

**MINUTES OF THE
INFRASTRUCTURE AND GENERAL GOVERNMENT
APPROPRIATIONS SUBCOMMITTEE MEETING**

Room 445, State Capitol

February 22, 2013

Members Present: Sen. Wayne A. Harper, Co-Chair
 Rep. Gage Froerer, Co-Chair
 Rep. Jacob L. Anderegg, House Vice-Chair
 Sen. Lyle W. Hillyard
 Sen. David P. Hinkins
 Sen. Scott K. Jenkins
 Sen. Peter C. Knudson
 Sen. Karen Mayne
 Sen. Kevin T. Van Tassell
 Rep. Johnny Anderson
 Rep. Kay J. Christofferson
 Rep. Janice M. Fisher
 Rep. Lynn N. Hemingway
 Rep. John Knotwell
 Rep. Douglas V. Sagers
 Rep. R. Curt Webb
 Rep. John R. Westwood

Members Absent:
Sen. Evan Vickers

Staff Present:
Mr. Mark Bleazard, Legislative Fiscal Analyst
 Mr. Gary Ricks, Legislative Fiscal Analyst
 Ms. Cami Deavila, Secretary

Note: A list of visitors and a copy of handouts are filed with the Subcommittee minutes. A copy of related materials and an audio recording of the meeting can be found <http://le.utah.gov/asp/interim/Commit.asp?Year=2013&Com=APPIGG>

1. Call to Order/Minutes

Co-chair Harper called the meeting to order at 2:10 p.m.

MOTION: Rep. Christofferson moved to approve the minutes from the February 5, 2013 meeting. The motion passed unanimously.

2. Requests for Appropriation Presentation

Mark Bleazard, Fiscal Analyst, Office of the Legislative Fiscal Analysts, stated there are 13 appropriation requests for special projects by Legislators. Mr. Bleazard presented the committee with an overview of the projects.

Co-chair Harper stated the requests listed as being funded from the Transportation Fund.

a. Huntsman Cancer

Senator Curt Bramble stated the Huntsman Cancer Institute is wholly owned by the State and is at capacity. The request is for 20 percent or \$20 million of a \$100 million project. The Huntsman Cancer Institute would be grateful for any amount given to them. Susan Sheehan, Executive Director, Huntsman Cancer Institute, stated the project would focus primarily on child cancer treatment. 80 percent of the funding has been lined up from private donations.

Sen. Hillyard asked if there was a time deadline for the project; could the committee appropriate \$1 million over a 20-year period. Ms. Sheehan stated the funding would be needed over a three-year period. Planning would start in 2013 and be completed in three years.

b. Pioneer Bridge Crossing

Mike Winder, Mayor, West Valley City, stated the suspension bridge would link the Jordan River Parkway on the East side to Pioneer Crossing park on the West side. Mayor Winder presented the pioneer history of the property.

Sen. Mayne stated West Valley City is the second largest city and thanked Mayor Winder for this project.

Sen. Hillyard asked what type of traffic would use the bridge, pedestrian, motorized, or biking. Co-chair Harper stated it would be a pedestrian and bicycle bridge.

c. Permanent State Trust Fund Phase in for Severance Tax Constitutional Amendment

Rep. Nielson stated this was not a request to spend money; it is a request to invest money. Constitution Amendment A required a phase in period up to 2016. The phase in period depends on legislation each year until complete in 2016.

d. Passes for January and July for UTA Customers

Rep. Briscoe stated the request is for funding for no cost UTA transit passes in the months of January and July, which are the months with the most inversions. Rep. Briscoe presented statistics on the environmental benefits of riding UTA transit. There has been discussion and on giving discounts to riders on red burn days; the success rates have varied in other states. The project could be financed with one time money. The estimated cost for one month is \$4.5 million.

Sen. Hinkins asked why Southeast Utah taxpayers should help subsidize mass transit that they don't use; why have counties and cities not been contacted to subsidize the program. Rep. Briscoe stated the urban area taxpayers subsidize programs in rural Utah.

e. USU Brigham City Campus Building

Sen. Knudson stated the campus is growing rapidly and the need for the new building is greater every year. The city has funded 1/3, or \$7.5 million, of the project. Stan Albrecht, President, Utah State University, stated the regional campuses provide educational opportunities for the non-traditional student. Property has been purchased for \$4.8 million, donated property for \$3.2 million, and \$500,000 in demolition. There has already been \$9.1 million put into the effort. The request is for \$7.5 million from the State.

Co-chair Harper asked the total cost of the project. Pres. Albrecht stated the construction would be \$15 million; \$7.5 million from a bond provided by Brigham City and the State request of \$7.5 million. The other \$9.1 million is property and demolition costs.

Co-chair Froerer asked what the composition of classrooms versus offices would be and if USU would vacate any other facilities. Pres. Albrecht stated the new building would primarily be a classroom building. The area vacated would be in a strip mall south of the highway. Co-chair Froerer asked if the current space is owned or leased. Tom Lee, Dean Utah State University, stated the area vacated is State owned and would be continued to be used by other institutions.

Sen. Jenkins stated his concern for the price of the property purchased and asked if the adjoining property could be sold to offset the expenses. Mr. Lee stated discussions have taken place about that possibility, but they are waiting for property values to increase. Rich Amon, Deputy Director, Division of Facilities and Construction Management (DFCM) stated it would be a decision of the Legislature to sell the property and DFCM is open to that.

Co-chair Harper asked for a property report.

Sen. Knudson addressed safety issues making it necessary to raze the buildings located on the property.

f. Taylorsville Pedestrian Tunnel Under I-215 near 5100 South

Rep. Anderson stated the request for a pedestrian tunnel under I-215 which would reconnect a neighborhood that shares a school and church. The money would come from the Transportation Fund.

Donald Adams, Economic Development Director, Taylorsville City, stated the tunnel would link a series of parks and trails.

Sen. Mayne stated her support for the project, as Taylorsville is landlocked.

Rep. Fisher stated it is cheaper to go over than under and asked why a tunnel is being built instead of a bridge. Mr. Adams stated the cost analysis and problems of building a bridge.

Co-chair Froerer stated that funding for the tunnel would be coming from the Transportation Fund instead of the General Fund.

g. Widening 7200 South Between 700 West and I-15

Rep. Eliason stated the project would take 7200 South from four lanes to six lanes. Currently, there are major traffic delays on 7200 South. The request is for \$1.2 million.

Kane Loader, City Manager, Midvale City, stated the crucial need for widening 7200 South.

h. Cottonwood Heights Parking Lot at the Mouth of Big Cottonwood Canyon

Rep. Eliason stated the request for an additional park and ride lot. The current park and ride lots fill up quickly forcing residents to drive up the canyon instead of ride the bus. Cottonwood Heights will donate land for the project. The request is for \$750,000.

John Park, City Manager, Cottonwood Heights, stated there is currently a temporary lot, which is causing water quality issues.

Co-chair Harper asked if there was an existing parking lot. Rep. Eliason stated there is but it fills up quickly.

Sen. Hillyard asked if the two projects were on the UDOT request list. Mr. Park stated funding has been applied for. Rep. Eliason stated it is not a State highway.

Rep. Anderegg asked about the specific location and asked for clarification that the bus currently picks up on the other side of the street making it necessary for individuals to cross a very busy street to catch the bus. Rep. Eliason stated UTA would add a new bus route to pick up on the other side of the street.

3. Other Business

Rep. Webb stated the need to update software that can handle the volume of users and the capacity to add additional users. Bill Cox, Rich County Commissioner, stated the benefits and accuracy of the AGRC system. Subscribers pay a \$400 fee per year. Currently there are more subscribers than there is capacity causing the system to run at a slower speed. The request is for \$300,000 to upgrade from a 32 bit platform to a 64 bit.

Rep. Anderegg asked if the system is owned by the State and the Counties subscribe. Mr. Cox stated counties and cities participate. Rep. Anderegg asked if subscribers were individual surveyors and civil engineers as roads are being laid out. Mr. Cox added a utility company.

Sen. Van Tassell asked if new agriculture and construction equipment ties into the system. Mr. Cox stated they were.

Rep. Christofferson asked if funding for the upgrade could come from the subscriptions and what fee would have to be charged to cover that cost. Mr. Cox stated that was a possibility and will depend on the ongoing costs. Rep. Christofferson suggested increasing the rates to make the system self-sustaining.

Sen. Hillyard asked where the appropriation was located on the priority sheet. Co-chair Harper stated it was not on the sheet; the committee would have to write it in.

Rep. Webb stated the continued growth in subscriptions could pay for the next replacement cycle.

Co-chair Harper stated Valley Mental Health has request for \$150,000 for the Carmen Pingree bus.

4. Department of Technology Services (DTS) Analyst Budget Presentation/DTS Appropriated Budgets:FY2014

Gary Ricks, Fiscal Analyst, Office of the Legislative Fiscal Analyst, stated the total budget for the appropriated side of the DTS is \$4,973,000.

5. Chief Information Officer (CIO)

Chief Information Officer appropriated budget is for \$599,600 and the Integrated Technology line item is \$4,373,000.

6. Automated Geographic Reference Center (AGRC)

The AGRC receives \$3,723,400 in appropriated funds.

7. Statewide Interoperable Communications (Omni-Link)

Omni-Link receives \$650,000 in appropriated funds.

8. DTS Internal Service Fund/Division of Enterprise Technology (DET)

Mr. Ricks recommended 847 full time equivalents (FTE), capital outlay of \$9,415,000 and annual revenue of \$120,781,500.

9. Federal Funds Report

AGRC is requesting Federal funds of \$971,100 for FY13 and FY14 \$950,000.

10. Intent Language

Mr. Ricks stated the analyst is recommending non-lapsing intent language for AGRC.

11. Fees and Rates

Mr. Ricks presented the rates the department charges for services rendered.

Sen. Jenkins asked if the \$400 fee that AGRC charges can be increased to pay for the needed upgrade and expansion. Mr. Ricks stated it is up to the committee to adjust the rate.

Co-chair Harper asked how much money was collected annually from the fees. Mr. Ricks stated the information is not readily available. Sean Fernandez, Cadastral Manager, AGRC, stated the fees are relatively low while they encouraged people to use the system. Now there are too many people on the system and it requires an upgrade.

Sen. Jenkins asked the revenue and what the request is for funding. Mr. Fernandez stated the rates collect about \$90,000 a year and the request is for \$295,000. Sen. Jenkins suggested raising the rates to \$600 a year. Mr. Fernandez stated if rates were raised, users might decrease.

Rep. Fisher stated her concern for raising rates, which would lose users. The department put together a presentation based on research. The rates should be left alone and the committee should fund the upgrade.

Rep. Anderson asked if the private sector was the only users of the system. Mr. Fernandez stated cities, counties, Department of Transportation, and utility companies.

Sen. Van Tassell asked if there was a way to track how much each subscriber was using and charge by subscribers by the volume of usage. Mr. Fernandez stated AGRC could see down to the minute how much usage there is. The upgraded system would make staggering usage fees easier.

Rep. Sagers stated the increased cost may be passed on to customers and a few may drop service, but it would be surprising to see a great many drop.

Rep. Anderegg asked what the expected increase in users would be. Mr. Fernandez stated an additional 150 users. At the rate the number of subscribers is increasing maintenance would be covered for future years. Rep. Anderegg strongly recommended raising the fee.

Rep. Christofferson agreed with raising the fee and stated the program should pay for itself.

Co-chair Harper asked the analyst to see if there is a restricted account or funds within the agency that the funding could come from and possibly reimbursing from a fee increase.

12. IT Security Building Block Information

Mr. Ricks stated the importance of technology security. There are more than 20 million daily attacks on the State's IT systems. The Governor recommended a supplemental amount of \$9.5 million for FY13 and ongoing funding of \$3 million. The funding may come from general fund, restricted fund, statutory change, or borrowing against the general fund.

13. Department of Technology Services Agency Presentation

Mark VanOrden, Executive Director, Department of Technology Services (DTS), stated the department responsibilities. Mr. VanOrden stated the department's goals: exceptional customer service, information security, employee success, and innovative technology. Mr. VanOrden stated how the department deals with customer service.

Ken Petersen, Chief Operations Officer, DTS, presented the department's customer service procedures and an overview of the website.

Mr. VanOrden presented the committee with an update on the 2012 security breach. A security council has been created to review and updated security standards and policies.

Co-chair Froerer asked about the firewalls being used and requested that DTS makes sure the best program for the best value is purchased to ensure securest firewall is in place. Mr. VanOrden stated there is a new state of the art firewall in place. Co-chair Froerer asked if it was the Palo Alto System and if that was the best system. Mr. Petersen stated DTS is seeing dramatic results. Co-chair Froerer asked if DTS was in a long-term contract for the firewall. Mr. Petersen stated the contract was for two to three years.

Mr. VanOrden stated there are over 1,000 State services provided online and the importance of mobile technology devices. Utah is one of two states to receive an A grade in technology in eGovernment.

Co-chair Harper stated the two building blocks of \$9.537 million in one-time funds and \$3.44 million in ongoing funds and asked how critical the two blocks requested are. Mr. VanOrden stated they were critical. Co-chair Harper asked why an internal loan was not requested. Mr. VanOrden stated that some of the practices have already been implemented others are ready to implement but they need funding.

Co-chair Harper asked what the \$6.5 million in retained earnings is set aside for. Dan Frei, Chief Financial Officer, DTS, stated by the end of FY13 it will be at \$4.5 million. The fund is used for emergencies. Mr. Petersen stated the amount is half of what DTS is advised to have set aside.

Rep. Anderegg asked if there are data services hosted off site and what portion. Mr. VanOrden stated there are data services hosted off site if it is cost effective. Mr. Petersen stated about 48 percent of the \$120 million is spent in the private sector. Rep. Anderegg asked if the funding requested is for the on-site data storage. Mr. Petersen replied that it

was. Rep. Anderegg stated the request is small for the services provided.

Co-chair Harper asked what rate changes could occur in order to collect the \$3 million on going funds. Mr. Frei stated the \$3 million would be passed on to agencies in the form of increases to storage and encryption rates. Mr. VanOrden stated information on the impact of rate increases has been provided to the Analyst Office and DTS is supportive of the rate increase. Mr. Petersen stated a rate impact study has been completed and submitted to the various agencies.

Rep. Christofferson congratulated DTS on getting an A grade.

MOTION: Co-chair Froerer moved to adjourn. The motion passed unanimously

Co-chair Harper adjourned the meeting at 4:15 p.m.

Minutes were reported by Cami Deavila, Senate Secretary

Sen. Wayne A. Harper, Co-Chair

Rep. Gage Froerer, Co-Chair