

**MINUTES OF THE  
CAPITAL FACILITIES & GOVERNMENT OPERATIONS  
APPROPRIATIONS SUBCOMMITTEE MEETING  
Wednesday, JANUARY 20, 2010, 1 P.M.  
Room 250 Capitol Building**

Members Present: Sen. Curtis Bramble, Co-Chair  
Rep. Stephen Clark, Co-Chair  
Sen. Wayne Niederhauser  
Rep. Stephen Sandstrom  
Rep. Laura Black  
Rep. Janice Fisher  
Rep. Craig Frank  
Rep. Gage Froerer  
Rep. Fred Hunsaker

Member Absent: Sen. Brent Good fellow  
Rep. Brad Dee

Staff Present: Richard Amon, Fiscal Analyst  
Gary Ricks, Fiscal Analyst  
Henry Liu, Committee Secretary

Public Speakers Present: Gregg Burton, Director, DFCM  
Bob Thompson, Administrator, CSRB  
Kim Hood, Director, DAS  
John Reidhead, CFO, DAS  
Allyson Gamble, Director, CPB  
Ken Peterson, Deputy Director, DTS  
Letty Debenham, Finance Director, DHRM

Visitor List on File

Co-Chair Clark called the meeting to order at 1:17 p.m.

- 1. Overview regarding the vote of the 4% list** - Fiscal Analyst, Gary Ricks explained the voting process. Majority of an appropriation subcommittee is a quorum for the transaction of business in determining a subcommittee quorum, a majority is at least 50% in one house and more than 50% in the other house. Decision of the sub committees, a majority vote prevails, majority vote is at least 50% of member in one house and more than 50% of the other house in attendance. There are no exceptions to quorum requirements for leadership and those who missed meetings.

Analyst Ricks further explained that for this subcommittee, 2 senators and at least 4

house members need to be in attendance for a quorum.

2. **List of budget reduction items** - Analyst Ricks outlined the budget reductions in a handout and explained the cuts to each department. The target total of \$5,854,500 is the amount the Appropriations Subcommittees needs to meet from EAC.
3. **CFGO Appropriations Subcommittee FY 2010 Priorities** - Fiscal Analyst, Rich Amon, reiterated the possible one-time source of \$5 million from the Capital Project Fund, which comes from bid savings that can be utilized.

Gregg Buxton addressed that the money should not be taken out of Capital Improvements, due to the cuts from last year and current projects.

Rep. Froerer imposed the question that if Capital Improvement Funds isn't the area to take from, what suggestions does the committee offer.

Mr. Buxton contended that, this has been a good year in the building business in terms of getting bids, labor and materials at a low price. Projects that finished under budget resulted in savings to the Project Reserve Fund. Mr. Buxton suggested the committee take from savings in the PRF rather than the Capital Improvement Fund.

Mr. Buxton explained that a \$7 billion asset with a \$90 million budget which was deducted \$40 million last year from Capital Improvement, \$55 million shouldn't be reduced further.

Analyst Amon responded that there is \$9,825,000 in the Capital Improvement Fund, taking out \$5 million will still allow flexibility for the future. The money in CIF isn't designated anywhere else if it doesn't get used. The different funds under DFCM can not be interchanged with other funds, like Errors and Omissions or Project Reserve Fund.

Rep. Hunsaker inquired about the Capital Improvement Funding level this FY. Mr. Buxton explained that the statutory rate is 1.1, a minimum of .9 but last year HB 300 changed that to .7.

Analyst Amon further clarified the statute, the 1.1 rate is for a non-budget crisis and the .9 funding rate is based on a budget crisis year. The .7 was a one time exception. Currently \$55.6 million represents the .7 level, if \$5 million was taken out of the fund, it'll bring the level to .65, essentially the goal is the keep the rate at a .7 level, rather than dropping down to .65 using the \$5 million in capital project. \$15 million with an additional \$5 million will bring the level up to the .9 level.

4. **DAS** - Director Kim Hood and CFO John Reidhead explained the listed items based on priority of reductions from their department - refer to handout.

Mr. Buxton explained under Capital Improvements, those funds are still sustaining the

workload. The stimulus funds approved by Obama last year, those projects are just beginning, funds are banked towards the possibility if needed a project manager to manage emerging projects. A \$100 billion project could be a single project, a \$100 million project could be multiple projects under Capital Improvements.

Mr. Reidhead discussed the dependency in relation to DFCM and the General Fund.

Analyst Ricks further elaborated that cuts to the General Fund does become problematic to various agencies to fulfill their statutory obligations because of their dependency on the fund.

Rep. Hunsaker inquired about options to replace funds cut from the General Fund.

Analyst Ricks researched a possible source, Internal Service Fund will allow agencies to move towards a business operations model, meaning agencies will provide services and receive a rate in return for the work.

Ms. Hood recommended the board to replace Capital Improvement Funds with the Project Reserve Funds in continuing to fund projects in the community. Departments such as Archives, EDO and Rules are dependent on the General Fund, that is their only sources of revenue.

Ms. Hood continued to detail the DFCM's strategy to look for alternative funding sources. The division identified every service the different department provided. Take those services and attach a rate based on cost can open different funding sources aside from the General Fund but also identify a broad customer base. Local government, cities, Higher Ed., etc. can contribute to the DFCM budget.

5. **DTS** - Ken Peterson, Deputy Director of DTS explained that Omnilink, can't be cut because it's of its vital services it provides. CIO and AGRC are the agencies in line with reductions.
6. **DHRM** - Letty Debenham, Finance Director explained that the bulk of DHRM budget is personal service. In 2007 the agency stood at 28 FTE, this FY it's down to 17 FTE and as a result the core staffing has become limited. Retirement to the Internal Service Fund and DHRM allocated responsibilities from the appropriation side, these vacated seats won't be filled which will contribute to the fund.

Rep. Clark asked if the positions were lay-offs. Ms. Dehenham stated that these positions were to be filled but in considering the budget these positions were left vacant and as a result \$122,000 was saved.

7. **CSRB** - Bob Thompson, Administrator for CSRB, reported the requested information from the last meeting. Mr. Thompson stated the cost for an average hearing of 2 days at

10 hours each day would cost roughly between \$950 and \$1,100 per day. Average hearing costing \$2,000, with 10 set hearings for FY 2010 would bankrupt the budget.

Mr. Thompson researched 2 possible areas of cuts, personal costs or the \$27,500 allotted towards hearing officer costs.

8. **CPB** - Allyson Gamble, Director of CPB, reiterated that contract with "Eurest Dining" won't be renewed on March 31st, resulting the return of \$37,000. DFCM is aiding with reductions of fees, the amount of \$16,300. Vacancy of the executive director position returns \$60,000 and Wi-Fi expenses will return \$12,000.

**MOTION:** Sen. Bramble moved to amend the prioritization list as presented by Analyst Amon to substitute \$5 million of the balance in the Project Reserve Fund for the \$4,977,100 reduction in Capital Improvements and \$9,100 in reductions to the Career Service Review Board and to spread the remaining \$13,800 among other priorities.

The motion passed unanimously with Rep. Craig Frank absent for the vote.

**MOTION:** Sen. Bramble moved to use the remaining \$13,800 from the Project Reserve Fund to remove the reduction to the Judicial Conduct Commission and reduce the Finance personal reduction by \$2,900.

The motion passed unanimously with Rep. Craig Frank absent for the vote.

**MOTION:** Rep. Clark moved to ask staff to contact various agencies to correct the priorities of the list of reductions.

**SUBSTITUTE MOTION:** Sen. Bramble moved to approve the corrected list reformatted by Analyst Amon.

The motion passed unanimously.

The meeting was adjourned at 3:30 p.m. by Co-Chair Clark.

The minutes were reported by Henry Liu.

Minutes of the Capital Facilities & Government Operations Appropriations Subcommittee

January 20, 2010

Page 5

Sen. Curtis Bramble \_\_\_\_\_

Rep. Stephen Clark \_\_\_\_\_