

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

Room 445 State Capitol Building
February 4, 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. Lyle W. Hillyard
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. John Knotwell
Rep. Douglas V. Sagers
Rep. Scott D. Sandall
Rep. Mike Schultz
Rep. R. Curt Webb

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/Approval of Minutes

Co-Chair Harper called the meeting to order at 8:11 a.m.

MOTION: Sen. Van Tassell moved to approve the minutes for the November 11, 2015, January 27 and 29, 2016 meetings. The motion passed unanimously with Co-chair Froerer, Sens. Adams and Mayne and Reps. Anderegg, Knotwell, and Schultz absent for the vote.

2. Action Items

Angela Oh, Fiscal Analyst, Office of the Legislative Fiscal Analyst, reviewed items needing subcommittee action. More information can be found online at [Infrastructure and General Government Base Budget Voting Packet](#).

a. Vote on S.B.6 Infrastructure and General Government Base Budget Bill

Ms. Oh reviewed the S.B. 6, Infrastructure and General Government Base Budget Bill.

MOTION: Sen. Van Tassell moved to approve S.B. 6, Infrastructure and General Government Base Budget Bill, as shown in the document title, “4-Linked IGG Base Budget Bill (SB0006)” that can be found on our subcommittee’s webpage under Meeting Materials for January 27, 2016. [IGG Base Budget Bill \(SB0006\)](#)

The motion passed unanimously with Co-chair Froerer, Sens. Adams and Mayne and Reps. Anderegg, Knotwell, and Schultz absent for the vote.

b. Vote on Rates and Fees

Ms. Oh reviewed departments needing approval of rates and fees.

MOTION: Rep. Webb moved to approve all rates and fees for the Department of Technology Services, Department of Administrative Services, and the Department of Transportation, as shown in the documents titled, “5a-Issue Brief – 2016 General Session – DTS Rates and Fees,” “7a-Issue Brief – 2016 General Session – DAS Rates and Fees,” and “4a-Issue Brief – 2016 General Session – Department of Transportation Fees” that can be found on our subcommittee’s webpage under Meeting Materials for January 27, 2016 and January 29, 2016. [DTS Rates and Fees Issue Brief](#), [DAS Rates and Fees Issue Brief](#), [UDOT Fees](#).

The motion passed unanimously with Co-chair Froerer, Sen. Adams and Reps. Anderegg, Knotwell, and Schultz absent for the vote.

c. Vote on Federal Funds

Ms. Oh reviewed departments needing approval of Federal Funds.

MOTION: Rep. Sandall moved to approve all federal funds, as shown in the documents titled, “5b-Issue Brief – 2016 General Session – DTS Federal Funds” and “7b-Issue Brief – 2016 General Session – DAS Federal Funds” that can be found on our subcommittee’s webpage under Meeting Materials for January 27, 2016. [DTS Federal Funds Issue Brief](#), [DAS Federal Funds Issue Brief](#).

The motion passed unanimously with Co-chair Froerer and Reps. Knotwell and Schultz absent for the vote.

d. Vote on Intent Language

Ms. Oh reviewed departments needing approval of intent language.

Rep. Webb asked what criteria the State Building Board used to certify the availability of other funding sources.

Jeff Reddoor, Director, State Building Board, stated institutions commit institutional funds until the other funding sources become available.

Co-chair Harper asked if the process stated in the intent language was established and running adequately. Mr. Reddoor stated internal policies were in place. The Building Board would like to keep the intent language for an additional year before having it placed in statute.

Ned Carnahan, Building Board, added the policy put in place was unanimously approved by the Building Board.

Sen. Hillyard would like all State building requests to go through the Building Board.

MOTION: Rep. King moved to approve intent language stating the Legislature intends that no General or Education Fund appropriations made by the Legislature for State-funded capital developments approved during the 2016 General Session may be expended by the Division of Facilities Construction and Management until the State Building Board has certified that: (1) The board has received credible evidence that any other funding sources for a building as presented to the State Building Board and the Legislature during their prioritization processes are actually available, and (2) Until the State Building Board votes to certify such funds are available.

The motion passed unanimously with Rep. Schultz absent for the vote.

3. State Building Board

Mr. Carnahan introduced the State Building Board members.

Mr. Reddoor presented the State Building Board responsibilities, process for establishing Capital Development recommendations, prioritization for State-funded projects, prioritization for non State-funded projects, and land banking requests. More information can be found online at [State Building Board Presentation](#).

Rep. Hall asked to what extent the State Board of Regent's building recommendations were taken into consideration when creating the State Building Board's prioritization list. Chip Nelson, State Building Board, stated they look at what was best for the State when creating the prioritization list. Rep. Hall stated smaller institutions should not be punished for not having other funding sources.

Sen. Mayne stated the importance of new Building Board members reviewing a list of buildings that had been funded in past years. She had concern that the new State Hospital was completed with inadequate security and needed an additional \$2 million. Mr. Reddoor stated typically the building needs were brought forward during the programming and design phase.

Sen. Hinkins asked if the State Building Board had input on Sen. Urquhart's new capital

development funding model and if institutions would have bonding authority instead of the Legislature. Mr. Reddoor and Mr. Carnahan stated more discussion would be needed to address concerns and unknown issues with the new funding model. Mr. Nelson stated the Building Board could do a better job working with Higher Ed in the prioritization process.

Rep. Sagers stated the Building Board and the subcommittee could be more aggressive at ensuring State buildings meet needs and are not extravagant. He asked for the Ag building to be moved up on the prioritization list. The Tooele Applied Technology College land banking request would be leveraged by Tooele City to build a 16,000 square foot building and would be donated back to the State.

Mr. Nelson reviewed actions the Building Board was taking to improve the prioritization process.

Rep. Sagers and Sen. Hinkins stated support for using the same building plans for new State buildings, similar to the process used by the Church of Jesus Christ of Latter-day Saints.

Mr. Carnahan presented the State Building Board Annual Report. More information can be found online at [Utah State Building Board Annual Report](#).

Co-chair Harper asked for a breakdown of the Utah Valley University alternative funding when they present the project to the subcommittee.

Co-chair Harper asked if the Snow College land banking request had been discussed with the Building Board. Mr. Reddoor stated discussion had taken place.

Rep. Webb stated the importance of land banking requests and lost opportunities when the land sells to another buyer.

Sen. Hinkins stated concern that the price for the Sanpete County Courthouse land banking request was inflated. Alyn Lunsford, Facilities Director, Utah State Courts, clarified the purchase price had been reduced to \$500,000.

Co-chair Froerer asked if designating money for planning and design led to higher priced buildings. Mr. Nelson stated there should be DFCM oversight during the architectural process so architecture doesn't get out of hand.

Rep. Ipson stated institutions should be rewarded for frugality in the planning and design of buildings.

Rep. Hall asked if previous planning and design funding was taken into consideration in the prioritization list. Mr. Carnahan stated it was, but did not guarantee the project remained on the prioritization list.

Sen. Hinkins asked if the Building Board rankings could show the cost per square footage for each building.

Rep. Webb asked who decided what the buildings would look like. Mr. Nelson stated the institutions decided during the planning phase.

Rep. Hemingway asked if the School of Engineering and School of Architecture for each institution could complete the building design. Mr. Carnahan stated planning and design should be left to the professionals.

Rep. Sandall asked if protocol was to look at actual costs when reviewing land banking requests. Mr. Nelson stated the Building Board was working on a standardized process which would include comparable land sales.

Rep. Anderegg would like to see the cost of construction per square foot reduced.

4. Division of Facilities Construction and Management

Eric Tholen, Director, Division of Facilities Construction and Management, presented the DFCM organization, health care documentation, lease versus owned cost comparison, total cost of lease versus owned over 20 years, inventory of vacant land, and use of the State Fair Park. More information can be found online at [DFCM Presentation](#).

Vice co-chair Hall assumed the chair.

Rep. Sagers asked if bonding and interest were considered in leasing costs. Mr. Tholen stated it was.

Co-chair Froerer asked to see the percentage of square footage for State buildings that were leased versus owned.

5. State Board of Regents

Dave Buehler, Commissioner, State Board of Regents, presented USHE capital development priorities. More information can be found at [USHE Presentation](#) and [USHE 2017 Capital Development Priorities](#).

Co-chair Harper asked why the UVU Performing Arts building was placed ahead of the Science Building. Mr. Buehler stated scoring was based on the number of students, square footage, and private money raised.

Rep. Sagers asked if buildings would become obsolete with the shift to online classes and distance learning. Mr. Buehler stated the percent of students taking classes completely online was only three percent. It would be quite some time before buildings would not be needed.

Co-chair Froerer asked about the \$5 million cost increase for the UVU building and if other buildings would also have cost increases. Rich Amon, Assistant Commissioner, Utah System of Higher Education, stated the projected costs of buildings came from DFCM cost estimations.

Rep. Schultz asked why the Board of Regent's prioritization list was so different from the Building Board's prioritization list. Mr. Buehler stated Regent's had a greater understanding of the institution needs and have asked the Building Board to respect their requests.

Sen. Mayne asked why the smaller institutions were not prioritized in a group by themselves. Mr. Buehler stated under State statute they were required to be one system.

6. Other Subcommittee Business

Rep. Anderegg asked if motion information sheets would be available 24 hours before voting takes place.

Brian Wikle, Fiscal Analyst, Office of the Legislative Fiscal Analyst, reminded the subcommittee to turn in the prioritization surveys.

7. Adjourn

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

Vice Co-Chair Hall adjourned the meeting at 10:41 a.m.

Sen. Wayne A. Harper, Co-Chair

Rep. Gage Froerer, Co-Chair