

**MINUTES OF THE
JOINT CAPITAL FACILITIES & ADMINISTRATIVE SERVICES
APPROPRIATIONS SUBCOMMITTEE
WEDNESDAY, JANUARY 25, 2006, 2:00 P.M.
RoomW025, West Office Building, State Capitol Complex**

Members Present: Sen. Bill Hickman, Committee Co-Chair
Rep. D. Gregg Buxton, Committee Co-Chair
Sen. Mike Dmitrich
Sen. Peter Knudson
Rep. Roger Barrus
Rep. DeMar "Bud" Bowman
Rep. Stephen Clark
Rep. Wayne A. Harper
Rep. Fred R. Hunsaker
Rep. Michael T. Morley

Members Excused: Pres. John Valentine
Rep. Ralph Becker
Rep. Janice M. Fisher

Staff Present: Steve Allred, Fiscal Analyst
Jonathan Ball, Technology Analyst
Todd Wardrop, Fiscal Analyst
Bonnie Brinton, Committee Secretary

Public Speakers Present: Debra LaMarche, Program Manager, Utah Telehealth Network
John and Gayle Ludlow, Citizens of Nephi, Utah
Sen. Beverly Evans, Utah Telehealth Network
Chuck Davis, CEO, Mountain West Medical Center, Tooele
Kathy Froerer, Executive Director, Utah Association of Local Health Officers
Rep. Dave Ure, Rural Government Geographic Information

System Assistance Program
Dennis Gorham, Director, Automated Geographic Reference Center
Steve Fletcher, CIO, Executive Director, Department of Information Technology Services
Greg Gardner, IT Director, Division of Workforce Services, eRep Managing Partner
Rod Marrelli, Executive Director, Utah State Tax Commission
Neal Gooch, Deputy Commissioner, Utah Insurance Department
Dr. Chris Mitchell, Deputy Director, Department of Corrections
Phil Bates, IT Director, Department of Public Safety

Linda Hull, Director, Government Affairs, Utah Department of
Transportation
John Baza, Director, Utah Division of Oil, Gas and Mining
Brad Brown, Director, Information Technology, Department of
Alcoholic Beverage Control
David Hart, Executive Director, Capitol Preservation Board

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

Co-Chair Buxton called the meeting to order at 2:15 p.m.

Richard Reed, Project Manager, Vermont State Legislature, JFO, was introduced.

MOTION: Sen. Knudson moved to approve the meetings of 1-23-06. The motion passed unanimously with Co-Chair Hickman and Rep. Barrus absent for the vote.

1. Information Technology Projects

a. Rural Telehealth (S.B. 57) - Sen. Beverly Evans and Debra LaMarche

Jonathan Ball, Technology Analyst, summarized the Utah Telehealth Network request. He stated that it provides video conferencing capabilities and other Information Technology (IT) services to private and public health care providers across Utah. The Network has requested \$500,000 for circuit charges, regular equipment upgrades, and 3.5 full-time equivalent employees that will manage and provide support for the Network.

Debra LaMarche, Program Manager, had two handouts distributed. One was an appropriations request for on-going State funding in the amount of \$500,000. The handout listed the mission of Utah Telehealth Network, current accomplishments, future goals and an overall budget. The other handout was a letter from Bradley D. LaBaren, CHE, Uintah Basin Medical Center stating his support for the funding. Ms. LaMarche stated that the Network is requesting additional funding from other sources.

The subcommittee heard testimony from Gayle and John Ludlow of Nephi of their experience with the Utah Telehealth Network when Mr. Ludlow had a stroke. The immediate help the Ludlows received saved his life, and they stated their support for the funding of this program.

Sen. Beverly Evans testified in support of the Rural Telehealth Network. She submitted a Request for Appropriation in the amount of \$500,000 ongoing for FY 2007. She stated that the funding would expand rural access to health care services and resources through the innovative use of technology. Improved infrastructure will support 24/7 patient care and will facilitate adoption of health information technology. Sen. Evans declared a Conflict of Interest.

Chuck Davis, CEO, Mountain West Medical Center, expressed appreciation to the Legislature and commended the University of Utah Medical Center for support with services and funding. He stated his support for the funding of the Utah Telehealth Network.

Kathy Froerer, Executive Director, Utah Association of Local Health Officers, stated her support for funding the Utah Telehealth Network.

b. Automated Geographic Reference Center (AGRC)

Mr. Ball introduced this request for appropriation for Rural Government Geographic Information System (GIS) Assistance. Rep. Dave Ure presented information regarding the funding of this program. He stated that this program is currently focused on the creation and integration of cadastral (survey and parcel) data. The Program assists rural governments in developing their GIS capacity and creating cadastral data. The request is for \$400,000 one-time funding in FY 2007.

Dennis Gorham, Director, AGRC, provided an overhead presentation and distributed a handout showing support for Localized Cadastral Information for the State of Utah. He explained that cadastral information is mapped data utilizing accurate survey control corners to establish property lines as a reference system for extent, ownership, and value of real property.

Rep. Harper stated his support for the services provided by this program and his support for the requested funding.

High Definition Digital Imagery

Mr. Ball stated that the AGRC secured from federal agencies as much as \$1.5 million to acquire overhead imagery of Utah. The imagery can be used for a variety of purposes, including land use planning, resource conservation and development, and homeland security. Rep. Ann Hardy has submitted a request for appropriation of \$500,000 one-time for the state's share of the imagery's cost. Rep. Hardy was not able to be present for

the meeting.

Director Gorham explained that the funding would be to develop partnerships to leverage acquisition of imagery statewide, new aerial digital photographic technology from single flight. High resolution elevation data can be acquired at the same time. Information acquired from digital imagery will be used by state and local governments for economic development, urban growth planning, public lands management, transportation, homeland security and many other critical government activities. Responding to questions from subcommittee members, he stated that he did not feel there were any privacy issues with this Program.

c. Other Business

State Funded Information Technology (IT) Capital Projects

Mr. Ball summarized these projects by stating that the State acquires Information Technology capital projects that require significant up-front investment followed by sustained operations and maintenance funds. He explained that the subcommittee is asked to prioritize these projects before submitting a list to the Executive Appropriations Committee.

Steve Fletcher, CIO, Executive Director, Department of Information Technology Services, assisted in the presentation of all projects.

i. eRep (Electronic Resource and Eligibility Product) - Greg Gardner

Analyst Ball explained that the Departments of Health, Human Services, and Workforce Services have undertaken the eRep--a multiple-year project to automate management of certain social service programs. The agencies are requesting \$4,085,000 from the General Fund, to be combined with \$6 million in federal funds, to add a Medicaid eligibility module to eRep. The Analyst recommends \$3,585,000 for this project.

Greg Gardner, IT Director, Division of Workforce Services, eRep Managing Partner, presented an eRep Project overview. He explained what it is, the governance structure and the functional components of eRep. Mark Schultz, eRep Project Executive, assisted in distributing a handout.

Mr. Steve Fletcher told the subcommittee that the Department has put in place safeguards to assure appropriate use of the money budgeted to it. Each project has a plan summarized into weekly reports and monthly reporting meetings are held to evaluate the

progress of each department.

ii. Tax System Modernization - Rod Marrelli

Mr. Ball summarized this issue by stating that the Tax Commission successfully upgraded its Delinquent Collections and Motor Vehicle systems under the UTAX project. Its tax accounting and distribution systems, however, were not upgraded and are over twenty years old. Tax System Modernization would replace sales, income, and corporate tax systems, among others, facilitating income tax reform and streamlined sales tax. The first phase, beginning in FY 2007, would provide core functionality plus the income tax code set. The Analyst recommends \$9 million one-time plus \$6 million in non-lapsing balances for the first phase of Tax System Modernization.

Executive Director Rod Marrelli, Utah State Tax Commission, discussed the tax system rebuild and distributed a handout. He explained why a new system is needed now, the benefits of a new system, the plan and the keys to success of accomplishing this plan. He stated that the current system is very expensive to maintain, and it does not respond well to new and changing issues.

Rep. Harper stated his support for funding this rebuild of the tax system.

iii. Insurance Department Document Management - Neal Gooch

Mr. Ball explained that the Insurance Department has acquired an enterprise content management (ECM) system for storing and retrieving regulatory documents. It used \$50,000 from eCommerce Dedicated Credits to purchase the system, but requests \$16,000 ongoing from the General Fund for software maintenance agreements.

Neal Gooch, Deputy Commissioner, Utah Insurance Department, presented the request.

Insurance Department Sircon Conversion

Mr. Ball reported as an information item only that last year legislators provided funds to move the Insurance Department's COSMOS data management system to a commercial application service provider called Sircon.gov. In addition to the ongoing contract costs associated with Sircon.gov, Insurance incurred one-time conversion costs and used \$55,000 from eCommerce Dedicated Credits to pay these costs.

iv. Offender Tracking Management Reports - Dr. Chris Mitchell

Mr. Ball stated that the Department of Corrections operates an extensive database--called O-Track--with which it tracks inmates. Currently, management information must be culled from the database via special requests to a limited number of Corrections employees. Corrections has requested \$250,000 one-time to develop a data warehouse and web-based reporting tool so that managers can obtain information directly, without a middle-man.

Dr. Chris Mitchell, Deputy Director, Department of Corrections, distributed a handout titled, "OTRACK Web-Based Management Reports." She stated that the requested funds would allow Corrections to develop a web-based reporting system which would be used to provide management with the performance information they need to make decisions and operate in the most effective manner. Responding to questions from subcommittee members, Dr. Mitchell stated that there are 5,700 men and 560 female inmates in the state prison. The rate of increase in female inmates is 14% per year.

v. Omnilink Public Safety Radio - Phil Bates

Regarding the Omnilink Statewide Radio Interoperability, Mr. Ball stated that the state acquired Omnilink using federal funds during the Walker administration and has been operating it since. The Executive Branch did not seek legislative approval for the acquisition. It now requests \$750,000 ongoing from the General Fund for operations and maintenance of Omnilink.

Phil Bates, IT Director, Department of Public Safety, explained that Omnilink is a technology asset that allows various communications devices, like cellular phones, land lines, 800 MHz, 450 MHz and 150 MHz radios connect to one another. He introduced Sheriff Brad Slater of Weber County, a user of this system. Sheriff Slater stated that he represents the Utah Communications Access Network (UCAN) as Chairman. He clarified the request for funding and responded to questions from subcommittee members. He stated that funding is essential to connectivity with other parts of the state.

Subcommittee members discussed the past funding of 800 MHz and Mr. Ball stated that he would research this issue and provide information to those interested.

Analyst Ball drew the attention of the subcommittee members to the table titled, "State Funded Information Technology Projects - 2006 General Session (FY 2007). He explained that should the subcommittee approve the projects in the table, it could take any or all of the following actions:

- Fund one or more of the projects using resources identified in the subcommittee's

- base budget allocation;
- Add one or more of the projects to the subcommittee's prioritization list for further consideration by the Executive Appropriations Committee.
- Direct the Fiscal Analyst to draft a letter to the oversight subcommittee for the project in question suggesting that that subcommittee add the project to its prioritization list.

In addition, he stated that should the subcommittee have concerns about any of the projects, it could direct the Fiscal Analyst to draft a letter to the oversight subcommittee for the project in question.

Non-State Funded IT Capital Projects

i. Commerce Uniform Commercial Code On-line Filing System - Francine Giani

Francine Giani, Commerce Department, stated that the Department of Commerce wishes to enhance its on-line filing system so that it is more efficient and offers additional functionality to users. Commerce especially wants to add the ability to upload images, serve agricultural users, and improve reporting capabilities. It is requesting \$350,000 from the Commerce Service Fund for this system rebuild. Ms. Giani said that this information is used in lawsuits.

ii. Utah Department Of Transportation (UDOT) - Maintenance Management System - Linda Hull

Linda Hull, Director, Government Affairs, UDOT, distributed a handout and stated that UDOT uses a Maintenance Management System (MMS) to store and retrieve information about repair needs on state roads and roadside appurtenances. The system allows UDOT to more accurately target its resources and prolong the life of the state's assets. UDOT's current system has not kept pace with changing technology, is time consuming, and does not easily answer the types of questions asked by UDOT managers. UDOT is requesting \$1,000,000 from the Transportation Fund to begin replacing the MMS.

Mr. Fletcher explained that in the future the Department will do a better job of defining efficiencies, goals and progress. He stated that when savings are achieved, they will be defined; and the Department will track and report what the money has been used for.

iii. Department of Natural Resources (DNR) - John Baza

John Baza, Director, Utah Division of Oil, Gas and Mining, distributed a handout and

explained that to meet the increased demands for oil and gas exploration and drilling in Utah, the DNR needs to develop computer applications to process, approve, and monitor oil and gas drilling permits and other activities. DNR is requesting an FY 2006 supplemental appropriation of \$50,000 and a one-time FY 2007 appropriation of \$100,000 from the General Fund Restricted - Oil and Gas Conservation Account for this system.

Responding to questions from subcommittee members, Mr. Baza stated that the time delays in getting a permit to drill are due to on-site inspections and internal processing. He further stated that 1,275 permits were given in the Uintah Basin.

iv. Department of Alcoholic Beverage Control (DABC) - Brad Brown

Mr. Ball summarized the request from the DABC of \$31,900 from the Liquor Control Fund to cover the cost of ongoing software licenses.

Brad Brown, Director, Information Technology, DABC, stated that the funds would cover Oracle database licenses for all of the Department's database applications and Carillon Financials licenses for tracking DABC's accounts payable and accounts receivable.

2. Department of Technology Services Budget

MOTION: Co-Chair Hickman moved to authorize \$1,500,000 in Dedicated Credits - Intragovernmental Revenue for the Department of Technology Services - Capital Projects line item so that DTS can partner with customer agencies to acquire the Non-State Funded Information Technology Projects should they be approved by oversight subcommittees. The motion carried unanimously with Sen. Knudson absent for the vote.

Steve Fletcher clarified the number of FTE in DTS to be a total of 702.

Mr. Ball explained that should the subcommittee choose to adopt the DTS base budget as discussed, they should approve the base budget of the Office of the Chief Information Officer - \$790,300 and approve the base budget of the Automated Geographic Information Center - \$1,784,200 - for inclusion in S.B. 1, *State Agency and High Education Base Budget Appropriations Act*.

MOTION: Rep. Hunsaker moved, for the DTS Operations ISF, to direct the Analyst to include in a subsequent appropriations act: \$106,684,400 in dedicated credits revenue, 933 full-time equivalent employees, and "Agency Services Division Technology

Consulting = DTS Cost" as a rate. The motion passed unanimously with Sen. Knudson absent for the vote.

3. Capitol Preservation Board (CPB) - David Hart

Todd Wardrop, Fiscal Analyst for the Capitol Preservation Board, stated that he is recommending \$173,500 of ongoing funds be appropriated to the CPB office staff for salaries and benefits. These salaries have heretofore been partially and/or wholly funded from the Capitol Construction project. He also is recommending one-time funding of \$13,000 for a new copier requested for the CPB office.

David Hart, Executive Director, CPB, stated his support of the Analyst's recommendations for salaries and benefits and the new copier. He presented an overhead which listed the following expenses proposed by CPB:

Printed Materials	\$ 50,000 one-time
Self-guided Tour Pamphlets	
Commemorative Book	\$ 125,000 total
	\$ 75,000 one-time
	\$ 50,000 donations
4th Floor Exhibit	\$ 40,000 total
	\$ 20,000 one-time
	\$ 20,000 donations
Traveling Exhibit	\$ 60,000 private donations
Gala	\$ 100,000 one-time

Regarding intent language, the Director supports the Analyst's recommendation of the intent language making this appropriation nonlapsing.

Director Hart continued with additional proposed expenses for FY 2008:

Educational Curriculum Project	\$ 100,000
Public Open House for 1 1/2 weeks	\$ 80,000
Grand Opening on 1-4-08	\$ 120,000

Mr. Hart stated that the need to fund a wireless technology system is critical at the present time. The need to get wiring installed before any further work is done must be taken care of immediately. The cost of that basic wiring would be \$590,000. The new system for communication completed could cost over \$1,000,000. However, cell phone providers will cover some of that cost.

In conclusion, Mr. Hart stated that the project is on schedule and on budget. The change orders have totaled only \$879,495.

Mr. Hart stated that the CPB is requesting \$50 million for FY 2007. That will leave a total request of \$35 million for FY 2008.

MOTION: Sen. Dmitrich moved to place \$590,000 for the cost of the basic wiring expense of the Wireless Technology System for the Capitol Construction Project on the priority list. The motion passed unanimously with Sen. Knudson absent for the vote.

MOTION: Sen. Dmitrich moved to place \$145,000 for the following expenses: Printed Materials for Self-guided Tours for \$50,000; Commemorative Book for \$75,000; and 4th Floor Exhibit for \$20,000--all one-time funding, for the Capitol, on the priority list. The motion passed unanimously with Sen. Knudson absent for the vote.

The funds for the traveling exhibit will be raised from private donations.

Rep. S. Clark declared a Conflict of Interest.

Co-Chair Hickman commended Mr. Hart for the outstanding service he is performing for the state and all its citizens in renovating the Capitol.

Mr. Hart invited all subcommittee members to schedule a time to come and visit the Capitol and view the progress being made.

4. Intent Language

MOTION: Sen. Dmitrich moved to accept the following intent language with the exception of DHRM - Item 6. and Items 22, 23 and 24 do not require adoption since they are proposed for inclusion in statute.

Section 1: Intent language recommended for FY 2007

DAS – Facilities Management ISF

1. *It is the intent of the Legislature that DFCM's internal service fund be allowed to increase their number of vehicles by 2 for maintenance at the Tooele Courthouse and Ogden Regional Center #2. The division is authorized to transfer the necessary funds to the Division of Fleet Operations.*

2. *It is the intent of the Legislature that DFCM's internal service fund may add up to three FTE and up to two vehicles beyond the authorized level if new facilities come on line or maintenance agreements are requested. Any FTE or vehicles will be reviewed and may be approved by the Legislature in the next legislative session.*

DAS – Administrative Rules

3. *It is the intent of the Legislature that funds appropriated for Administrative Rules shall not lapse and that those funds may be used to fund an FTE or contract position on a temporary basis.*

DAS – Finance

4. *It is the intent of the Legislature that funds provided for an actuarial study of post-employment benefits shall not lapse and shall be used for that purpose. All other funds for the Division of Finance shall not lapse and shall be used for maintenance, operation, and development of statewide accounting systems.*

DAS – Judicial Conduct Commission

5. *It is the intent of the Legislature that funds for the Judicial Conduct Commission shall not lapse and that those funds shall be used to hire temporary contractors on an as-needed basis.*

DHRM

6. *It is the intent of the Legislature that funds for the Training and Development Program shall not lapse and that those funds shall be used for training.*

Section 2: Intent language recommended for FY 2006

DAS – Executive Director's Office

7. *It is the intent of the Legislature that the FY 2005 appropriation for the Office of Child Welfare Parental Defense shall not lapse and that those funds shall be used for contracting.*

DAS – Finance

8. *It is the intent of the Legislature that funds provided for an actuarial study of post-employment benefits shall not lapse and shall be used for that purpose.*

DAS – Finance Mandated

9. *It is the intent of the Legislature that funds appropriated to implement provisions of Unused Sick Leave at Retirement Amendments (H.B. 213, 2005 General Session) shall not lapse.*

DAS – Purchasing and General Services ISF

10. *It is the intent of the Legislature that proceeds from the privatization and sale of Copy Services equipment be returned to the Division of Purchasing and General Services, less a negotiated fee to cover the Surplus Property costs for processing and handling.*

DAS – Risk Management ISF

11. *It is the intent of the Legislature that the Division of Risk Management be allowed to increase their number of vehicles by 1. The division is authorized to transfer the necessary funds to the Division of Fleet Operations.*

DHRM

[In order to comply with statute, this language would be accompanied by an appropriation change in a supplemental appropriations act requiring \$30,000 to lapse in the Training program, and re-appropriating those funds to the Administration program:]

12. *It is the intent of the Legislature that the appropriation of \$30,000 from Dedicated Credits come from funds lapsed in the Training and Development Program and that these funds be used for a market comparability study.*

Department of Technology Services

13. *The Legislature intends that funds provided for the Department of Technology Services - Chief Information Officer in Items 56 and 57 of Supplemental Appropriations Act II (S.B. 3, 2005 General Session) shall not lapse.*

14. *The Legislature intends that funds provided for the Department of Technology Services - Integrated Technology Division - Automated Geographic Reference Center in Items 58 and 59 of Supplemental Appropriations Act II (S.B. 3, 2005 General Session) shall not lapse.*

Capitol Preservation Board

15. *It is the intent of the Legislature that funds for the Capitol Preservation Board shall not lapse and that those funds shall be used for design, construction, or one-time administrative costs associated with the Capitol restoration.*

Section 3: No action recommended – Intent language already adopted for FY 2006

Career Service Review Board

16. *It is the intent of the Legislature that funds for the Career Service Review Board be*

nonlapsing.

DAS – Executive Director’s Office

17. *It is the intent of the Legislature that funds for the Executive Director’s Office be nonlapsing.*

DAS – Archives

18. *It is the intent of the Legislature that funds for State Archives shall not lapse and that those funds shall be used to digitize and microfilm documents generated by former Utah governors for preservation and access.*

DAS – Post Conviction Indigent Defense

19. *It is the intent of the Legislature that funds for the Post Conviction Indigent Defense program shall not lapse.*

DAS – Purchasing

20. *It is the intent of the Legislature that funds for Purchasing shall not lapse and that those funds shall be used for electronic commerce.*

DHRM

21. *It is the intent of the Legislature that funds for the Division/Department of Human Resource Management shall not lapse.*

Section 4: Intent Language Recommended for statute

DAS Post-Conviction Indigent Defense Fund

22. *The Legislature intends that funds provided for the Post-Conviction Indigent Defense program shall not lapse.*

DAS Facilities Management ISF

23. *DFCM’s internal service fund may add up to three FTEs and up to two vehicles beyond the authorized level if new facilities come on line or maintenance agreements are requested. Any added FTEs or vehicles will be reviewed and may be approved by the Legislature in the next legislative session.*

Division of Finance

24. *It is the intent of the Legislature that the Department of Administrative Services develop and implement a mileage reimbursement program that requires agencies to reimburse employees for personal vehicle use at a rate equal to, or less than, the per mile cost of a mid-size sedan operated by the Division of Fleet Operations. It is also the intent of the Legislature that these rules be applied to legislative staff, the judicial branch and the Utah System of*

Higher Education. The rule should make exception for instances where a state fleet vehicle is not available to the employee, for mileage reimbursements for elected officials of the state and members of boards and commissions who do not have access to the state fleet for use in their official duties.

The motion passed unanimously with Sen. Knudson absent for the vote.

5. Other Business

Department of Technology Services Rates

MOTION: Sen. Hickman moved to accept the following fees for FY 2007 for Automated Geographic Reference Center:

AGR Materials	
Regular Plots (per foot)	6.00
Mylar Plots (per foot)	8.00
AGR Remote Port Access (per month)	50.00
AGRC GIS Training (per person, per day)	175.00
AGRC Staff Labor (per hour)	60.00
AGRC Intern Labor (per hour)	30.00

The motion passed unanimously with Sen. Knudson absent for the vote.

MOTION: Rep. S. Clark moved to adjourn the meeting. The motion passed unanimously with Sen. Knudson absent for the vote.

The meeting was adjourned at 5:45 p.m. by Co-Chair Buxton.

The minutes were reported by Bonnie Brinton.

Sen. Bill Hickman
Committee Co-Chair

Rep. D. Gregg Buxton
Committee Co-Chair