

**MINUTES OF THE
EXECUTIVE APPROPRIATIONS COMMITTEE**

Wednesday, February 18, 2015 – 5:00 p.m. – Room 210, Senate Building

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. J. Stuart Adams
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 M. Arent

Rep. Joel K. Briscoe
Rep. Rebecca Chavez-Houck
Rep. James A. Dunnigan
Rep. Francis D. Gibson
Speaker Gregory H. Hughes
Rep. Brian S. King
Rep. Brad R. Wilson

Staff Present:

Mr. Jonathan Ball, Legislative Fiscal Analyst
Mr. Steven Allred, Deputy Director
Ms. Greta Rodebush, Legislative Secretary
Ms. Linda Black, Committee 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/Approval of Minutes

Co-Chair Hillyard called the meeting to order at 5:41 p.m.

On behalf of the Executive Appropriations Committee (EAC), Co-Chair Hillyard expressed his condolences to Janet Herbert, wife of Governor Gary Herbert, whose father passed away and to Rep. Lee Perry whose father also passed away.

Co-Chair Hillyard recognized Melva Sine, President and CEO, Utah Restaurant Association, and ProStart students from West High School who thanked the EAC for supporting them.

Co-Chair Hillyard read an announcement regarding the consensus revenue projections detailed on the blue sheet, “Revenue Estimates – February 2015 (in thousands of dollars)” and “Available GF/EF Revenue – February 2015 (in millions of dollars)” and dated February 18, 2015. He reported that Utah’s economy continues to expand and that we are expecting \$64 million more ongoing revenue than was expected in December and a \$37 million one-time increase in current year estimates.

Co-Chair Hillyard indicated that the order in which the subcommittee reports would be heard had changed slightly with Higher Education presenting first.

MOTION: Rep. Sanpei moved to approve the minutes of February 6, 2015. The motion passed unanimously with Sen. Escamilla, Rep. Dunnigan, and Rep. King absent for the vote.

2. Subcommittee Budget Reports

a. Higher Education – Tab 4

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

Sen. Urquhart discussed the subcommittee's ongoing budget recommendations for FY 2016 to include the restoration of the 2 percent reduction to the Utah System of Higher Education (USHE) and Utah College of Applied Technology (UCAT) budgets, followed by (USHE) and (UCAT) Performance Based Compensation, (USHE) Research and Graduate Programs, (USHE) Performance Based Funding, (USHE) Mission-Based Funding, and (UCAT) Campus Equity, and (UCAT) Marketing and Messaging Fund.

Sen. Urquhart reiterated that Performance Based Funding is a system changer and will help significantly improve graduation rates.

Sen. Urquhart indicated that after the meeting he would provide the committee with a list of the USHE and UCAT priorities along with a list of individual bill requests. He requested that the funding for these items be addressed in that same order.

b. Executive Offices and Criminal Justice – Tab 3

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 Subcommittee Report](#). Mr. Gary Syphus and Ms. Clare Tobin Lence, LFA Fiscal Analysts, provided assistance.

Rep. Hutchings called attention to the subcommittee's ongoing and one-time recommendations on pages 3-1 through 3-4. On the one-time list, the subcommittee prioritized all of the mandatory or "must fund" items listed on page 3-36 with a number 1. The subcommittee also proposed a list of recommendations for inter-agency reallocations both one-time and ongoing.

Rep. Hutchings also identified one organizational change to move Jail Reimbursement funding from the Infrastructure and General Government Appropriations Subcommittee to the Executive Offices and Criminal Justice Appropriations Subcommittee to a dedicated line item in the Governor's Office that will be overseen by the Commission on Criminal and Juvenile Justice.

Sen. Thatcher pointed out that the (AG) IT/Case Management System was ranked a Number 1 on the one-time priority list but was not a mandatory item.

Sen. Thatcher briefly discussed the Justice Reinvestment Initiative (JRI) and explained the reasoning for separating the JRI building blocks from other one-time and ongoing requests. The subcommittee felt that the EAC should consider the JRI as a single item given that the Initiative spans across agencies and subcommittees.

Rep. Hutchings called attention to the “Justice Reinvestment Initiative Funding Breakdown – EOCJ, from General Fund” on page 3-35, which includes a list of programs by agency that the subcommittee would have to insert back into the one-time and ongoing priorities lists should the committee decide not to fund the JRI as a whole.

Speaker Hughes asked where the EOCJ subcommittee would rank the JRI on the one-time and ongoing lists. Sen. Thatcher pointed out that the JRI has a price tag of \$10.2 million, which is more than last year’s building blocks. Consequently, he felt it would be difficult to advocate for the JRI over the requests of the agencies. Sen. Thatcher stated that this is why the subcommittee set the JRI aside to be considered by the EAC.

Rep. Hutchings indicated that the House subcommittee members had ranked the JRI at Number 5 on the one-time list and Number 10 on the ongoing list. On the Senate side, the members initially ranked the JRI Number 10 on both lists, but pulled it off the lists altogether.

Rep. King asked to what extent the decision to expand or not expand Medicaid would impact JRI’s ability to treat people. Rep. Hutchings indicated that Medicaid expansion would significantly enhance treatment options for individuals who are out in the community on probation and parole.

Co-Chair Hillyard asked if Item 1 – (COR) Correctional Staff Compensation - \$2.1 million was equal to what the Governor recommended. Rep. Hutchings confirmed that the funding request was equal to the Governor’s recommendation.

Rep. Dunnigan asked at what stage of an individual’s incarceration Medicaid dollars can be used to provide treatment. Rep. Hutchings said that Medicaid does not cover treatment while an individual is incarcerated. Incarcerated individuals can receive mental health and substance abuse treatment within the facilities but these services are paid for with state dollars. Once these individuals are released, there are very few treatment resources available for them. Consequently, people spend a lot more time in jail or prison or return at higher rates.

Rep. Sanpei inquired about the subcommittee’s funding preferences. Rep. Hutchings identified the subcommittee’s funding preferences: mandatory items funded at 100 percent, JRI funded as a block, and the ongoing and one-time priority lists as money becomes available.

c. Infrastructure and General Government – Tab 5

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

Rep. Craig Hall, House Vice Chair, was excused due to a previous commitment.

Rep. Froerer discussed the subcommittee’s ongoing and one-time priority lists on pages 5-1 and 5-2. The subcommittee funded all items on the ongoing list internally with the exception of the first three items. Rep. Froerer indicated that the first 11 items on the one-time list were not funded internally but were listed in priority order. The remaining items on the one-time list were funded internally.

Sen. Harper reported that the subcommittee adopted intent language on pages 5-18 through 5-22 and approved fee changes on pages 5-23 through 5-46. He explained two pieces of non-standard intent language for the Capital Budget – Capital Development, Items 27 and 28.

Sen. Harper discussed a motion to appropriate \$4,371,000 from the Transportation Fund to the Capital Budget for construction of a new UDOT Mt. Carmel Maintenance Station. The subcommittee also moved to ask UDOT to recommend to the Transportation Commission that they prioritize and identify funds for the design and construction of the I-15 Lehi Technology Corridor to be funded as the funds are available.

Rep. Arent asked about the one-time request for State Employee Transit Passes. Mr. Ball explained that certain state agencies currently provide transit passes for their employees out of their ongoing operating budgets. The \$450,000 one-time request represents the incremental cost of providing transit passes for all state employees who work close to transit stops. He clarified that the transit passes are for all state employees regardless of whether they use it or not.

Rep. Dee asked for a clarification on the motion for the I-15 Lehi Technology Corridor. Sen. Harper said that he was not comfortable with the motion because it is a challenge to the way we have been operating. Rep. Froerer commented that it was not the intention of the subcommittee to leap frog the process, but rather, to suggest to the Transportation Commission that the I-15 Lehi Technology Corridor be considered for future funding.

President Niederhauser made the comment that any motion, intent language, proposed budget, or bill has to pass the Legislature before it has any effect on what UDOT or the Commission does. Sen. Adams also expressed concern with the motion.

President Niederhauser asked about the one-time request for Item 9 - UVU Fine Arts Building Study Plans and Item 10 - University Plaza Classroom & Land Bank. Rep. Harper responded.

Rep. Gibson inquired about the funding for the Crocker Science Building.

Sen. Harper presented the non-state funded capital development requests on page a-2 and Rep. Froerer discussed the state-funded capital development requests on page a-1. The subcommittee's top priority for state-funded capital development is \$64.8 million for Capital Improvements (statewide), which funds capital improvements at the full 1.1 percent of replacement value of buildings. Rep. Froerer indicated that the State Building Board also ranked Capital Improvements as its top priority as well.

In response to Rep. Gibson's inquiry about the Crocker Science Center, Rep. Froerer stated that the subcommittee approved \$34 million in state funding for the Crocker Science Center with an additional \$21 million available through the Crocker Foundation.

d. Executive Appropriations Committee Agencies – Tab 10

Co-Chair Hillyard announced that the committee would be hearing three requests for appropriations for the EAC report. They are as follows:

Honoring Vietnam Vets - \$235,000 General Fund One-time

Sen. Curt Bramble introduced Ms. Sharlene Hawkes, former Ms. America, who is involved in a national movement to honor Vietnam War veterans. There are approximately 47,000 Vietnam veterans living in Utah. Sen. Bramble is sponsoring S.C.R. 6 – Concurrent Resolution Supporting Vietnam Veterans that recognizes all military personnel who served and sacrificed in the Vietnam War. The \$235,000 General Fund (GF) one-time request will be used to produce a commemorative book for Utah’s Vietnam veterans. Sen. Bramble indicated that this funding will be matched by a national group.

Sen. Bramble circulated an example of a war memorial book, “Korea Reborn,” which was distributed to more than 250,000 Korean War veterans in the United States a year and a half ago.

Ms. Hawkes, Project Coordinator, explained that she has been working with the Association of the United States Army and the Naval Historical Foundation in collaboration with the Vietnam Veterans’ Memorial Fund and the Library of Congress Veterans History Project to produce a hardbound, 160-page book, which honors the stories of service and sacrifice of Vietnam Veterans with state specific messaging. The gift also includes a feature documentary, an interactive eBook, and digital archives of all Vietnam-era Division magazines.

Children’s Land Alliance Supporting Schools - \$5,000 General Fund One-time

Mr. Allred presented the request for appropriation on behalf of Sen. David P. Hinkins who had another commitment. A copy of the \$5,000 GF one-time request for the *Children’s Land Alliance Supporting Schools* (CLASS) was provided behind Tab 10. If fully funded, \$2,500 would cover the cost for Utah legislators to attend the Western States Land Commissioner Conference on July 19-21, 2015 in Moab, Utah. The CLASS advocates for the productive use of 45 million school trust land acres in twenty western states and \$61 billion in permanent school funds to promote and support schools in the west.

Demographic Decision Support - \$642,800 General Fund Ongoing

Rep. Brad Wilson explained that the \$642,800 GF ongoing request would provide demographic decision support primarily to the Legislature.

Ms. Natalie Gochnour, Associate Dean, David Eccles School of Business, University of Utah, stated that this proposal will provide the state with a much improved and much enhanced demographic decision support capability. This capability will allow us to understand in greater detail the industries affecting our future and the demographic characteristics that would accompany those projection. Ms. Gochnour said that the Legislature will have at its disposal a suite of products and training and long term decision support, which will give legislators the ability to make more data driven and informed decisions.

Ms. Gochnour mentioned that the University of Utah’s Bureau of Business and Economic Research will be housed in the former LDS Business College along with a new public policy institute.

Ms. Gochnour responded to questions regarding the proposal’s time frame, what the funding is paying for, and information sharing across jurisdictions.

Agency Budget Issues

Mr. Allred referred to the spreadsheet “EAC Agencies Funding Requests - General Fund Only” behind Tab 10. The items shown on the list were in no priority order. Mr. Allred noted that as a result of the budget effectiveness review, the committee has \$534,800 one-time for possible reallocation. The first two items on the list, Legislative Services Appropriation (\$474,800) and Legislative Staff Offices (\$60,000), represent the reduction to the Legislature’s base budget for FY 2016.

Mr. Allred also called attention to four issue briefs that outline intent language, fees, and funding issues for each agency.

Utah National Guard

Brigadier General Dallen Attack, Utah National Guard (UNG), presented the following funding request:

Military and Family Life Counselors - \$210,000 General Fund Ongoing. The UNG is requesting \$210,000 GF ongoing to hire two Military and Family Life Counselors (MFLCs) to provide confidential non-medical counseling to support military service members and their families. General Attack discussed how “family wellness” affects a service member’s ability to perform in training and combat. Federal funding for this program expired in August 2014.

Mr. Michael Norton, UNG, distributed the handout, “FY 16 Additional Budget Request.”

Veterans’ and Military Affairs

Mr. Gary Harter, Executive Director, Department of Veterans’ and Military Affairs, and Mr. Todd Hansen, Salt Lake Veterans Home, presented two funding requests:

Veterans Information Systems Enhancements - \$200,000 General Fund One-time. Veterans Information Systems Enhancements would provide temporary manpower and technical assistance for a special data mining project on the department’s current Veterans Information System. The project would identify, inform, and help veterans secure the benefits they have earned.

Western Regional Partnership - \$10,000 General Fund Ongoing. Utah currently participates in the Western Regional Partnership in which western states meet to find solutions to encroachment on military bases. The Department of Defense was paying all costs, but has now asked each state to pay \$10,000.

Capitol Preservation Board

Ms. Allyson Gamble, Executive Director, Capitol Preservation Board (CPB), presented four funding requests:

Capitol Hill Interior Security - \$600,000 General Fund One-time. The Department of Public Safety (DPS) recently completed an in-depth study of the interior security of the State Capitol Complex. The study identified a number of issues related to camera locations, camera types, alarms, card readers, and

installation costs that the \$600,000 GF one-time funding request will address. If the Legislature funds this item, additional funding will be needed in the DPS for personnel to monitor additional cameras.

Captain Jess Anderson, Utah Highway Patrol, Capitol Security, indicated that the funding would be used to complete the last phase of a three phase camera system.

Co-Chair Hillyard relinquished the chair to Co-Chair Sanpei.

Capitol Hill Exterior Security - \$2,800,000 General Fund One-time. Consultants estimate that it will cost \$2.7 million to install bollards around the capitol complex to keep vehicles away from the buildings. The CPB has also estimated a cost of \$0.1 million to improve the lift gates at street entrances. Capt. Anderson commented that this security measure will secure and safeguard Capitol facilities over the long term.

Co-Chair Hillyard assumed the chair.

Memorial Service Reimbursement - \$7,800 General Fund One-time. The CPB paid two vendors a total of \$7,800 for Former Speaker Becky Lockhart's memorial service held in January. These costs reflect discounts provided by the vendors. The media also donated their time and broadcast equipment.

Dedicated Credits Appropriation Increase - \$100,000 Ongoing. Due to the tiling project, the CPB estimated a loss of \$100,000 in event charges and room rentals. Actual results, however, show events and room rentals have not declined and are in fact, higher than prior years. The Analyst recommends an appropriation increase of \$100,000 in FY 2015 and FY 2016 from Dedicated Credits.

Legislature

Mr. Allred called attention to the Budget Brief, "Legislature Issues and Recommendations," and invited the agency directors to present their budget requests.

Mr. Michael E. Christensen, Director, Office of Legislative Research and General Counsel (LRGC), presented the agency's budget request.

Legislative Research and General Counsel - \$400,000 General Fund Ongoing + \$287,600 One-time. The \$400,000 GF ongoing request will be used to hire four new FTE that would include an attorney, analyst, secretary, and programmer to offset increases in bill drafting workload, task force and commissions, the number and complexity of legal research, and a new bill drafting system. The \$297,600 GF one-time request will be used to purchase new computers and software.

Mr. Christensen responded to committee questions regarding the funding of Task Forces, the adequacy of LRGC's funding request, and compensation.

Mr. Jonathan Ball, Director, Office of the Legislative Fiscal Analyst (LFA), presented the following budget request:

Legislative Staff Compensation - \$130,000 Ongoing. This request would allow legislative staff directors to reward high performing employees and retain them in the service of the Legislature. The funding is

equivalent to a one percent increase for all employees but directors will have flexibility to spend where the need is greatest.

Rep. Dunnigan requested an employee salary preservation number. Sen. Mayne spoke highly of the service that has been rendered by legislative staff.

Mr. Allred presented the last two budget requests:

Reallocation to Executive Branch Ethics Commission - (\$50,000) General Fund One-time (FY15). The Legislature has appropriated \$50,000 to each of three ethic commissions as nonlapsing reserve in case an investigations is needed. Half of the fund has been appropriated to the Senate and half to the House. Since administration of the Executive Branch Ethics Commission is in the Department of Administrative Services (DAS), \$50,000 needs to be reallocated from the Legislature (\$25,000 from the Senate, and \$25,000 from the House) to DAS.

Dedicated Credits Increase in Legislative Printing: \$75,000 Ongoing + \$75,000 One-time (FY15). Legislative printing is collecting more revenue from sales of publications and printing services. The increase is primarily due to ordering publications for the Courts. An increase in appropriations from \$175,000 to \$250,000 is needed so that Legislative printing can use all of the collections.

3. Other Business/Adjourn

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

Co-Chair Hillyard adjourned the meeting at 7:17 p.m.