

**MINUTES OF THE
EXECUTIVE OFFICES & CRIMINAL JUSTICE
JOINT APPROPRIATIONS SUBCOMMITTEE
Room S220, Senate Building, State Capitol Complex
January 12, 2009**

Members Present: Sen. Jon J. Greiner, Co-Chair
Rep. Eric K. Hutchings, Co-Chair
Pres. Michael G. Waddoups
Sen. Scott D. McCoy
Rep. Douglas C. Aagard
Rep. Richard A. Greenwood
Rep. Steven R. Mascaro
Rep. Curtis Oda
Rep. Jennifer M. Seelig
Rep. Larry B. Wiley

Staff Present: Gary Ricks, Fiscal Analyst
Gary Syphus, Fiscal Analyst
Carrie Griffith, Committee Secretary

Note: A list of visitors and a copy of handouts are filed with the committee minutes.

Rep. Hutchings called the meeting to order at 9:17 a.m.

MOTION: Pres. Waddoups moved to pass the minutes of the September 25, 2008 meeting.
The motion passed unanimously.

Rep. Hutchings welcomed everyone, stating there would be a lot of material to cover during the meeting. He suggested that Subcommittee members ask questions of department heads and staff to be well informed of the proposed budgetary reductions within each agency.

Gary Ricks, Fiscal Analyst, showed a series of slides detailing the budgetary process including: how the fiscal year is named, i.e., FY10 begins July 1, 2009 and ends June 30, 2010; revenue estimates are updated at least twice yearly and serve as a target for appropriations; the December 2008 estimate resulted in a \$350 million shortfall in FY09; pressures are driving new spending such as increased public school enrollment and increased medicaid utilization. Acknowledging that this will be a painful process, Mr. Ricks stated that in dealing with the budget deficit and targets, the primary focus of this year's Legislative Session will be to make adjustments of a 7.5% reduction to the FY09 budget and a 15% reduction to the FY10 budget.

Pres. Waddoups commended staff for their hard work. He encouraged department heads to find and suggest alternate ideas in reducing budgets in ways that might better impact their agencies than those presented by Staff or the Legislature.

FY09 Supplemental and FY10 Base Budget Options Presentation

A handout describing budget reduction recommendations was distributed to the Subcommittee. Gary Ricks, Fiscal Analyst, noted that adjustments have been made to these lists in the last couple of days, meaning departments have not had the benefit of seeing the list until this meeting. He suggested each department or agency be given a chance to address these issues after having some time to digest the information.

Gary Ricks, Fiscal Analyst and Gary Syphus, Fiscal Analyst, gave an in-depth presentation detailing the proposed budget cuts within each department. Several department heads were invited to respond to questions concerning programs within their agencies that would be affected by the proposed budget cuts.

Rep. Hutchings recessed the meeting at 11:37 a.m.

The Session reconvened at 2:33.

Rep. Hutchings called the meeting to order.

Sen. McCoy was excused from the afternoon session.

Gary Syphus, Fiscal Analyst, walked the Subcommittee through how to gain internet access to the Compendium of Budget Information (COBI) on the Utah State Legislature Home Page. He stated that a hard copy of line items will be prepared for later in the session, but if anyone desired that information beforehand, it is easily accessible to everyone via the internet.

Rep. Hutchings invited each department head to address the Subcommittee and respond to information heard in the morning meeting. He asked that they give a general overview of hot spot concerns. A more detailed presentation will be given in next week's meeting.

Attorney General

Werner Haidenthaller, Chief Administrator, addressed the Subcommittee. He expressed appreciation to the Analysts for presenting the budget cuts in a fairly flexible manner. Stating that, realistically, personnel is the only place they could cut, they now have the difficult task of trying to decide where to make those cuts while keeping necessary and important programs intact.

Auditor

Auston Johnson, State Auditor, distributed a handout titled, "Utah State Auditor's Office Effect of Proposed Cuts at 15%." He clarified under **Performance Audits & Special Audits**, it should read "essentially eliminated" because they would have at least one person maintain each of those duties. He informed the Subcommittee that the State's Comprehensive Annual Financial Report

(CAFR) Audit will always be performed to prevent problems with bonding. A shifting of responsibilities will be needed to make up for the loss of FTEs within the Office.

Board of Pardons and Parole

Clark Harms, Vice Chairman, briefly described the duties and responsibilities of the Board. He stated that more than 95% of the budget is personnel, meaning their cuts will come from personnel. He expressed appreciation for the sensitivity of the Analysts in acknowledging the important role they play for the State.

Commission on Criminal and Juvenile Justice (CCJJ)

Dave Walsh, Budget Analyst, indicated there are very little General Fund monies in their budget right now. By scaling back grants to local agencies to protect children, he noted they could still have a viable program in preventing sexual exploitation of children.

Corrections

Tom Patterson, Executive Director, expressed concern on the loss of bed space at the Parole Violator Center and Gunnison Facility, but stated they would look at alternatives. He also commented that the elimination of DORA would increase the workload of those already overburdened with heavy caseloads.

Gary Syphus, Fiscal Analyst, responded to questions regarding the Gunnison Facility, bonding, and other issues.

Courts

Dan Becker, State Court Administrator, stated that 91% of the Courts budget is in personnel. He briefly outlined ways they have scaled back in recent months, including a hiring freeze; eliminating travel, temporary employment, equipment purchases, juvenile programs, etc. His immediate concern is the current fiscal year, in giving criminal and civil cases the priority they require. He expressed concern that the budget reduction proposal has hit the department very hard and expressed desire for the Subcommittee to give appropriate consideration when reducing their budget. Mr. Becker was asked to provide written information regarding workload increases, FTE increases, number of judges needed, etc. over the last five years.

Division of Juvenile Justice Services (DJJS)

Dan Maldonado, Director, responded to a question asked in the morning meeting regarding adult facilities vs. juvenile holding facilities. He expressed concern that by closing the three suggested facilities, it would result in a loss of more than 100 people. Mr. Maldonado commented that a seniority-based RIF would not be a viable option for their agency and they would need to think of

a different variation. Mr. Maldonado was asked to bring numbers and information on juvenile and sex offender treatment contracts to the next meeting.

Department of Public Safety (DPS)

Scott Duncan, Commissioner, gave a brief background on the success of the department, stating Utah has the best overall traffic fatality rate in the country, a crime rate people admire, and is well prepared for emergencies. He commented they will continue to provide the services the people in this State need to feel safe and secure. Mr. Duncan was asked to provide Subcommittee members with a concise breakdown of workload increases, vehicles and troopers required, etc.

Governor

Sandy Naegle, Fiscal Manager, expressed concern at the number of FTEs recommended for reduction in their office. She expressed appreciation at being able to look more closely at that number because the Analysts have given some discretion. She asked that the Subcommittee look at the Governor's budget, noting some of the ideas the Governor has put aside, such as bonding for roads, use of rainy day fund, etc. so the cuts are not quite as drastic to the departments. Ms. Naegle also informed the Subcommittee that their Office has reduced spending and also cut back by not filling vacant positions within their Office.

Treasurer

Richard Ellis, State Treasurer stated the significance of how a reduction of 3 FTEs would affect the work done in their office. He clarified that although the office has 25 FTEs, 14 of those work with Unclaimed Property, which is funded from a Restricted Trust Fund. He suggested they have some discretion in looking at other ways to cut back rather than through personnel.

MOTION: Sen. Greiner moved to adjourn. The motion passed unanimously with Pres. Waddoups, Sen. McCoy, Rep. Greenwood and Rep. Mascaro absent for the vote.

Rep. Hutchings adjourned the meeting at 3:33 p.m.

Sen. Jon J. Greiner, Co-Chair

Rep. Eric K. Hutchings, Co-Chair