

**MINUTES OF THE
JOINT CAPITAL FACILITIES & GOVERNMENT OPERATIONS
APPROPRIATIONS SUBCOMMITTEE MEETING
THURSDAY, FEBRUARY 7, 2008, 2:00 P.M.
Room C450, State Capitol Complex**

Members Present: Sen. Scott K. Jenkins, Committee Co-Chair
Rep. Kevin S. Garn, Committee Co-Chair
Sen. Mike Dmitrich
Sen. Sheldon L. Killpack
Sen. Darin G. Peterson
Rep. Rebecca Chavez-Houck
Rep. Stephen D. Clark
Rep. Janice M. Fisher
Rep. Fred R. Hunsaker
Rep. Gordon E. Snow
Rep. Mark W. Walker
Rep. Bradley A. Winn

Members Excused: Rep. DeMar "Bud" Bowman

Staff Present: Steve Allred, Fiscal Analyst
Richard Amon, Fiscal Analyst
Greta Rodebush, Committee Secretary

Public Speakers Present: Kent Beers, Deputy Director, Division of Facilities Construction
and Management
Rep. Stephen D. Clark
Rep. Gowans
Rep. Craig Frank
Rep. Larry B. Wiley
D. Gregg Buxton, Director, Division of Facilities Construction and
Management

A list of visitors and a copy of handouts are filed with the Subcommittee minutes.

Co-Chair Jenkins called the meeting to order at 2:20 p.m.

1. Approval of Minutes

Minutes for February 6, 2008 were not available for approval.

2. Unfinished Business from Wednesday, February 6, 2008

a. Subcommittee Recommendation that GOPB Conduct In-depth Budget Reviews

The Subcommittee did not take any action to assign GOPB in-depth budget reviews on the list of programs and divisions prepared by the Office of the Legislative Fiscal Analyst.

b. Other Unfinished Business

Steve Allred, LFA, directed the subcommittee's attention to the Budget Brief - Capital Developments, under TAB 10 (Capital Budget). The Analyst recommends that \$551,000 be reallocated from the Capital Project Fund to DFCM's Planning Fund. Mr. Allred explained that the Legislature had originally appropriated those funds to upgrade the former P.O.S.T. Building for occupation by the Division of Emergency Services and Homeland Security. Recent studies have shown that the building is near a fault line and therefore not secure. A new request will be submitted to the Building Board and Legislature through Capital Development next year.

Mr. Allred pointed out that the reallocation will help replenish DFCM's Planning Fund which is currently less than one dollar.

Co-Chair Jenkins entertained a motion from Co-Chair Garn.

MOTION: Co-Chair Garn moved to approve the Analyst's recommendations (Items 1,2, and 3) on page 4 of the Budget Brief - Capital Developments, under TAB 10 (Capital Budget):

1. A total FY 2009 base appropriation of \$30,000, 000 for the Capital Development Line Item. Allocations to specific projects, additional funds, and amendments to funding sources will be made in subsequent appropriation bills.
2. Reallocation of \$551,000 from the POST Building to the DFCM Planning Fund.
3. A transfer of \$1 million from the Contingency Reserve Fund to other subcommittee priorities.

Mr. Allred spoke to item 3, and recommended that the \$1 million, one-time, be transferred to the Land Banking line item.

Co-Chair Jenkins accepted this recommendation as a part of the Co-Chair's motion.

A vote was taken on the motion. The motion passed unanimously with Rep. Walker absent for the vote.

b. Other Unfinished Business (Continued)

Mr. Allred provided subcommittee members with the handout: "FY 2009 Capital Improvements," which lists DFCM's project requests to the State Building Board over \$1 million or phase funded over \$2.5 million. He pointed out that some of the projects are highlighted in red because they have the potential of being costly.

Kent Beers, Deputy Director, DFCM, clarified that these requests are preliminary, and they will be finalized once costs estimates are submitted from field project managers. Mr. Beers responded to committee member questions on specific projects: the University of Utah's Park Building, UVSC's Old Library HVAC System, and Natural Resource's Administration Building HVAC System Renovation.

Mr. Allred spoke to the State Fair Park's revenue bond renewal request to build a new arena. Mr. Allred explained that the current revenue bond has not expired; however, the bond authorizes construction of a multipurpose building and not an arena. He suggested that new legislation could redirect the revenue bond monies to the building of the arena.

Co-Chair Jenkins introduced the next item on the agenda.

3. Requests for Appropriation

a. Brigham City Land Purchase - Rep. Ferry

Rep. Stephen Clark presented the Brigham City Land Purchase. The land bank request for \$700,000 will purchase three parcels of land contiguous to the Bridgerland Applied Technological College and the USU Extension Building. Rep. S. Clark stated that the purchase will facilitate an improved transportation network for residents in area, provide space for additions to the ATC, and presents an opportunity to work with the city of Perry on a planned retail mall.

Alyn Lunceford, former DFCM Real Estate Specialist, explained that DFCM has been working with the city of Perry and Brigham City to repair a gravel road at 1400 North that has a steep approach to Hwy 89. Residents are choosing to access Hwy 89 by

using the road directly west of the Education Complex. Perry City has agreed to develop 1400 North into a full size serviceable road which will be tied into 450 West. This will enhance the state's ability to further develop its properties.

b. Tooele ATC Facility - Rep. Gowans

Rep. Gowans presented the Tooele ATC Facility request for \$5 million. This request came as a result of discussions on a possible merger of UCAT, Higher Education, and Salt Lake Community College. Irrespective of the merger, Rep. Gowans spoke in favor of the Tooele ATC facility that will meet the needs of the local population. He stated that Tooele County has offered to do a revenue bond to construct the building; Tooele City has donated land; and the school district is willing to make funds available as well. Total cost of the building is \$15 million.

c. H.B. 75 (1st Sub.), Inventory and Review of Commercial Activities - Rep. Frank

Rep. Frank presented the request for \$75,000 to fund one FTE- research analyst to work for the Privatization Policy Board in creating an inventory of activities of state agencies to improve efficiencies in state government.

Rep. Frank responded to subcommittee member questions. Rep. S. Clark spoke in favor of the legislation which encourages innovation and best practices in state government.

d. H.B. 162, Utah School Seismic Hazard Inventory - Rep. Wiley

Rep. Wiley explained H.B. 162, Utah School Seismic Hazard Inventory, which requires a seismic evaluation of all public schools; creates a public school seismic safety committee which will determine a threshold score on the seismic evaluation; and requires the State Board of Education to adopt administrative rules. The bill appropriates \$500,000 from the General Fund for fiscal year 2008-09 to the State Board of Education to reimburse charter schools and school districts for the cost of obtaining an evaluation from a licensed structural or civil engineer.

A handout, titled "Facilities Seismic Safety in Public Schools: A ten-year Mitigation Plan" dated May 15, 2006, was distributed to the subcommittee.

4. Capital Budget Final Actions and Prioritizations (delayed)

5. Agency Budgets Final Actions and Prioritizations

Rich Amon, LFA, explained the handout: "Final 2008 G.S. CFGO - Prioritization List for Operating Budgets" that includes ongoing and one-time prioritizations. He also mentioned that \$2,275,000 was available for projects as a result of three reductions in budgets in onetime funding from retained earnings or nonlapsing balances. These projects would not have to be prioritized.

Co-Chair Jenkins accepted motions on the "Ongoing Prioritization List."

Ongoing Prioritization List

MOTION: Rep. Snow moved to add a DFCM Project Manager (\$92,400 for 1 FTE) and DFCM - Building Official/Vehicle (\$21,000 GF one-time) to the top of the prioritization list.

SUBSTITUTE MOTION: Rep. Clark moved to add two DFCM Project Managers to the prioritization list. The motion failed with Rep. Clark, Rep. Fisher, and Rep. Hunsaker voting in favor of the motion and Rep. Chavez-Houck and Rep. Walker absent for the vote.

Greg Buxton, Director, DFCM, spoke on behalf of the need for additional FTE due to growth in Capital improvement projects.

A vote was taken on the original motion. The motion passed unanimously with Rep. Chavez-Houck and Rep. Walker absent for the vote.

MOTION: Rep. Fisher moved to add CPB Capitol Hill Security, CPB Curator/Registrar of State Capitol, Rep. Wiley's H.B. 137 Water Conservation, and CPB Eurest Dining Services to the prioritization list.

SUBSTITUTE MOTION: Co-Chair Garn moved to accept Rep. Fisher's motion but to remove CPB Capitol Hill Security.

Co-Chair Garn informed the subcommittee that this item would be handled by the Executive Appropriations Committee.

A vote was taken on the substitute motion. The motion passed unanimously.

MOTION: Rep. Chavez-Houck moved to add Rep. McGee's H.B. 130 Ethics Commission to the prioritization list.

SUBSTITUTE MOTION: Rep. Snow moved to accept the list as presented.

Rep. Chavez-Houck indicated that it would be important to fund Rep. McGee's bill in the event that it passes. Co-Chair Garn stated that this request will have another opportunity for funding consideration in caucus.

A vote was taken on the substitute motion. The motion passed unanimously.

MOTION: Rep. Fisher moved to accept the Ongoing Prioritization List as presently ranked 1 through 9. (See attached: Final 2008 G.S. CFGO - prioritization list for Operating Budgets). The motion passed unanimously.

Co-Chair Jenkins accepted motions on the "One-time Prioritization List."

One-time Prioritization List

MOTION: Rep. Hunsaker moved to add \$2 million for LeRay McAlister Fund to the prioritization list. The motion passed with Sen. Peterson voting in opposition.

MOTION: Co-Chair Garn moved to add Sen. Jenkins - Swanson Tactical Training (\$2 million) to the prioritization list; reallocate \$2 million from Finance Non-lapsing cut, Risk retained earnings cut, and Debt Collections retained earnings cut to fund the LeRay McAllister program at \$2 million. The motion passed unanimously.

MOTION: Co-Chair Garn moved to use the remaining balance in internal re-allocation funds for DFCM - Project Manager/Vehicle (\$21,000) and DFCM - Building Official/Vehicle (\$21,000). The motion passed unanimously.

MOTION: Rep. Chavez-Houck moved to add Rep. Wiley - H.B. 162 School Seismic Hazard Inventory (\$500,000) to the prioritization list.

Gregg Buxton, Director, DFCM, stated that \$500,000 would help identify seismic repairs; however, once identified, there is an obligation to make those repairs. This would amount to billions of dollars.

SUBSTITUTE MOTION: Rep. Snow moved to accept the list in the priority order as listed subject to Co-Chair Garn's previously approved motion. The motion passed unanimously.

MOTION: Rep. Hunsaker moved to add DAS, Finance - Additional FTE (\$86,700) to the bottom of the Ongoing prioritization list. The motion passed unanimously.

MOTION: Co-Chair Garn moved to approve the list as presented. The motion passed unanimously.

4. Capital Budget Final Actions and Prioritizations

Steve Allred, LFA, presented the list titled: "Subcommittee Capital Development Priorities List - Starting Point." He advised the subcommittee that Leadership suggested that no more than \$150 million in requests be prioritized.

MOTION: Rep. Snow moved to place Item #9 UT Museum - New Museum Building to Item #4 of the prioritization list.

SUBSTITUTE MOTION: Co-Chair Garn moved to accept Rep. Snow's motion and approve the prioritization list as it now stands.

Rep. Winn noted that Snow College - Richfield Bond Payoff is out of priority position and suggested that it be placed near DFCM.

Rep. Fisher stated that the School for the Deaf/Blind Utah County School should take a higher priority than Gunnison 1 Pod Prison Expansion + Design #2.

Gregg Buxton, Director, DFCM, explained another funding option that can address the needs of the School for the Deaf/Blind Utah County School.

Co-Chair Garn added the following modifications to his substitute motion:

SUBSTITUTE MOTION: Co-Chair Garn moved to accept Rep. Snow's motion and approve the prioritization list as it now stands; add \$1.5 million for the Design #2 on Gunnison 2 Pod Prison Expansion; move #13 CEU -Fine and Performing Arts Center Design to #12 and fund at \$600,000; move #11 Snow College - Richfield Bond Payoff (\$1,600,000) to Item # 5, and place Snow College - Richfield Sevier Valley Center Buyout (\$2,000,000) as Item #12 on the prioritization list.

Rep. Snow called for question on the motion. A vote was taken on the substitute motion.

The motion passed unanimously.

MOTION: Rep. Hunsaker moved to authorize General Obligation Bond: \$43,111,000 for the construction Utah State University Agricultural Science Building.

SUBSTITUTE MOTION: Co-Chair Garn moved to authorize the General Obligation Bond: \$43,111,000 for the construction of the Utah State University Agricultural Science Building contingent upon receipt of federal funds, and to include the Ogden Land Purchase Courts using \$3.2 million in Land Bank monies, and the UVSC Land Purchase using \$1.8 million Land Bank monies to purchase contiguous property to the University.

Rep. Snow spoke in support of the motion.

A vote was taken on the substitute motion. The motion passed unanimously.

MOTION: Co-Chair Garn directed staff to create intent language that would allow DFCM to use \$1 million in capital improvement money for repairing and improving National Guard armories. The motion passed unanimously.

MOTION: Rep. S. Clark moved to apply \$233,000 reallocated from Debt Collection to fund Item #17 UVSC Land Purchase (\$1.8 million). The motion passed unanimously.

6. Final Actions on Intent Language, Fees, and Base Budgets

Rich Amon, LFA, explained two items of revised intent language. The first revises intent language previously adopted by the Subcommittee pertaining to the expenditure of grants for State Archive regional repositories. The second refers to the "Memorandum to the Division of Fleet Operations from the Members of the Capital Facilities and Government Operations Appropriations Subcommittee," dated January 18, 2008, regarding the Fleet Capitalization Program. The memorandum replaces intent language adopted by the Subcommittee that allows agencies to divest themselves of underutilized vehicles through the Division of Fleet Operations capitalization credit program.

MOTION: Co-Chair Garn moved to approve the revised intent language as presented:

Under terms of UCA 63-38-8.1(3), the Legislature intends not to lapse up to \$20,000 provided by Item 38, Chapter 1, or Item 36, Chapter 371, Laws of Utah 2007. Expenditure of these funds is limited to: Digitizing and microfilming significant historical documents generated by former Utah legislators and governors for preservation and access.

Under terms of UCA 63-38-8.1(3), the Legislature intends not to lapse up to \$133,000 provided by Item 36, Chapter 371, Laws of Utah 2007 for regional repository projects and supports grants. Expenditure of these funds is limited primarily to governmental entities to fund projects and regional repository support, but may also be used for non-governmental entities. The Legislature intends that no more than 25% of the total grants awarded for any given year be used for non-governmental entities.

The motion passed unanimously.

7. Other Subcommittee Business Necessary to Finalize Actions

Co-Chair Jenkins and Co-Chair Garn expressed appreciation to the work of the subcommittee members.

Sen. Dmitrich expressed appreciation to staff, Rich Amon and Steve Allred, for their fine work this year. It was the best he had ever seen.

Co-Chair Jenkins entertained a motion to adjourn.

MOTION: Co-Chair Garn moved to adjourn. The motion passed unanimously.

Co-Chair Garn adjourned the meeting at 4:15 p.m.

Sen. Scott K. Jenkins
Committee Co-Chair

Rep. Kevin Garn
Committee Co-Chair