

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

Room 445 State Capitol Building
February 2, 2016

Members Present: Sen. Wayne A. Harper, Co-Chair
Rep. Gage Froerer, Co-Chair
Rep. Craig Hall, House Vice Chair
Sen. J. Stuart Adams
Sen. David P. Hinkins
Sen. Peter C. Knudson
Sen. Karen Mayne
Sen. Kevin T. Van Tassell
Rep. Jacob L. Anderegg
Rep. Lynn N. Hemingway
Rep. Don L. Ipson
Rep. Brad King
Rep. Douglas V. Sagers
Rep. Scott D. Sandall
Rep. Mike Schultz
Rep. R. Curt Webb

Members Absent: Sen. Lyle W. Hillyard
Rep. John Knotwell

Staff Present: Ms. Angela J. Oh, Fiscal Analyst
Mr. Brian Wikle, Fiscal Analyst
Ms. Cami Thorpe, Secretary

Note: A copy of related materials and an audio recording of the meeting can be found at www.leg.utah.gov.

1. Call to Order

Co-Chair Froerer called the meeting to order at 8:05 a.m.

2. Proposed Funding Formula for USHE Capital Development

Sen. Urquhart stated the focus for past capital development funding had been student growth. If the money received for capital development and capital improvement were based on a formula, the institutions would stretch the funds further. Factors included in the proposed funding formula would include enrollment, projected growth, the State funded portion, square footage, the square footage needs gap, degrees awarded, and other performance factors.

Rep. Anderegg stated concern about Applied Technology Colleges (UCAT) over-inflating enrollment numbers and how that would affect the formula. Sen. Urquhart stated UCAT would not be included in the funding formula.

Sen. Urquhart continued that a percentage of the funding would be held back and funds would become available with a remedial action plan approved by the Board of Regents.

Rep. Sagers stated concern for institutions that build extravagant buildings.

Sen. Mayne asked how the formula would affect land banking requests, if the formula would put more responsibility on the institutions for O&M and how emergency projects would be handled. Sen. Urquhart stated the institutions would need to decide if they wanted to spend funds on land banking and O&M. Institutions with an emergency project would run a deficit with the State until the funds were paid back

Rep. Hemingway asked for clarification that institutions would get credit for having degrees that matter. Sen. Urquhart clarified that institutions would need to be responsive to the market place when deciding what degrees to offer.

Rep. Webb clarified that under the new formula institutions would need to save funding over several years to have sufficient funds for constructing a new building.

Co-chair Froerer stated concern that smaller institutions would not receive adequate funding under the formula.

Co-chair Harper asked if a draft of the formula would be available within the next couple of weeks. He would like the subcommittee to work on the formula during interim. Sen. Urquhart stated it would be available in the next couple of days and would like to see a bill passed this Legislative session. A delayed implementation date would be included to provide opportunity to make necessary changes.

Rep. Anderegg asked how the proposal would affect the Building Board's agenda. Co-chair Froerer stated the Building Board could see minor changes.

Rep. Webb asked if other State buildings would be included in the proposed formula. Sen. Urquhart stated only the eight UHSE institutions were included.

3. Base Budget Follow-up Items

Brian Wikle, Fiscal Analyst, Office of the Legislative Fiscal Analyst, reviewed the DTS and DAS proposed Fees and Rates Issue Briefs. More information can be found online at [DTS Rates and Fees Issue Brief](#), [DAS Rates and Fees Issue Brief](#).

Sen. Van Tassell asked where the radio fees were transferred to. Mr. Wikle stated the radio fees would not show up in the fees bill.

Co-chair Harper reminded the subcommittee of the Governor's proposal to remove funding from

the Transportation Investment Fund (TIF).

Carlos Braceras, Executive Director, Utah Department of Transportation (UDOT), presented the current TIF program, the Governor's proposal, a 1/16th reduction in TIF, a \$6 million reduction in TIF, and all four scenarios. More information can be found online at [UDOT Base Budget Follow Up Presentation](#), [UDOT TIF Capacity Program](#), [UDOT Future TIF Needs](#).

Sen. Adams asked what would happen if the funding for the Governor's proposal were taken out of the growth of Senate Bill 229 funds and then allowed to regrow. Mr. Braceras stated \$86 million would be removed from TIF between now and FY19. There would be no affect after three years.

Co-chair Harper asked about the impact to the General Fund. Mr. Braceras stated it had not been calculated.

Rep. Sagers asked what the basis was for the revenue assumptions. Mr. Braceras stated the assumptions were between the Governor's office and the Legislature.

4. Agency Building Block Requests
a. Department of Administrative Services

Ken Hansen, Deputy Director, Department of Administrative Services (DAS), presented the reallocation of \$635,000, Internal Service Fund adjustments, and increasing dedicated credits. More information can be found online at [DAS Building Block Requests Presentation](#).

Jeff Reddoor, Director, State Building Board, presented the request for a \$920,000 Capital improvements reallocation. See the above DAS Building Block Requests Presentation link for more information.

Co-chair Froerer asked if one FTE would be sufficient to conduct the space utilization assessment and what would happen if space was not being utilized properly. Mr. Reddoor stated one FTE would be sufficient. Information from the assessment would be used to determine whether new space was actually needed.

Eric Tholen, Director, Division of Facilities Construction and Management (DFCM), presented the State Building Energy Efficiency Program. See the above DAS Building Block Requests Presentation link for more information.

b. Department of Technology Services

Mike Hussey, Executive Director, Department of Technology Services (DTS), reviewed Building Blocks including an increase in fees to cover \$2 million in employee compensation packages, a \$100,000 General Fund allocation for a data analytics pilot project to investigate fraud, and a \$5.5 million payback to the federal government. AGRC requested approval of

\$187,000 in federal funds for a LiDAR mapping project.

Co-chair Froerer asked how other states used data to save money. Mr. Hussey stated Michigan used data to investigate insurance fraud. Indiana investigated why infant mortality rates were so high.

c. Department of Transportation

Angela Oh, Fiscal Analyst, Office of the Legislative Fiscal Analyst, presented the UDOT Building Blocks Issue Brief. More information can be found online at [UDOT Issue Brief](#).

d. Capital Budget

Ms. Oh presented the Capital Budget Building Blocks Issue Brief. More information can be found online at [Capital Budget Issue Brief](#).

Co-chair Harper stated a bill would be introduced for a capital facilities modification to increase capital improvement funding from 1.1 percent to 1.3 percent.

5. State Fair Park Update

Larry Mullenax, Interim Director, Utah State Fair Park, presented an update on the Utah State Fair Park. More information can be found online at [Utah State Fair Park Presentation](#).

Co-chair Froerer asked what type of venues would be attracted to the multi-purpose arena and the cost of the building. Mr. Mullenax stated events would include monster trucks, outdoor arena cross, large horse expositions, and high school rodeo finals. The building would cost between \$18 and \$20 million.

Rep. Sagers reminded the subcommittee of a 2014 DFCM report that stated \$33 million would be needed to maintain the State Fair Park and a \$79 million investment to update the State Fair Park. The subcommittee should take a long-term look at investing in the State Fair Park.

Rep. Schultz and Rep. Sandall stated support for keeping the State Fair Park at its current location.

Sen. Hinkins stated support for placing the new Department of Agriculture offices at the State Fair Park.

Roger Beattie, Board of Directors Chairman, State Fair Park, stated the State Fair Park master plan included office space which could house the Department of Agriculture.

Sen. Mayne asked if the proposed changes would increase the price of attending the State Fair. Mr. Beattie recognized the importance of maintaining the price of admission at a basic level.

Co-chair Harper asked if the State Fair Park wanted to house the Department of Agriculture offices at the State Fair Park. Mr. Beattie was in support for housing the Department of Agriculture offices.

Co-chair Froerer stated additional parking would need to be addressed and building maintenance was at a critical need.

Rep. Schultz stated discussion was ongoing to use available Salt Lake County land for additional parking.

Rep. King asked for a history of the State Fair attendance rate. Mr. Mullenax would follow up with information.

6. Other Subcommittee Business

Co-chair Harper updated the subcommittee on future meeting agenda items.

7. Adjourn

MOTION: Rep. Ipson moved to adjourn. The motion passed unanimously.

Co-Chair Froerer adjourned the meeting at 9:57 a.m.

Sen. Wayne A. Harper, Co-Chair

Rep. Gage Froerer, Co-Chair