

(Draft – Awaiting Formal Approval)
**MINUTES OF THE
INFRASTRUCTURE AND GENERAL GOVERNMENT APPROPRIATIONS
SUBCOMMITTEE**
Room 445 State Capitol Building
February 13, 2015

Members Present: Sen. Wayne A. Harper, Co-Chair
Rep. Gage Froerer, Co-Chair
Rep. Craig Hall, House Vice Chair
Sen. J. Stuart Adams
Sen. Lyle W. Hillyard
Sen. David P. Hinkins
Rep. John Knotwell
Sen. Peter C. Knudson
Sen. Karen Mayne
Sen. Kevin T. Van Tassell
Rep. Jacob L. Anderegg
Rep. Brad King
Rep. Justin J. Miller
Rep. Douglas V. Sagers
Rep. Scott D. Sandall
Rep. R. Curt Webb

Staff Present: Mr. Steven Allred, Deputy Director
Mr. Brian Wikle, Fiscal Analyst
Dr. Thomas Young, Senior Economist
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/Approval of Minutes

Co-Chair Harper called the meeting to order at 8:09 a.m.

MOTION: Co-chair Froerer moved to approve the February 3, 2015 meeting minutes. The motion passed unanimously with Sens. Adams and Van Tassell, and Reps. Anderegg, Knotwell, Miller, and Sagers absent for the vote.

2. Department of Transportation

a. Explanation of the Governor's Proposed \$94 million Reduction

Dr. Thomas Young, Senior Economist, Office of the Legislative Fiscal Analyst, reviewed projects that could be delayed over four years with a \$94 million reduction to the Utah Department of Transportation (UDOT) budget including Geneva Road, Tooele SR 36, I-15 to I-84 in Davis County, I-15 interchange at 1800 North, I-15 Weber County to Hill Field Road, I-15 widening at mile post 38 to 40, I-80 Kimball Junction, SR30, and US 6 mile post 156 to 158.

Sen. Mayne stated support for using savings from the UDOT snow removal budget for projects.

Carlos Braceras, Executive Director, Utah Department of Transportation, stated the Governor's reduction request would come from the Transportation Investment Fund (TIF) which would leave UDOT operating in the red for a couple of months in FY17 and FY18. The two proposals included a \$4.2 million opportunity by moving fuel taxation to the rack and moving \$94.2 million from TIF to the Education Fund. Mr. Braceras explained the snow removal budget savings details from the Transportation Fund. Left over snow removal funding was normally reallocated to maintenance projects. There could be a potential of \$1.45 million in savings from the snow removal budget.

Co-chair Harper asked for clarification that using the snow removal savings for the Mt. Carmel maintenance shed project could impact other areas of the UDOT budget. Mr. Braceras stated that would be a possibility.

b. Explanation of the \$15 million Litigation Settlement

Mr. Braceras presented the history of slope failures in the 2002 Provo Canyon that led to a \$15 million settlement. Co-chair Harper asked if the settlement money lapses into TIF. Mr. Braceras stated the funds went back to TIF to replace funds used to fix the slope failures.

3. Consideration of Intent Language

Steve Allred, Deputy Director, Office of the Legislative Fiscal Analyst, explained the intent language motions to make appropriations non-lapsing. Intent language giving Utah Valley University (UVU) authority to use donated or institutional funds for planning and design. There was also intent language stating the Division of Facilities Construction and Management (DFCM) may not expend State funds until the Building Board received credible evidence, and certified, that other funding sources were available.

Sen. Hillyard stated concern over phase funding of buildings, which created an advantage for larger schools over smaller schools.

Co-chair Harper stated the process had been changed to reduce as much phase funding of buildings as possible. They were looking at creating a pool of funds that smaller schools can apply for during the approval process for planning and design assistance.

MOTION: Co-chair Froerer moved to approve intent language as shown in the handout entitled, "2015 GS-IGG" Intent Language.

Co-chair Froerer clarified that the intent language in item 24 was to ensure that agencies and institutions coming before the committee claiming to have donation money could be verified by the Building Board. Agencies would not be able to come back to the committee for full funding if the donations don't go through.

SUBSTITUTE MOTION: Rep. Miller moved to amend the original motion to place additional intent language stating in the absence of complete General Fund allocation of \$800,000 for the Southern Utah Welcome Center, DFCM would be authorized to proceed with construction from funding realized elsewhere in FY16.

Rep. Miller explained the paper work for visitor's center showed they were looking at several different options for additional funding including UDOT or GOED. The intent language would allow DFCM to go ahead with the project and not wait another year for authorization.

Sen. Hillyard stated support for the motion if the intent language provided that no additional requests for funding would be made to the Legislature.

Co-chair Froerer was opposed to the motion unless it was modified to state there could not be additional requests for funding.

Rep. Miller withdrew the motion.

Sen. Hillyard added the intent language could also address if the committee found funding less than \$800,000.

Rep. Miller stated the motion would address less than a complete allocation.

Co-chair Harper stated Rep. Miller, DAS, and DFCM could draft intent language in the next few minutes and come back for committee approval later in the meeting.

Co-chair Harper went back to the original motion.

The motion passed unanimously with Sens. Adams and Hinkins, and Reps. Miller and Webb absent for the vote.

Brian Wikle, Fiscal Analyst, Office of the Legislative Fiscal Analyst, explained the fees and rates needing Legislative approval.

Rep. Anderegg asked the committee to review the rates and fee schedule in more depth to ensure proper oversight. Co-chair Harper added the committee still had a couple of weeks to review the rates before final approval.

Sen. Hillyard added that the committee usually hears from agencies that are unhappy with the rates.

MOTION: Rep. Hall moved to approve the fees and rates as shown on lines 2709-3444 in the handout entitled, "2015-GS – IGG Fees and Rates " with the following changes:

- a. On line 3055, delete "Maintenance, repair, and fuel costs" and insert, "Maintenance and repair costs."
- b. Between lines 3056 and 3057 insert, "Fuel Pass-through: Actual cost."

The motion passed unanimously with Sens. Adams and Hinkins, and Reps. Miller and Webb absent for the vote.

Mr. Wikle explained the Federal Grants intent language needing Legislative approval.

MOTION: Rep King moved to approve the federal grants as shown in the handout entitle, “2015 GS – IGG Federal Funds.”

The motion passed unanimously with Sens. Adams and Hinkins, and Reps. Miller and Webb absent for the vote.

Mr. Wikle explained the Department of Administrative Services (DAS) intent language needing Legislative approval.

MOTION: Rep. Knotwell moved to adopt FY15 nonlapsing balance reallocations in the DAS as follows:

- a. (\$400,000) from Division of Finance
- b. \$25,000 to DAS Rules
- c. \$25,000 to Judicial Conduct Commission
- d. \$100,000 to Post Conviction Indigent Defense Fund
- e. \$250,000 to Fleet Operations to capitalize vehicle purchasing.

Rep. King and Sen. Mayne noted a conflict of interest.

The motion passed unanimously with Sens. Adams and Hinkins, Co-chair Froerer, and Rep. Webb absent for the vote.

MOTION: Sen. Hillyard moved to authorize an increase of \$1,571,500 in capital outlay authority for the Division of Purchasing internal service fund to spend retained earnings to replace the e-Procurement System.

The motion passed unanimously with Sens. Adams and Hinkins, and Rep. Webb absent for the vote.

MOTION: Rep. Miller moved to authorize an increase in capital outlay authority for \$39,000 to \$71,300 for the DFCM internal service fund for contingencies and maintenance equipment.

The motion passed unanimously with Sens. Adams and Hinkins, and Rep. Webb absent for the vote.

MOTION: Sen. Knudson moved to approve creation of a new line item in the DAS – Division of Finance Mandated budget and moving the appropriation for the Executive Branch Ethics Commission from the Division of Finance Administration budget to the new line item.

The motion passed unanimously with Sens. Adams, Hinkins, and Hillyard, and Rep. Webb absent for the vote.

MOTION: Rep. Sagers moved to approve creation of a new line item in the DAS – Division of Finance Mandated budget and moving the appropriation for Child Welfare and Parental Defense from the DAS Executive Director’s Office to the new line item.

The motion passed unanimously with Sens. Adams, Hillyard, and Hinkins, and Rep. Webb absent for the vote.

MOTION: Sen. Mayne moved to approve creation of a new appropriation unit in the DAS – Division of Archives for the Open Records program.

The motion passed unanimously with Sens. Adams, Hillyard and Hinkins, and Rep. Webb absent for the vote.

MOTION: Rep. Hall moved to authorize the transfer of one FTE from the Fleet Operations internal service fund to the Risk Management internal service fund.

The motion passed unanimously with Sens. Adams, Hillyard, and Hinkins, and Rep. Webb absent for the vote.

Dr. Young presented the UDOT intent language needing Legislative approval.

MOTION: Rep Sandall moved to approve FY15 and FY16 UDOT FTE employee transfers as shown in the pages entitled, “FY15 – UDOT Supplemental FTE Transfers” and “FY16 – UDOT FTE transfers.”

The motion passed unanimously with Sens. Adams, Hillyard, and Hinkins, and Rep. Webb absent for the vote.

MOTION: Rep Anderegg moved that UDOT expend \$25 million for the Lehi project.

Rep. Anderegg explained the Governor and some members of both the House and Senate leadership were in support of the project. The intent language would buy them two years.

Mr. Braceras added the Lehi project was a priority for UDOT but goes around the established practice of the Transportation Commission prioritizing projects. The Legislature could let the commission know they were interested in the project.

Rep. King asked if the project made the committee’s regular prioritization list available to the Executive Appropriation Committee (EAC).

Co-chair Harper stated the project was number four to come out of the Transportation Fund. Co-chair Harper asked if the language could be modified to state it was the recommendation of the committee that the Transportation Committee find a way to fund the Lehi project.

Rep. Anderegg approved of the modified language. The point of the motion was the project was on the STIP at one time and traffic through the area was at critical failure. The project was a priority of the Governor.

Co-chair Harper stated if the project was a priority there shouldn't be a \$94.2 million reduction from TIF.

Co-chair Froerer stated support for modifying the motion to state it was a recommendation. The process for prioritizing projects should be followed.

Rep. Anderegg withdrew the motion.

Rep. Sagers stated support for modifying the motion language and following the prioritization process.

MOTION: moved to adopt the FY16 UDOT Transportation Fund technical correction appropriations as shown on the page entitled, "Adjustments to Ongoing Base."

The motion passed unanimously with Sens. Adams and Hinkins, and Rep. Webb absent for the vote.

MOTION: Rep. Schultz moved to move the UDOT funding reallocations as shown on the page entitled, "UDOT Request to Reallocate Existing Funds."

The motion passed unanimously with Sens. Adams and Hinkins, and Reps. Webb and Anderegg absent for the vote.

MOTION: Rep. Hall moved to allocate \$2,600,000 from the UDOT pavement litigation and interest settlement of \$15,158,500 as follows:

- a. \$200,000 to Oquirrah Connection Study
- b. \$2,400,000 to BRT Connector Design and Studies in Davis County, Murray, West Valley, and Taylorsville.
- c. With the remainder staying in UDOT to be spent on transportation projects.

Co-chair Froerer amended the motion to insert "divided equally between the two projects" after the word Taylorsville.

Co-chair Froerer explained the language gives direction to UDOT that the \$2.4 million should be split equally.

Rep. Hall supported the amendment.

The motion passed unanimously with Sens. Adams and Hinkins, and Reps. Webb, Miller, Anderegg, and Sandall absent for the vote.

MOTION: Rep. Hall moved to restore to UDOT the \$2,909,700 from Designated Sales Tax that was removed from the Base Budget Bill (HB 6) as a result of the Budget Effectiveness Review.

The motion passed unanimously with Sen. Adams and Reps. Webb, Anderegg, Sandall, and Miller absent for the vote.

MOTION: Rep. King moved to appropriate \$4,371,000 from the Transportation Fund to the Capital Budget for construction of a new UDOT Mt. Carmel Maintenance Station.

SUBSTITUTE MOTION: Co-chair Froerer moved to allow UDOT to utilize up to \$4,371,000 from the Transportation Fund to the Capital Budget for construction of the UDOT Mt. Carmel Maintenance Station if the department determines the funds were available

Rep. King was interested in hearing more about the substitute motion.

Co-chair Froerer explained the department did not want to be tied down to the project in case the snow removal costs increased. The motion gave UDOT the ability to construct the maintenance station but does not force UDOT to take money out of their maintenance budget.

The motion passed unanimously with Sen. Adams, and Reps. Webb and Sandall absent for the vote.

MOTION: Sen. Hillyard moved to approve the additional non General and Education Fund appropriations for Debt Service as shown in the shaded column on the page entitled, “2015 GS – IGG Debt Service.”

The motion passed unanimously with Sen. Adams, Co-chair Froerer, and Reps. Webb and Sandall absent for the vote.

MOTION: Rep. Knotwell moved to increase the Dedicated Credits appropriation to the Department of Technology Services by \$500,000 in FY15 to allow the Automated Geographic Reference Center to collect additional revenue from non-State entities as defined in signed MOU's for purchase of Google imagery.

The motion passed unanimously with Sen. Adams, Co-chair Froerer, and Rep. Webb absent for the vote.

4. Final Voting

Co-chair Harper shared the one-time prioritization voting results. The committee could rearrange the list if desired.

Mr. Allred highlighted that as a result of the budget effectiveness review, the Subcommittee had \$1.1 million in General Fund to reallocate. If the committee funded items on the prioritization list with the reallocation they would not need to be prioritized.

Co-chair Harper asked for clarification that the \$1.1 million was General Fund and the Huntsman Cancer Center was put on two different lists. Mr. Allred stated it was General Fund and came from item 14, Finance Mandated Studies. The Huntsman Cancer Center was also included on the Building Board's list.

Sen. Hillyard stated it doesn't hurt for EAC to know the priority ranking.

Mr. Allred added another option would be to put the \$1.1 million in Capital Improvements.

MOTION: Rep. Miller moved to use the \$1.1 million to fund the Goblin Valley State Park Access Road, the Historic Wendover Airfield, and the East Capitol Blvd Improvements.

Rep. Sagers asked for clarification that the Huntsman Cancer Center was also allocated out of a different budget and which list would be the more appropriate place to fund the project. Co-chair Harper stated it was number four on the State Funded Capital Development, which was the more appropriate list for the project to be located.

SUBSTITUTE MOTION: Rep. Schultz moved to spend the \$1.1 million between the Goblin Valley State Park, the Historic Wendover Airfield, and the Browning Center - WSU.

Mr. Allred stated funding on one of the projects would need to be reduced. Rep. Schultz stated to fund Goblin Valley State Park, Historic Wendover Airfield, and use the remaining budget on the Browning Center WSU project.

Sen. Hillyard stated the final budget may show there was more education money than General Fund money. The committee should not use General Fund money for projects that could get Education Fund money.

Rep. Schultz withdrew the substitute motion.

Co-chair Harper stated the committee had no choice on funding the Mandatory Debt Service.

SUBSTITUTE MOTION: Sen. Hillyard moved to fund Mandatory Debt Service, Goblin Valley State Park, and Historic Wendover Airfield with the \$1.1 million reallocation. Remove those projects from the priority list and put the remaining balance in Capital Improvements. Move the other projects up accordingly and approve the new priority list.

Sen. Hillyard explained the crime lab had been on the list for 3-4 years. The crime lab gets passed up for planning money because other projects move forward. Rep. Miller supported the motion. Co-chair Harper stated that would move \$415,000 in one-time money to Capital Improvements and clarified the motion.

The motion passed unanimously with Rep. Webb absent for the vote.

Mr. Allred explained there was \$230,900 ongoing funds to reallocate. Co-chair Harper stated the committee could take priority items 1-6 from the reallocated funds.

Rep. Hall asked which items on the list had money taken for the two percent exercise and if they were all restored, how much money would be leftover. Mr. Allred stated Technology Services Administration, AGRC Contractors, DAS Data Processing, DAS Database Administrator, Child Welfare Parental Defense, Judicial Conduct Commission Travel, DAS Purchasing Training, and DAS eRules Maintenance. If all funds were restored, there would not be any money left over, including for debt service.

Co-chair Harper asked if the DAS Database Administrator was a single FTE and if the position was filled. Kim Hood, Executive Director, Department of Administrative Services, stated the administrator was a single FTE and the position had remained unfilled for quite some time.

MOTION: Sen. Hillyard moved to approve Mandatory Debt Service, Technology Services Administration, AGRC Contractors, DAS Data Processing, Child Welfare Parental Defense, Judicial Conduct Commission Travel, DAS Purchasing Training, and DAS eRules Maintenance. Apply the balance to the DAS Database Administrator and remove the Education Fund items.

Co-chair Harper asked for clarification that the Database Administrator had been unfilled because there was no need, or lack of applicants. Ms. Hood stated the position was unfilled because there was a lack of applicants, and because of a low pay scale for that position.

Sen. Hillyard asked if the Database Administrator dealt with cyber security. Ms. Hood stated as cyber security was institutionalized throughout the department, anyone dealing with a database of information would contribute to security efforts.

The motion passed unanimously with Reps. Webb and Sagers absent for the vote.

Co-chair Harper reviewed the other funded Capital Development projects voting results.

MOTION: Rep. Miller moved to leave the GOED project on the IGG FY16 State funded Capital Development Priority Poll. Insert a line including the GOED project at the bottom of the IGG FY16 Other Funded Capital Development Poll with a yes on Revenue Bond.

Rep Miller explained the project had many funding options. DFCM would not reauthorize the project until total funding was realized in the bank.

Mr. Allred highlighted projects authorized with a Revenue Bond.

SUBSTITUTE MOTION: Sen. Hillyard moved to approve the IGG FY16 Other Funded Capital Development Poll Priority list and add the St. George Visitor's Center to the bottom.

The motion passed unanimously with Reps. Sagers and Webb absent for the vote.

Co-chair Harper explained the State funded Capital Development priority list voting results. Sen. Hillyard asked for clarification that private money was not reflected on the list for the Snow College project. Gary Carlston, President, Snow College, stated there was \$3 million in private donations and the actual request was for \$3 million less than shown on the spreadsheet.

Sen. Hillyard would like to move the Dead Horse Point Campground and Great Salt Lake Nature Center above the Weber Valley Multi-use Youth Center. The smaller projects may get funding before the larger \$19 million project. Sen. Hillyard asked if the Great Salt Lake Nature Center had other funding sources for the project. Greg Sheehan, Director, Utah Division of Wildlife Resources, stated there was \$900,000 alternative funding in internal and private funds.

Co-chair Harper explained there was about \$58.7 million one-time requests from the General Fund and about \$237 million from the Education Fund.

MOTION: Sen. Hillyard moved to move Dead Horse Point Campground and Great Salt Lake Nature Center above the Weber Valley Multi-use Youth Center.

Co-chair Froerer supported the motion. The Weber Valley project appropriation request being sent to EAC was reduced from \$19 million to \$12 million.

The motion passed unanimously with Rep. Sagers absent for the vote.

MOTION: Co-chair Froerer moved to reduce the Snow College Science Building request for \$22,937,000 by \$3 million to reflect donation money.

The motion passed unanimously with Rep. Sagers absent for the vote.

MOTION: Rep Anderegg 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.

The motion passed unanimously with Rep. Sagers absent for the vote.

MOTION: Sen. Van Tassell moved to accept the IGG FY16 State Funded Capital Developments Priority Poll list as presented.

The motion passed unanimously with Rep. Sagers absent for the vote.

5. Other Business/Adjourn

MOTION: Rep. King moved to adjourn.

Co-chair Harper adjourned the meeting 9:49 at a.m.