

**MINUTES OF THE
EXECUTIVE APPROPRIATIONS COMMITTEE**
Thursday, January 28, 2016 – 5:00 p.m. – Room 445 State Capitol

Members Present:

Sen. Lyle W. Hillyard, Co-Chair
Rep. Dean Sanpei, Co-Chair
Sen. Jerry W. Stevenson, Vice Chair
Rep. Brad L. Dee, Vice Chair
Sen. Jim Dabakis
Sen. Gene Davis
Sen. Luz Escamilla
Sen. Peter C. Knudson
Sen. Karen Mayne
President Wayne L. Niederhauser
Sen. Ralph Okerlund
Rep. Patrice M. Arent
Rep. Joel K. Briscoe
Rep. Rebecca Chavez-Houck

Rep. James A. Dunnigan
Speaker Gregory H. Hughes
Rep. Brian S. King

Members Excused:

Sen. J. Stuart Adams
Rep. Francis D. Gibson
Rep. Brad R. Wilson

Staff Present:

Mr. Jonathan Ball, Legislative Fiscal Analyst
Mr. Steven Allred, Deputy Director
Ms. Greta Rodebush, Legislative 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 Hillyard called the meeting to order at 5:26 p.m.

MOTION: Rep. Sanpei moved to adopt the minutes of December 7, 2015. The motion passed unanimously with Sen. Davis, Sen. Escamilla, Rep. Dee, Rep. Dunnigan, and Speaker Hughes absent for the vote.

2. Request for Appropriation: Utah WWI Centennial Commission

The request for appropriation was for \$150,000 General Fund One-time, FY 2017.

Rep. Stephen G. Handy distributed a letter dated March 16, 2015 from the United States World War I Centennial Commission (WWIC) to Governor Gary R. Herbert requesting the State's participation in recognizing and honoring the service of Utahns during World War I.

Rep. Handy stated that he was sponsoring a resolution urging Governor Herbert to establish a Utah World War I Centennial Commission modeled after the WWIC. He proposed organizing the commission under the Utah Department of Veterans' and Military Affairs. The funding would be used to support educational symposiums and outreach activities and identify and catalogue more than 92 World War I memorials and monuments scattered throughout the State.

Mr. Kent Powell, retiree, State History Division, gave some examples of the significant role Utah citizens played in the war effort at home and abroad. He mentioned that the University of Utah is publishing a book, "The Beehive State Remembers World War I," which will be available in conjunction with next year's commemorative activities.

In response to Sen. Hillyard's inquiry, Rep. Handy expects that legislators will serve on the commission.

3. Base Budget Review

Mr. Allred highlighted a number of budgeting tools found on the website: <http://budget.utah.gov>. He also demonstrated how to use the [Compendium of Budget Information](#) (COBI) in reviewing the [S.B. 7, National Guard, Veterans' Affairs, and Legislature Base Budget](#).

Mr. Allred discussed the base budgets for the Utah National Guard (UNG), the Department of Veterans' and Military Affairs (DVMA), Capitol Preservation Board (CPB), and the Legislature. He explained that the Executive Appropriations Committee (EAC) hears budget requests for these four entities.

a. Utah National Guard

The UNG consists of two line items: Operating Budget and the Morale, Welfare, and Recreation (MWR) Fund. The Operating Budget line item has a base budget of about \$64 million with 90 percent Federal Funds and 10 percent (about \$6.4 million) General Fund. The MWR Fund line item is entirely funded by Dedicated Credits.

Mr. Allred discussed in greater detail UNG's operations and maintenance budget, prior year budget changes, authorization of federal funds, intent language, and fee changes.

Brigadier General Ken Gammon, Director of the Joint Staff, UNG, stated that Major General Burton sent his regrets and asked to be excused from tonight's meeting. He thanked the EAC and the Legislature for supporting the UNG.

Mr. Mike Norton, Financial Manager, UNG, referred to the "[Utah National Guard FY 2017 Base Budget Handout](#)" and discussed the UNG funding. He pointed out that the federal funds that come through the State's budget are only a portion of the federal funds that the UNG receives. Total federal funding for FY 2015 is about \$340 million. Mr. Norton reported an increase of about \$11.5 million in federal funds for FY 2017 most of which will go toward a \$37 million Special Forces Armory Construction Project at Camp Williams. This project will be 100 percent federally funded.

Mr. Norton highlighted the UNG's performance measures in five areas: Personnel Readiness, Training Readiness, Equipment on hand, Equipment Readiness, and Army Installation.

Co-Chair Hillyard thanked Brigadier General Gammon, Mr. Norton, and the UNG for their service.

Mr. Allred pointed out that the UNG's performance measures can be viewed on the performance tab for the UNG in COBI.

b. Department of Veterans' and Military Affairs

The Department of Veteran's and Military Affairs (DVMA) is comprised of two line items: Veterans' and Military Affairs and the Veterans' Nursing Home Fund. The Veterans' and Military Affairs line item, which accounts for most of the department's functions, has a base budget of approximately \$4.3 million, of which \$3 million comes from the General Fund. The Veterans' Nursing Home Fund line item on the other hand, has a budget of about \$20 million funded through the U.S. Veterans Administration (VA).

Mr. Allred discussed the Veterans' and Military Affairs' five appropriation units (programs), prior year budget changes, and issues related to this year's budget that included the authorization of federal grants, intent language, and two fee changes.

Mr. Allred noted that the department had identified \$197,000 in excess nonlapsing balances that could be reallocated or returned to the General Fund.

Mr. Gary Harter, Executive, Director, DVMA, referred to the handout, "[Utah Department of Veterans' & Military Affairs, January 2016](#)," to highlight achievements in Veterans' Outreach Services, Employment, Education, Military Installations, Veterans' Information System Database, and Veterans' Nursing Homes.

Mr. Dennis McFall, Deputy Director, DVMA, reported on the Veterans' Nursing Homes, noting a 98 percent occupancy rate and a waiting list of approximately 600 veterans. He indicated that the DVMA's ability to expand is contingent upon a formulary change at the federal level. Mr. McFall said that he had been in contact with Senator Orin Hatch's office on this matter.

Mr. McFall also commented on the 150 percent increase in the number of burials at the Veterans' Cemetery, up from two years ago. He stated that the cemetery is anywhere from 5 to 7 years away from running out of burial space and that the DVMA is looking for some acreage to incorporate into the existing cemetery.

Mr. Harter pointed out that there are 3,000 more current conflict veterans this year in the State of Utah than last year. Unlike the national trend, which shows the number of veterans starting to go down, the VA expects that the number of veterans in Utah will grow about 2 percent or more annually.

Rep. Chavez-Houck asked about homeless veterans and housing for women veterans. Mr. Harter responded that the DVMA works hand in hand with the VA in identifying homeless veterans in the state. He said that there are about 30 chronic homeless veterans in the state. Homeless women veterans with children is a big concern. The DVMA along with the VA is engaged with some private efforts to provide housing for women veterans. Mr. Harter also mentioned that the VA provides wrap around services for homeless veterans.

Sen. Hillyard thanked Mr. Harter.

c. Capitol Preservation Board

The Capitol Preservation Board (CPB) has two line items: Capitol Preservation Board and State Capitol Fund. The State Capitol Fund consists of money generated through private donations, dedicated credits,

and carry forward monies from operations. The main line item, Capitol Preservation Board, has a budget of \$4.27 million from the General Fund. Of that money, over \$3.8 million is contracted to the Division of Facilities Construction and Management (DFCM) to operate and maintain the buildings on Capitol Hill.

Mr. Allred briefly discussed prior year budget changes, non-lapsing intent language and new fees for the 2016 General Session, and available one-time money that can be reallocated to other projects or returned to the General Fund.

Ms. Allyson Gamble, Executive Director, CPB, reported on the daily operations of Capitol Hill within four program areas: Capitol Stewardship, Scheduling and Events, Visitor Services, and Inventory and Collections. She announced that the tile project to replace 65,000 square feet of tile throughout the Capitol had been completed. In celebration of the 100th Anniversary of the Capitol, a new terrazzo Great Seal of the State of Utah now lays in the center of the Hall of Governors.

Ms. Gamble also highlighted other projects that the CPB managed over the course of the year that included: House Caucus Life Safety Project, Exterior Security Bollard Project, Mormon Battalion Restoration, Security Camera Digital Upgrade, Committee Room Technology Upgrade, and Senate AV Retrofit Project. She also discussed CPB's successful recycling program; increases in daily and large events, visitors, guided tours, and school recognitions; and a new exhibit on the fourth floor of the Capitol that was developed and created by the CPB called "Commemorating a Century."

Rep. Arent mentioned that Ms. Gamble has been in charge of the Governor's State of the State Address for fourteen years. She thanked Ms. Gamble for the new art exhibit on the fourth floor and said that she would like to see some artwork in the committee rooms and additional bins for recycling plastic in the Capitol. Finally, Rep. Arent complimented Ms. Gamble on the tasteful Christmas tree CPB placed in the Capitol Rotunda this year.

Rep. Dee commented on how positive and friendly the CPB office is. He asked Ms. Gamble to talk about some of the planned activities for the 100th Anniversary of the State Capitol. Ms. Gamble indicated that a weeklong celebration will take place from October 10th to October 15th. On Friday, October 14th, a reenactment of the dedication of the State Capitol will take place followed by a gala ball in period dress. Activities will conclude on Saturday, October 15th with a Discovery Day centered on children and their families.

Rep. Dunnigan stated that Ms. Gamble was terrific to work with.

Sen. Davis, CPB Board Member, also thanked Ms. Gamble for her hard work and the leadership she provides.

d. Legislature

The Legislature consists of 7 line items: Senate, House, Legislative Research and General Counsel, Legislative Auditor General, Legislative Fiscal Analyst, Legislative Printing, and Legislative Services. In October, the Subcommittee on Oversight reviews the budgets of the staff offices and the House and the Senate, prior to sending the budget over to the Governor for his recommendation.

Mr. Allred reported that the Legislature's budget is approximately \$25.6 million with \$25.3 million coming from the General Fund and \$250,000 in Dedicated Credits to Legislative Printing.

Mr. Allred discussed prior year budget changes, funding issues associated with the [Report of the Legislative Compensation Commission for the 2016 General Session](#), and nonlapsing balances in the Legislative Services line item.

Legislative Research and General Counsel (LRGC)

Mr. Michael Christensen, Director, LRG, discussed "[Legislative Research and General Counsel FY 2017 Base Budget Presentation](#)." He reported on LRG's budget of \$9 million for FY 2016, stating that 95 percent of that amount goes toward employee compensation, 3 percent for current expense and travel, and 2 percent for data processing.

Mr. Christensen reviewed performance measures including the quantity and the quality of LRG's workload.

Mr. Bryant Howe provided Rep. Dunnigan with a copy of the "Bills Requested, Introduced, and Substituted" chart.

Rep. Arent asked if there was a system in place to handle research requests without having to open up a bill file. Mr. Christensen said that legislators could call him directly with research requests.

Rep. Arent also suggested interviewing the ranking Democrat on each committee during LRG's biannual performance interviews.

Office of the Legislative Fiscal Analyst (LFA)

Mr. Jonathan Ball, Director, LFA, reviewed the office mission of providing objective, accurate, and relevant budget advice so that legislators can make informed policy decisions. He explained how the use of certain budget management tools helped avert a potential budget crisis associated with an underestimate of public education growth.

Mr. Ball reviewed performance measures tracked by the office that included "Timely Fiscal Notes." He also discussed LFA's online portal that recently won an award from Government Computer News.

Mr. Ball thanked the Committee and expressed his appreciation for the additional money LFA received last year for salary improvements.

Office of the Legislative Auditor General (OLAG)

Mr. John Schaff, Auditor General, OLAG, announced that Mr. Rick Coleman, Deputy Director, OLAG, had retired after working for the Legislature for 36 years. He also introduced the new Deputy Director, Mr. Darin Underwood, and Management Team Members, Mr. Tim Osterstock, Mr. Kade Minchey, and Mr. Brian Dean.

Mr. Schaff discussed the “[Legislator Auditor General Base Budget Presentation](#)” and reviewed performance measures that included average audits per year, number of audit recommendations, implementation rates, and staff time spent on audit work.

Mr. Schaff commented on the collaborative work of the legislative staff offices.

4. Other Business/Adjourn

MOTION: Rep. Sanpei moved to adjourn. The motion passed unanimously with Sen. Dabakis, Sen. Mayne, Rep. Briscoe, and Speaker Hughes absent for the vote.

Co-Chair Hillyard adjourned the meeting at 7:02 p.m.