

MINUTES OF THE
JOINT CAPITAL FACILITIES & GOVERNMENT OPERATIONS
APPROPRIATIONS SUBCOMMITTEE MEETING
MONDAY, JANUARY 21, 2009, 10:00 A.M.
Room 250 House Building, State Capitol Complex

Morning

Members Present:

Sen. Wayne L. Niederhauser, Co-Chair
Rep. Stephen D. Clark, Co-Chair
Sen. Curtis S. Bramble
Rep. Fred R. Hunsaker
Rep. Laura Black
Rep. Janice M. Fisher
Rep. Craig A. Frank
Rep. Stephen E. Sandstrom

Afternoon

Sen. Wayne L. Niederhauser, Co-Chair
Rep. Stephen D. Clark, Co-Chair
Sen. Curtis S. Bramble
Rep. Fred R. Hunsaker
Rep. Laura Black
Rep. Janice M. Fisher
Rep. Craig A. Frank
Rep. Stephen E. Sandstrom

Members Excused: Sen. Gage Froerer
Sen. Brent H. Goodfellow

Staff Present: Steve Allred, Fiscal Analyst
Richard Amon, Fiscal Analyst
Allison Volk, Committee Secretary

Public Speakers Present:

Kim Hood, Executive Director, DAS	Patrice Smith Mansfield, Director, Archives
Ken Hansen, Director, DAS, Admin. Rules	Steve Fletcher, Executive Director, DTS
John Reidhead, Director, DAS, Finance	Jeannie Watanabe, Manager, DTS, AGRC
Kent Beers, Director, DAS, Purchasing	David Hart, Executive Director, CPB
Gregg Buxton, Director, DAS, DFCM	Jeff Herring, Executive Director, DHRM
Sal Petilos, DAS, Deputy Director	Bob Thompson, Administrator, CSRB
John Bennett, Exec. Dir., Quality Growth Commission	Kurt Baxter, Director, DFCM, Construction Mgmt.
	Margaret Chambers, Dir., Fleet & Surplus Prop.

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

Co-Chair Clark called the meeting to order at 10:06 a.m.

1. Approval of Minutes

MOTION: Senator Bramble moved to approve the minutes of the July 16th, 2008, meeting. The motion passed unanimously with Sen. Froerer and Sen. Goodfellow absent at the time of the voting.

2. Working 4 Utah Energy Efficiency Savings

Kim Hood, Executive Director of Administrative Services, stated that Utah's demand for electricity is outpacing our supply which is why the energy efficiency programs have been put into place. In order to reach goal of increasing energy efficiency by 2015 the Working 4 Utah Energy Efficiency Savings program was established. The program has three main goals. The first goal is to reduce overall energy by 20%. The Second goal is to close 1,000 buildings on Fridays (currently we have closed 900). The final goal is cost savings or cost avoidance of \$3,000,000 by focusing on 101 buildings that house the most state employees and are the main focus of energy efficiency savings.

John Harrington, State Building Energy Manager, handed out the Capital Facilities and Government Operations Appropriations Subcommittee document. Mr. Harrington explained the three major State Building Energy Efficiency Programs. The first is the High Performance Building Design Standards. The second is the Energy Efficiency projects completed in existing buildings. The third is tracking energy usage and efficiency in state buildings. He stated that energy efficiency programs are more of an investment and that the subcommittee should take that into consideration when making cuts.

Rep. Clark asked how much are we cutting out of the energy savings budget?

Rich Amon, clarified that the proposal would take \$3,000,000 out of the revolving loan fund (originally funded at \$3,600,000) in FY 2009 and that the savings from the Working 4 Utah program would replenish the revolving loan fund at the end of the year.

Ms. Hood, explained that the \$3,000,000 is a target and is not a guarantee. She felt the goal was attainable but was not sure if it could be reached in one year. Our proposal is to not take the money out of the revolving loan fund and instead use the \$3,000,000 to pay for energy efficiency programs. She stated the program will pay for itself eventually but can not do it without the money from the revolving loan program.

Mr. Harrington, stated that they have commitments from all the agencies for the energy study and have began evaluation using the revolving loan fund.

Rep. Hunsaker, stated that it doesn't make sense to take a program that is just starting which has had a lot of investment and effort put into it and pull the funds from it.

Sen. Niederhauser, asked what are the other alternatives we could use the funds for?

Mr. Harrington, stated the funds are generally used for energy efficiency programs, but can be used for transportation projects and bridge repair

Rep. Clark, asked if the funds are matched by the state?

Mr. Harrington, stated that they are not matched they are given specifically for energy efficiency projects. He further explained the Working 4 Utah Initiative. He addressed the initial goals, buildings and structures impacted by Friday closures, the 101 buildings identified by SBEEP and the remaining buildings and structures that were excluded. The early results for the Working 4 Utah Initiative indicated a energy cost savings and energy cost avoidance savings. He concluded that energy savings is a work in progress and there needs to be some adjustments made to realize the full potential of energy savings. Furthermore, Mr. Harrington emphasized the energy efficient funds are a great investment for the State of Utah and need to be maintained.

2. Department of Administrative Services

Ms. Hood handed out a PowerPoint presentation on the Department of Administrative Services. The

presentation addressed all the divisions of the Department of Administrative Services along with recommendations to the committee in response to the fiscal analyst's proposals. The overall point she expressed was the importance of employment within the Department of Administrative Services, especially the impact cutting jobs would have on the community.

Greg Buxton, Director, DFCM, presented the DFCM's recommendations to the committee. His recommendations included bonding the funds for Capitol Improvements, cutting the General Funds for the Code Official's salary and benefits, reducing on-site visits and ongoing training in ADA.

Sen. Niederhauser, stated that the committee needs to get to the 7.5% reduction goal today.

Mr. Buxton, said that he was not aware they needed to present a priority list today but can do it before the day is over.

Rep. Clark, said that we need a priority list before the committee concludes today.

Sen. Niederhauser, commented that the committee needs to find ways to save jobs as best as possible which may include pay reduction. Also he stated the capitol improvement should be a priority.

Rep. Clark, agreed with Sen. Niederhauser that keeping jobs should be the number one priority. He suggested the possibility of furloughs. He also wanted to discuss the possibility of funding project managers through bonds.

Mr. Amon, clarified budget cuts of 7.5% for FY2009 and the 15% for FY2010. He also stated that the committee and the agencies need to work together to prioritize or create alternatives cuts in order to get committee the budget balanced.

Rep. Clark, suggested the committee members, analysts and department heads get together and discuss what they are going to do and what they are going to provide to the Executive Appropriations Committee.

Rep. Fisher, asked why this had to be done today? She stated that because of the enormity of the economic crisis the committee needs time to work with the departments and work with the budget.

Rep. Clark, stated that the sub-committee was directed by the Executive Appropriations Committee to get this done today.

Sen. Niederhauser, stated that the committee is going to have plenty of time to deal with FY10 but FY09 needs to get done as soon as possible because FY09 is getting ready to start and that is why there is such an urgency to get it done.

MOTION: Representative Clark motioned to recess until 2:00 p.m.
The motion passed unanimously with Sen. Froerer and Sen. Goodfellow absent at the time of the voting.

Mr. Amon explained that the agencies have put together a priority list in what they would want restored first if finances are available. He reviewed a spreadsheet containing the agencies' priorities and a combined list of priorities assembled by the Analysts for the entire subcommittee based on agency input.

3. Capitol Preservation Board

David Hart, Director, CPB stated that capitol maintenance is their number one priority.

Sen. Niederhauser, asked if he could get a breakdown of the capitol maintenance budget?

Mr. Hart, stated that the hardest thing to do is cancelling contracts that are already in place (elevator, waste management, etc...). These contract costs are mandatory budget items which is about \$1,400,000 of the overall maintenance budget. He stated he was willing to cut the rest of their budget in order to make up the difference.

Bruce Whittington, Assistant Director, DFCM, stated the real issue with the FY09 cuts is that they are seven months into the fiscal period which leaves them \$850,000 to cut \$256,000 out of. He stated, you can't cut out certain things in an operating budget (such utilities, insurance, contracts). He then recommended the committee take out 7.5% after the necessities have been paid for.

Mr. Hart suggested that they take the 7.5% from Capitol Maintenance portion of the budget and 11% from the rest of the Capitol Preservation Board budget. He also stated another option for additional income would be an after hours service fee associated with extra use of the building.

3. Department of Human Resources

Jeff Herring, Executive Director, DHRM stated the first priority would be to restore personal costs and the second priority would be to restore Data Processing. He said he would like to make as few FTE cuts as possible.

Rep. Clark, asked if they have looked at furloughing?

Mr. Herring, explained that they did not look at furloughing because they offered early retirement and made cuts elsewhere in order to avoid a reduction in force.

4. Career Service Review Board

Bob Thompson, Administrator, CSRB, stated that the CSRB is a two person office and has no way to make the 7.5% recommended cuts except to eliminate a FTE (turning the two person office into a one person office). Mr. Thompson passed out a handout that showed projected grievances due to the state wide cuts. He further explained his concern for being able to handle the workload without the FTE.

Rep. Fisher, asked how do you function without your administrative assistant?

Mr. Thompson, stated it would slow the process down immensely and delay hearings outside a reasonable amount of time.

Rep. Dee, said he can't imagine saving \$11,800 in order to save administrative fees which would deny administrative remedy. The lack of administrative remedy would eventually increase workload 100 fold and would cost the state much more than \$11,800 in legal fees.

5. Department of Technological Services

Steve Fletcher, Executive Director, DTS, distributed handout explaining Omni-Link. He explained that Omni-Link provides the capability for dispatch centers and those with radios can talk to each other and it has no operating costs of personal associated with it. It provides a way for everyone in the state to communicate with each other. There is no way to reduce cost except to reduce service in

area which would mean no communication with that area. Mr. Fletcher stated that Omni-Link is their number one priority.

Rep. Clark, asked how many FTE's are you losing for the budget. If so is it a reduction in force?

Mr. Fletcher, stated it would be a reduction in force by one FTE.

Sen. Niederhauser, asked what would happen to AGRC?

Jeannie Watanabe, Manager, AGRC, proposed the elimination of one FTE and postponement of the back up program for the state wide GPS system in order to meet budget reductions for FY09.

Sen. Niederhauser, asked if there is a way to charge a small fee for the use of the GPS system in order to maintain service on it?

Mr. Fletcher, explained that there are tradeoffs in doing that. We want people to use the state GPS system instead of other sources in order to ensure the most accurate information is being transmitted.

Ms. Watanabe, stated that the GPS system provides real time survey that is sub meter data. She explained that in a construction project you can save a lot of money when you use the real time data on your GPS unit and that one of the biggest users is UDOT.

Rep. Dee, stated he would like to have some research done about where the money from legislation that had been done in the past, in regards to 911 service funding. He explained that the legislation included at fee of one or two cents on cell phones. That fee went to coordination and development of maps for AGRC. Rep. Dee wanted to find out where that money is currently and if it can be redirected to other programs that need it or does the AGRC still need it?

Ms. Watanabe, stated that last year the amount appropriated was \$300,000 and the revenue is currently going into center line and address information that is used by public service answering points that handle dispatch of E-911 calls.

Mr. Fletcher stated that they would look into exactly where the funds are and get back to the committee on it.

6. Department of Administrative Services

Ms. Hood stated there list was prioritized based on the understanding that cuts would be made and some money would be given back. The items highlighted are the items prioritized for the opportunity to have money back depending on how far down the list you could go.

Mr. Reidhead stated the items at the top are actual persons that would be cut or that areas that would lose federal funds if the item was cut.

Rep. Clark, asked if they are in agreement with the way the committee has put the priorities in order?

John Bennett, Executive Director of the Utah Quality Growth Commission stated his division was comfortable with taking \$36,000 cut. They anticipated that cuts and it will not affect any of the grants.

MOTION: Representative Clark moved to accept the list of budget reductions as prioritized by the

Analyst for FY 2009 as it has been discussed.

SUBSTITUTE MOTION: Representative Frank moved to amend the proposal to remove \$45,200 from personnel in the Executive Directors Office and \$26,800 from the Department of Purchasing Current Expenses in order to add a level four analyst to purchasing which will increase efficiencies.

Kent Beers, Director, Purchasing, responded to the substitute motion stating that they are in favor of restoring the position however we support the departments recommendation of our priorities.

Rep. Frank, stated he withdraw the substitute motion.

SUBSTITUTE MOTION: Representative Hunsaker moved to strike item number two of \$11,800.

Sen. Niederhauser commented to the substitute motion, stating that the committee needs to send back a balanced budget and make up the \$11,800 difference.

The substitute motion failed with Rep. Hunsaker, Rep. Fisher and Rep. Black voting in favor of the substitute motion. Sen. Niederhauser, Rep. Clark, Sen. Bramble, Rep. Frank and Rep. Sandstrom voted against the substitute motion. Sen. Froerer and Sen. Goodfellow were absent at the time of the voting.

A vote was taken on the original motion. The motion passed with Sen. Niederhauser, Rep. Clark, Sen. Bramble, Rep. Frank and Rep. Sandstrom voting in favor of the motion. Rep. Hunsaker, Rep. Fisher and Rep. Black voted against the motion. Sen. Froerer and Sen. Goodfellow were absent at the time of the voting.

MOTION: Representative Clark moved to adjourn

The motion passed unanimously with Sen. Froerer and Sen. Goodfellow absent at the time of the voting.

The meeting was adjourned at 4:00 P.M. by Co-Chair Clark

The minutes were reported by Allison Volk, Secretary.

Sen. Wayne L. Niederhauser, Co-Chair

Rep. Stephen D. Clark, Co-Chair