

2. Federal Funds Report

Tenielle Young, Governor's Office of Planning and Budget, presented the Federal Funds Report for the period June 1, 2007 through June 30, 2007. She briefly explained four new grants requiring legislative action: Utah Department of Human Services - Promoting Safe and Stable Families-Caseworker Visits; Utah Department of Environmental Quality - Underground Storage Tank Energy Act Requirements; Utah Department of Agriculture and Food - Specialty Crop Block - Utah Department of Natural Resources - Coordinated Resource Operative Protocol (CROP). In addition to these four new grants, there were ten reapplications of existing grants requiring legislative action. Ms. Young also noted that seven new grants and six reapplications of existing grants have been approved by the Governor's Office.

A motion was not taken on the Federal Funds Report at this time.

3. SB 50 - Requires on-going oversight of the implementation and functions of DORA by the Utah Substance Abuse and Anti-Violence Coordinating Council (Agenda Item #5)

Dave Walsh, Commission on Criminal and Juvenile Justice, introduced Mary Lou Emerson, Director, Utah Substance Abuse and Anti-Violence Coordinating Council.

Ms. Emerson explained the responsibilities of the Coordinating Council in providing on-going oversight on the implementations and functions of the Drug Offender Reform Act (DORA). Those responsibilities include approving plans submitted by thirteen Local Substance Abuse Authorities and the Department of Corrections, the entities who will be providing assessment, treatment, and supervision of the offenders participating in DORA funded services.

The effective date of this Legislation is July 1, 2007. The Legislature appropriated \$8 million in General Funds for FY 2008 (and \$9 million for FY 2009 forward) among various participating agencies to implement provisions of the bill.

Referencing "Guidelines for the Statewide Implementation of DORA-Funded Services for Probationers and Parolees, July 13, 2007" Ms. Emerson stated that eligibility criteria for participation in DORA funded services narrows the offender population for the first few months to those who have been convicted of a felony offense on or after July 1, 2007, or granted parole for the first time on or after July 1, 2007, after incarceration for a felony offense. Additionally, to participate in treatment, the offender's total score on the Level of Service Inventory-Revised (LSI-R) must fall within the range of 16 to 35, and assessment must indicate that treatment is needed.

Finally, success of the program will depend on the collaboration of the various entities who will be providing services to the offenders. Ms. Emerson referenced a map which compares Local

Substance Abuse Authority Areas, Judicial Districts, Adult Probation & Parole Regions, Regions, and the Department of Workforce Services (DWS) Regions. She stated that the overlapping jurisdictional authority of these entities presents a challenge. Consequently, the USAAV Coordinating Council is looking to standardize the criteria for implementing DORA successfully as much as possible.

Sen. Jones asked about the standardization of the criteria. Ms. Emerson responded.

Sen. Hillyard asked Ms. Emerson to explain the difference between DORA and Drug Courts. Ms. Emerson highlighted a few of the differences and offered to provide the committee with a comparison of the two programs.

Sen. Hillyard asked about inconsistencies in the Percent of Population-based Allocation data (blue sheet Utah Department of Human Services, Division of Substance Abuse and Mental Health, DORA Program Funding FY 2008) and the Percent of Probation and Parole Admissions data for Utah and Weber Counties. Cliff Butter, Director of Research, Department of Corrections, responded that the data was correct. There is a prevalence of more people admitted to probation and parole in Weber County than Utah County, possibly due to how the judges sentence different and/or population density.

Rep. Moss said it would be helpful to have something in writing to show the differences in Drug Courts and services offered by DORA. Ms. Emerson said that she would have this available.

4. SB 314 - UDOT/Transportation Commission - Project list and prioritized for bonding (Agenda Item #6)

Co-Chair Bigelow informed the committee that Agenda Item #6: SB 314 - UDOT/Transportation Commission - Project list and prioritized for bonding, will be postponed to a later meeting.

A motion was taken on the Federal Funds Report and the minutes of June 19, 2007. (Agenda Item #1)

MOTION: Sen. Hillyard moved to approve four new grants and ten reapplications of existing grants requiring legislative action listed in the Federal Funds Report for the period June 1, 2007 through June 30, 2008. The motion passed unanimously with Sen. Bramble and Sen. Killpack absent for the vote.

MOTION: Sen. Hillyard moved to approve the minutes of June 19, 2007. The motion passed unanimously with Sen. Bramble and Sen. Killpack absent for the vote.

5. Report on Capitol Building Progress (Agenda Item #3)

Todd Wardrop, LFA, introduced Dave Hart, Executive Director, Capitol Preservation Board.

Mr. Hart, directing his remarks to a power point presentation, stated that the Capitol Base-Isolation and Restoration Project is on schedule and anticipates substantial completion on December 19, 2007. He expects that a temporary certificate of occupancy will be issued early in December. A tentative public open house is scheduled for late December with a Grand Opening on Jan 4th, 2008. As far as the budget is concerned, the budget is holding. The total cost of \$212 million includes the Capitol building, furnishings, fees, and the Senate and House Chambers.

Mr. Hart explained that the underground parking structure east of the Capitol has a completion target date of December 1, 2007. It will have spaces for approximately 240 cars. The lower and upper parking lots in the northeast corner are scheduled for completion on September 7 and December 1, 2007 respectfully. They will accommodate about 300 cars. The cost for both lots as well as the underground parking is \$15 million.

Sen. Hillyard informed the committee that there is strong public interest in the Capitol's restoration. He expressed his appreciation to Dave Hart for the presentation he gave in Logan on the Capitol Building which included a historical perspective and current day restorations. Mr. Hart indicated that a similar presentation will be available online some time in the future.

Rep. Moss asked if school groups would be able to tour the Capitol. Mr. Hart stated that school groups make up a large portion of visiting groups and that they will be able to view the isolators from three different exposed areas in the Capitol basement. He indicated that a Retail Store Manager and a Visitors Service Coordinator had been hired in conjunction with the Capitol opening.

Rep. Becker commented on the success of this remarkable project. He credited Mr. Hart's oversight in keeping this project under budget and on time.

Mr. Hart continued his presentation noting that further discussion is needed to decide what to do with the State Office Building. He called attention to the Historic Structure Report which recommends that the DUPM, Council Hall, and White Chapel need to be maintained. He also mentioned that a full time Custodial/Events Manager had been hired to over see janitorial and maintenance aspects of the Capitol.

6. Report on China Trip (Agenda Item #4)

Sen. Bramble, Rep. Dave Clark, and Sen. Mike Dmitrich gave a brief report on the Utah delegation's recent eight day trip to China.

A major goal of the delegation was to open the lines of communication in four areas: governmental, cultural, educational, and economic. Sen. Bramble remarked that this goal had been successfully achieved and a foundation had been laid for future dealings with China.

He stated that China is a nation that is changing at an exponential pace. It is an economic and cultural force, one that would be important to get to know and understand because it will impact what we will do in the future.

In terms of travel itinerary, the delegation visited the Liaoning Province which included stops in Beijing, Shenyang, Anshan, and Dalian. Well over 90 percent of the delegation's time was spent directly in meetings with governmental officials which included the Liaoning Provincial People's Congress, Shenyang City People's Congress, and a formal meeting with national government leaders in the Great People's Hall in Beijing.

Sen. Bramble gave a general outline of the typical 12-14 hour day. The delegation toured a number of businesses, manufacturing and high tech facilities, educational institutions, and historical sites which included brief visits to the Forbidden City and the Great Wall of China. One of the highlights of the trip was attendance at the Peking Opera, which lent greater incite into the mysteries and complexities of the Chinese culture.

Sen. Bramble observed that in Chinese culture, it is important to build relationships governments to government, people to people, and then business to business. The Utah delegation was successful in opening those doors. He pointed out that this trip cost the State about \$36,000 and that the Liaoning Province incurred a similar amount to host the Utah delegation.

Co-delegation leader, Rep. Clark, commented that the delegation came away with a better understanding of how government works in China. He observed that capitalism is booming in China and that the "great reform" is moving forward. Creating a notable business in China could be very challenging; however, partnering with a business in China would be more realistic. He emphasized that doing business in China starts with a relationship in government and that the connections made were invaluable. Rep. Clark also mentioned that the delegation met with universities and schools with the expectation of educational exchanges. Further, there is a strong interest in the exchange of information in the mining industry as well.

Sen. Dmitrich commented that Utah was well represented by Sen. Bramble and Rep. Clark and that he felt that this truly was a bi-partisan effort. He observed that China is a very rich natural resource region. The Liaoning Province with a population of 42 million people is the size of Utah and produces two times the amount of coal produced in the United States, about 2 billion tons. Sen. Dmitrich pointed out that the Province has some mining safety issues and environmental concerns that Utah could help address. In the first six months of the year, there were 1800 fatalities. Sen. Dmitrich foresees that Utah will be a leader in some of these exchanges.

Sen. Bramble recognized the efforts of Sen. Dmitrich as a ranking minority leader who acted as a full partner in the delegation's discussions. In addition, he pointed out that Sen. Pete Knudson was well received by the Chinese delegation and recognized his personal sacrifice in traveling to China despite his wife's serious illness.

Sen. Bramble concluded that a detailed, written report will be prepared and presented to the Legislative Management Committee.

7. NAIC Codes, Tourism Accountability and Funding (Agenda Item #7)

Dr. Andrea Wilko, Chief Economist, presented an overview of tourism funding and proposed accountability measures. She stated that tourism promotion currently receives \$6 million a year in earmarked revenues. Funding is projected to increase by \$3 million a year until FY 2015. When fully phased in, Tourism Marketing Performance could receive as much as \$30 million annually.

Dr. Wilko explained that during the 2005 1st Special Session, SB 1002 - "Funding for Tourism" established a General Fund restricted account known as the Tourism Marketing Performance Account. Legislation requires that 20 percent of the total funding be utilized for a Cooperative Marketing Program as a means of leveraging funding to attract out of state visitors. Advertising accounts for approximately 70 percent of the funding with emphasis on national, international, and western states arenas with a focus on winter and non-winter advertising, and special interest projects. Finally, 2007 General Session legislation allows for a transfer of 10 percent of the funding with no cap in place for the Sports Commission to promote sporting events in Utah.

Dr. Wilko also reviewed state comparisons of tourism budgets and tourism marketing accountability. Utah's total tourism budget ranks 13th in the nation for FY 2006 up from 42nd in FY 2005. Based on a comparison of the surrounding states Utah's tourism budget ranks 3rd for FY 2007 up from an 8th place rank in FY 2005. Dr. Wilko pointed out that the Office of Tourism has contracted with an independent firm to conduct a qualitative study to assess the effectiveness of the advertising campaigns on the tourism market. In addition, the Office of Tourism has been involved in the Governor's Scorecard Initiative.

Dr. Wilko concluded that all indications suggest that the growth in tourism related expenditures will continue to exceed estimates, ensuring that the earmarked revenue will continue to grow. She further advised continuous monitoring and promotion of the most lucrative tourism markets. Finally, she recommended that the Office of Tourism should continue to update the economic indicators used to create outcome measures which demonstrate the success and the contribution of tourism to the economy.

Speaker Curtis asked if Dr. Wilko could provide any historical models of the North American Industrial Classification (NAIC) Codes as a means of identifying relevant categories on which

performance and funding are evaluated. Dr. Wilko explained that in 2005, Utah converted from the Standard Industrial Classification Codes (SIC) to the NAIC Codes, and therefore, they do not have a history of that. Dr. Wilko was asked to conduct further study of the measurement categories, comparing them to categories previously used.

Speaker Curtis asked that the Analyst also provide data for the FY 2006-2007 Total Tourism Budget and the FY 2006-2007 Total Budget Per Capita for Utah. Dr. Wilko indicated that Utah's budget should hold steady in 2006-07 at the \$6.41 Total Budget Per Capita. She is waiting for population figures to compute that information in the next couple of months.

Sen. Jones asked about the impact of out of state tourism dollars vs in state tourism dollars. Dr. Wilko state that she has this information and will make it available.

Rep. Clark asked for further explanation on the accountability portion of the report. Dr. Wilko explained that she is currently working on a comprehensive data set provided by the independent consultant to determine the strengths and weaknesses of the measures. She also mentioned that many of the current performance measures used by the Office of Tourism have been incorporated into the Governor's Balanced Score initiative and that the initial results should be available before the next General Session.

Rep. King noted that he has had the opportunity to see the preliminary figures from the study presented at a tourism conference in Price. In a year from now, many of the committee's questions should be answered regarding the impact of the advertising dollars.

8. Non Lapsing Funds (Agenda Item #8)

Co-Chair Bigelow informed the committee that Agenda Item #8 would be scheduled for a later date.

9. Other Business (Agenda Item #9)

Co-Chair Bigelow announced that John Massey, Director, Office of the Legislative Fiscal Analyst, was retiring. He expressed his appreciation for Mr. Massey's nine years of service as the Legislative Fiscal Analyst, and commended him for his professionalism and leadership in working with both legislative bodies, the House and the Senate.

Co-Chair Hillyard paid tribute to Mr. Massey and his bipartisan, professional approach in dealing with both political parties and both governing bodies. He recognized Mr. Massey's ability to oversee staff and work under a tremendous amount of pressure as budgets are put together during the last week of session. Co-Chair Hillyard pointed out that John is a calming influence and is always accommodating to the legislators no matter what the circumstances.

Rep. Ralph Becker, House Minority Leader, expressed his appreciation to John Massey for personally mentoring him as a freshman legislator on the Capital Facilities Appropriations Subcommittee. He stated that Mr. Massey has been responsive to both sides of the aisle. He has acted professionally and has shown great skill in being able to negotiate through difficult circumstances.

John Massey addressed the committee and expressed his appreciation for the words of kindness expressed on his behalf. He called attention to the work and support of his staff. He thanked the committee and all those in attendance.

Co-Chair Bigelow entertained a motion from Sen. Bramble.

MOTION: Sen. Bramble moved to adjourn. The motion passed unanimously.

Co-Chair Bigelow adjourned the meeting at 3:00 p.m.