommittee took creating a base budget and a potential cut list very seriously. The subcommittee worked on the budget over the interim and the chairs met with the agencies on multiple occasions to get a good understanding of where they are and what they are working on.

Rep. Hutchings indicated that the base budget reflects some historical work that has been done to find savings, use non-lapsing balances, and reallocate within line items.

Rep. Hutchings called attention to the Budget Effectiveness Options on page A-6. He emphasized that these items were legitimate and deserving of consideration if funding is restored.

Sen. Thatcher stated that over the last several years, the subcommittee has been working very hard on reallocations. In fact, agencies have been willing to give up certain projects for other building blocks they believe are slightly more important. As a result, this year the subcommittee has had difficulty identifying budget items to reallocate that would not prove to be a serious disservice to the state.

Rep. Hutchings added that the vast majority of the effort to bring about reforms in the criminal justice system through the Justice Reinvestment Initiative and relocate the prison falls within the Executive Offices and Criminal Justice budget.

Sen. Karen Mayne inquired about the funding for Judicial Performance Evaluation Commission Data Processing and Jail Contracting. Sen. Thatcher explained that reducing Jail Contracting is one of the only ways to reach any kind of savings in Corrections at all. However, it was Sen. Thatcher's opinion that Jail Contracting should be one of the absolute last items the Legislature should consider cutting, especially when you consider how hard we have worked to maintain a relationship with the counties. He also pointed out that jail contracting helps maintain our prison population. Sen. Mayne agreed with Sen. Thatcher.

Sen. Thatcher explained that the Commission on Criminal and Juvenile Justice (CCJJ) has a very small budget. He felt that defunding Judicial Performance Evaluation Commission Data Processing by \$9,200 would be a detriment to the state, but it was the only way to reach the 2 percent reduction with that agency. Sen. Mayne expressed her support for this program.

Rep. King expressed his appreciation to the chairs and their work on the subcommittee. He also commented on the importance of identifying inefficiencies and tightening budgets where possible but to the extent that the exercise is carried out in a way that cuts into essential services, it is a problem.

Rep. Hutchings stated that the subcommittee had prioritized the 2 percent reductions 1 through 23, with Item 1 being the first to go in terms of funding. Conversely, Item 23 would be the subcommittee's first choice to fund if funding was to be restored. Sen. Thatcher reiterated that this list reflects the least damaging cuts the subcommittee could make.

Co-Chair Hillyard thanked the chairs for their presentation.

## **b. Higher Education**

Sen. Stephen H. Urquhart and Rep. Keith Grover, Co-Chairs, and Rep. Jon Stanard, House Vice Chair, presented the [Higher Education Base Budget Report](#). Mr. Spencer C. Pratt, Fiscal Manager, LFA, and Ms. Angela J. Oh, Senior Statistician, LFA, provided assistance.

Rep. Grover stated that last year was a great year for higher education in terms of funding, thanks to the good work of the university presidents and the Executive Appropriations Committee (EAC). He noted

that the Higher Education Appropriations Subcommittee adopted its base budget a couple of days ago. He further pointed out that when H.B. 1, Higher Education Base Budget (2015 General Session) comes to the floor, an amendment needs to be made that will make a technical correction in the Southwest Applied Technology College's budget.

Sen. Urquhart said that this year's budget is aligned to performance based budgeting with a push toward efficiencies, improved graduation rates, improved throughput, and flexibility for our students. He indicated that the chairs met yesterday with the EAC chairs to talk about the subcommittee's base budget. Sen. Urquhart clarified that if Higher Education took a 2 percent reduction, they would tell all institutional presidents to manage it according to their mission and priorities.

Rep. Arent asked how these cuts would impact students if implemented. Sen. Urquhart responded that it would depend on the various institutions. The institutions have been continually eliminating programs that do not have a lot of students or graduates and reallocating those resources toward programs that have better prospects for students. Sen. Urquhart stated that a few individuals in certain circumstances would be impacted. However, he did not think there would be a broad impact to the institutions.

Co-Chair Hillyard thanked the chairs for their presentation.

### **c. Infrastructure and General Government**

Sen. Wayne A. Harper, Co-Chair, presented the [Infrastructure and General Government Base Budget Report](#). Mr. Brian Wikle, Fiscal Analyst, LFA, and Dr. Thomas Young, Senior Economist/Forecaster, LFA, provided assistance.

Sen. Harper stated that the subcommittee identified approximately \$3.1 million in cuts as listed in the Budget Effectiveness Options on page C-6 of the report, with most of these cuts coming out of the UDOT line-item. He expressed his appreciation to the agencies for identifying programs that could absorb budget cuts without having a major impact on programming operations.

Sen. Harper briefly highlighted some of the recommended changes to the base budget. The IGG base budget appropriates \$1.45 billion, of which 61 percent is appropriated to Transportation and 31 percent is appropriated to Debt Service. The subcommittee identified two one-time reductions that included \$1.1 million that was intended to study streamlining local government forms, which was reallocated within the subcommittee based on needs. In addition, there was \$15.2 million from the repeal of the Transportation Litigation Account for Highway Projects. Finally, the subcommittee also chose capital improvements as its number one priority for the maintenance of buildings.

Co-Chair thanked Sen. Harper for his presentation.

Co-Chair Hillyard recognized Rep. Sanpei for a series of motions outlined in the handout, "Executive Appropriations Committee Motions – February 6, 2015."

## **Business, Economic Development, and Labor – Tab 2**

**MOTION:** Rep. Sanpei moved to approve the FY 2016 base budget recommended by the Business, Economic Development, and Labor subcommittee as shown on pages C-1 through C-65 behind tab 2, with the following changes:

1. Antelope Island Stampede Festival, (\$10,000);
  2. Reallocate Insurance Department Account Resources to Other Accounts, (\$75,000);
  3. Real Estate and Corporations SUCCESS Revenue, (\$265,400);
  5. Eliminate DABC Shipping Cost Increases, (\$300,000);
  11. Efficiencies from New DABC Information System, (\$200,000);
  12. Utah Digital Library, (\$49,900);
  14. Tax Turnover Savings, (\$46,300)
  15. Arts Fellowship Program, (\$10,000); and,
- Zoos, \$908,400 as a reallocation from the Social Services base budget.

The motion includes any non-state funds associated with the aforementioned changes.

Rep. Sanpei further moved that the Executive Appropriations Committee increase its allocation to the Business, Economic Development, and Labor subcommittee from \$111,264,000 to \$114,443,100. That represents a \$3,179,100 increase in the subcommittee's allocation, making it 100% of the subcommittee's FY 2015 ongoing General and Education Fund budget plus the transfer for zoos. In total, these motions allow BEDL \$956,600 to reallocate to higher priority programs.

Rep. King wanted to go on record as expressing concerns about our process of stress testing to identify inefficiencies in state government during the legislative session. The process has placed a significant burden on state agencies. He recommended moving the stress testing process to the interim when we can dedicate more time and resources to this process. Rep. King stated that to the extent that he votes no on some of these motions, it is because of this concern.

The motion passed with Rep. King voting in opposition to the motion.

## **Executive Offices and Criminal Justice – Tab 3**

**MOTION:** Rep. Sanpei moved to approve the FY 2015 supplemental and FY 2016 base budgets recommended by the Executive Offices and Criminal Justice Appropriations Subcommittee (EOCJ) as shown on pages A-1 through A-Supplemental-3 behind tab 3, with the following changes:

1. Replace UHP Funding w/ Restricted Funding, (\$629,300);
2. Citizens Communication Portal, (\$200,000);
3. Treasurer Printing and Mailing, (\$18,500);
4. Realize 14.5% from Corrections Audits, (\$627,900);
5. Higher Education Audit Billings, (\$712,500), \$404,000 of which is reallocated to the Higher Education budget.

The motion includes any non-state funds associated with the aforementioned changes.

Rep. Sanpei further moved that the Executive Appropriations Committee increase its allocation to the Executive Offices and Criminal Justice Appropriations Subcommittee from \$576,158,400 to

\$587,512,700. That represents an \$11,352,300 increase in the subcommittee's allocation, making it 100% of the subcommittee's FY 2015 ongoing General and Education Fund budget less \$404,000 transferred to Higher Ed. In total, these motions allow EOCJ \$1,784,200 to reallocate to higher priority programs.

The motion passed with Sen. Escamilla and Rep. King voting in opposition to the motion.

#### **Higher Education – Tab 4**

**MOTION:** Rep. Sanpei moved to approve the FY 2016 base budget recommended by the Higher Education Appropriations subcommittee as shown on pages B-1 through B-61 behind tab 4, with the following changes:

Across-the-board reductions; (\$17,548,600); and,  
Higher Education Audit Billings, \$404,000 as a reallocation from the EOCJ base budget.

Rep. Sanpei further moved that the Executive Appropriations Committee increase its allocation to the Higher Education subcommittee from \$854,561,400 to \$854,965,400. This represents a \$404,000 increase in the Higher Education allocation to cover the Audit Billings transfer from EOCJ.

The motion includes any non-state funds associated with the aforementioned changes.

Rep. Briscoe commented that it was his understanding that Higher Education achieved the 2 percent budget efficiency by asking the institutions to take a 2 percent across-the-board reduction. Co-Chair Hillyard stated that this was Higher Education's report.

The motion passed with Sen. Dabakis, Sen. Escamilla, Rep. Arent, Rep. Briscoe, Rep. Chavez-Houck, and Rep. King voting in opposition to the motion.

#### **Infrastructure and General Government – Tab 5**

**MOTION:** Rep. Sanpei moved to approve the FY 2016 base budget recommended by the Infrastructure and General Government Appropriations Subcommittee as shown on pages C-1 through C-49 behind tab 5, with the following changes:

1. Technology Services Administration, (\$10,500);
2. Automated Geographic Reference Center Contractors, (\$15,700);
3. DAS Purchasing Training, (\$12,600);
4. DAS Data Processing, (\$49,700);
5. DAS Database Administrator, (\$127,700);
6. Judicial Conduct Commission Travel, (\$4,900);
7. DAS eRules Maintenance, (\$8,100);
8. Child Welfare Parental Defense, (\$1,700);
9. UDOT Project Cost Forecasting/Reserves, (\$2,909,700);
  - Reallocate Appropriation for Studies, (\$1,100,000) in FY 2015 only;
  - Litigation Settlement, (\$15,158,500) in FY 2015 only;
  - Building Contingency Fund Balances, (\$6,000,000) in FY 2015 only; and
  - Refunding Bonds, (\$800,000).

The motion includes any non-state funds associated with the aforementioned changes.

Rep. Sanpei further moved that the Executive Appropriations Committee increase its allocation to the Infrastructure and General Government Appropriations Subcommittee from \$153,089,200 ongoing to \$157,029,800 ongoing and \$16,258,500 one-time. That represents a \$2,340,600 ongoing and \$16,258,500 one-time increase in the subcommittee's allocation. In total, these motions allow IGG \$19,399,100 to reallocate to higher priority programs.

The motion passed with Rep. King voting in opposition to the motion.

### **Natural Resources, Agriculture, and Environmental Quality – Tab 6**

**MOTION:** Rep. Sanpei moved to approve the FY 2016 base budget recommended by the Natural Resources, Agriculture, and Environmental Quality Appropriations Subcommittee as shown on pages D-1 through D-62 behind tab 6, with the following changes:

1. DNR ISF Pilot Project, (\$705,400);
2. Energy Development Partial FTE, (\$27,400);
3. X-Ray Inspection Program Efficiency, (\$243,400);
- 5 and 6. Replace DNR General Fund with Restricted, (\$131,900); and
7. DWR Travel, (\$17,000).

The motion includes any non-state funds associated with the aforementioned changes.

Rep. Sanpei further moved that the Executive Appropriations Committee increase its allocation to the Natural Resources, Agriculture, and Environmental Quality Appropriations Subcommittee from \$63,467,100 to \$64,762,300. That represents a \$1,295,200 increase in the subcommittee's allocation, making it 100% of the subcommittee's FY 2015 ongoing General and Education Fund budget. In total, these motions allow NRAEQ \$1,125,100 to reallocate to higher priority programs.

The motion passed with Rep. King voting in opposition to the motion.

### **Public Education – Tab 7**

**MOTION:** Rep. Sanpei moved to approve the FY 2016 base budget recommended by the Public Education Appropriations subcommittee as shown on pages E-1 through E-28 behind tab 7, with the following changes:

- MSP: Flexible Allocation (\$23,106,600)
- MSP: K-3 Reading Improvement (\$2,600,000)
- MSP: School Districts Contribute Higher % of Per Pupil Revenues (\$20,555,400)
- MSP: To and From Pupil Transportation (\$6,000,000)
- MSP: Year-Round Math and Science Center (\$6,200,000)
- Concurrent Enrollment (\$3,000,000)
- USIMAC (\$484,000)
- USOE Equipment (\$100,000)
- USOE Supplies and Materials (\$1,000,000)
- USOE Travel (\$45,000)

The motion includes any non-state funds associated with the aforementioned changes.

Rep. Sanpei further moved that the Executive Appropriations Committee increase its allocation to the Public Education Appropriations subcommittee from \$2,703,061,500 to \$2,812,632,600 ongoing and \$3,430,000 one-time, which includes an additional \$54,406,600 ongoing and \$3,430,000 one-time for enrollment growth. That represents a \$109,571,100 ongoing and \$3,430,000 one-time increase in the subcommittee's allocation, making it 102% of the subcommittee's FY 2015 ongoing General and Education Fund budget.

Rep. Briscoe requested that LFA put the budget information in the preceding paragraph for Public Education in a spreadsheet format.

**SUBSTITUTE MOTION:** Rep. Briscoe moved that the Executive Appropriations Committee adopt the base budget recommendations of the Public Education Appropriations Subcommittee in Senate Bill 1.

The motion failed with Sen. Dabakis, Sen. Escamilla, Sen. Mayne, Rep. Arent, Rep. Briscoe, Rep. Chavez-Houck, and Rep. King voting in favor of the motion. Sen. Davis was absent for the vote.

A vote was taken on the original motion. The motion passed with Sen. Dabakis, Sen. Escamilla, Sen. Mayne, Rep. Arent, Rep. Briscoe, Rep. Chavez-Houck, and Rep. King voting in opposition to the motion. Sen. Davis was absent for the vote.

#### **Retirement and Independent Entities – Tab 8**

**MOTION:** Rep. Sanpei moved to approve the FY 2016 base budget recommended by the Retirement and Independent Entities subcommittee as shown on pages B1 - B7 behind tab 8.

Rep. Sanpei further moved that the Executive Appropriations Committee increase its allocation to the Retirement and Independent Entities subcommittee from \$21,635,600 to \$22,077,100. That represents a \$441,500 increase in the subcommittee's allocation, making it match their base budget at 100% of the subcommittee's FY 2015 ongoing General and Education Fund amount.

Finally, Rep. Sanpei moved to approve the subcommittee's recommendation to shift DHRM programs into the ISF and adjust budgets accordingly in a subsequent appropriations act.

The motion passed with Rep. King voting in opposition to the motion. Sen. Davis was absent for the vote.

#### **Social Services – Tab 9**

**MOTION:** Rep. Sanpei moved to approve the FY 2015 supplemental and FY 2016 base budgets recommended by the Social Services subcommittee as shown on pages F-1 through F-64 and F-Supplemental-1 through F-Supplemental-9 behind tab 9, with the following changes:

Tobacco Settlement Restricted Account (Sweep Balance), (\$1,488,700) ongoing (\$1,488,700) one-time; Use 3% Maximum from Nursing Restricted Account for Administration, (\$12,300) ongoing, (\$12,300) one-time;

State Hospital Savings regarding HB 14 (2012 GS), (\$32,500) ongoing, (\$32,500) one-time;

Affordable Care Act Mandatory Changes, (\$753,500) ongoing, (\$41,900) one-time;

Savings from Higher Federal Match Rate, (\$7,392,800) ongoing, (\$1,352,800) one-time; and

Zoos, (\$908,400) as a transfer to the Business, Economic Development, and Labor budget.

The motion includes any non-state funds associated with the aforementioned changes.

Rep. Sanpei further moved that the Executive Appropriations Committee increase its allocation to the Social Services subcommittee from \$842,038,400 to \$857,614,500. That represents a \$15,576,100 increase in the subcommittee's allocation, making it 100% of the subcommittee's FY 2015 ongoing General and Education Fund budget with adjustments for CHIP savings and the transfer of zoos. In total, these motions allow SS \$9,679,800 ongoing and \$2,928,200 one-time to reallocate to higher priority programs.

Finally, Rep. Sanpei moved to approve the intent language recommended by this subcommittee as shown on pages F-9 through F-13.

Sen. Escamilla indicated that she serves on the Social Services Appropriations Subcommittee. She noted the stress that the 2 percent reduction has caused to the social services community as well as other groups impacted by this exercise. She felt that it was the job of the Executive Branch to find inefficiencies in state government on a regular basis. Sen. Escamilla stated that she could not support the process in this specific budget.

The motion passed with Sen. Dabakis, Sen. Escamilla, Sen. Mayne, Rep. Arent, Rep. Briscoe, Rep. Chavez-Houck, and Rep. King voting in opposition to the motion. Sen. Davis was absent for the vote.

#### **Executive Appropriations – Tab 10**

**MOTION:** Rep. Sanpei moved to approve the FY 2016 base budget recommended by the Executive Appropriations Committee for Utah National Guard, Veterans' and Military Affairs, Capitol Preservation Board, and Legislature as shown on page A-1 behind tab 10, with the following changes for FY 2016 only:

Legislative Services Appropriation, (\$474,800);  
Legislative Staff Offices, (\$60,000);

Rep. Sanpei also moved to reallocate \$500,000 one-time in FY 2015 and \$290,000 one-time in FY 2016 from the Legislative Services line item to the Capitol Preservation Board for configuration changes to legislative space in the Capitol Building.

Rep. Sanpei further moved that the Executive Appropriations Committee increase its base budget allocation from \$35,594,000 to \$36,320,400. That represents a \$726,400 increase in the committee's original allocation, making it 100% of the committee's FY 2015 ongoing General and Education Fund budget. In total, these motions allow EAC \$534,800 to reallocate to higher priority programs.

The motion passed with Sen. Escamilla, Sen. Mayne, Rep. Arent, Rep. Briscoe, Rep. Chavez-Houck, and Rep. King voting in opposition to the motion. Sen. Davis was absent for the vote.

**MOTION:** Rep. Sanpei moved to adjourn. The motion passed unanimously with Sen. Davis absent for the vote.

Co-Chair Hillyard adjourned the meeting at 1:23 pm.