

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

Room 445 State Capitol Building
January 27, 2016

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
Sen. Peter C. Knudson
Sen. Karen Mayne
Sen. Kevin T. Van Tassell
Rep. Jacob L. Anderegg
Rep. Lynn N. Hemingway
Rep. Don L. Ipson
Rep. Brad King
Rep. Douglas V. Sagers
Rep. Scott D. Sandall
Rep. Mike Schultz

Members Absent: Rep. John Knotwell
Rep. R. Curt Webb

Staff Present: Ms. Angela J. Oh, Fiscal Analyst
Mr. Brian Wikle, Fiscal Analyst
Ms. Cami Thorpe, 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 Froerer called the meeting to order at 8:06 a.m.

2. Welcome and Introductions

Co-chair Froerer invited the subcommittee to introduce themselves and recommended the subcommittee review the base budget.

3. Subcommittee Overview

Angela Oh, Fiscal Analyst, Office of the Legislative Fiscal Analyst, reviewed how the subcommittee could access the subcommittee's home page and reviewed budget tools, such as: COBI, requests for appropriations, and the base budget bill, etc., which can be found online at: [Meeting Materials](#)

4. Introduction of S.B. 6, Infrastructure and General Government Base Budget Bill

Ms. Oh showed the subcommittee where to access the subcommittee's base budget bill. Link to Senate Bill 6: [Base Budget Bill. And explained how clicking on a link in the bill would redirect a user to COBI](#)

5 & 6. Department of Technology Services (DTS) & DTS Internal Service Funds

Brian Wikle, Fiscal Analyst, Office of the Legislative Fiscal Analyst, reviewed the Department of Technology Services (DTS) appropriated funds, rates and fees, funding sources and expenditures, federal funds, intent language, Internal Service Funds, and reallocation action needed. More information can be found online at: [Rates and Fees Issue Brief](#), [Federal Funds Issue Brief](#), [Intent Language](#), [Request for Adjustment Issue Brief](#)

Sens. Hillyard and Adams stated concern that rates would be increased more than necessary to cover salary increases. Mr. Wikle replied that if the Legislature mandated a salary increase rates would need to increase to cover the increased costs.

Mike Hussey, Executive Director, DTS, reviewed services provided to State agencies, the Governor's SUCCESS Initiatives, data security improvements, cost savings of \$145 million, and rates which operate as an Internal Service Fund. The approved FY17 rates do not include employee compensation package increases. If rates were not adjusted to cover the compensation package increase DTS would have a \$1.9 million shortfall. More information can be found online at [DTS Presentation Materials](#)

Dan Fry, Chief Financial Officer, DTS, clarified that the rate increase would be equal to cover the cost of the increased compensation package, which was about \$2 million.

Co-chair Froerer asked for clarification that the compensation package was equal to other State departments of similar size. Mr. Hussey stated DTS employee rates were below market.

Rep. Hemingway asked if employees leave DTS and move to the private sector. Mr. Hussey confirmed DTS salaries were 60 percent of market.

Co-chair Froerer asked for a review on the payback of back charges to the federal government. Mr. Frei reviewed federal rule changes that were retroactive through 1994. The reconciliation showed the State would need to give back over-collected funds of \$5.5 million.

Rep. Sagers asked about opportunities DTS would have to enhance services and if they were prepared for a major cyber attack. Mr. Hussey stated DTS would eliminate two employees by utilizing software and hire a privacy officer.

Co-chair Froerer asked if the customer survey rated the performance of DTS comparably to what was available from the outside market. Ken Petersen, Chief Operating Officer, DTS, stated as a whole the services were extremely competitive. Mr. Hussey added DTS continually looks at how they can stay competitive.

7. Department of Administrative Services

Mr. Wikle reviewed the DAS 2017 appropriated funds of \$47 million, federal funds, rates and fees, intent language needing approval, reallocation requests, and budget adjustments. More information can be found online at [DAS Rates and Fees](#), [Federal Funds Issue Brief](#), [DAS Intent Language](#), [Budget Adjustments](#)

Kim Hood, Executive Director, Department of Administrative Services (DAS), introduced DAS staff, organization, agency achievements, FY17 future plans, and a workforce review. More information can be found online at [DAS Presentation Materials](#)

Rep. Hemingway asked if there was an area where more people were eligible to retire. Ms. Hood stated top management.

John Reidhead, Director, Division of Finance, reviewed departments which receive appropriated funds and Internal Service Funds, and requests for reallocation. See the DAS presentation materials link above for more information.

Sen. Mayne asked for information on cyber attacks. Mr. Reidhead was not aware of any.

Co-chair Froerer asked if the \$250,000 for O&M would include all agencies and Higher Ed. Mr. Reidhead stated it would. Ms. Hood added the Risk data base was the source for information.

Co-chair Froerer asked if the committee would receive further details on where the money would be spent. Mr. Reidhead stated additional information would be presented. The Governor requested the reallocation from the Capital Improvement Fund.

Co-chair Harper asked for more information on the reallocation of \$920,000 coming from the Capital Improvement Fund.

8. Department of Administrative Services, Internal Service Funds

Mr. Reidhead continued with Internal Service Fund rates and Finance Mandated programs.

Ken Hansen, Deputy Director, DAS, reviewed utilization of new appropriations, short-and long-term issues, and programmatic changes for DAS agencies. See DAS presentation materials link for more information.

Sen. Van Tassell asked if reimbursements for private vehicles use were still available and what was the reimbursement rate. Mr. Hansen stated using a private vehicle was still an option. Mr. Reidhead stated the reimbursement rate was 38 cents a mile if a motor pool car was available.

Co-chair Froerer asked for options on the Division of Fleet Operations debt problem and restructuring going forward.

Sen. Knudson asked what triggered the sale of fleet vehicles. Ms. Hood stated vehicles were typically sold when they reach 110,000 miles.

Sen. Adams asked if the internal administrative expenses had been added to the improvement costs of \$4 a foot. Mr. Reidhead stated overhead was allocated in the improvement costs.

9. Other Subcommittee Business

10. Adjourn

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

Co-Chair Froerer adjourned the meeting at 10:28 a.m.

Sen. Wayne A. Harper, Co-Chair

Rep. Gage Froerer, Co-Chair