

MINUTES OF THE JOINT EXECUTIVE APPROPRIATIONS COMMITTEE

Monday, January 21, 2002 at 8:00 A. M.

Room 303, State Capitol Building

Members Present: Sen. Leonard Blackham, Committee Co-Chair
Rep. Jeff Alexander, Committee Co-Chair
Sen. Ron Allen
Sen. Gene Davis
Sen. Mike Dmitrich
Sen. Karen Hale
Sen. Peter Knudson
Pres. Al Mansell
Sen. Steve Poulton
Sen. John Valentine
Rep. Patrice Arent
Rep. Ralph Becker
Rep. Jackie Biskupski
Rep. Greg Curtis
Rep. Kevin Garn
Rep. Brad King
Speaker Martin Stephens
Rep. David Ure

Sen. Bill Hickman, Vice-Chair
Rep. Ron Bigelow, Vice Chair

Staff Present: John Massey, Legislative Fiscal Analyst
Michael Kjar, Deputy Director
Sharon Johnson, Secretary

List of Others Present on File:

Committee Co-Chair Alexander called the meeting to order at 8:30 a.m.

1. Supplemental Budget Appropriations

MOTION: Sen. Blackham moved that \$2,245,000 in Centennial Highway Fund be transferred from savings in the Debt Service Program to the General Fund. The motion passed unanimously.

MOTION: Sen. Blackham moved that in addition to funding sources previously approved by this committee, I move approval of the following funding sources for Fiscal Year 2002:

\$2,000,000 in proceeds from the sale of the Utah Technology Finance Corporation

\$475,000 in proceeds from a settlement with Bridgestone/Firestone

The motion passed unanimously.

MOTION: Sen. Blackham moved approval of an appropriation in the amount of \$800,000 for

the Attorney General to pay for costs incurred pursuing legal action in the State's interest. The motion passed unanimously.

MOTION: Sen. Blackham moved approval of an appropriation in the amount of \$120,000 for the State Department of Agriculture to fund costs associated with grasshopper control. The motion passed unanimously.

MOTION: Sen. Blackham moved to approve a transfer in the amount of \$3,800,000 from the General Fund to the Uniform School Fund.

SUBSTITUTE MOTION: Sen. Hale moved to appropriate \$18,475,500 from the Budgetary Reserve Account to the Minimum School Program (p. 219) and \$2,751,400 from the Budgetary Reserve Account to Public Education Agencies (p. 212-216). The allocation of these funds will be made by the Office of the Legislative Fiscal Analyst in consultation with the Utah State Board of Education.

Rep. Ure asked for a clarification of amount listed in the substitute motion. Sen. Hale stated the correction.

Rep. Arent requested that Gay Taylor, Legislative General Counsel, address the committee on the Budgetary Reserve Account. Ms. Taylor explained that the Budget Reserve Account covers an operating deficit. She further explained what conditions are to be met before the reserve account is used. She stated that Legislative Research suggests that it is not appropriate to use the fund at this time. Rep. Arent felt that if an operating deficiency was declared then the fund could be used. Sen. Valentine commented on the term "operating deficit" and defined it as an accounting concept which would apply at the end of the fiscal year and that a deficiency could not be determined during the fiscal year. Sen. Allen inquired about hold backs and the deficit and John Fellows, Legislative Research, responded. Sen. Davis commented on deficit projections as opposed to an actual deficit. John Massey, Legislative Fiscal Analyst, responded that the committee's current actions are to address revenue shortfall now, so at the end of FY there will not be a deficit. The committee further discussed revenue shortfalls and deficits.

Spkr Stephens stated the committee's intent for Public Education is to not affect the classroom and suggested that additional information regarding funding cuts in the districts is necessary.

MOTION: Rep Garn moved to adjourn . The motion passed unanimously. The meeting adjourned at 8:46 a.m.