

Office of the
Legislative Fiscal Analyst

FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Natural Resources

Committee Summary

Contents:

- Proposed Hearing Schedule
- 1.0 Summary
- 4.0 Additional Information

This Page Intentionally Left Blank



**Natural Resources
Appropriations
Subcommittee**

**All Meetings at 2:00 p.m.
in Capitol Room #305
unless otherwise noted.**

Senate:
Tom Hatch, Chair
Parley Hellewell
Ron Allen

House:
David Ure, Chair
Craig Butters
Ben Ferry
Michael Noel
Brent Parker
Darin Peterson
Michael Styler
Carl Duckworth
James Gowans

Staff:
Steven Allred, Analyst
538-1034
Sharron Corelli, Sec.
538-1602



| January 2003 | | | | | | |
|--------------|--|-----|----------------------------|-----|---|-----|
| Sun | Mon | Tue | Wed | Thu | Fri | Sat |
| 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| | | | | | | |
| 12 | 13 | 14 | 15 | 16 | 17 | 18 |
| | | | | | | |
| 19 | 20 | 21 | 22 | 23 | 24 | 25 |
| | Session begins Chairs meet with EAC Chairs | | | | Introductions; Summary; Agriculture & Food | |
| 26 | 27 | 28 | 29 | 30 | 31 | |
| | School & Inst Trust Lands Admin | | DNR Admin; Water Rights | | Forestry, Fire & State Lands | |

| February 2003 | | | | | | |
|---------------|--|-----|---|-----|--------------------|-----|
| Sun | Mon | Tue | Wed | Thu | Fri | Sat |
| | | | | | | 1 |
| | | | | | | |
| 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| | Wildlife Resources | | Parks & Recreation | | Water Resources | |
| 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| | Utah Geol Survey; Oil, Gas & Mining | | FY 2003 Supplementals; Final Actions | | | |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| | New Revenue Estimates Out | | | | If needed | |
| 23 | 24 | 25 | 26 | 27 | 28 | |
| | If needed | | | | | |

1.0 Summary: Natural Resources Appropriations Subcommittee

Introduction to Budget Reports

The Office of the Legislative Fiscal Analyst has prepared budget recommendations for FY 2003 and FY 2004 under direction of the Executive Appropriations Committee. These recommendations include all legislative actions to date as well as the Governor’s veto of certain line items in HB 6001, 6th Special Session. **As of this date, the FY 2003 budget is out of balance by \$7.8 million as a result of the Governor’s vetoes. Also, because the Executive Appropriations Committee adopted the FY 2003 revenue estimates as the new FY 2004 estimate, and because of the compounding effects of the Governor’s vetoes, the FY 2004 ongoing expenditures exceed ongoing revenue by approximately \$85.7 million** (assumes the Legislature adopts all ongoing revenue sources from the 6th special session). Revised FY 2004 revenue estimates should be available by February 17th, 2003.

The Fiscal Year 2003 budget recommendations include legislative actions of the 54th State Legislature. In addition to the General Session, six special sessions were also convened. Actions in the fifth special session (July 2002) and the sixth special session (December 2002) were held primarily to balance the FY 2003 budget. Budget gaps of \$173.1 million and \$117.3 million respectively were filled for a total of \$290.4 million. This was in addition to the \$394.8 million already adjusted from the FY 2002 budget.

A variety of sources were used in the special sessions to balance the FY 2003 budget (in millions):

| | |
|--|----------------|
| Budget Cuts..... | \$90.7 |
| Replaced Building cash with bonds..... | 50.8 |
| Transfers from Centennial Highway Fund | 86.4 |
| Tobacco Funds | 38.9 |
| Double Funding on a Capital project | 3.1 |
| Designated sales tax – water & roads | 4.5 |
| Non lapsing balances | 7.8 |
| Industrial Assistance Fund..... | 1.1 |
| UPASS reduction..... | 2.1 |
| Smaller amounts from misc. sources | <u>5.0</u> |
| Total..... | <u>\$290.4</u> |

The FY 2004 expenditure recommendations include all budget cuts made in FY 2003 that were ongoing in nature. Also included are any revenue sources from FY 2003 that were considered ongoing into FY 2004. The current budget recommendations do not include any additional funding for compensation issues or other areas that may be deemed important to the legislature. It is expected that a balanced budget will result from the work of the Legislature in the 2003 General Session.

Overview

The Natural Resources Appropriations Subcommittee reviews the budgets for three state agencies, and then approves a budget for each. This recommendation is then made to the Executive Appropriations Committee and the whole Legislature for final approval. The agencies for which this subcommittee is responsible are:

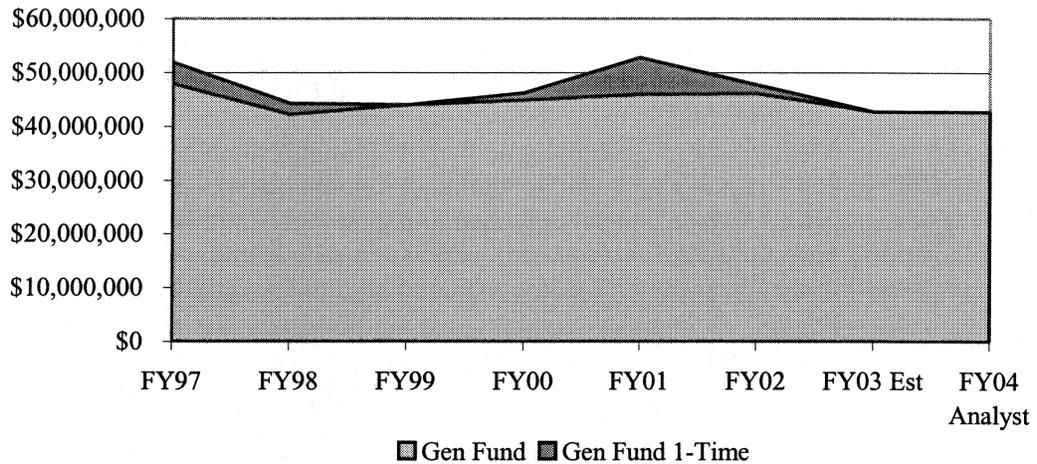
- Department of Agriculture and Food
- Department of Natural Resources
- School and Institutional Trust Lands Administration

The Executive Appropriations Committee has allocated an ongoing General Fund base of \$42,783,100 to the subcommittee. This number was derived by taking the original FY 2003 ongoing appropriation and adjusting for additions and subtractions made during 2002, as follows:

| | |
|---|----------------------------|
| FY 2003 beginning base | \$47,795,800 |
| Internal Service Fund rate changes made earlier | 91,800 |
| Retirement rate/extra working day adjustments | 334,900 |
| Insurance benefit adjustments | 445,000 |
| Base/Program transfers..... | 172,000 |
| Reductions made in Special Sessions 1-5..... | (4,157,100) |
| Reductions made in Special Session 6 | (1,899,300) |
| FY 2004 Beginning Base: | <u>\$42,783,100</u> |
| New Info Tech / Retirement savings | (79,900) |
| New base transfer | (4,100) |
| Total GF Allocation/Analyst Recommendation:..... | <u>\$42,699,100</u> |

Regarding “Information Technology Savings”: During the 2002 General Session, the Legislature appropriated a negative \$2 million to the Division of Finance – Mandated account. The cut anticipated savings from a pending executive branch technology consolidation. The appropriation included intent language requiring the CIO to identify the savings by state agency and transfer that amount to the Division of Finance to offset the negative appropriation. The CIO and cabinet departments could not identify specific savings or program efficiencies. Instead, the CIO and GOPB allocated the \$2 million cut based on a weighted average of information technology budgets in the state. The Natural Resources Appropriations Subcommittee’s share of the \$2 million cut is \$50,800.

Subcommittee Total General Funds



The Analyst’s recommendation reflects the allocation given to the subcommittee. Compensation package adjustments, including insurance benefits, are not included in the Analyst’s recommendations. The Executive Appropriations Committee and the full Legislature will add these later. The subcommittee may have additional non-compensation package items that it will want to fund. In that case, the subcommittee can reprogram funds within the base, or construct a prioritized list of issues in case funds become available later. The Analyst will present some recommendations for funding should funds become available.

In preparing for this legislative session, the Analyst has reviewed each budget, visited with the agencies, and analyzed the agency requests and the Governor's recommendations. After reviewing the requests, the Analyst has recommended those budget increases or decreases which seem essential to programs and appear to be the most cost-effective.

Recommendation

The Analyst recommends a total FY 2004 budget of \$144,700,900, of which \$42,699,100 is from the General Fund. The recommendations, by fund and by agency, are found on the following pages. Further detail on each agency is found under the respective tabs and will be discussed during the budget hearings.

Intent Language Review

The Fiscal Analyst is required by statute to review all intent language written in the appropriations acts and report on them to the Legislature. A good deal of intent language was written that directs the Department of Finance to make appropriations nonlapsing. In order to avoid reviewing each piece of intent language that deals with nonlapsing authority, the Analyst reports now that in every instance the monies were used and accounted for in accordance with the intent language.

Subcommittee financing information is located on the following page.

| | Analyst FY 2004 Base | Analyst FY 2004 Changes | Analyst FY 2004 Total |
|------------------------------------|-------------------------------------|--|--------------------------------------|
| Financing | | | |
| General Fund | 42,783,100 | (84,000) | 42,699,100 |
| General Fund Restricted | 37,996,600 | | 37,996,600 |
| Federal Funds | 27,666,900 | | 27,666,900 |
| Dedicated Credits | 16,147,200 | | 16,147,200 |
| Federal Mineral Lease | 716,400 | | 716,400 |
| Trust and Agency Funds | 17,838,600 | | 17,838,600 |
| Transfers | 1,217,000 | | 1,217,000 |
| Beginning Balance | 534,000 | | 534,000 |
| Closing Balance | (114,900) | | (114,900) |
| Total | <u>\$144,784,900</u> | <u>(\$84,000)</u> | <u>\$144,700,900</u> |
| Programs | | | |
| Natural Resources | 119,708,200 | (71,300) | 119,636,900 |
| Agriculture | 14,829,300 | (12,700) | 14,816,600 |
| School & Institutional Trust Lands | 10,247,400 | | 10,247,400 |
| Total | <u>\$144,784,900</u> | <u>(\$84,000)</u> | <u>\$144,700,900</u> |
| FTE/Other | | | |
| Total FTE | 1,508 | | 1,508 |
| Authorized Capital Outlay | 122,000 | 0 | 122,000 |
| Retained Earnings | (1,463,400) | 0 | (1,463,400) |

4.0 Additional Information: Natural Resources Appropriations Subcommittee**4.1 Funding History**

| | 2000 | 2001 | 2002 | 2003 | 2004 |
|-----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Financing | Actual | Actual | Actual | Estimated* | Analyst |
| General Fund | 44,869,400 | 45,953,400 | 46,157,900 | 42,783,100 | 42,699,100 |
| General Fund, One-time | 1,397,000 | 10,869,000 | 1,647,100 | (355,000) | |
| General Fund Restricted | 34,096,100 | 35,871,800 | 37,519,800 | 39,461,900 | 37,996,600 |
| Federal Funds | 20,826,000 | 24,250,400 | 33,067,500 | 28,151,100 | 27,666,900 |
| Dedicated Credits | 12,975,400 | 14,648,700 | 18,328,600 | 15,726,100 | 16,147,200 |
| Federal Mineral Lease | 712,200 | 1,117,900 | 681,200 | 704,100 | 716,400 |
| Trust and Agency Funds | 23,763,400 | 27,852,300 | 18,342,100 | 17,726,800 | 17,838,600 |
| Transfers | (5,853,300) | (4,562,600) | 3,236,600 | 1,358,800 | 1,217,000 |
| Repayments/Reimbursements | 14,587,400 | 16,798,800 | | | |
| Beginning Balance | 31,249,500 | 22,243,100 | 25,150,500 | 19,064,900 | 534,000 |
| Closing Balance | (22,243,100) | (34,293,300) | (19,064,900) | (534,000) | (114,900) |
| Lapsing Balance | (2,129,600) | (10,170,900) | (7,065,600) | (1,913,900) | |
| Total | \$154,250,400 | \$150,578,600 | \$158,000,800 | \$162,173,900 | \$144,700,900 |
| Programs | | | | | |
| Natural Resources | 135,154,700 | 128,623,900 | 133,087,900 | 134,947,800 | 119,636,900 |
| Agriculture | 14,312,200 | 14,807,200 | 17,119,900 | 16,978,700 | 14,816,600 |
| School & Institutional Trust Land | 4,783,500 | 7,147,500 | 7,793,000 | 10,247,400 | 10,247,400 |
| Total | \$154,250,400 | \$150,578,600 | \$158,000,800 | \$162,173,900 | \$144,700,900 |
| Expenditures | | | | | |
| Personal Services | 67,855,300 | 70,433,900 | 74,283,100 | 77,460,100 | 76,853,800 |
| In-State Travel | 1,021,000 | 950,900 | 1,038,100 | 1,075,700 | 1,078,500 |
| Out of State Travel | 483,600 | 514,200 | 491,900 | 603,200 | 594,300 |
| Current Expense | 28,568,600 | 30,869,400 | 36,824,900 | 40,458,000 | 35,180,800 |
| DP Current Expense | 2,729,700 | 2,918,100 | 2,605,300 | 2,401,600 | 2,181,800 |
| DP Capital Outlay | 287,800 | 293,500 | 428,900 | 90,700 | 58,700 |
| Capital Outlay | 8,571,300 | 11,751,900 | 17,423,100 | 13,434,200 | 8,459,900 |
| Other Charges/Pass Thru | 44,733,100 | 32,846,700 | 24,905,500 | 26,650,400 | 20,293,100 |
| Total | \$154,250,400 | \$150,578,600 | \$158,000,800 | \$162,173,900 | \$144,700,900 |
| FTE/Other | | | | | |
| Total FTE | 1,464 | 1,474 | 1,444 | 1,518 | 1,508 |
| Authorized Capital Outlay | 67,000 | | | 159,600 | 122,000 |
| Retained Earnings | (2,998,200) | (2,581,900) | (2,193,600) | (1,857,600) | (1,463,400) |

*General and school funds as revised by Supplemental Bills I-V, 2002 Gen and Spec Sessions. Others as estimated by agency.

4.2 Additional Subcommittee Information

The Office of the Legislative Fiscal Analyst is a non-partisan office that serves both houses of the Legislature in preparing a budget and determining the fiscal impact of proposed legislation and making independent budgetary recommendations to the Legislature. The Legislature, after reviewing the recommendations, then approves a budget by passing an Appropriation Act that determines the level of the budget for each program.

The state does not budget on the calendar year, but on what is termed a Fiscal Year, which is the twelve-month period from July 1 to June 30 of the following year. A Fiscal Year is usually abbreviated FY, with the number which follows designating the year which includes the second six months. The current fiscal year is FY 2003, which will end June 30, 2003. The fiscal year for which the Legislature is determining the budget is FY 2004, which will include the period of time from July 1, 2003 to June 30, 2004. Budgeting includes the allocation of resources (money) to different programs.

In allocating funds to the Natural Resources agencies, the Appropriations Subcommittee may use funding from several sources to complete the full appropriation to each. The following sources of funding are available:

- General Funds
- Federal Funds
- Dedicated Credits
- Restricted General Funds
- Land Grant Management Fund
- Other Funds

The following explanations may help to understand the different funds:

State General Fund

This is the state's most important source of income. The primary revenue source is the sales tax, although there are other taxes and fees which are deposited into this fund. General Funds may be spent at the discretion of the Legislature, as the Constitution allows. Personal income taxes and corporate franchise taxes are not deposited into the General Fund, but into the Uniform School Fund.

Federal Funds

Federal funds come to the state from the federal government. Generally, federal funds are accompanied by certain requirements. Each grant may have different rules about how it may be spent. A common requirement is some form of state match in order to receive the federal dollars. In such cases, federal funding may be reduced if a state program is reduced. There is also the possibility, that due to outside circumstances, federal

funding may be reduced or eliminated. If this happens, most agencies will request that state funds replace the lost federal funds. However, this is not generally recommended. Programs that receive federal funds will have a special Federal Funds sheet showing matching requirements and levels.

Dedicated Credits

Dedicated Credits are funds that are paid to an agency for specific services and are dedicated to paying for the expenses of providing that service. For example, money paid as admission to the state parks goes to the Division of Parks and Recreation to help pay for expenses. By law, these funds must be spent before other appropriated state funds are spent. It should be noted that an agency must estimate the level of its service for the following fiscal year, and thus its level of Dedicated Credits.

Restricted General Funds

Restricted revenue can only be used for a designated purpose. The restricted funds usually receive money from specific sources, with the understanding that those funds will then be used for specific purposes. For example, the Utah Code establishes a separate fund for the Division of Wildlife Resources, with revenue coming from the sale of licenses. These funds are restricted for the use of the division.

Land Grant Management Fund

An expendable trust fund consisting of:

1. Revenue derived from trust lands, except revenues from the sale of those lands.
2. Interest earned by the fund.
3. Revenues obtained from other activities of the Director or administration.

One of the purposes of this fund is to support the School and Institutional Trust Lands Administration.

Other Funds

Several other small funds are used by certain agencies. These will be discussed in further detail as the budgets are presented. Lapsing funds, however, should be addressed. Funds lapse, or revert back to the state, if the full appropriation is not spent by the end of the fiscal year. Since it is against the law to spend more than the Legislature has appropriated, all programs will either spend all the money or have some left over. The funds left over lapse to the state, unless specifically exempted. Those exceptions include funds that are setup as non-lapsing. In these cases, left over funds do not lapse back to the state, but remain with the agency in a special nonlapsing balance, for use in the next fiscal year. In the budgets, the Beginning Non-Lapsing balance is the balance on July 1, while the balance on the next June 30 is termed the Closing Non-Lapsing balance. The Closing Non-Lapsing balance from one fiscal year becomes the Beginning Non-Lapsing balance of the following fiscal year. The

reasoning behind non-lapsing funds is that a specific task may take an indeterminate amount of time, or span more than one fiscal year. By allowing departments to keep their unexpended funds, the state not only eliminates the rush to spend money at the end of a fiscal year, but also encourages managers to save money.

Expenditure categories used by the state are:

Personal Services

Includes employee compensation and benefits such as health insurance, retirement, and employer taxes.

Current Expenses

Includes general expenses such as utilities, subscriptions, communications, postage, professional and technical services, maintenance, laundry, office supplies, small tools, etc. that cost less than \$5,000 or are consumed in less than one year.

Data Processing Current Expenses

Includes items such as small computer hardware and software, port charges, programming, training, supplies, etc.

Capital Outlays

Includes items that cost over \$5,000 and have a useful life greater than one year.

Pass Through

Includes funds passed on to other non-state entities for use by those entities, such as grants to local governments.

Other Budgeting terms and concepts that the Legislature will encounter include the following:

Performance Measures

In recent years, performance based budgeting has received more attention as citizens and decision-makers demand evidence of improved results from the use of tax dollars.

Care must be exercised in crafting performance measures to avoid misdirected results. Moving to performance based budgeting is a long term commitment. The Analyst has drafted some ideas for performance measures in the write-up, however, it is recognized that the measures are a work in progress and that long-term tracking of measures would require a statewide commitment in both the executive and legislative branches.

Intent Language

Intent language may be added to an appropriation bill to explain or put conditions on the use of the funds in the line item. Intent language may restrict usage, require reporting, or impose other conditions within the item of appropriation. However, intent language cannot contradict or change statutory language.

Supplemental Appropriation

The current legislative session is determining appropriations for the following fiscal year. However, it may be determined that unexpected circumstances have arisen which require additional funding for the current year. The Appropriations Subcommittee can recommend to the Executive Appropriations Committee that a supplemental appropriation be made for the current fiscal year.

FTE

FTE is an abbreviation for Full Time Equivalent. This is a method of standardizing personnel counts. A full time equivalent is equal to one employee working 40 hours per week. Ten employees each working four hours per week would also count as 1 FTE.

Line Item

This is a term that applies to an appropriation bill. A line number in the appropriations bill identifies each appropriated sum. Generally, each line item appropriation goes to an agency that may have several programs. Once the appropriation becomes law, the money may be moved from program to program within the line item, but cannot be moved to another line item of appropriation.

A complete list, by line item, of the agencies for which the Natural Resources Subcommittee is responsible follows.

Department of Agriculture - General Administration

- Administration
- Meat Inspection
- Chemistry Laboratory
- Animal Health
- Agriculture Inspection
- Regulatory Services
- Public Affairs
- Sheep Promotion
- Auction Market Veterinarians
- Brand Inspection
- Utah Horse Commission
- Environmental Quality
- Grain Inspection
- Insect Inspection
- Marketing and Development

Research

Department of Agriculture - Agriculture Loans
Agriculture Loan Program

Department of Agriculture - Predatory Animal Control
Predatory Animal Control

Department of Agriculture – Resource Conservation
Resource Conservation Administration
Soil Conservation District Commission
Resource Conservation (Soil Conservation Districts)

Department of Agriculture – Building Operations
Building Operations and Maintenance

Department of Agriculture – Internal Service Fund
Data Processing Internal Service Fund

Department of Natural Resources - Department Administration
Executive Director
Administrative Services
Energy Resource Planning
Public Affairs
Bear Lake Commission
Law Enforcement
Ombudsman

Department of Natural Resources - Species Protection
Species Protection

Department of Natural Resources
Building Operations and Maintenance

Department of Natural Resources - Internal Service Fund
Warehouse
Motor Pool
Data Processing

Department of Natural Resources - Division of Forestry, Fire and State
Lands
Director's Office
Administrative Services
Fire Suppression
Planning and Technology Transfer
Technical Assistance and Consultation
Program Delivery
Lone Peak Conservation Center

Program Delivery - Cooperators

Department of Natural Resources - Division of Oil, Gas and Mining

Administration

Board

Oil and Gas Conservation

Minerals Reclamation

Coal Reclamation

Abandoned Mines

Miscellaneous Nonlapsing

Department of Natural Resources - Utah Geological Survey

Administration

Technical Services

Applied Geology

Board

Geologic Mapping

Economic Geology

Environmental

Geologic Extension Service

Department of Natural Resources - Division of Water Resources

Administration

Board

Interstate Streams

Planning

Cloud Seeding

Cities Water

Construction

Water Conservation/Education

Bear River / Wasatch Front

West Desert Operations

Cooperative Water Conservation

Department of Natural Resources - Division of Water Rights

Administration

Appropriation

Dam Safety

Adjudication

Cooperative Studies

Technical Services

Advertising

Area Offices

Department of Natural Resources - Division of Wildlife Resources

Administration

Public Services

Conservation Outreach
Law Enforcement
Habitat Council
Habitat Section
Wildlife Section
Aquatic Section

Department of Natural Resources - Wildlife Resources Cooperative
Environmental Studies
Cooperative Environmental Studies

Department of Natural Resources - Wildlife Resources Contributed
Research
Contributed Research

Department of Natural Resources - Wildlife Resources Predator Control
Predatory Animal Control

Department of Natural Resources - Wildlife Resources Reimbursement
Reimbursement

Department of Natural Resources - Division of Parks and Recreation
Director
Board
Park Operations
Comprehensive Planning
Administration
Design and Construction
Reservations
Law Enforcement
Fiscal and Accounting
Boating
OHV
Grants and Trails
This is the Place Mgt Fee

Capital Facilities - Natural Resources
Department of Natural Resources - Water Resources Cities Water Loan
Fund
Cities Water Loan Fund

Department of Natural Resources - Water Resources Revolving
Construction Fund
Revolving Construction Fund

Department of Natural Resources - Water Resources Conservation and
Development Fund
Conservation and Development Fund

Department of Natural Resources - Division of Wildlife Resources -
Capital Budget
Information and Education
Fisheries
Game Management

Department of Natural Resources - Division of Parks and Recreation -
Capital Budget
Facilities Acquisition and Development
Ten Million Park Renovation
Riverway Enhancement Grants
Trail Grants
National Recreation Trails
Donated Capital Projects
Region Roads and Renovation
Boating Access Grants
Off-Highway Trails
Miscellaneous Nonlapsing

School and Institutional Trust Lands Administration
Board
Director
Administration
Accounting
Royalty
Minerals
Surface
Development (Operations)
Legal / Contracts
Data Processing
Forestry and Grazing
Development (Capital)

Office of the
Legislative Fiscal Analyst

FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Natural Resources

Utah Department of Agriculture and Food
Department Summary

Contents:

- 1.0 Summary
- 4.0 Additional Information

This Page Intentionally Left Blank

1.0 Summary: Department of Agriculture and Food

The Department of Agriculture and Food is responsible for the administration of Utah's agricultural laws as outlined in Titles 3 and 4 of the Utah Code. The laws mandate a wide variety of activities including inspection, regulation, information, rulemaking, loan issuance, marketing and development, pest and disease control, improving the economic position of agriculture, and consumer protection.

The previous year (2002) was a challenging year for agriculture in the state. Beside the national recession, challenges included the drought (estimated to have cost the state almost \$200 million and 2,700 jobs), a ten-year decline in beef prices, the fourth consecutive year of a growing insect infestation (3.5 million acres in 2002, up from 1.5 million in 2001, and could be 5 million in 2003), a late frost that crippled the state's fruit production (and cost the state \$42 million), the discovery of Chronic Wasting Disease in states near Utah, and the threat of mosquito-borne diseases. Even if the drought were to end this year, its impacts on range conditions, feed prices, and herd size will be seen for years.

In addition to unrestricted General Funds, the Legislature appropriates from four restricted general fund accounts for the Department. These include:

- GFR – Livestock Brand and Anti-Theft Account
- GFR – Tuberculosis and Bangs Disease Control Account (minimal)
- GFR – Agriculture and Wildlife Damage Prevention Account
- GFR – Horse Racing Account

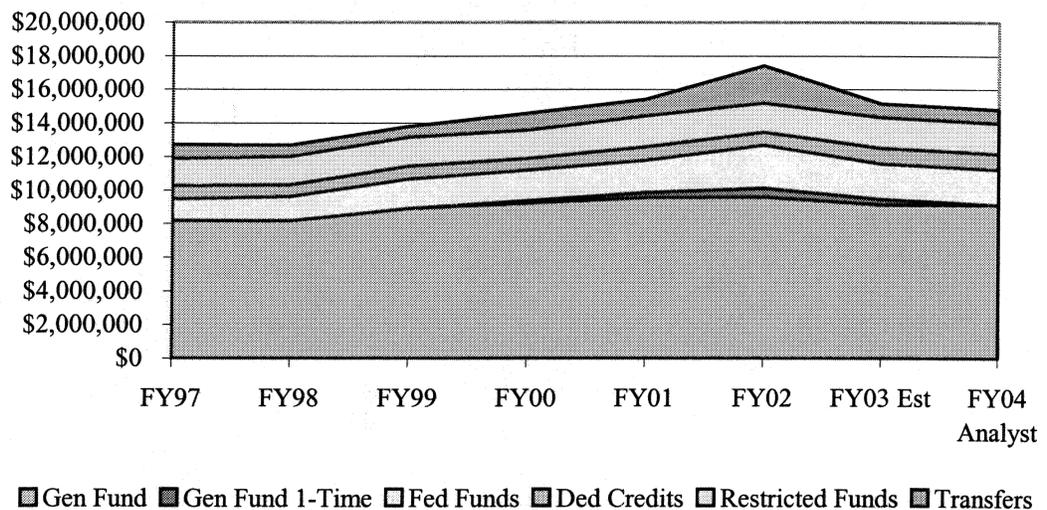
Recommendation

The Analyst recommends a total Agriculture budget of \$14,816,600. This includes General Funds of \$9,145,400. The General Fund number is derived as follows:

| | |
|--|---------------------------|
| FY 2003 beginning base | \$10,000,600 |
| Internal Service Fund rate changes made earlier | 58,600 |
| Retirement rate/extra working day adjustments | 84,300 |
| Insurance benefit adjustments | 117,900 |
| 800 MHz communications base transfer | 2,400 |
| Reductions made in Special Sessions 1-5 | (699,100) |
| Reductions made in Special Session 6 | (406,600) |
| FY 2004 Beginning Base: | <u>\$9,158,100</u> |
| New Info Tech / Retirement savings | (12,700) |
| Total GF Allocation/Analyst Recommendation: | <u>\$9,145,400</u> |

| | Analyst FY 2004 Base | Analyst FY 2004 Changes | Analyst FY 2004 Total |
|--------------------------|----------------------------|-------------------------------|-----------------------------|
| Financing | | | |
| General Fund | 9,158,100 | (12,700) | 9,145,400 |
| General Fund Restricted | 1,280,500 | | 1,280,500 |
| Federal Funds | 2,088,900 | | 2,088,900 |
| Dedicated Credits | 944,500 | | 944,500 |
| Trust and Agency Funds | 549,500 | | 549,500 |
| Transfers | 804,100 | | 804,100 |
| Beginning Balance | 3,700 | | 3,700 |
| Total | \$14,829,300 | (\$12,700) | \$14,816,600 |
| Programs | | | |
| Administration | 11,668,400 | (12,700) | 11,655,700 |
| Building Operations | 252,800 | | 252,800 |
| Predatory Animal Control | 1,313,200 | | 1,313,200 |
| Resource Conservation | 1,280,800 | | 1,280,800 |
| Loans | 314,100 | | 314,100 |
| Total | \$14,829,300 | (\$12,700) | \$14,816,600 |
| FTE/Other | | | |
| Total FTE | 207 | | 207 |

Agriculture Major Funding Sources



4.0 Additional Information: Department of Agriculture and Food

4.1 Funding History

| | 2000 | 2001 | 2002 | 2003 | 2004 |
|--------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Financing | Actual | Actual | Actual | Estimated* | Analyst |
| General Fund | 9,257,100 | 9,571,300 | 9,612,400 | 9,158,100 | 9,145,400 |
| General Fund, One-time | 130,000 | 315,000 | 538,900 | 325,000 | |
| General Fund Restricted | 1,231,200 | 1,303,700 | 1,257,000 | 1,278,000 | 1,280,500 |
| Federal Funds | 1,812,000 | 1,893,700 | 2,535,800 | 2,089,300 | 2,088,900 |
| Dedicated Credits | 704,900 | 812,400 | 779,400 | 944,500 | 944,500 |
| Trust and Agency Funds | 453,800 | 549,200 | 474,400 | 549,500 | 549,500 |
| Transfers | 1,008,400 | 979,500 | 2,221,100 | 804,100 | 804,100 |
| Beginning Balance | 1,552,000 | 1,577,900 | 1,808,800 | 1,833,900 | 3,700 |
| Closing Balance | (1,577,800) | (1,808,800) | (1,833,900) | (3,700) | |
| Lapsing Balance | (259,400) | (386,700) | (274,000) | | |
| Total | \$14,312,200 | \$14,807,200 | \$17,119,900 | \$16,978,700 | \$14,816,600 |
| Programs | | | | | |
| Administration | 11,669,100 | 11,815,600 | 13,951,500 | 13,408,800 | 11,655,700 |
| Building Operations | 228,000 | 228,000 | 243,800 | 252,800 | 252,800 |
| Predatory Animal Control | 937,200 | 1,162,500 | 1,150,400 | 1,504,600 | 1,313,200 |
| Resource Conservation | 1,258,500 | 1,358,700 | 1,534,900 | 1,498,400 | 1,280,800 |
| Loans | 219,400 | 242,400 | 239,300 | 314,100 | 314,100 |
| Total | \$14,312,200 | \$14,807,200 | \$17,119,900 | \$16,978,700 | \$14,816,600 |
| Expenditures | | | | | |
| Personal Services | 8,601,800 | 9,249,800 | 9,448,400 | 10,060,800 | 9,820,300 |
| In-State Travel | 240,300 | 247,000 | 222,000 | 240,400 | 232,900 |
| Out of State Travel | 85,600 | 86,800 | 73,000 | 103,200 | 99,900 |
| Current Expense | 1,924,000 | 1,919,600 | 1,869,100 | 2,163,300 | 1,418,000 |
| DP Current Expense | 475,700 | 472,800 | 367,300 | 423,000 | 339,600 |
| DP Capital Outlay | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 |
| Capital Outlay | 277,900 | 16,300 | 298,100 | 401,000 | 10,000 |
| Other Charges/Pass Thru | 2,704,200 | 2,812,200 | 4,839,300 | 3,584,300 | 2,893,200 |
| Total | \$14,312,200 | \$14,807,200 | \$17,119,900 | \$16,978,700 | \$14,816,600 |
| FTE/Other | | | | | |
| Total FTE | 193 | 203 | 198 | 207 | 207 |

*General and school funds as revised by Supplemental Bills I-V, 2002 Gen and Spec Sessions. Others as estimated by agency.

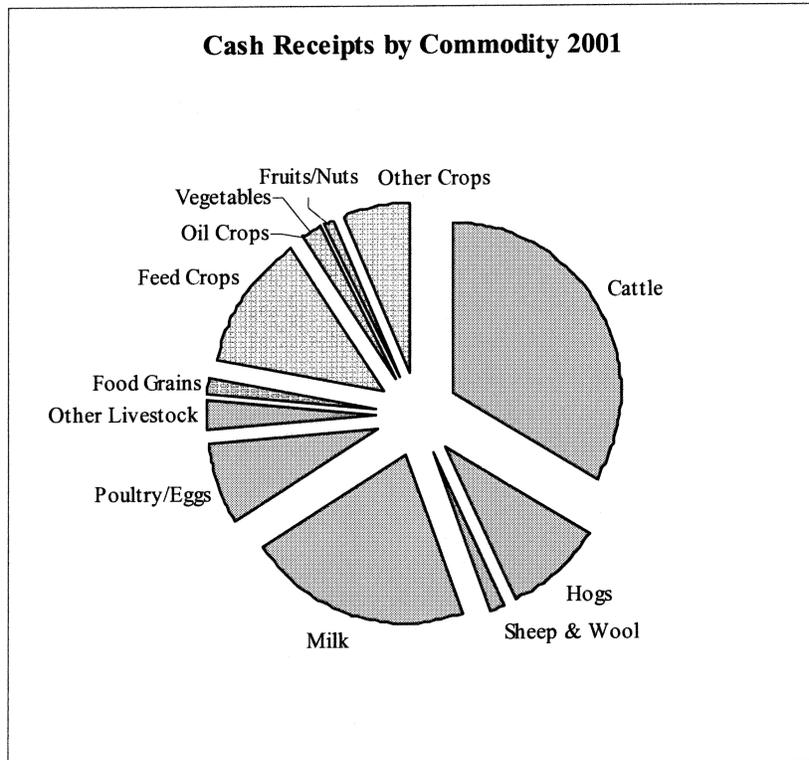
4.2 Selected Agricultural Statistics (Source: 2002 Agricultural Statistics and UDAF Report)

| Year | Number of Farms | Acres of Farmland | Average Size |
|------|-----------------|-------------------|--------------|
| 1997 | 15,000 | 11,600,000 | 773 |
| 1998 | 15,000 | 11,600,000 | 773 |
| 1999 | 15,500 | 11,600,000 | 748 |
| 2000 | 15,500 | 11,600,000 | 748 |
| 2001 | 15,000 | 11,600,000 | 773 |

The number of farms (defined as a place with annual sales exceeding \$1,000) in Utah in 2001 was estimated at 15,000, down 500 from the prior year. Land in farms, estimated at 11.6 million acres, was unchanged from the previous four years. The average size of farm, at 773 acres, increased 25 acres from 2000.

| | 1998 | 1999 | 2000 | 2001 |
|-----------------|---------|---------|-----------|-----------|
| Cattle | 304,277 | 314,162 | 350,945 | 374,459 |
| Hogs | 49,494 | 54,136 | 98,042 | 106,338 |
| Sheep & Wool | 20,358 | 19,387 | 21,947 | 16,006 |
| Milk | 231,154 | 222,122 | 186,032 | 236,670 |
| Poultry/Eggs | 70,645 | 73,856 | 81,383 | 88,041 |
| Other Livestock | 37,969 | 29,028 | 33,686 | 31,747 |
| Food Grains | 24,987 | 21,797 | 18,976 | 18,515 |
| Feed Crops | 125,727 | 117,568 | 121,064 | 141,034 |
| Oil Crops | 1,753 | 1,760 | 1,582 | 1,088 |
| Vegetables | 24,522 | 20,170 | 21,411 | 22,497 |
| Fruits/Nuts | 14,222 | 9,353 | 16,838 | 10,052 |
| Other Crops | 66,886 | 72,501 | 67,715 | 69,880 |
| Total | 971,994 | 955,840 | 1,019,621 | 1,116,327 |

Utah crops and livestock in 2001 produced cash receipts of \$1.1 billion, according to preliminary data. This was 9.5 percent above 2000. However, Utah's net farm income for 2000 (the last year for which data is available) was \$219 million compared with \$270 million in 1999 and \$258 million in 1998.



Livestock and Livestock Products = 76.4%

Crops = 23.6%

| Year | # of Cattle | | Value |
|------|-------------|-------------|----------|
| | Farms | # of Cattle | Per Head |
| 1997 | 7,800 | 930,000 | \$530 |
| 1998 | 8,000 | 910,000 | \$600 |
| 1999 | 7,900 | 890,000 | \$590 |
| 2000 | 8,000 | 910,000 | \$660 |
| 2001 | 8,000 | 910,000 | \$720 |

Utah operations with cattle and calves in 2001 totaled 8,000, the same as in 2000. Operations with 500 head accounted for 42 percent of the Utah cattle inventory while those with 100 to 499 head accounted for 41 percent of the total inventory. It can be expected that numbers for 2002 will be down both in number of cattle and value per head, due drought conditions forcing ranchers to sell significant portions of their herds.

This Page Intentionally Left Blank

Office of the
Legislative Fiscal Analyst

FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Natural Resources

Utah Department of Agriculture and Food
General Administration

Contents:

- 1.0 Summary
- 2.0 Issues
- 3.0 Programs
- 4.0 Additional Information

This Page Intentionally Left Blank

1.0 Summary: General Administration

The General Administration line item contains most of the department's programs. Detail on each program can be found in Section 3.0.

| | Analyst FY 2004 Base | Analyst FY 2004 Changes | Analyst FY 2004 Total |
|------------------------------|-------------------------------------|--|--------------------------------------|
| Financing | | | |
| General Fund | 7,278,900 | (12,700) | 7,266,200 |
| Federal Funds | 2,088,900 | | 2,088,900 |
| Dedicated Credits Revenue | 944,500 | | 944,500 |
| GFR - Horse Racing | 50,000 | | 50,000 |
| GFR - Livestock Brand | 701,900 | | 701,900 |
| GFR - Wildlife Damage Prev | 66,500 | | 66,500 |
| Transfers | 537,700 | | 537,700 |
| Total | \$11,668,400 | (\$12,700) | \$11,655,700 |
| Programs | | | |
| General Administration | 1,171,500 | (2,000) | 1,169,500 |
| Meat Inspection | 1,593,800 | | 1,593,800 |
| Chemistry Laboratory | 678,000 | (1,900) | 676,100 |
| Animal Health | 735,700 | (2,300) | 733,400 |
| Agriculture Inspection | 1,587,000 | (2,000) | 1,585,000 |
| Regulatory Services | 2,033,700 | (2,300) | 2,031,400 |
| Public Affairs | 76,400 | | 76,400 |
| Sheep Promotion | 50,000 | | 50,000 |
| Auction Market Veterinarians | 72,000 | | 72,000 |
| Brand Inspection | 1,100,000 | (300) | 1,099,700 |
| Utah Horse Commission | 50,000 | | 50,000 |
| Environmental Quality | 1,484,300 | | 1,484,300 |
| Grain Inspection | 437,100 | | 437,100 |
| Insect Inspection | 211,800 | | 211,800 |
| Marketing and Development | 387,100 | (1,900) | 385,200 |
| Total | \$11,668,400 | (\$12,700) | \$11,655,700 |
| FTE/Other | | | |
| Total FTE | 184 | | 184 |

2.0 Issues: General Administration

2.1 Previous Budget Reductions

During the 2002 General Session and subsequent special sessions, the Legislature made the following ongoing General Fund adjustments:

| | |
|---|---------------------------|
| FY 2003 Beginning Base: | <u>\$7,933,100</u> |
| ISF rate changes | 17,800 |
| Retirement rate/extra working day adjustments | 72,100 |
| Insurance benefit adjustments | 107,800 |
| 800 MHz communications transfer | 2,400 |
| Transfer from UACD to Admin | 32,000 |
| Research Program | (171,000) |
| Conservation Easements | (60,000) |
| Internal Spending Cuts | (332,200) |
| Across-the-board cuts (sixth special session) | <u>(323,100)</u> |
| FY 2004 Beginning Base | <u>\$7,278,900</u> |

2.2 Information Technology / Retirement Rate Savings

The FY 2004 beginning base has been reduced by mandated statewide information technology savings and by reductions to statewide retirement rates. The portion of savings applicable to this line item is shown below.

| | |
|--------------------------------------|---------------------------|
| IT/Retirement Savings | <u>(\$12,700)</u> |
| New FY 2004 General Fund Base | <u>\$7,266,200</u> |

2.3 Food Safety / Consumer Protection

The department has requested some significant fee increases in order to continue to provide inspection services that are currently funded primarily with General Funds, and whose growth is not keeping pace with population growth and the number of industry outlets. Please see the "Agricultural Fees" section of this report. The increased fees are estimated to raise over \$500,000 per year in new revenues. Four new FTEs would be hired (3 inspectors and one bookkeeper). The department is concurrently requesting legislation to create a new restricted fund into which approximately half of the new fee revenues would be deposited.

2.4 Other Requested Items

The agency requested the following items, for which there is currently no funding available. Items are shown here for committee information.

- Grasshopper/Mormon Cricket Control: \$350,000 General Funds
- Internal Auditor: \$61,100 General Funds
- Grain Inspection Program: \$55,000 General Funds

3.0 Programs: General Administration

3.1 Administrative Services

Recommendation

The Analyst recommends \$1,169,500 for this program, funded mostly from the General Fund. Other funds are used to pay their share of overhead costs for services rendered by this program. The Analyst's recommendation does not include any personal services adjustments over FY 2003.

| | 2002 | 2003 | 2004 | Est/Analyst |
|----------------------------|--------------------|--------------------|--------------------|--------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 1,185,800 | 1,130,800 | 1,127,200 | (3,600) |
| General Fund, One-time | 120,200 | 85,000 | | (85,000) |
| Federal Funds | 225,900 | 3,100 | 3,100 | |
| Dedicated Credits Revenue | 5,200 | 10,000 | 10,000 | |
| GFR - Livestock Brand | 16,500 | 12,700 | 12,700 | |
| GFR - Wildlife Damage Prev | 11,400 | 16,500 | 16,500 | |
| Transfers | 10,900 | | | |
| Beginning Nonlapsing | 381,600 | 403,700 | | (403,700) |
| Closing Nonlapsing | (403,700) | | | |
| Lapsing Balance | (4,200) | | | |
| Total | \$1,549,600 | \$1,661,800 | \$1,169,500 | (\$492,300) |
| Expenditures | | | | |
| Personal Services | 945,200 | 1,008,300 | 986,700 | (21,600) |
| In-State Travel | 4,400 | 4,100 | 4,100 | |
| Out of State Travel | 4,200 | 8,200 | 8,200 | |
| Current Expense | 182,100 | 134,400 | 38,300 | (96,100) |
| DP Current Expense | 105,300 | 101,600 | 70,200 | (31,400) |
| Capital Outlay | 41,700 | 96,000 | | (96,000) |
| Other Charges/Pass Thru | 266,700 | 309,200 | 62,000 | (247,200) |
| Total | \$1,549,600 | \$1,661,800 | \$1,169,500 | (\$492,300) |
| FTE/Other | | | | |
| Total FTE | 19 | 19 | 19 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Internal Auditor

The Department requested \$61,100 in General Funds for hiring an internal auditor. UCA 63-91-201 requires the department to conduct various types of internal auditing functions. Due to lack of funding availability, the Analyst does not recommend funding this item at this time.

Purpose

The Administrative Services program provides financial support for all of the department's programs, the internal service fund, and two loan funds. This program performs fiscal transactions for the department's 200-plus FTEs, 10,000 licenses, and 30,000 brands and earmarks. Other services include human resource management, information technology, establishment of policies and procedures, administration of federal agreements and grants, and other administrative tasks.

**Intent
Language**

Included in this appropriation is \$40,000 in ongoing General Funds (previously \$100,000) for departmental purchases or grants to non-state agencies to purchase conservation easements (1998 General Session). The Analyst recommends **continuing** the following intent language:

It is the intent of the Legislature that the appropriation for grants to charitable organizations specified under UCA 57-18-3, or held by the Department of Agriculture and Food, be used for purchase of conservation easements for agricultural protection and be nonlapsing.

S.B. 1, 2002 General Session, contained intent language that required formation of a task force to study implementation of a Utah Milk Commission. The task force has reported to the Natural Resources Interim Committee, but the Analyst recommends the department provide a brief **report** to the appropriations subcommittee:

It is the intent of the Legislature that the Department of Agriculture and Food organize, staff, and conduct a task force to study the implementation of a Utah Milk Commission, and report back to the Natural Resources, Agriculture, and Environment Interim Committee on or before their October 2002 meeting.

**Previous Building
Block Report**

In the 2002 session the Legislature approved one-time General Funds of:

- \$70,000 for the "Ag in the Classroom" program
- \$15,000 to help high school rodeo competitors travel to interstate competitions.

The department has passed these funds through to the respective oversight agencies.

3.2 Meat Inspection

Recommendation

The Analyst's recommendation of \$1,593,800 represents a 53 percent federal / 47 percent state funding split. This program has typically been funded at approximately a 51 percent federal/49 percent state split. Recent General Fund reductions have lowered the state's share, but it is likely the department will make internal adjustments to bring the ratio closer to 50/50, since these federal funds require a state match. The federal government is paying all of the costs of one inspector doing USDA grading. Personal Services comprise 88 percent of the recommended funding.

| | 2002 | 2003 | 2004 | Est/Analyst |
|------------------------|--------------------|--------------------|--------------------|-------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 770,100 | 757,700 | 754,000 | (3,700) |
| General Fund, One-time | (200) | 33,600 | | (33,600) |
| Federal Funds | 772,900 | 839,800 | 839,800 | |
| Beginning Nonlapsing | 1,000 | 4,700 | | (4,700) |
| Closing Nonlapsing | (4,700) | | | |
| Total | \$1,539,100 | \$1,635,800 | \$1,593,800 | (\$42,000) |
| Expenditures | | | | |
| Personal Services | 1,389,700 | 1,398,700 | 1,401,900 | 3,200 |
| In-State Travel | 14,300 | 20,000 | 20,000 | |
| Out of State Travel | 4,800 | 13,800 | 13,800 | |
| Current Expense | 119,900 | 178,700 | 137,200 | (41,500) |
| DP Current Expense | 7,400 | 24,600 | 20,900 | (3,700) |
| Capital Outlay | 3,000 | | | |
| Total | \$1,539,100 | \$1,635,800 | \$1,593,800 | (\$42,000) |
| FTE/Other | | | | |
| Total FTE | 28 | 28 | 28 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The Department is required by the Utah Meat and Poultry Products Inspection and Licensing Act (UCA 4-32) to provide inspection programs at least equal to those set by the federal government. This program has the responsibility of ensuring Utah consumers receive only clean, wholesome, properly marked and labeled meat and poultry products. This is done through continuous inspection of packing and processing establishments under state jurisdiction. All animals presented for slaughter receive pre- and postmortem inspections. All meat and poultry in state-regulated plants are processed in facilities that are inspected for cleanliness and sanitation. All meat and poultry products are routinely tested on a continual basis. A veterinarian is required to supervise the meat inspector's activities in the slaughter plants at least two hours each month.

3.3 Chemistry Laboratory

Recommendation

Total funding is recommended at \$676,100. This program receives the major portion of its funding from the General Fund. Some funding is supplied by the federal government to pay for half of the salaries of two chemists. The federal funds pay for monitoring of pesticides in groundwater and inspection of meat samples.

| Financing | 2002 Actual | 2003 Estimated* | 2004 Analyst | Est/Analyst Difference |
|---------------------------|------------------------|----------------------------|-------------------------|-----------------------------------|
| General Fund | 648,600 | 622,900 | 619,700 | (3,200) |
| General Fund, One-time | | 6,600 | | (6,600) |
| Federal Funds | 138,900 | 56,400 | 56,400 | |
| Dedicated Credits Revenue | 700 | | | |
| Beginning Nonlapsing | 76,400 | 53,600 | | (53,600) |
| Closing Nonlapsing | (53,600) | | | |
| Total | \$811,000 | \$739,500 | \$676,100 | (\$63,400) |
| Expenditures | | | | |
| Personal Services | 611,200 | 609,200 | 607,700 | (1,500) |
| In-State Travel | 500 | 500 | 500 | |
| Out of State Travel | 4,700 | 2,900 | 2,900 | |
| Current Expense | 80,000 | 80,900 | 50,400 | (30,500) |
| DP Current Expense | 17,100 | 16,000 | 14,600 | (1,400) |
| Capital Outlay | 97,500 | 30,000 | | (30,000) |
| Total | \$811,000 | \$739,500 | \$676,100 | (\$63,400) |
| FTE/Other | | | | |
| Total FTE | 11 | 12 | 12 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The Chemistry Laboratory provides analytical support and services for the various divisions of the Department. Analysis may be performed for other agencies as long as it does not interfere with work required by the Department. In all cases, the purpose of the work is to ensure that products comply with label guarantees, to ensure that products are free of pathogens and toxins, and to protect the consumer, farmer, and industry. Some of the products tested are feed, fertilizer, pesticides, meat and meat products, filling material in bedding and garments, dairy products, food, filth and foreign material, groundwater, and other items as needed.

3.4 Animal Health

Recommendation

The Analyst recommends a total budget of \$733,400. Dedicated Credits come from the sale of health certificates, books, and Coggins testing (for Equine Infectious Anemia). The restricted Tuberculosis and Bangs Account has no ongoing source of revenue and ran out of funds in FY 2002. Per Diem and other costs for the seven-member Livestock Market Committee (UCA 4-30-2) are included in the Current Expense line.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------------|------------------|------------------|------------------|--------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 728,900 | 690,200 | 694,700 | 4,500 |
| General Fund, One-time | 38,400 | 70,700 | | (70,700) |
| Federal Funds | 53,400 | 14,300 | 14,300 | |
| Dedicated Credits Revenue | 24,000 | 24,400 | 24,400 | |
| GFR - TB & Bangs Control | 6,800 | | | |
| Transfers | 2,600 | | | |
| Beginning Nonlapsing | 44,400 | 50,500 | | (50,500) |
| Closing Nonlapsing | (50,500) | | | |
| Total | \$848,000 | \$850,100 | \$733,400 | (\$116,700) |
| Expenditures | | | | |
| Personal Services | 532,400 | 497,100 | 482,400 | (14,700) |
| In-State Travel | 5,200 | 5,000 | 5,000 | |
| Out of State Travel | 6,900 | 9,000 | 9,000 | |
| Current Expense | 98,100 | 126,000 | 33,600 | (92,400) |
| DP Current Expense | 22,500 | 23,000 | 23,400 | 400 |
| Capital Outlay | | 6,000 | | (6,000) |
| Other Charges/Pass Thru | 182,900 | 184,000 | 180,000 | (4,000) |
| Total | \$848,000 | \$850,100 | \$733,400 | (\$116,700) |
| FTE/Other | | | | |
| Total FTE | 8 | 8 | 8 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The aim of the program is to maintain the disease free status and promote the marketability of Utah animals. One example is the recent banning of poultry imports from Nevada and California to prevent the spread of Exotic Newcastle Disease. This benefits the animals, the livestock industry, and the public from disease of animal origin (zoonosis) The program administers various state and federal cooperative disease control programs. It monitors animal imports to the state, reviews all Certificates of Veterinary Inspection, contracts with local veterinarians for vaccinations, and inspects aquaculture facilities, slaughter plants, brine shrimp plants, dog food plants, etc. A staff of veterinarians carries out most of the work. Utah has been tuberculosis free since 1957 and brucellosis free since 1981.

**Previous Building
Block Report**

During the 2002 General Session the Legislature approved a one-time General Fund increase of \$40,000 for Trichomoniasis prevention and control.

3.5 Agricultural Inspection

Recommendation

The Analyst recommends a total budget of \$1,585,000. The major funding source is the General Fund. Dedicated credits come from fees charged on parties desiring state approval for registration, testing, applying, or distributing agricultural chemicals (see fee section).

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------------|--------------------|--------------------|--------------------|--------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 1,081,900 | 1,034,300 | 1,035,100 | 800 |
| General Fund, One-time | (33,000) | 45,900 | | (45,900) |
| Federal Funds | 326,100 | 396,900 | 396,900 | |
| Dedicated Credits Revenue | 97,600 | 153,000 | 153,000 | |
| Transfers | 23,200 | | | |
| Beginning Nonlapsing | 360,600 | 347,200 | | (347,200) |
| Closing Nonlapsing | (347,200) | | | |
| Total | \$1,509,200 | \$1,977,300 | \$1,585,000 | (\$392,300) |
| Expenditures | | | | |
| Personal Services | 1,177,600 | 1,400,000 | 1,322,700 | (77,300) |
| In-State Travel | 18,900 | 25,400 | 25,300 | (100) |
| Out of State Travel | 13,800 | 12,500 | 10,600 | (1,900) |
| Current Expense | 158,300 | 360,700 | 167,000 | (193,700) |
| DP Current Expense | 69,600 | 47,600 | 44,900 | (2,700) |
| Capital Outlay | 27,000 | 10,000 | | (10,000) |
| Other Charges/Pass Thru | 44,000 | 121,100 | 14,500 | (106,600) |
| Total | \$1,509,200 | \$1,977,300 | \$1,585,000 | (\$392,300) |
| FTE/Other | | | | |
| Total FTE | 24 | 27 | 27 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

This program performs a wide scope of inspection, regulatory and enforcement activities, including: Pesticide product registration (UCA 4-13); Fertilizer product registration and sampling (4-14); Nursery licensing and inspection (4-15); Inspection and grading of fresh fruits and vegetables; USDA Restricted Use pesticide record auditing; Utah Noxious Weed Act enforcement (4-16); Animal feed product registration and sampling (4-12); and Seed inspection and sampling (4-16). District field representatives perform inspections and regulatory functions throughout the state. Seasonal personnel are employed as needed. Office personnel are utilized to handle the registrations for pesticide, fertilizer, and feed.

The pesticide program includes applicator certification, pesticide enforcement, worker protection standards, endangered species protection, and groundwater protection.

**Intent
Language**

The Analyst recommends **keeping** the following items of intent language from S.B. 1, 2002 General Session:

It is the intent of the Legislature that the appropriation to the Agricultural Inspection Program be nonlapsing.

It is the intent of the Legislature that funds collected in the Organic Certification Program be nonlapsing.

It is the intent of the Legislature that the Utah Department of Agriculture and Food use its rulemaking authority granted in UCA 4-16-3 to make rules concerning seed container labeling requirements, after consultation with the seed industry, the Utah Seed Council, and the Utah Crop Improvement Association.

3.6 Regulatory Services

Recommendation

The Analyst recommends a total budget of \$2,031,400. Personal Services comprise 87 percent of the recommended appropriation. Federal dollars are used for inspecting egg producers/retailers, inspecting meat handlers, grading dairy products, and inspecting school lunches. Dedicated Credits come from fees charged for inspections of certain operations where food or dairy products are handled.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------------|--------------------|--------------------|--------------------|--------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 1,733,100 | 1,677,400 | 1,671,500 | (5,900) |
| General Fund, One-time | (27,200) | 74,400 | | (74,400) |
| Federal Funds | 85,400 | 111,900 | 111,900 | |
| Dedicated Credits Revenue | 316,300 | 248,000 | 248,000 | |
| Beginning Nonlapsing | 272,900 | 293,300 | | (293,300) |
| Closing Nonlapsing | (293,300) | | | |
| Lapsing Balance | (4,200) | | | |
| Total | \$2,083,000 | \$2,405,000 | \$2,031,400 | (\$373,600) |
| Expenditures | | | | |
| Personal Services | 1,662,300 | 1,780,400 | 1,775,900 | (4,500) |
| In-State Travel | 24,000 | 20,100 | 20,100 | |
| Out of State Travel | 10,000 | 15,900 | 15,900 | |
| Current Expense | 194,300 | 218,000 | 116,200 | (101,800) |
| DP Current Expense | 72,600 | 71,600 | 53,300 | (18,300) |
| Capital Outlay | 117,100 | 239,000 | 10,000 | (229,000) |
| Other Charges/Pass Thru | 2,700 | 60,000 | 40,000 | (20,000) |
| Total | \$2,083,000 | \$2,405,000 | \$2,031,400 | (\$373,600) |
| FTE/Other | | | | |
| Total FTE | 37 | 39 | 39 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Fee Increase for Program Growth

The department has requested some significant fee increases in order to continue to provide inspection services that are currently funded primarily with General Funds, and whose growth is not keeping pace with population growth and the number of industry outlets. Please see the "Agricultural Fees" section of this report. The increased fees are estimated to raise over \$500,000 per year in new revenues. Four new FTEs would be hired (3 inspectors and one bookkeeper). The department is concurrently requesting legislation to create a new restricted fund into which approximately half of the new fee revenues would be deposited. However, the Legislature has been trying to reduce the number of restricted accounts, and the Analyst does not believe a new account is necessary as long as the new fees are designated as Dedicated Credits and the program is made nonlapsing.

Purpose

This program can be broken down into six areas: food compliance, dairy compliance, retail meat compliance, egg and poultry grading, product labeling, and weights and measures. The program's prime responsibility is to ensure that Utah consumers receive a safe, wholesome, and properly labeled supply of food, fiber and other agricultural products. Thirteen compliance officers inspect 2,700 food establishments, 410 dairy farms, 110 milk haulers, and 40 dairy processing plants. One FTE is assigned to administer the laws associated with upholstered furniture and quilted clothing. The weights and measures area conducts inspections to ensure the accuracy of all weighing and measuring devices used in commerce. The department hearing officer is also assigned to this program and conducts all administrative hearings.

3.7 Public Affairs

Recommendation

The Analyst recommends an appropriation of \$76,400, entirely from the General Fund. Aside from Personal Services (84 percent of the appropriation), the single largest cost in this program is printing/binding.

| | 2002 | 2003 | 2004 | Est/Analyst |
|------------------------|-----------------|-----------------|-----------------|------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 82,600 | 76,800 | 76,400 | (400) |
| General Fund, One-time | (900) | | | |
| Beginning Nonlapsing | 8,000 | 4,200 | | (4,200) |
| Closing Nonlapsing | (4,200) | | | |
| Total | \$85,500 | \$81,000 | \$76,400 | (\$4,600) |
| Expenditures | | | | |
| Personal Services | 64,300 | 63,900 | 64,000 | 100 |
| In-State Travel | 200 | 1,400 | 1,400 | |
| Out of State Travel | | 2,000 | 2,000 | |
| Current Expense | 17,500 | 10,500 | 6,100 | (4,400) |
| DP Current Expense | 3,500 | 3,200 | 2,900 | (300) |
| Total | \$85,500 | \$81,000 | \$76,400 | (\$4,600) |
| FTE/Other | | | | |
| Total FTE | 1 | 1 | 1 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The Public Information Officer (PIO) provides information regarding the regulatory duties, food safety inspections, and marketing services offered by the department. The PIO is responsible for informing agricultural producers of changes in laws that affect them. The PIO is also responsible for informing the general public about actions the department takes to protect the food supply. The office uses all methods of communication, including the press, advertising space, newsletters, conferences and seminars, and the Internet.

3.8 Sheep Promotion

Recommendation

The Analyst recommends a budget of \$50,000 funded entirely from the General Fund Restricted - Agricultural and Wildlife Damage Prevention Account. The Department will be authorized to spend up to the appropriated amount, but will be limited to the actual amount collected. In FY 2002 the actual amount spent was \$38,300. There are no FTEs in the program.

| | 2002 | 2003 | 2004 | Est/Analyst |
|----------------------------|-----------------|-----------------|-----------------|-------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| GFR - Wildlife Damage Prev | 50,000 | 50,000 | 50,000 | |
| Lapsing Balance | (11,700) | | | |
| Total | <u>\$38,300</u> | <u>\$50,000</u> | <u>\$50,000</u> | <u>\$0</u> |
| Expenditures | | | | |
| Other Charges/Pass Thru | 38,300 | 50,000 | 50,000 | |
| Total | <u>\$38,300</u> | <u>\$50,000</u> | <u>\$50,000</u> | <u>\$0</u> |
| FTE/Other | | | | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The Department, by law, contracts with the Utah Woolgrowers Association to conduct promotional and educational programs. Statistical data and market information are presented to all woolgrowers comparing market price of lambs in Utah with other areas of the country so that the best market decisions might be made. Department representatives meet with woolgrowers at regular meetings to help stimulate and strengthen sheep and wool producer programs by discussing problems facing the industry and the alternatives necessary to solve them.

3.9 Auction Market Veterinarians

Recommendation The Analyst recommends a total budget of \$72,000 funded entirely from Dedicated Credits. These funds are used to pay for the services of veterinarians. There are no FTEs in the program.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------------|-----------------|-----------------|-----------------|----------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| Dedicated Credits Revenue | 69,600 | 72,000 | 72,000 | |
| Beginning Nonlapsing | 500 | 500 | | (500) |
| Closing Nonlapsing | (500) | | | |
| Total | <u>\$69,600</u> | <u>\$72,500</u> | <u>\$72,000</u> | <u>(\$500)</u> |
| Expenditures | | | | |
| Current Expense | 69,600 | 72,500 | 72,000 | (500) |
| Total | <u>\$69,600</u> | <u>\$72,500</u> | <u>\$72,000</u> | <u>(\$500)</u> |
| FTE/Other | | | | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose There are ten auction markets held throughout the state. The markets are in Smithfield, Weber, Ogden, Roosevelt, Spanish Fork, Utah Livestock Auction, Delta, Cedar City, Richfield, and Salina. A veterinarian inspects all animals that pass through the market. The veterinarian receives \$170 from the Department of Agriculture and Food for performing this service. The auction pays this fee to the Department. In addition, the veterinarian is paid directly by the livestock producers for blood tests, pregnancy tests, and Bangs vaccinations.

Intent Language The Analyst recommends **maintaining** the following intent language from S.B. 1, 2002 General Session:

It is the intent of the Legislature that the appropriation to the Auction Market Veterinarian program be nonlapsing.

3.10 Brand Inspection

Recommendation

The Analyst recommends this program's funding level at \$1,099,700, from two sources: the General Fund and the General Fund Restricted - Utah Livestock Brand and Anti-Theft Fund. Over the years the proportion of this budget coming from General Funds has been declining. Monies flow into the restricted account from brand inspection fees (see fees section). Personal Services comprise 81 percent of the recommended appropriation.

Purpose

| | 2002 | 2003 | 2004 | Est/Analyst |
|------------------------|--------------------|--------------------|--------------------|------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 409,000 | 412,100 | 410,500 | (1,600) |
| General Fund, One-time | (2,800) | | | |
| GFR - Livestock Brand | 670,700 | 687,800 | 689,200 | 1,400 |
| Beginning Nonlapsing | 29,200 | 9,300 | | (9,300) |
| Closing Nonlapsing | (9,300) | | | |
| Lapsing Balance | (14,000) | | | |
| Total | \$1,082,800 | \$1,109,200 | \$1,099,700 | (\$9,500) |
| Expenditures | | | | |
| Personal Services | 843,800 | 895,200 | 895,600 | 400 |
| In-State Travel | 35,900 | 46,900 | 46,900 | |
| Out of State Travel | 2,100 | 5,100 | 5,100 | |
| Current Expense | 177,200 | 141,700 | 137,100 | (4,600) |
| DP Current Expense | 12,000 | 20,300 | 15,000 | (5,300) |
| Capital Outlay | 11,800 | | | |
| Total | \$1,082,800 | \$1,109,200 | \$1,099,700 | (\$9,500) |
| FTE/Other | | | | |
| Total FTE | 23 | 23 | 23 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

The Brand Inspection program was established to keep the loss of livestock through theft and stray to a minimum. Beef cattle in open pasture are more likely to be lost than dairy cattle. Loss prevention is accomplished through enforcement of the brand and stray laws (UCA 4-24 and 4-25) by field and auction inspectors who check all cattle and horses prior to sale, slaughter, or movement across state lines. The program also maintains a brand recording system so that ownership of animals can be readily determined through a master brand identification book. The brand book is published every five years.

In 1997 the Legislature gave this program responsibility of monitoring and regulating elk farming, and in 1999, private elk hunting. Livestock inspectors ensure animal identification, theft protection, genetic purity, and disease control. Domestic elk are now included in the department's definition of livestock.

3.11 Utah Horse Commission

Recommendation

The Analyst recommends an appropriation of \$50,000 from the General Fund Restricted - Horse Racing Account. Usually only about half the appropriation is needed. Revenues come to the restricted account from license fees paid by participants in racing and other racetrack activities. The account is dedicated to financing mandated regulatory responsibilities.

| | 2002 | 2003 | 2004 | Est/Analyst |
|-------------------------|-----------------|-----------------|-----------------|-------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| GFR - Horse Racing | 50,100 | 50,000 | 50,000 | |
| Lapsing Balance | (17,200) | | | |
| Total | \$32,900 | \$50,000 | \$50,000 | \$0 |
| Expenditures | | | | |
| Personal Services | 1,000 | 1,300 | 1,300 | |
| In-State Travel | 2,700 | 2,200 | 2,200 | |
| Current Expense | 1,900 | 1,000 | 1,000 | |
| DP Current Expense | 1,000 | | | |
| Other Charges/Pass Thru | 26,300 | 45,500 | 45,500 | |
| Total | \$32,900 | \$50,000 | \$50,000 | \$0 |
| FTE/Other | | | | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The five-member Utah Horse Racing Commission was created under the Utah Horse Regulation Act (UCA 4-38). The commission provides a regulatory structure, administers rules and regulations, issues licenses, collects license fees, sanctions tracks and pays for approved expenses such as:

- Stewards (Commission may delegate three Stewards at each race meet to enforce rules);
- Veterinarians;
- Blood and urine testing;
- Assistance with insurance and other items mandated by the Act.

3.12 Agricultural Environmental Quality

Recommendation

The Analyst recommends a total budget of \$1,484,300. The revenue transfer comes from the Division of Water Quality in the Department of Environmental Quality. Federal funds are granted mostly for groundwater salinity studies, but some are used for educating farmers about AFO/CAFO problems.

| | 2002 | 2003 | 2004 | Est/Analyst |
|-------------------------|--------------------|--------------------|--------------------|-------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 305,400 | 292,100 | 292,900 | 800 |
| General Fund, One-time | (3,800) | | | |
| Federal Funds | 657,900 | 654,100 | 653,700 | (400) |
| Transfers | 1,898,700 | 537,700 | 537,700 | |
| Beginning Nonlapsing | 40,000 | 46,200 | | (46,200) |
| Closing Nonlapsing | (46,200) | | | |
| Total | \$2,852,000 | \$1,530,100 | \$1,484,300 | (\$45,800) |
| Expenditures | | | | |
| Personal Services | 388,100 | 406,900 | 399,400 | (7,500) |
| In-State Travel | 8,200 | 9,300 | 9,300 | |
| Out of State Travel | 4,700 | 8,100 | 8,100 | |
| Current Expense | 49,000 | 39,900 | 28,100 | (11,800) |
| DP Current Expense | 26,500 | 31,900 | 20,400 | (11,500) |
| Capital Outlay | | 10,000 | | (10,000) |
| Other Charges/Pass Thru | 2,375,500 | 1,024,000 | 1,019,000 | (5,000) |
| Total | \$2,852,000 | \$1,530,100 | \$1,484,300 | (\$45,800) |
| FTE/Other | | | | |
| Total FTE | 7 | 7 | 7 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

This program administers the agricultural portion of Utah's nonpoint source water pollution control and prevention program. The program provides incentive funding assistance to farmers and ranchers to voluntarily implement structural and management practices which help prevent animal waste and soil sediment from entering the state's water in priority watersheds. Funds are also used to in conjunction with private and other government resources. This program is divided into three areas: Watershed Management, Groundwater Management, and Information and Education. Assistance is given to farmers and ranchers to meet the mandates of the federal Clean Water Act and the water quality rules of the State of Utah.

3.13 Grain Inspection

Recommendation

The Analyst recommends a budget of \$437,100 funded from Dedicated Credits. However, it is not likely that the full appropriation will be collected (see FY 2002 actual). The pass-through in this program goes to the Federal Grain Inspection Service.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------------|------------------|------------------|------------------|-------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| Dedicated Credits Revenue | 193,500 | 437,100 | 437,100 | |
| Beginning Nonlapsing | 300 | | | |
| Total | \$193,800 | \$437,100 | \$437,100 | \$0 |
| Expenditures | | | | |
| Personal Services | 165,000 | 374,200 | 375,500 | 1,300 |
| In-State Travel | | 1,200 | 1,200 | |
| Out of State Travel | | 2,100 | 2,100 | |
| Current Expense | 21,000 | 35,600 | 34,300 | (1,300) |
| DP Current Expense | 400 | | | |
| Other Charges/Pass Thru | 7,400 | 24,000 | 24,000 | |
| Total | \$193,800 | \$437,100 | \$437,100 | \$0 |
| FTE/Other | | | | |
| Total FTE | 6 | 10 | 10 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Depressed Fee Collections

The Department requested \$55,000 in General Funds to offset current declines in Dedicated Credits collected by this program. Recent drought and depressed world markets for American grains have resulted in a decrease in business for this program. Due to lack of funding availability, the Analyst does not recommend funding this item at this time.

Purpose

Grain inspection services are provided under authority of UCA 4-2 and under the authority of the Federal Grain Inspection Service. All grain common to Utah may be officially inspected and graded to U.S. standards. These services are provided on a fee basis to grain elevators, flour mills, farmers, and others. Being funded entirely by dedicated credits, the program has some flexibility to adjust its expenditures to meet the demands of the industry according to production during the year. As a result, there may be a fluctuation between the amount appropriated and the amount expended during the year.

Intent Language

The Analyst recommends **maintaining** the following intent language from S.B. 1, 2002 General Session:

It is the intent of the Legislature that the appropriation to the Grain Inspection Program be nonlapsing.

3.14 Insect Infestation

Recommendation

The Analyst recommends a budget of \$211,800, funded mostly by the General Fund. Personal Services comprise 98 percent of the recommended appropriation. There are two permanent FTEs in this area, with an additional six FTEs of seasonal employees.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------------|------------------|------------------|------------------|--------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 202,200 | 199,200 | 199,000 | (200) |
| General Fund, One-time | 120,000 | 8,800 | | (8,800) |
| Federal Funds | 76,800 | 12,800 | 12,800 | |
| Dedicated Credits Revenue | 72,100 | | | |
| Beginning Nonlapsing | 208,000 | 94,900 | | (94,900) |
| Closing Nonlapsing | (94,900) | | | |
| Total | \$584,200 | \$315,700 | \$211,800 | (\$103,900) |
| Expenditures | | | | |
| Personal Services | 351,200 | 266,500 | 206,900 | (59,600) |
| In-State Travel | 25,200 | 8,000 | 600 | (7,400) |
| Out of State Travel | | 1,400 | | (1,400) |
| Current Expense | 128,700 | 36,600 | 1,400 | (35,200) |
| DP Current Expense | 3,700 | 3,200 | 2,900 | (300) |
| Other Charges/Pass Thru | 75,400 | | | |
| Total | \$584,200 | \$315,700 | \$211,800 | (\$103,900) |
| FTE/Other | | | | |
| Total FTE | 8 | 8 | 8 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Ongoing Insect Infestations

The Department has requested a \$350,000 increase to this program to combat the ongoing insect problem. Due to lack of funds the Analyst is unable to recommend this increase at this time.

Purpose

The Insect Infestation Control Act of 1985 (UCA 4-35) mandates an effective control of insects that are extremely harmful to agricultural production in Utah. The law further provides quarantine powers to the Commissioner to prevent the spread or invasion of plant pests and disease. Program employees perform insect surveys and trappings.

The grasshopper and cricket infestation of 2002 was the worst since the 1930s. Early egg surveys indicate the infestation of 2003 could be much worse barring a wet spring and effective control measures from all levels of government.

Previous Building Block Report

During the FY 2002 supplemental appropriation process, the Executive Appropriations Committee gave \$120,000 in General Funds to combat the expected grasshopper and cricket infestation this summer. Another \$10,000 in matching dollars was provided by the federal government. This funding will not be used on federal lands.

3.15 Marketing and Development

Recommendation The Analyst recommends a total budget of \$385,200 funded entirely from the General Fund.

| | 2002 | 2003 | 2004 | Est/Analyst |
|-------------------------|------------------|------------------|------------------|-------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 437,400 | 385,400 | 385,200 | (200) |
| General Fund, One-time | (13,500) | | | |
| Federal Funds | 198,500 | | | |
| Transfers | 16,500 | | | |
| Beginning Nonlapsing | 87,700 | 69,600 | | (69,600) |
| Closing Nonlapsing | (69,600) | | | |
| Lapsing Balance | (20,000) | | | |
| Total | \$637,000 | \$455,000 | \$385,200 | (\$69,800) |
| Expenditures | | | | |
| Personal Services | 256,500 | 276,400 | 257,200 | (19,200) |
| In-State Travel | 2,700 | 4,000 | 4,000 | |
| Out of State Travel | 9,900 | 6,300 | 6,300 | |
| Current Expense | 128,500 | 82,500 | 69,200 | (13,300) |
| DP Current Expense | 10,600 | 19,600 | 11,900 | (7,700) |
| Capital Outlay | | 10,000 | | (10,000) |
| Other Charges/Pass Thru | 228,800 | 56,200 | 36,600 | (19,600) |
| Total | \$637,000 | \$455,000 | \$385,200 | (\$69,800) |
| FTE/Other | | | | |
| Total FTE | 5 | 5 | 5 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose The purpose of this program is to help production agriculture in economic development by expanding markets, adding value to locally-produced commodities, developing new products and promoting in-state processing of state, national, and international materials. The "Product of Utah" program identifies Utah products to the local consumer. The success of the 2002 Winter Olympics has established global name recognition for Utah. The department is working to maximize the "Utah Brand" in the global marketplace. The division also coordinates outreach efforts in educating Utah farmers about assistance programs and risk management tools available to them. A conservation arm of this program coordinates the department's soil and water conservation efforts. The market news function of this program provides market information to Utah's farmers, ranchers, and associated agribusinesses.

3.16 Research

Recommendation

All funding for this program was cut during previous budget reductions. The \$74,200 beginning balance in FY 2002 represents projects that weren't completed by the end of the fiscal year and for which money was carried forward. All funding should be expended by the end of FY 2003.

| | 2002 | 2003 | 2004 | Est/Analyst |
|-------------------------|-----------------|-----------------|---------|-------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| Beginning Nonlapsing | 74,200 | 38,700 | | (38,700) |
| Closing Nonlapsing | (38,700) | | | |
| Total | <u>\$35,500</u> | <u>\$38,700</u> | \$0 | <u>(\$38,700)</u> |
| Expenditures | | | | |
| Other Charges/Pass Thru | 35,500 | 38,700 | | (38,700) |
| Total | <u>\$35,500</u> | <u>\$38,700</u> | \$0 | <u>(\$38,700)</u> |
| FTE/Other | | | | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

Historically, the Department was allocated funding to finance its research priorities at the state's major universities, provide seed money for research projects, and match research dollars provided by others.

Intent Language

Because this program no longer receives an appropriation, the Analyst recommends **discontinuing** the following intent language from S.B. 1, 2002 General Session:

It is the intent of the Legislature that the appropriation to the Research program be nonlapsing.

4.0 Additional Information: Administration

4.1 Funding History

| | 2000 | 2001 | 2002 | 2003 | 2004 |
|------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Financing | Actual | Actual | Actual | Estimated* | Analyst |
| General Fund | 7,382,600 | 7,584,000 | 7,585,000 | 7,278,900 | 7,266,200 |
| General Fund, One-time | 130,000 | 315,000 | 197,200 | 325,000 | |
| Federal Funds | 1,812,000 | 1,893,700 | 2,535,800 | 2,089,300 | 2,088,900 |
| Dedicated Credits Revenue | 704,100 | 811,800 | 779,000 | 944,500 | 944,500 |
| GFR - Horse Racing | 50,000 | 50,000 | 50,100 | 50,000 | 50,000 |
| GFR - Livestock Brand | 681,200 | 737,500 | 687,200 | 700,500 | 701,900 |
| GFR - TB & Bangs Control | 6,800 | 10,000 | 6,800 | | |
| GFR - Wildlife Damage Prev | 63,500 | 63,500 | 61,400 | 66,500 | 66,500 |
| Transfers | 897,000 | 714,200 | 1,951,900 | 537,700 | 537,700 |
| Beginning Nonlapsing | 1,344,000 | 1,322,000 | 1,584,800 | 1,416,400 | |
| Closing Nonlapsing | (1,316,400) | (1,584,800) | (1,416,400) | | |
| Lapsing Balance | (85,700) | (101,300) | (71,300) | | |
| Total | \$11,669,100 | \$11,815,600 | \$13,951,500 | \$13,408,800 | \$11,655,700 |
| Programs | | | | | |
| General Administration | 1,107,300 | 1,361,300 | 1,549,600 | 1,661,800 | 1,169,500 |
| Meat Inspection | 1,625,200 | 1,574,600 | 1,539,100 | 1,635,800 | 1,593,800 |
| Chemistry Laboratory | 958,000 | 707,900 | 811,000 | 739,500 | 676,100 |
| Animal Health | 683,400 | 742,200 | 848,000 | 850,100 | 733,400 |
| Agriculture Inspection | 1,320,800 | 1,513,000 | 1,509,200 | 1,977,300 | 1,585,000 |
| Regulatory Services | 1,866,400 | 2,017,000 | 2,083,000 | 2,405,000 | 2,031,400 |
| Public Affairs | 82,700 | 77,600 | 85,500 | 81,000 | 76,400 |
| Sheep Promotion | 25,200 | 28,600 | 38,300 | 50,000 | 50,000 |
| Auction Market Veterinarians | 72,100 | 71,400 | 69,600 | 72,500 | 72,000 |
| Brand Inspection | 1,061,100 | 1,056,900 | 1,082,800 | 1,109,200 | 1,099,700 |
| Utah Horse Commission | 25,800 | 24,400 | 32,900 | 50,000 | 50,000 |
| Environmental Quality | 1,519,400 | 1,260,800 | 2,852,000 | 1,530,100 | 1,484,300 |
| Grain Inspection | 246,900 | 250,200 | 193,800 | 437,100 | 437,100 |
| Insect Inspection | 520,100 | 557,700 | 584,200 | 315,700 | 211,800 |
| Marketing and Development | 414,800 | 444,100 | 637,000 | 455,000 | 385,200 |
| Research | 139,900 | 127,900 | 35,500 | 38,700 | |
| Total | \$11,669,100 | \$11,815,600 | \$13,951,500 | \$13,408,800 | \$11,655,700 |
| Expenditures | | | | | |
| Personal Services | 7,626,000 | 8,208,600 | 8,388,300 | 8,978,100 | 8,777,200 |
| In-State Travel | 146,300 | 146,500 | 142,200 | 148,100 | 140,600 |
| Out of State Travel | 76,800 | 75,100 | 61,100 | 87,300 | 84,000 |
| Current Expense | 1,442,800 | 1,455,000 | 1,426,100 | 1,519,000 | 891,900 |
| DP Current Expense | 457,000 | 455,800 | 352,200 | 362,600 | 280,400 |
| Capital Outlay | 277,900 | 2,700 | 298,100 | 401,000 | 10,000 |
| Other Charges/Pass Thru | 1,642,300 | 1,471,900 | 3,283,500 | 1,912,700 | 1,471,600 |
| Total | \$11,669,100 | \$11,815,600 | \$13,951,500 | \$13,408,800 | \$11,655,700 |
| FTE/Other | | | | | |
| Total FTE | 169 | 180 | 175 | 184 | 184 |

*General and school funds as revised by Supplemental Bills I-V, 2002 Gen and Spec Sessions. Others as estimated by agency.

4.2 Federal Funds

| | | | FY 2002 Actual | FY 2003 Estimated | FY 2004 Analyst |
|-------------|----------------------------|----------------------|---------------------------|------------------------------|----------------------------|
| Program: | Administration | Federal | 225,900 | 3,100 | 3,100 |
| Fed Agency: | Farmers Home Admin | State Match | 2,300 | 1,300 | 1,300 |
| Purpose: | Loan Mediation | Total | 228,200 | 4,400 | 4,400 |
| Program: | Meat Inspection | Federal | 772,900 | 839,800 | 839,800 |
| Fed Agency: | USDA | State Match | 772,900 | 810,300 | 808,800 |
| Purpose: | Meat Inspection | Total | 1,545,800 | 1,650,100 | 1,648,600 |
| Program: | Chemistry Lab | Federal | 138,900 | 56,400 | 56,400 |
| Fed Agency: | EPA and USDA | State Match | 45,200 | 14,900 | 14,900 |
| Purpose: | Pesticide and Meat Insp | Total | 184,100 | 71,300 | 71,300 |
| Program: | Animal Health | Federal | 53,400 | 14,300 | 14,300 |
| Fed Agency: | USDA | State Match | 53,400 | 14,300 | 14,300 |
| Purpose: | Meat Inspection | Total | 106,800 | 28,600 | 28,600 |
| Program: | Plant Industry | Federal | 326,100 | 396,900 | 396,900 |
| Fed Agency: | EPA and USDA | State Match | 91,900 | 112,300 | 112,400 |
| Purpose: | Pesticide Regulation | Total | 418,000 | 509,200 | 509,300 |
| Program: | Regulatory Services | Federal | 85,400 | 111,900 | 111,900 |
| Fed Agency: | USDA | State Match | 37,700 | 45,000 | 45,000 |
| Purpose: | Grading and Inspection | Total | 123,100 | 156,900 | 156,900 |
| Program: | Insect Infestation | Federal | 76,800 | 12,800 | 12,800 |
| Fed Agency: | USDA | State Match | | | |
| Purpose: | Control of Various Insects | Total | 76,800 | 12,800 | 12,800 |
| Program: | Enviro Quality | Federal | 657,900 | 654,100 | 653,700 |
| Fed Agency: | BLM | State Match | | | |
| Purpose: | Salinity Grant | Total | 657,900 | 654,100 | 653,700 |
| Program: | Marketing & Development | Federal | 198,500 | | |
| Fed Agency: | USDA | State Match | | | |
| Purpose: | Product Promotion | Total | 198,500 | 0 | 0 |
| | | Federal Total | 2,535,800 | 2,089,300 | 2,088,900 |
| | | State Total | 1,003,400 | 998,100 | 996,700 |
| | | Total | 3,539,200 | 3,087,400 | 3,085,600 |

Office of the
Legislative Fiscal Analyst

FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Natural Resources

Utah Department of Agriculture and Food
Building Operation and Maintenance

Contents:

- 1.0 Summary
- 2.0 Issues
- 3.0 Programs
- 4.0 Additional Information

This Page Intentionally Left Blank

1.0 Summary: Building Operation and Maintenance

The Agriculture Building is located at 350 North Redwood Road. The Division of Facilities Construction and Management (DFCM) conducts management of the building.

| | Analyst FY 2004 Base | Analyst FY 2004 Changes | Analyst FY 2004 Total |
|---------------------|-------------------------------------|--|--------------------------------------|
| Financing | | | |
| General Fund | 252,800 | | 252,800 |
| Total | \$252,800 | \$0 | \$252,800 |
| Programs | | | |
| Building Operations | 252,800 | | 252,800 |
| Total | \$252,800 | \$0 | \$252,800 |
| FTE/Other | | | |

2.0 Issues: Building Operation and Maintenance

2.1 Previous Budget Reductions

During the 2002 General Session and subsequent special sessions, the Legislature made the following ongoing General Fund adjustments:

| | |
|---|-------------------------|
| FY 2003 Beginning Base: | <u>\$228,000</u> |
| ISF rate changes | 36,000 |
| Across-the-board cuts (sixth special session) | <u>(11,200)</u> |
| FY 2004 Beginning Base | <u>\$252,800</u> |

3.0 Programs: Building Operation and Maintenance

3.1 Building Operation and Maintenance

Recommendation

The Analyst recommends a budget of \$252,800, funded entirely from the General Fund. The recent reduction in General Funds does not mean the rates charged by DFCM will decrease. The department will make adjustments in order to continue to pay its maintenance costs.

| | 2002 | 2003 | 2004 | Est/Analyst |
|------------------------|------------------|------------------|------------------|-------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 228,000 | 252,800 | 252,800 | |
| General Fund, One-time | 15,800 | | | |
| Total | <u>\$243,800</u> | <u>\$252,800</u> | <u>\$252,800</u> | <u>\$0</u> |
| Expenditures | | | | |
| Current Expense | 243,800 | 252,800 | 252,800 | |
| Total | <u>\$243,800</u> | <u>\$252,800</u> | <u>\$252,800</u> | <u>\$0</u> |
| FTE/Other | | | | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The purpose of this program is to contract with the Division of Facilities and Construction Management (DFCM) for maintenance of the Agriculture Building.

4.0 Additional Information: Building Operation and Maintenance

4.1 Funding History

| | 2000 | 2001 | 2002 | 2003 | 2004 |
|------------------------|------------------|------------------|------------------|-------------------|------------------|
| Financing | Actual | Actual | Actual | Estimated* | Analyst |
| General Fund | 228,000 | 228,000 | 228,000 | 252,800 | 252,800 |
| General Fund, One-time | | | 15,800 | | |
| Total | \$228,000 | \$228,000 | \$243,800 | \$252,800 | \$252,800 |
| Programs | | | | | |
| Building Operations | 228,000 | 228,000 | 243,800 | 252,800 | 252,800 |
| Total | \$228,000 | \$228,000 | \$243,800 | \$252,800 | \$252,800 |
| Expenditures | | | | | |
| Current Expense | 228,000 | 228,000 | 243,800 | 252,800 | 252,800 |
| Total | \$228,000 | \$228,000 | \$243,800 | \$252,800 | \$252,800 |
| FTE/Other | | | | | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions.
Other funds as estimated by agency.

Office of the
Legislative Fiscal Analyst

FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Natural Resources

Utah Department of Agriculture and Food
Predatory Animal Control

Contents:

- 1.0 Summary
- 2.0 Issues
- 3.0 Programs
- 4.0 Additional Information

This Page Intentionally Left Blank

1.0 Summary: Predatory Animal Control

The Predatory Animal Control Program administers the Agricultural and Wildlife Damage Prevention Act (UCA 4-23) under guidance of the nine-member Agricultural and Wildlife Damage Prevention Board. The Commissioner and the Director of the Division of Wildlife Resources serve as the board's chair and vice chair. This line item consists of just one program.

The primary funding source is the General Fund (including General Fund transfers from the Division of Wildlife Resources), although some funding comes from the General Fund Restricted - Agricultural and Wildlife Damage Prevention Fund. Revenue to the restricted account comes from annual predator control fees (nicknamed a "head tax") imposed on sheep, goats, cattle and turkeys that the program is designed to protect. Some of the revenue from sheep and fleece also goes to fund the Sheep Promotion program.

In spite of statute (UCA 4-23-9) requiring the Department to request General Funds equal to 120 percent of the money collected from the "head tax" during the previous fiscal year, the Legislature has been appropriating approximately double the required amount, or 240% (not counting the additional General Funds transferred from the Division of Wildlife Resources). The Analyst's recommendation would almost maintain that percentage, as actual collections in FY 2002 were near \$300,000.

| | Analyst FY 2004 Base | Analyst FY 2004 Changes | Analyst FY 2004 Total |
|----------------------------|-------------------------------------|--|--------------------------------------|
| Financing | | | |
| General Fund | 584,700 | | 584,700 |
| GFR - Wildlife Damage Prev | 462,100 | | 462,100 |
| Transfers | 266,400 | | 266,400 |
| Total | \$1,313,200 | \$0 | \$1,313,200 |
| Programs | | | |
| Predatory Animal Control | 1,313,200 | | 1,313,200 |
| Total | \$1,313,200 | \$0 | \$1,313,200 |
| FTE/Other | | | |
| Total FTE | 17 | | 17 |

2.0 Issues: Predatory Animal Control

2.1 Previous Budget Reductions

During the 2002 General Session and subsequent special sessions, the Legislature made the following ongoing General Fund adjustments:

| | |
|---|-------------------------|
| FY 2003 Beginning Base: | <u>\$643,200</u> |
| ISF rate changes | 4,300 |
| Retirement rate/extra working day adjustments | 11,100 |
| Insurance benefit adjustments | 7,300 |
| Internal spending cuts | (55,200) |
| Across-the-board cuts (sixth special session) | <u>(26,000)</u> |
| FY 2004 Beginning Base | <u>\$584,700</u> |

3.0 Programs: Predatory Animal Control

3.1 Predatory Animal Control

Recommendation

The Analyst recommends a total budget of \$1,313,200 funded from three sources: the General Fund, the General Fund Restricted - Agricultural and Wildlife Damage Prevention Fund, and transfers from the Division of Wildlife Resources. Of the transfer, \$200,000 is required by intent language, and another \$76,700 is directed by statute. However, unless additional money is provided, only the base budget of \$66,400 will be funded.

| | 2002 | 2003 | 2004 | Est/Analyst |
|----------------------------|--------------------|--------------------|--------------------|--------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 628,500 | 584,700 | 584,700 | |
| General Fund, One-time | (19,600) | | | |
| GFR - Wildlife Damage Prev | 451,500 | 461,000 | 462,100 | 1,100 |
| Transfers | 269,200 | 266,400 | 266,400 | |
| Beginning Nonlapsing | 215,600 | 192,500 | | (192,500) |
| Closing Nonlapsing | (192,500) | | | |
| Lapsing Balance | (202,300) | | | |
| Total | \$1,150,400 | \$1,504,600 | \$1,313,200 | (\$191,400) |
| Expenditures | | | | |
| Personal Services | 706,800 | 721,400 | 680,900 | (40,500) |
| In-State Travel | 39,500 | 47,000 | 47,000 | |
| Out of State Travel | 800 | 1,700 | 1,700 | |
| Current Expense | 144,000 | 329,800 | 206,200 | (123,600) |
| Other Charges/Pass Thru | 259,300 | 404,700 | 377,400 | (27,300) |
| Total | \$1,150,400 | \$1,504,600 | \$1,313,200 | (\$191,400) |
| FTE/Other | | | | |
| Total FTE | 17 | 17 | 17 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

This program is a cooperative effort between the USDA APHIS (Animal and Plant Health Inspection Service) and the Utah Department of Agriculture and Food. The cooperative program is jointly financed, with the federal government paying about half of the cost and providing sixteen FTEs.

The objective of the program is to minimize livestock and wildlife losses to predators on private, state and federal land. This objective is met by using non-lethal and some lethal control methods. The program also assists in controlling urban wildlife such as raccoons and skunks. Every year Utah woolgrowers lose about 10 percent of their animals to predators. Cattle ranchers suffer losses to coyotes, mountain lions, bears, and other predators. Annual livestock losses to predators cost an estimated \$3 million even with the program in place.

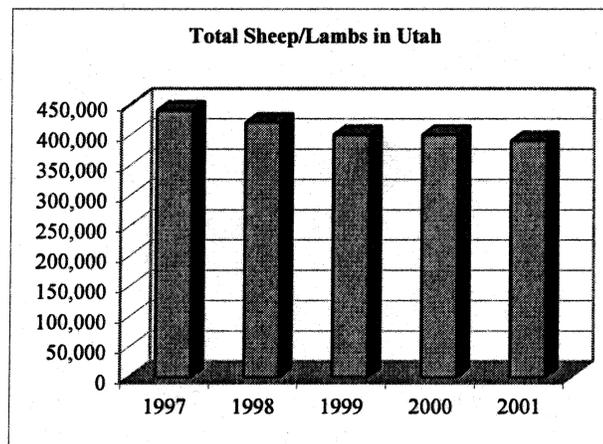
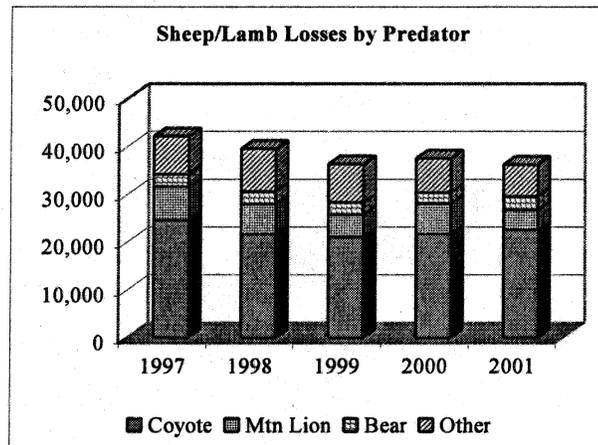
Intent Language

The Analyst recommends **continuing** the following intent language from S.B. 1, 2002 General Session:

It is the intent of the Legislature that the appropriation to the Predatory Animal Control program be nonlapsing.

It is the intent of the Legislature that the Division of Wildlife Resources transfer \$200,000 General Funds to the Department of Agriculture and Food. It is further the intent of the Legislature that \$100,000 of this transfer be used to match funds from local governments in the Predatory Animal Control program, and \$100,000 be used to supplement the amount required by UCA 4-23-9(2)(a). These funds shall be nonlapsing.

Performance Measures



4.0 Additional Information: Predatory Animal Control**4.1 Funding History**

| | 2000 | 2001 | 2002 | 2003 | 2004 |
|----------------------------|------------------|--------------------|--------------------|--------------------|--------------------|
| | Actual | Actual | Actual | Estimated* | Analyst |
| Financing | | | | | |
| General Fund | 612,000 | 630,300 | 628,500 | 584,700 | 584,700 |
| General Fund, One-time | | | (19,600) | | |
| GFR - Wildlife Damage Prev | 429,700 | 442,700 | 451,500 | 461,000 | 462,100 |
| Transfers | 114,500 | 265,300 | 269,200 | 266,400 | 266,400 |
| Beginning Nonlapsing | 203,400 | 253,400 | 215,600 | 192,500 | |
| Closing Nonlapsing | (253,400) | (215,600) | (192,500) | | |
| Lapsing Balance | (169,000) | (213,600) | (202,300) | | |
| Total | \$937,200 | \$1,162,500 | \$1,150,400 | \$1,504,600 | \$1,313,200 |
| Programs | | | | | |
| Predatory Animal Control | 937,200 | 1,162,500 | 1,150,400 | 1,504,600 | 1,313,200 |
| Total | \$937,200 | \$1,162,500 | \$1,150,400 | \$1,504,600 | \$1,313,200 |
| Expenditures | | | | | |
| Personal Services | 634,800 | 683,200 | 706,800 | 721,400 | 680,900 |
| In-State Travel | 42,700 | 42,100 | 39,500 | 47,000 | 47,000 |
| Out of State Travel | 1,600 | 400 | 800 | 1,700 | 1,700 |
| Current Expense | 202,100 | 189,300 | 144,000 | 329,800 | 206,200 |
| DP Current Expense | | 1,100 | | | |
| Capital Outlay | | 13,600 | | | |
| Other Charges/Pass Thru | 56,000 | 232,800 | 259,300 | 404,700 | 377,400 |
| Total | \$937,200 | \$1,162,500 | \$1,150,400 | \$1,504,600 | \$1,313,200 |
| FTE/Other | | | | | |
| Total FTE | 17 | 17 | 17 | 17 | 17 |

*General and school funds as revised by Supplemental Bills I-V; 2002 Gen and Spec Sessions. Others as estimated by agency.

This Page Intentionally Left Blank

Office of the
Legislative Fiscal Analyst

FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Natural Resources

Utah Department of Agriculture and Food
Resource Conservation

Contents:

- 1.0 Summary
- 2.0 Issues
- 3.0 Programs
- 4.0 Additional Information

This Page Intentionally Left Blank

1.0 Summary: Resource Conservation

The Resource Conservation line item encompasses three programs: Resource Conservation Administration, Soil Conservation Commission, and Soil Conservation Districts (SCD). Most of the funds in the line item go to the 38 individual SCDs or their state association, the Utah Association of Conservation Districts.

There is more demand on the state's private lands and water resources than ever. The purpose of the programs in this line item is to curb the loss of soil and water to natural erosion, man-caused pollution, and poor land use planning. There are many programs that have been developed to solve these problems. Most are voluntary and incentive-based, and most are delivered through the SCDs.

| | Analyst FY 2004 Base | Analyst FY 2004 Changes | Analyst FY 2004 Total |
|----------------------------------|-------------------------------------|--|--------------------------------------|
| Financing | | | |
| General Fund | 1,041,700 | | 1,041,700 |
| Agri Resource Development | 235,400 | | 235,400 |
| Beginning Nonlapsing | 3,700 | | 3,700 |
| Total | \$1,280,800 | \$0 | \$1,280,800 |
| Programs | | | |
| Resource Conservation Administra | 128,000 | | 128,000 |
| Soil Conservation Commission | 8,800 | | 8,800 |
| Resource Conservation | 1,144,000 | | 1,144,000 |
| Total | \$1,280,800 | \$0 | \$1,280,800 |
| FTE/Other | | | |
| Total FTE | 2 | | 2 |

2.0 Issues: Resource Conservation

2.1 Previous Budget Reductions

During the 2002 General Session and subsequent special sessions, the Legislature made the following ongoing General Fund adjustments:

| | |
|---|---------------------------|
| FY 2003 Beginning Base: | <u>\$1,196,300</u> |
| ISF rate changes | 500 |
| Retirement rate/extra working day adjustments | 1,100 |
| Insurance benefit adjustments | 2,800 |
| Internal spending cuts | (80,700) |
| Transfer from UACD to Admin | (32,000) |
| Across-the-board cuts (sixth special session) | <u>(46,300)</u> |
| FY 2004 Beginning Base | <u>\$1,041,700</u> |

3.0 Programs: Resource Conservation

3.1 Resource Conservation Administration

Recommendation

The Analyst recommends a total budget of \$128,000. Funding from the Agriculture Resource Development Fund is used to cover costs of technical support to the Agricultural Resource Development Loan (ARDL) program.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------------|------------------|------------------|------------------|--------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 120,600 | 118,600 | 118,600 | |
| General Fund, One-time | 377,500 | | | |
| Agri Resource Development | 5,400 | 5,700 | 5,700 | |
| Beginning Nonlapsing | 6,000 | 224,400 | 3,700 | (220,700) |
| Closing Nonlapsing | (224,400) | (3,700) | | 3,700 |
| Total | \$285,100 | \$345,000 | \$128,000 | (\$217,000) |
| Expenditures | | | | |
| Personal Services | 103,700 | 100,600 | 100,700 | 100 |
| In-State Travel | 2,800 | 4,000 | 4,000 | |
| Out of State Travel | 1,300 | 2,300 | 2,300 | |
| Current Expense | 16,000 | 9,600 | 15,100 | 5,500 |
| DP Current Expense | 5,800 | 6,400 | 5,900 | (500) |
| Other Charges/Pass Thru | 155,500 | 222,100 | | (222,100) |
| Total | \$285,100 | \$345,000 | \$128,000 | (\$217,000) |
| FTE/Other | | | | |
| Total FTE | 2 | 2 | 2 | |

*General and school funds as revised by Supplemental Bills 1-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

This program complies with the Department's mandate (UCA 4-2-2(1)(o)) to "assist the Soil Conservation Commission in the administration of [the Soil Conservation Commission Act] and administer and disburse any funds which are available for the purpose of assisting soil conservation districts." In other words, this program provides technical and accounting support to the Soil Conservation Commission.

Intent Language

In all even-numbered years elections are held in each of the 38 conservation districts. Funds are provided each year, but are held during non-election years in a nonlapsing account. The Analyst recommends **continuing** the following intent language from S.B. 1, 2002 General Session:

It is the intent of the Legislature that funding approved for Soil Conservation District elections be nonlapsing and be spent only during even-numbered years when elections take place.

Prior Building Block Report

The 2001 Legislature passed S.B. 66, which appropriated one-time General Funds in the amount of \$400,000 for grants to Animal Feeding Operations. This amount was later reduced by \$22,400 in the FY 2002 supplemental appropriation. The department has received great response from Animal Feed Operations interested in taking steps necessary to avoid federal regulation.

3.2 Soil Conservation Commission

Recommendation

The Analyst recommends a budget of \$8,800 funded entirely from the General Fund. The funding will pay for seven Soil Conservation District supervisors to attend six meetings of the Soil Conservation Commission. There are no FTEs in the program.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------|----------------|----------------|----------------|-------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 9,200 | 8,800 | 8,800 | |
| Total | <u>\$9,200</u> | <u>\$8,800</u> | <u>\$8,800</u> | <u>\$0</u> |
| Expenditures | | | | |
| Personal Services | 3,100 | 3,100 | 3,100 | |
| In-State Travel | 6,100 | 5,500 | 5,500 | |
| Current Expense | | 200 | 200 | |
| Total | <u>\$9,200</u> | <u>\$8,800</u> | <u>\$8,800</u> | <u>\$0</u> |
| FTE/Other | | | | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The purpose of this program is to provide funding for the per diems of seven Soil Conservation District supervisors who sit on the Soil Conservation Commission (UCA 4-18-4). Each Soil Conservation District has five locally elected, individuals serving as supervisors, from whom the members of the Soil Conservation Commission are chosen.

3.3 Resource Conservation (Soil Conservation Districts)

Recommendation

The Analyst recommends a total budget of \$1,144,000, funded from the General Fund and the Agriculture Resource Development Fund. There are no FTEs in this program. District Supervisors are reimbursed for their expenses and receive some payment for their time when doing conservation work.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------------|--------------------|--------------------|--------------------|----------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 1,041,100 | 914,300 | 914,300 | |
| General Fund, One-time | (32,000) | | | |
| Dedicated Credits Revenue | 400 | | | |
| Agri Resource Development | 229,700 | 229,700 | 229,700 | |
| Beginning Nonlapsing | 2,400 | 600 | | (600) |
| Closing Nonlapsing | (600) | | | |
| Lapsing Balance | (400) | | | |
| Total | \$1,240,600 | \$1,144,600 | \$1,144,000 | (\$600) |
| Expenditures | | | | |
| Personal Services | 54,300 | 51,600 | 51,600 | |
| In-State Travel | 28,800 | 33,700 | 33,700 | |
| Out of State Travel | 6,900 | 8,500 | 8,500 | |
| Current Expense | 9,600 | 6,000 | 6,000 | |
| Other Charges/Pass Thru | 1,141,000 | 1,044,800 | 1,044,200 | (600) |
| Total | \$1,240,600 | \$1,144,600 | \$1,144,000 | (\$600) |
| FTE/Other | | | | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The purpose of this program is to channel funds (pass-through) by direct payments of contracts to individual Soil Conservation Districts or their state association, (Utah Association of Conservation Districts - UACD) to fulfill SCD statutory duties relative to soil and water conservation (see UCA 17A-3-805). SCDs have no taxing authority. They depend on the Soil Conservation Commission for their board of directors, elections, and accountability.

Intent Language

The Analyst recommends **maintaining** the following intent language from S.B. 1, 2002 General Session:

It is the intent of the Legislature that the Soil Conservation Districts submit annual reports documenting supervisory expenses to the Legislative Fiscal Analyst, the Office of Planning and Budget, and the Soil Conservation Commission. It is also the intent of the Legislature that these documents be reviewed and reported to the Governor and the 2003 Legislature.

In December of 2002 the Utah Association of Conservation Districts submitted a written report on supervisory expenses. Totaled for the state, the report shows wages of \$54,300, travel costs of \$35,800, and other expenses of \$9,600, for total costs of \$99,700. The Analyst can provide copies if desired.

It is the intent of the Legislature that collections from soil conservation license plates be nonlapsing.

UCA 41-1a-408 allows the Division of Motor Vehicles to issue special "soil conservation license plates," the proceeds of which benefit this program. Collections to date have not been significant.

4.0 Additional Information: Resource Conservation

4.1 Funding History

| | 2000 | 2001 | 2002 | 2003 | 2004 |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Financing | Actual | Actual | Actual | Estimated* | Analyst |
| General Fund | 1,034,500 | 1,129,000 | 1,170,900 | 1,041,700 | 1,041,700 |
| General Fund, One-time | | | 345,500 | | |
| Dedicated Credits Revenue | 800 | 600 | 400 | | |
| Agri Resource Development | 234,400 | 235,100 | 235,100 | 235,400 | 235,400 |
| Transfers | (3,100) | | | | |
| Beginning Nonlapsing | 4,600 | 2,500 | 8,400 | 225,000 | 3,700 |
| Closing Nonlapsing | (8,000) | (8,400) | (225,000) | (3,700) | |
| Lapsing Balance | (4,700) | (100) | (400) | | |
| Total | \$1,258,500 | \$1,358,700 | \$1,534,900 | \$1,498,400 | \$1,280,800 |
| Programs | | | | | |
| Resource Conservation Administrat | 123,400 | 117,900 | 285,100 | 345,000 | 128,000 |
| Soil Conservation Commission | 10,300 | 9,600 | 9,200 | 8,800 | 8,800 |
| Resource Conservation | 1,124,800 | 1,231,200 | 1,240,600 | 1,144,600 | 1,144,000 |
| Total | \$1,258,500 | \$1,358,700 | \$1,534,900 | \$1,498,400 | \$1,280,800 |
| Expenditures | | | | | |
| Personal Services | 161,300 | 163,600 | 161,100 | 155,300 | 155,400 |
| In-State Travel | 47,100 | 56,200 | 37,700 | 43,200 | 43,200 |
| Out of State Travel | 7,200 | 8,100 | 8,200 | 10,800 | 10,800 |
| Current Expense | 29,300 | 16,500 | 25,600 | 15,800 | 21,300 |
| DP Current Expense | 7,700 | 6,800 | 5,800 | 6,400 | 5,900 |
| Other Charges/Pass Thru | 1,005,900 | 1,107,500 | 1,296,500 | 1,266,900 | 1,044,200 |
| Total | \$1,258,500 | \$1,358,700 | \$1,534,900 | \$1,498,400 | \$1,280,800 |
| FTE/Other | | | | | |
| Total FTE | 2 | 2 | 2 | 2 | 2 |

*General and school funds as revised by Supplemental Bills I-V, 2002 Gen and Spec Sessions. Others as estimated by agency.

Office of the
Legislative Fiscal Analyst

FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Natural Resources

Utah Department of Agriculture and Food
Agricultural Loan Program

Contents:

- 1.0 Summary
- 3.0 Programs
- 4.0 Additional Information

This Page Intentionally Left Blank

1.0 Summary: Agricultural Loan Program

The Department administers two types of loans:

- The Agriculture Resource Development Fund.** UCA 59-12-103(5)(b) requires that sales and use tax revenue generated by a 1/8 percent rate be used to deposit \$500,000 annually into this fund. Since this is in statute, it does not need to be part of the annual Appropriations Act. Other funding sources include loan repayments, interest, and money appropriated by the Legislature. Loans may be made for rangeland improvement, watershed protection, flood prevention, soil and water conservation, and energy efficient farming projects. The Agriculture Resource Development Loan (ARDL) provides low-interest (3 percent annual interest plus a one-time four percent technical assistance fee) loans.
- The Utah Rural Rehabilitation Fund.** Established from a one-time federal appropriation in 1937, this revolving loan fund is replenished by repayments and low interest rates. Interest rates are set by the Agricultural Advisory Board (4-19-3). This fund received a \$1 million supplemental appropriation in 1993. In essence, the Rural Rehabilitation Program is a lender of last resort to farmers who represent too high a risk to acquire financing from conventional lending institutions. Assets may be used for real estate loans, farm operating loans, youth loans, educational loans, and irrigation / water conservation loans.

During the 1999 legislative session, SB 85 authorized the Department to transfer up to \$2 million from the Agricultural Resource Development Fund to the Rural Rehabilitation Fund.

| | Analyst FY 2004 Base | Analyst FY 2004 Changes | Analyst FY 2004 Total |
|---------------------------|----------------------------|-------------------------------|-----------------------------|
| Financing | | | |
| Agri Resource Development | 296,100 | | 296,100 |
| Utah Rural Rehab Loan | 18,000 | | 18,000 |
| Total | <u>\$314,100</u> | \$0 | <u>\$314,100</u> |
| Programs | | | |
| Agriculture Loan Program | 314,100 | | 314,100 |
| Total | <u>\$314,100</u> | \$0 | <u>\$314,100</u> |
| FTE/Other | | | |
| Total FTE | 4 | | 4 |

3.0 Programs: Agricultural Loan Program

3.1 Loan Program

Recommendation

The Analyst recommends a total budget of \$314,100 for loan fund administration. Funds are transferred from the two Agriculture loan funds.

| | 2002 Actual | 2003 Estimated* | 2004 Analyst | Est/Analyst Difference |
|---------------------------|------------------|--------------------|------------------|---------------------------|
| Financing | | | | |
| Agri Resource Development | 221,300 | 296,100 | 296,100 | |
| Utah Rural Rehab Loan | 18,000 | 18,000 | 18,000 | |
| Total | \$239,300 | \$314,100 | \$314,100 | \$0 |
| Expenditures | | | | |
| Personal Services | 192,200 | 206,000 | 206,800 | 800 |
| In-State Travel | 2,600 | 2,100 | 2,100 | |
| Out of State Travel | 2,900 | 3,400 | 3,400 | |
| Current Expense | 29,600 | 45,900 | 45,800 | (100) |
| DP Current Expense | 9,300 | 54,000 | 53,300 | (700) |
| DP Capital Outlay | 2,700 | 2,700 | 2,700 | |
| Total | \$239,300 | \$314,100 | \$314,100 | \$0 |
| FTE/Other | | | | |
| Total FTE | 4 | 4 | 4 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

This program is responsible for the administration of the two loan fund programs.

The following two pages contain account information for the two loan funds.

| Agriculture Resource Development Loan (ARDL) Fund | | | |
|--|---------------------------|------------------------------|----------------------------|
| Operating Revenues and Expenses | FY 2002 Actual | FY 2003 Estimated | FY 2004 Analyst |
| Revenues: | | | |
| Interest on Loans | \$594,300 | \$530,000 | \$550,000 |
| Other Revenue | 651,500 | 900,000 | 900,000 |
| Total Operating Revenues | <u>\$1,245,800</u> | <u>\$1,430,000</u> | <u>\$1,450,000</u> |
| Expenses: | | | |
| Personal Services | \$179,900 | \$182,100 | \$182,800 |
| Travel | 5,400 | 4,500 | 4,500 |
| Current Expense | 22,800 | 52,900 | 59,800 |
| Data Processing | 9,300 | 53,900 | 49,000 |
| Depreciation | 2,700 | 2,700 | 0 |
| Total Expenses | <u>\$220,100</u> | <u>\$296,100</u> | <u>\$296,100</u> |
| Total Operating Profit (Loss) | <u>\$1,025,700</u> | <u>\$1,133,900</u> | <u>\$1,153,900</u> |
| Transfer to Resource Conser. Admin. | (5,400) | (5,700) | (5,700) |
| Transfer to Resource Conservation (SCD) | (229,300) | (229,700) | (229,700) |
| Net Income | <u>\$791,000</u> | <u>\$898,500</u> | <u>\$918,500</u> |
| Balance Sheet | | | |
| Assets: | | | |
| Cash | \$344,900 | \$373,100 | \$373,100 |
| Accounts Receivable | 20,961,400 | 21,960,400 | 21,849,600 |
| Accrued Interest | 306,600 | 297,300 | 326,600 |
| Due from Other Funds | 5,100 | | |
| Other Investments | 4,129,600 | 4,005,500 | 5,005,500 |
| Fixed Assets | 2,700 | | |
| Total Assets | <u>\$25,750,300</u> | <u>\$26,636,300</u> | <u>\$27,554,800</u> |
| Liabilities: | | | |
| Accounts Payable | \$12,500 | | |
| Contributed Working Capital (Equity) | 15,782,600 | 15,782,600 | 15,782,600 |
| Retained Earnings (Equity) | 9,955,200 | 10,853,700 | 11,772,200 |
| Total Liabilities | <u>\$25,750,300</u> | <u>\$26,636,300</u> | <u>\$27,554,800</u> |
| FY 2002 New Loans Closed | \$6,146,900 | | |
| FY 2001 Loans Closed | \$4,494,200 | | |

| Rural Rehabilitation Loan Fund | | | |
|--|---------------------------|------------------------------|----------------------------|
| Operating Revenues and Expenses | FY 2002 Actual | FY 2003 Estimated | FY 2004 Analyst |
| Revenues: | | | |
| Interest on Loans | \$270,000 | \$210,000 | \$210,000 |
| Other Revenue | 16,700 | 35,000 | 35,000 |
| Total Operating Revenues | <u>\$286,700</u> | <u>\$245,000</u> | <u>\$245,000</u> |
| Expenses: | | | |
| Personal Services | \$11,400 | \$12,000 | \$12,000 |
| Travel | 0 | 500 | 500 |
| Current Expense | 6,600 | 4,800 | 4,800 |
| Data Processing | | 700 | 700 |
| Total Expenses | <u>\$18,000</u> | <u>\$18,000</u> | <u>\$18,000</u> |
| Total Operating Profit (Loss) | <u>\$268,700</u> | <u>\$227,000</u> | <u>\$227,000</u> |
| Transfers Out | 0 | 0 | 0 |
| Net Income | <u>\$268,700</u> | <u>\$227,000</u> | <u>\$227,000</u> |
| Balance Sheet | | | |
| Assets: | | | |
| Cash | \$265,000 | \$397,200 | \$397,200 |
| Accounts Receivable | 5,935,500 | 5,351,700 | 5,958,700 |
| Accrued Interest | 116,500 | 100,000 | 120,000 |
| Other Investments | 304,900 | 1,000,000 | 600,000 |
| Total Assets | <u>\$6,621,900</u> | <u>\$6,848,900</u> | <u>\$7,075,900</u> |
| Liabilities: | | | |
| Accounts Payable | | | |
| Contributed Working Capital (Equity) | 4,254,600 | 4,254,600 | 4,254,600 |
| Retained Earnings (Equity) | 2,367,300 | 2,594,300 | 2,821,300 |
| Total Liabilities | <u>\$6,621,900</u> | <u>\$6,848,900</u> | <u>\$7,075,900</u> |
| FY 2002 New Loans Closed | \$396,600 | | |
| FY 2001 New Loans Closed | \$824,400 | | |

4.0 Additional Information: Agricultural Loans**4.1 Funding History**

| | 2000 | 2001 | 2002 | 2003 | 2004 |
|---------------------------|------------------|------------------|------------------|-------------------|------------------|
| Financing | Actual | Actual | Actual | Estimated* | Analyst |
| Agri Resource Development | 201,400 | 296,100 | 221,300 | 296,100 | 296,100 |
| Utah Rural Rehab Loan | 18,000 | 18,000 | 18,000 | 18,000 | 18,000 |
| Lapsing Balance | | (71,700) | | | |
| Total | \$219,400 | \$242,400 | \$239,300 | \$314,100 | \$314,100 |
| Programs | | | | | |
| Agriculture Loan Program | 219,400 | 242,400 | 239,300 | 314,100 | 314,100 |
| Total | \$219,400 | \$242,400 | \$239,300 | \$314,100 | \$314,100 |
| Expenditures | | | | | |
| Personal Services | 179,700 | 194,400 | 192,200 | 206,000 | 206,800 |
| In-State Travel | 4,200 | 2,200 | 2,600 | 2,100 | 2,100 |
| Out of State Travel | | 3,200 | 2,900 | 3,400 | 3,400 |
| Current Expense | 21,800 | 30,800 | 29,600 | 45,900 | 45,800 |
| DP Current Expense | 11,000 | 9,100 | 9,300 | 54,000 | 53,300 |
| DP Capital Outlay | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 |
| Total | \$219,400 | \$242,400 | \$239,300 | \$314,100 | \$314,100 |
| FTE/Other | | | | | |
| Total FTE | 5 | 4 | 4 | 4 | 4 |

*General and school funds as revised by Supplemental Bills I-V, 2002 Gen and Spec Sessions. Others as estimated by agency.

This Page Intentionally Left Blank

Office of the
Legislative Fiscal Analyst

FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Natural Resources

Utah Department of Agriculture and Food
Data Processing Internal Service Fund

Contents:

- 1.0 Summary
- 3.0 Programs
- 4.0 Additional Information

This Page Intentionally Left Blank

1.0 Summary: Data Processing Internal Service Fund

The Department created an internal service fund (ISF) in 1986 so that each division could share the costs of acquiring expensive computer servers. Each division that uses data processing services pays its "fair share" of computer costs by the ISF. The Fund covers the personal services expenses, current expenses, depreciation expense, capital acquisitions, and the Division of Finance's overhead charge. Funds are all pooled into one program that provides the necessary data processing for the divisions. This avoids unnecessary duplication of expenses.

In the 1988 session, the Legislature passed HB 81, which provides budgetary controls over ISFs. The law does not allow an ISF to bill another line item unless the Legislature has:

- Reviewed and approved the ISF's budget request;
- Reviewed and approved the ISF's rates, fees, and other charges and included those rates, fees and charges in an appropriations act;
- Approved the number of employees;
- Appropriated the estimated revenue based on the rates and fee structure.
- Separately reviewed and approved the capital needs and related capital budget.

No new ISF agency may be established unless reviewed and approved by the Legislature.

Sometimes Internal Service Funds cause concerns if an agency receives federal funds. Federal funds are usually required to be spent for strict purposes. Federal auditors often audit Internal Service Funds very carefully to ensure propriety of expenditures.

| | Analyst FY 2004 Base | Analyst FY 2004 Changes | Analyst FY 2004 Total |
|----------------------------------|----------------------------|-------------------------------|-----------------------------|
| Financing by Source | | | |
| Dedicated Credits - Intragvt Rev | 280,000 | | 280,000 |
| Total | \$280,000 | \$0 | \$280,000 |
| Expenditures by Program | | | |
| ISF - Agri Data Processing | 268,800 | | 268,800 |
| Total | \$268,800 | \$0 | \$268,800 |
| Profit/Loss | \$11,200 | \$0 | \$11,200 |
| FTE/Other | | | |
| Total FTE | 3 | | 3 |
| Authorized Capital Outlay | 22,000 | | 22,000 |
| Retained Earnings | 44,900 | | 44,900 |

3.0 Programs: Data Processing Internal Service Fund

3.1 Data Processing Internal Service Fund

Recommendation The Analyst recommends:

- Approved revenues of **\$280,000**
- Approved operating expenses of **\$268,800**
- Net Operating Income of **\$11,200**
- The rate and fee schedule shown below
- **3 FTEs**
- Approved capital purchases in the amount of **\$22,000** with a five-year depreciation schedule

| | 2002 Actual | 2003 Estimated | 2004 Analyst | Est/Analyst Difference |
|----------------------------------|------------------|-------------------|------------------|---------------------------|
| Financing | | | | |
| Dedicated Credits - Intragvt Rev | 272,200 | 280,000 | 280,000 | |
| Total | <u>\$272,200</u> | <u>\$280,000</u> | <u>\$280,000</u> | <u>\$0</u> |
| Expenditures | | | | |
| Personal Services | 166,400 | 185,800 | 186,500 | 700 |
| In-State Travel | | 500 | | (500) |
| Current Expense | 4,600 | 5,400 | 5,000 | (400) |
| DP Current Expense | 71,800 | 18,600 | 55,000 | 36,400 |
| Other Charges/Pass Thru | 2,100 | | | |
| Depreciation | 19,200 | 31,200 | 22,300 | (8,900) |
| Total | <u>\$264,100</u> | <u>\$241,500</u> | <u>\$268,800</u> | <u>\$27,300</u> |
| Profit/Loss | <u>\$8,100</u> | <u>\$38,500</u> | <u>\$11,200</u> | <u>(\$27,300)</u> |
| FTE/Other | | | | |
| Total FTE | 3 | 3 | 3 | |
| Authorized Capital Outlay | | 59,600 | 22,000 | (37,600) |
| Retained Earnings | (4,800) | 33,700 | 44,900 | 11,200 |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Rate Schedule

| | FY 2003 <u>Current</u> | FY 2004 <u>Proposed</u> |
|--|---------------------------|----------------------------|
| Programmer, per hour | \$50.00 | \$50.00 |
| Programmer, per hour overtime | 75.00 | 75.00 |
| LAN: Port charges per year/per port (connection) | 3,200.00 | 2,900.00 |
| Port charges per year/per PC | 500.00 | 500.00 |
| Technical assistance/consultation, per hour | 50.00 | 50.00 |
| Installation | Negotiable | Negotiable |
| Portable PC daily rental | 15.00 | 15.00 |
| GIS rate, per hour | 50.00 | 50.00 |
| GIS rate, per hour overtime | 75.00 | 75.00 |
| Print 8.5 x 11 sheet | 1.00 | 1.00 |
| Print per linear foot (large format map) | 1.50 | 1.50 |

| | | |
|--------------------------|-----------------------|------------------|
| Revenue by Agency | <u>Line Item</u> | |
| | Administration | \$274,100 |
| | Resource Conservation | <u>5,900</u> |
| | Total | <u>\$280,000</u> |

| | | |
|-----------------------------|--|-----------------|
| Capital Expenditures | Computer/Software Upgrades (if needed) | <u>\$22,000</u> |
|-----------------------------|--|-----------------|

Purpose Provides consolidated computer services to all divisions and programs in the Department.

4.0 Additional Information: Data Processing Internal Service Fund

4.1 Funding History

| | 2000 | 2001 | 2002 | 2003 | 2004 |
|----------------------------------|-------------------|------------------|------------------|------------------|------------------|
| Financing by Source | Actual | Actual | Actual | Estimated | Analyst |
| Dedicated Credits - Intragvt Rev | 274,100 | 282,500 | 272,200 | 280,000 | 280,000 |
| Total | \$274,100 | \$282,500 | \$272,200 | \$280,000 | \$280,000 |
| Financing by Program | | | | | |
| ISF - Agri Data Processing | 274,100 | 282,500 | 272,200 | 280,000 | 280,000 |
| Total | \$274,100 | \$282,500 | \$272,200 | \$280,000 | \$280,000 |
| Expenditures | | | | | |
| Personal Services | 171,300 | 166,800 | 166,400 | 185,800 | 186,500 |
| In-State Travel | 1,300 | | | 500 | |
| Current Expense | 12,300 | 5,600 | 4,600 | 5,400 | 5,000 |
| DP Current Expense | 98,400 | 80,500 | 71,800 | 18,600 | 55,000 |
| Other Charges/Pass Thru | 1,600 | 1,900 | 2,100 | | |
| Depreciation | 26,500 | 19,300 | 19,200 | 31,200 | 22,300 |
| Total | \$311,400 | \$274,100 | \$264,100 | \$241,500 | \$268,800 |
| Profit/Loss | (\$37,300) | \$8,400 | \$8,100 | \$38,500 | \$11,200 |
| FTE/Other | | | | | |
| Total FTE | 3 | 3 | 3 | 3 | 3 |
| Authorized Capital Outlay | 30,100 | | | 59,600 | 22,000 |
| Retained Earnings | (18,700) | (10,300) | (4,800) | 33,700 | 44,900 |

*General and school funds as revised by Supplemental Bills I-V, 2002 Gen and Spec Sessions. Others as estimated by agency.

Office of the
Legislative Fiscal Analyst

FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Natural Resources

Utah Department of Agriculture and Food
Agricultural Fees

Contents:

Agricultural Fees

This Page Intentionally Left Blank

| | <u>FY 2003</u> <u>Current</u> | <u>FY 2004</u> <u>Proposed</u> | <u>Difference</u> | <u>FY 2004</u> <u>Units</u> | <u>Revenue</u> <u>Change</u> |
|---|----------------------------------|-----------------------------------|-------------------|--------------------------------|---------------------------------|
| Agricultural Fees | | | | | |
| In accordance with Section 4-2-2(2) the following fees are proposed for the services of the Department of Agriculture and Food for FY 2004. | | | | | |
| General Administration: | | | | | |
| Produce Dealers | | | | | |
| Produce Dealer | 25.00 | 25.00 | | | |
| Dealer's Agent | 10.00 | 10.00 | | | |
| Broker/Agent | 25.00 | 25.00 | | | |
| Produce Broker | 25.00 | 25.00 | | | |
| Livestock Dealer | 25.00 | 25.00 | | | |
| Livestock Dealer/Agent | 10.00 | 10.00 | | | |
| Livestock Auctions | | | | | |
| Livestock Auction Market | 50.00 | 50.00 | | | |
| Auction Weigh Person | 10.00 | 10.00 | | | |
| Registered Farms Recording Fee | 10.00 | 10.00 | | | |
| Citations | Up to 500.00 | Up to 500.00 | | | |
| Meat Inspection | | | | | |
| Inspection Service Fee | 39.00 | 39.00 | | | |
| Meat Packing | | | | | |
| Meat Packing Plant | 50.00 | 50.00 | | | |
| Custom Exempt | 50.00 | 50.00 | | | |
| Chemistry Laboratory | | | | | |
| Feed and Meat | | | | | |
| Moisture, 1 sample | 15.00 | 15.00 | | | |
| Moisture, 2-5 samples, per sample | 10.00 | 10.00 | | | |
| Moisture, over 6 samples, per sample | 5.00 | 5.00 | | | |
| Fat, 1 sample | 30.00 | 30.00 | | | |
| Fat, 2-5 samples, per sample | 25.00 | 25.00 | | | |
| Fat, over 6 samples, per sample | 20.00 | 20.00 | | | |
| Fiber, 1 sample | 45.00 | 45.00 | | | |
| Fiber, 2-5 samples, per sample | 40.00 | 40.00 | | | |
| Fiber, over 6 samples, per sample | 35.00 | 35.00 | | | |
| Protein, 1 sample | 25.00 | 25.00 | | | |
| Protein, 2-5 samples, per sample | 20.00 | 20.00 | | | |
| Protein, over 6 samples, per sample | 15.00 | 15.00 | | | |
| NPN, 1 sample | 20.00 | 20.00 | | | |

| | <u>FY 2003</u> <u>Current</u> | <u>FY 2004</u> <u>Proposed</u> | <u>Difference</u> | <u>FY 2004</u> <u>Units</u> | <u>Revenue</u> <u>Change</u> |
|--|----------------------------------|-----------------------------------|-------------------|--------------------------------|---------------------------------|
| NPN, 2-5 samples, per sample | 15.00 | 15.00 | | | |
| NPN, over 6 samples, per sample | 10.00 | 10.00 | | | |
| Ash, 1 sample | 15.00 | 15.00 | | | |
| Ash, 2-5 samples, per sample | 10.00 | 10.00 | | | |
| Ash, over 6 samples, per sample | 5.00 | 5.00 | | | |
| Fertilizer | | | | | |
| Nitrogen, 1 sample | 25.00 | 25.00 | | | |
| Nitrogen, 2-5 samples, per sample | 20.00 | 20.00 | | | |
| Nitro, over 6 samples, per sample | 15.00 | 15.00 | | | |
| P ₂ O ₅ , 1 sample | 30.00 | 30.00 | | | |
| P ₂ O ₅ , 2-5 samples, per sample | 25.00 | 25.00 | | | |
| P ₂ O ₅ , over 6 samples, per sample | 20.00 | 20.00 | | | |
| K ₂ O, 1 sample | 25.00 | 25.00 | | | |
| K ₂ O, 2-5 samples, per sample | 20.00 | 20.00 | | | |
| K ₂ O, over 6 samples, per sample | 15.00 | 15.00 | | | |
| Trace Elements (Atomic Absorption) | | | | | |
| Iron | 20.00 | 20.00 | | | |
| Copper | 20.00 | 20.00 | | | |
| Zinc | 20.00 | 20.00 | | | |
| Manganese | 20.00 | 20.00 | | | |
| Molybdenum | 40.00 | 40.00 | | | |
| Trace Elements (In Water) | | | | | |
| Iron | 10.00 | 10.00 | | | |
| Copper | 10.00 | 10.00 | | | |
| Zinc | 10.00 | 10.00 | | | |
| Manganese | 10.00 | 10.00 | | | |
| Molybdenum | 10.00 | 10.00 | | | |
| Vitamins | | | | | |
| Vitamin A, 1 sample | 60.00 | 60.00 | | | |
| Vit. A, 2-5 samples, per sample | 55.00 | 55.00 | | | |
| Vit. A, over 6 samples, per sam | 50.00 | 50.00 | | | |
| Vitamin B, 1 sample | 60.00 | 60.00 | | | |
| Vit. B, 2-5 samples, per sample | 55.00 | 55.00 | | | |
| Vit. B, over 6 samples, per sam | 50.00 | 50.00 | | | |
| Vitamin B2, 1 sample | 60.00 | 60.00 | | | |
| Vit. B2, 2-5 samples, per sample | 55.00 | 55.00 | | | |

| | <u>FY 2003</u> <u>Current</u> | <u>FY 2004</u> <u>Proposed</u> | <u>Difference</u> | <u>FY 2004</u> <u>Units</u> | <u>Revenue</u> <u>Change</u> |
|---|----------------------------------|-----------------------------------|-------------------|--------------------------------|---------------------------------|
| Vit. B2, over 6 samples, per sam | 50.00 | 50.00 | | | |
| Vitamin C, 1 sample | 60.00 | 60.00 | | | |
| Vit. C, 2-5 samples, per sample | 55.00 | 55.00 | | | |
| Vit. C, over 6 samples, per sam | 50.00 | 50.00 | | | |
| Minerals | | | | | |
| Calcium, 1 sample | 25.00 | 25.00 | | | |
| Calcium, 2-5 samples, per sample | 20.00 | 20.00 | | | |
| Calcium, over 6 samples, per sam | 15.00 | 15.00 | | | |
| Sodium Chloride, 1 sample | 25.00 | 25.00 | | | |
| Sodium Chl., 2-5 samples, per sam | 20.00 | 20.00 | | | |
| Sodium Chl., over 6 sams, per sam | 15.00 | 15.00 | | | |
| Iodine, 1 sample | 25.00 | 25.00 | | | |
| Iodine, 2-5 samples, per sample | 20.00 | 20.00 | | | |
| Iodine, over 6 samples, per sam | 15.00 | 15.00 | | | |
| Drugs and Antibiotics | | | | | |
| Sulfamethazine Screen, 1 sample | 25.00 | 25.00 | | | |
| Sulfamethazine Screen, 2-5 samples, per sample | 20.00 | 20.00 | | | |
| Sulfamethazine Screen, over 6 samples, per sample | 15.00 | 15.00 | | | |
| Aflatoxin-Elisamethod, 1 sample | 25.00 | 25.00 | | | |
| Aflatoxin-Elisamethod, 2-5 samples, per sample | 20.00 | 20.00 | | | |
| Aflatoxin-Elisamethod, over 6 samples, per sample | 15.00 | 15.00 | | | |
| Pesticides/Herbicides | | | | | |
| Chlorinated Hydrocarbon Screen, 1 sample | 70.00 | 70.00 | | | |
| Chlorinated Hydrocarbon Screen, 2-5 samples, per sample | 65.00 | 65.00 | | | |
| Chlorinated Hydrocarbon Screen, over 6 samples, per sample | 60.00 | 60.00 | | | |
| Organo Phosphate Screen, 1 sample | 70.00 | 70.00 | | | |
| Organo Phosphate Screen, 2-5 samples, per sample | 65.00 | 65.00 | | | |
| Organo Phosphate Screen, over 6 samples, | | | | | |

| | <u>FY 2003 Current</u> | <u>FY 2004 Proposed</u> | <u>Difference</u> | <u>FY 2004 Units</u> | <u>Revenue Change</u> |
|---|----------------------------|-----------------------------|-------------------|--------------------------|---------------------------|
| per sample | 60.00 | 60.00 | | | |
| Chlorophenoxy Herbicide Screen | | | | | |
| Reports for the following components: | | | | | |
| 2-4D, 1 sample | 150.00 | 150.00 | | | |
| 2-4D, 2-5 samples, per sample | 140.00 | 140.00 | | | |
| 2-4D, over 6 samples, per sample | 130.00 | 130.00 | | | |
| 2,4,5-T Screen, 1 sample | 150.00 | 150.00 | | | |
| 2,4,5-T, 2-5 samples, per sam | 140.00 | 140.00 | | | |
| 2,4,5-T, over 6 samples, per sample | 130.00 | 130.00 | | | |
| Silvex, 1 sample | 150.00 | 150.00 | | | |
| Silvex, 2-5 samples, per sample | 140.00 | 140.00 | | | |
| Silvex, over 6 samples, per sample | 130.00 | 130.00 | | | |
| Individual components from screens: | | | | | |
| 1 sample | 75.00 | 75.00 | | | |
| 2-5 samples, per sample | 70.00 | 70.00 | | | |
| Over 6 samples, per spl | 65.00 | 65.00 | | | |
| Certification Fee - Milk Laboratory Evaluation Program | | | | | |
| Basic Lab Fee | 50.00 | 50.00 | | | |
| Number of Certified Analyst (3 x \$10.00) | 30.00 | 30.00 | | | |
| Number of Approved Test (3 x \$10.00) | 30.00 | 30.00 | | | |
| Total Yearly Assessed Fee | 90.00 | 90.00 | | | |
| Standard Plate Count | 5.00 | 5.00 | | | |
| Coliform Count | 5.00 | 5.00 | | | |
| Test for Inhibitory Substances (antibiotics) | 5.00 | 5.00 | | | |
| Phosphatase Test | 15.00 | 15.00 | | | |
| WMT Screening Test | 5.00 | 5.00 | | | |
| DMSCC (Confirmation) | 10.00 | 10.00 | | | |
| DSCC (Foss Instrumentation) | 5.00 | 5.00 | | | |

Legislative Fiscal Analyst

| | <u>FY 2003</u> <u>Current</u> | <u>FY 2004</u> <u>Proposed</u> | <u>Difference</u> | <u>FY 2004</u> <u>Units</u> | <u>Revenue</u> <u>Change</u> |
|---|----------------------------------|-----------------------------------|-------------------|--------------------------------|---------------------------------|
| Coliform Confirmation | 5.00 | 5.00 | | | |
| Container Rinse Test | 10.00 | 10.00 | | | |
| H ₂ O Coli Total Count (MF Filtration) | 5.00 | 5.00 | | | |
| H ₂ O Coli Confirmation Test | 5.00 | 5.00 | | | |
| Butterfat % (Babcock Method) | 10.00 | 10.00 | | | |
| Added H ₂ O in Raw Milk (Cryoscope Instr) | 5.00 | 5.00 | | | |
| Reactivated Phosphatase Confirmation | 15.00 | 15.00 | | | |
| Antibiotic Confirmation Tests | 10.00 | 10.00 | | | |
| All Other Services, per hour | 30.00 | 30.00 | | | |
| Animal Health | | | | | |
| Inspection Service Fee | 39.00 | 39.00 | | | |
| Commercial Aquaculture Facility | 150.00 | 150.00 | | | |
| Commercial Fee Fishing Facility | 30.00 | 30.00 | | | |
| Citation, per violation | 100.00 | 100.00 | | | |
| Citation, per head | 2.00 | 2.00 | | | |
| If not paid within 15 days 2 times citation fee | | | | | |
| If not paid within 30 days 4 times citation fee | | | | | |
| Feed Garbage to Swine | 25.00 | 25.00 | | | |
| Hatchery | | | | | |
| Hatchery Operation (Poultry) | 25.00 | 25.00 | | | |
| Health Certificate Book | 8.00 | 8.00 | | | |
| Coggins Testing | 5.00 | 5.00 | | | |
| Service Fee for Veterinarians | | | | | |
| (dog food and brine shrimp, misc.), per day | 250.00 | 250.00 | | | |
| Service Fee for Veterinarians | | | | | |
| (dog food and brine shrimp, misc.), per mile | State Rate | State Rate | | | |
| Write International CVI | 5.00 | 5.00 | | | |
| Agricultural Inspection | | | | | |
| Shipping Point | | | | | |
| Fruit | | | | | |
| Packages, 19.lb. or less, | | | | | |

| | <u>FY 2003 Current</u> | <u>FY 2004 Proposed</u> | <u>Difference</u> | <u>FY 2004 Units</u> | <u>Revenue Change</u> |
|---|----------------------------|-----------------------------|-------------------|--------------------------|---------------------------|
| per package | 0.020 | 0.020 | | | |
| 20 to 29 lb. package, per package | 0.025 | 0.025 | | | |
| Over 29 lb. package, per package | 0.030 | 0.030 | | | |
| Bulk load, per cwt. | 0.045 | 0.045 | | | |
| Vegetables | | | | | |
| Potatoes, per cwt. | 0.055 | 0.055 | | | |
| Onions, per cwt. | 0.060 | 0.060 | | | |
| Cucurbita, per cwt. | 0.045 | 0.045 | | | |
| Cucurbita family includes: watermelon, muskmelon, squash (summer, fall, & winter), pumpkin, gourd & others | | | | | |
| Other vegetables | | | | | |
| Less than 60 lb. package, per package | 0.035 | 0.035 | | | |
| Over 60 lb. package, per package | 0.045 | 0.045 | | | |
| Phyosanitary Inspection, per insp. | 25.00 | 25.00 | | | |
| With grade certification | 15.00 | 15.00 | | | |
| Minimum charge per grade certificate | | | | | |
| for one commodity (except regular rate at continuous grading facilities) | 24.50 | 24.50 | | | |
| Minimum charge per commodity for mixed loads, (not (to exceed \$45.00 per mixed load) | | | | | |
| | 24.50 | 24.50 | | | |
| Hourly charge for inspection of raw products at processing plants | | | | | |
| | 24.50 | 24.50 | | | |
| Hourly charge for inspectors' time more than 40 hours per week (overtime), plus regular fees | | | | | |
| | 36.75 | 36.75 | | | |
| Hourly charge for major holidays and Sundays (four-hour minimum), plus regular fees | | | | | |
| | 36.75 | 36.75 | | | |
| Holidays include: | | | | | |
| New Year's Day | | | | | |
| Memorial Day | | | | | |
| Independence Day | | | | | |

| | <u>FY 2003</u> <u>Current</u> | <u>FY 2004</u> <u>Proposed</u> | <u>Difference</u> | <u>FY 2004</u> <u>Units</u> | <u>Revenue</u> <u>Change</u> |
|---|----------------------------------|-----------------------------------|-------------------|--------------------------------|---------------------------------|
| Labor Day | | | | | |
| Thanksgiving Day | | | | | |
| Christmas Day | | | | | |
| All Inspections shall include mileage which will be charged according to the current mileage rate of the State of Utah. | | | | | |
| Export Compliance Agreements | 50.00 | 50.00 | | | |
| Nursery | | | | | |
| Gross Sales Fee | | | | | |
| \$00.00 to \$5,000 | 20.00 | 20.00 | | | |
| \$5,001 to \$100,000 | 40.00 | 40.00 | | | |
| \$100,001 to \$250,000 | 60.00 | 60.00 | | | |
| \$250,001 to \$500,000 | 80.00 | 80.00 | | | |
| \$500,001 and up | 100.00 | 100.00 | | | |
| Nursery Agency | 25.00 | 25.00 | | | |
| Feed | | | | | |
| Commercial Feed | 25.00 | 25.00 | | | |
| Processing Fee | N/A | 10.00 | 10.00 | 6,000 | 60,000.00 |
| Custom Formula Permit | 50.00 | 50.00 | | | |
| Pesticide | | | | | |
| Commercial Applicator Certification | | | | | |
| Triennial (3 year) Certification and License | 45.00 | 45.00 | | | |
| Annual License | 15.00 | 15.00 | | | |
| Replacement of lost or stolen Certificate/License | 15.00 | 15.00 | | | |
| Failed examinations may be retaken two more times at no charge | | | | | |
| Additional re-testing (two more times) | 15.00 | 15.00 | | | |
| Triennial (3 year) Examination and educational materials fee | 20.00 | 20.00 | | | |
| Product Registration | 60.00 | 60.00 | | | |
| Processing Service Fee | 10.00 | 10.00 | | | |
| Dealer License | | | | | |
| Annual | 15.00 | 15.00 | | | |

| | <u>FY 2003</u> <u>Current</u> | <u>FY 2004</u> <u>Proposed</u> | <u>Difference</u> | <u>FY 2004</u> <u>Units</u> | <u>Revenue</u> <u>Change</u> |
|-----------------------------------|----------------------------------|-----------------------------------|-------------------|--------------------------------|---------------------------------|
| Triennial | 45.00 | 45.00 | | | |
| Fertilizer | | | | | |
| Blenders License | 50.00 | 50.00 | | | |
| Annual Assessment, per ton | 0.15 | 0.15 | | | |
| Minimum Annual Assessment | 20.00 | 20.00 | | | |
| Fertilizer Registration | 25.00 | 25.00 | | | |
| Processing Fee | N/A | 10.00 | 10.00 | 1,900 | 19,000.00 |
| Beekeepers | | | | | |
| Insect Identification Fee | 10.00 | 10.00 | | | |
| License | 10.00 | 10.00 | | | |
| Inspection fee, per hour | 30.00 | 30.00 | | | |
| Salvage Wax Registration fee | 10.00 | 10.00 | | | |
| Control Atmosphere | 10.00 | 10.00 | | | |
| Seed Purity | | | | | |
| Flowers | 10.00 | 10.00 | | | |
| Grains | 6.00 | 6.00 | | | |
| Grasses | 15.00 | 15.00 | | | |
| Legumes | 6.00 | 6.00 | | | |
| Trees and Shrubs | 10.00 | 10.00 | | | |
| Vegetables | 6.00 | 6.00 | | | |
| Seed Germination | | | | | |
| Flowers | 10.00 | 10.00 | | | |
| Grains | 6.00 | 6.00 | | | |
| Grasses | 10.00 | 10.00 | | | |
| Legumes | 6.00 | 6.00 | | | |
| Trees and Shrubs | 10.00 | 10.00 | | | |
| Vegetables | 6.00 | 6.00 | | | |
| Seed Tetrazolium Test | | | | | |
| Flowers | 20.00 | 20.00 | | | |
| Grains | 12.00 | 12.00 | | | |
| Grasses | 20.00 | 20.00 | | | |
| Legumes | 15.00 | 15.00 | | | |
| Trees and Shrubs | 20.00 | 20.00 | | | |
| Vegetables | 12.00 | 12.00 | | | |
| Embryo Analysis (Loose Smut Test) | 11.00 | 11.00 | | | |
| Cutting Test | 8.00 | 8.00 | | | |

| | <u>FY 2003</u> <u>Current</u> | <u>FY 2004</u> <u>Proposed</u> | <u>Difference</u> | <u>FY 2004</u> <u>Units</u> | <u>Revenue</u> <u>Change</u> |
|--|----------------------------------|-----------------------------------|-------------------|--------------------------------|---------------------------------|
| Mill Check | Hourly Charge | Hourly Charge | | | |
| Examination of Extra Quantity for | | | | | |
| Other Crop or Weed Seed | Hourly Charge | Hourly Charge | | | |
| Examination for Noxious | | | | | |
| Weeds Only | Hourly Charge | Hourly Charge | | | |
| Identification | No Charge | No Charge | | | |
| Hourly Charges | 24.50 | 24.50 | | | |
| Additional Copies of Analysis Reports | 1.00 | 1.00 | | | |
| Hourly charge for any other inspection | | | | | |
| service performed on an hourly basis | | | | | |
| (one hour minimum) | 24.50 | 24.50 | | | |
| <p>Mixtures will be charged based on the sum for each individual kind in excess of 5 percent. Samples which require excessive time, screenings, low grade, dirty, or unusually difficult sample will be charged at the hourly rate. Charges for tests or kinds of seeds not listed will be determined by the Seed Laboratory. Hourly charges may be made on seed treated with "Highly Toxic Substances" if special handling is necessary for the Analyst's safety. Discount germination is a non-priority service intended for carry over seed which is ideal for checking inventories from May through August. The discount service is available during the rest of the year, but delays in testing may result due to high test volume of priority samples. Ten (10) or more samples receive 50 percent discount off normal germination fees.</p> | | | | | |
| Emergency service, per sample, single | | | | | |
| component only | 42.00 | 42.00 | | | |
| Hay & Straw Weed Free Certification | | | | | |
| Certificate | | | | | |
| Bulk loads of hay up to | | | | | |
| 10 loads | 25.00 | 25.00 | | | |
| Hourly rate | 24.50 | 24.50 | | | |

Legislative Fiscal Analyst

| | <u>FY 2003</u> <u>Current</u> | <u>FY 2004</u> <u>Proposed</u> | <u>Difference</u> | <u>FY 2004</u> <u>Units</u> | <u>Revenue</u> <u>Change</u> |
|--|----------------------------------|-----------------------------------|-------------------|--------------------------------|---------------------------------|
| If time involved is 1 hr or less | 24.50 | 24.50 | | | |
| Charge for each hay tag | 0.10 | 0.10 | | | |
| Citations, maximum per violation | 500.00 | 500.00 | | | |
| Regulatory Services | | | | | |
| Bedding/Upholstered Furniture | | | | | |
| Manufacturers of Bedding and/or | | | | | |
| Upholstered Furniture | 55.00 | 55.00 | | | |
| Wholesale Dealer | 55.00 | 55.00 | | | |
| Supply Dealer | 55.00 | 55.00 | | | |
| Manufacturers of Quilted Clothing | 55.00 | 55.00 | | | |
| Upholsterer with employees | 40.00 | 40.00 | | | |
| Upholsterer without employees | 25.00 | 25.00 | | | |
| Dairy | | | | | |
| Test milk for payment | 30.00 | 30.00 | | | |
| Operate milk manufacturing plant | 75.00 | 75.00 | | | |
| Make butter | 30.00 | 30.00 | | | |
| Haul farm bulk milk | 30.00 | 30.00 | | | |
| Make cheese | 30.00 | 30.00 | | | |
| Operate a pasteurizer | 30.00 | 30.00 | | | |
| Operate a milk processing plant | 75.00 | 75.00 | | | |
| Dairy Products Distributor | 75.00 | 75.00 | | | |
| Food Safety Inspections | | | | | |
| Small food business (<1000 sq ft) | N/A | 25.00 | 25.00 | 500 | 12,500.00 |
| Food establishment | | | | | |
| (1000-5000 sq ft) | N/A | 100.00 | 100.00 | 1,000 | 100,000.00 |
| Food establishment (>5000 sq ft) | N/A | 200.00 | 200.00 | 1,000 | 200,000.00 |
| Temporary event permit (<3 days) | N/A | 25.00 | 25.00 | 20 | 500.00 |
| Temporary event permit (>3 days) | N/A | 50.00 | 50.00 | 20 | 1,000.00 |
| Special Inspection Fees | | | | | |
| Food and Dairy Inspection fee, | | | | | |
| per hour | 26.50 | 26.50 | | | |
| Food and Dairy Inspection fee, | | | | | |
| overtime rate | 34.40 | 34.40 | | | |
| Certificate of Inspection | 10.00 | 10.00 | | | |
| Citations, maximum per violation | 500.00 | 500.00 | | | |
| Weights and Measures | | | | | |

Legislative Fiscal Analyst

| | <u>FY 2003</u> <u>Current</u> | <u>FY 2004</u> <u>Proposed</u> | <u>Difference</u> | <u>FY 2004</u> <u>Units</u> | <u>Revenue</u> <u>Change</u> |
|--|----------------------------------|-----------------------------------|-------------------|--------------------------------|---------------------------------|
| Weighing and measuring devices/ individual servicemen | 15.00 | 15.00 | | | |
| Weighing and measuring devices/ agency | 75.00 | 75.00 | | | |
| Special Scale Inspections | | | | | |
| Small – medium scales, each | N/A | 8.00 | 8.00 | 8,000 | 64,000.00 |
| Large scales (>1000 lbs), each | N/A | 15.00 | 15.00 | 2,000 | 30,000.00 |
| Vehicle tank meters, each | N/A | 10.00 | 10.00 | 300 | 3,000.00 |
| LP gas meters, each | N/A | 10.00 | 10.00 | 350 | 3,500.00 |
| Motor fuel dispensers, per hose/grade | N/A | 5.00 | 5.00 | 20,000 | 100,000.00 |
| Large Capacity Truck | | | | | |
| Per man hour | 20.00 | 20.00 | | | |
| Per mile | 1.50 | 1.50 | | | |
| Per hour equipment use | 25.00 | 25.00 | | | |
| Pickup truck | | | | | |
| Per man hour | 20.00 | 20.00 | | | |
| Per mile | 0.75 | 0.75 | | | |
| Per hour equipment use | 15.00 | 15.00 | | | |
| Overnight Trip | Per Diem and Cost of Motel | Per Diem and Cost of Motel | | | |
| Petroleum Refinery Fee | | | | | |
| Gasoline | | | | | |
| Octane Rating | 120.00 | 120.00 | | | |
| Benzene Level | 80.00 | 80.00 | | | |
| Pensky-Martens Flash Point | 20.00 | 20.00 | | | |
| Overtime charges, per hour | 30.00 | 30.00 | | | |
| Metrology services, per hour | 32.00 | 32.00 | | | |
| Gasoline - Gravity | 10.00 | 10.00 | | | |
| Gasoline - Distillation | 25.00 | 25.00 | | | |
| Gasoline - Sulfur, X-ray | 35.00 | 35.00 | | | |
| Gasoline - Reid Vapor Pressure (RVP) | 25.00 | 25.00 | | | |
| Gasoline - Aromatics | 50.00 | 50.00 | | | |
| Gasoline - Leads | 20.00 | 20.00 | | | |
| Diesel - Gravity | 25.00 | 25.00 | | | |

| | <u>FY 2003 Current</u> | <u>FY 2004 Proposed</u> | <u>Difference</u> | <u>FY 2004 Units</u> | <u>Revenue Change</u> |
|---|----------------------------|-----------------------------|-------------------|--------------------------|---------------------------|
| Diesel - Distillation | 25.00 | 25.00 | | | |
| Diesel - Sulfer, X-ray | 20.00 | 20.00 | | | |
| Diesel - Cloud Point | 20.00 | 20.00 | | | |
| Diesel - Conductivity | 25.00 | 25.00 | | | |
| Diesel - Cetane | 20.00 | 20.00 | | | |
| Citations, maximum per violation | 500.00 | 500.00 | | | |
| Utah Horse Commission | | | | | |
| Owner/Trainer, not to exceed | 100.00 | 100.00 | | | |
| Owner, not to exceed | 75.00 | 75.00 | | | |
| Organization, not to exceed | 75.00 | 75.00 | | | |
| Trainer, not to exceed | 75.00 | 75.00 | | | |
| Assistant Trainer, not to exceed | 75.00 | 75.00 | | | |
| Jockey, not to exceed | 75.00 | 75.00 | | | |
| Jockey Agent, not to exceed | 75.00 | 75.00 | | | |
| Veterinarian, not to exceed | 75.00 | 75.00 | | | |
| Racing Official, not to exceed | 75.00 | 75.00 | | | |
| Racing Organization Manager or Official, not to exceed | 75.00 | 75.00 | | | |
| Authorized Agent, not to exceed | 75.00 | 75.00 | | | |
| Farrier, not to exceed | 75.00 | 75.00 | | | |
| Assistant to the Racing Manager or Official, not to exceed | 75.00 | 75.00 | | | |
| Video Operator, not to exceed | 75.00 | 75.00 | | | |
| Photo Finish Operator, not to exceed | 75.00 | 75.00 | | | |
| Valet, not to exceed | 50.00 | 50.00 | | | |
| Jockey Room Attendant or Custodian, not to exceed | 50.00 | 50.00 | | | |
| Colors Attendant, not to exceed | 50.00 | 50.00 | | | |
| Paddock Attendant, not to exceed | 50.00 | 50.00 | | | |
| Pony Rider, not to exceed | 50.00 | 50.00 | | | |
| Groom, not to exceed | 50.00 | 50.00 | | | |
| Security Guard, not to exceed | 50.00 | 50.00 | | | |
| Stable Gate Man, not to exceed | 50.00 | 50.00 | | | |
| Security Investigator, not to exceed | 50.00 | 50.00 | | | |
| Concessionaire, not to exceed | 50.00 | 50.00 | | | |
| Application Processing Fee | 25.00 | 25.00 | | | |

Legislative Fiscal Analyst

| | <u>FY 2003</u> <u>Current</u> | <u>FY 2004</u> <u>Proposed</u> | <u>Difference</u> | <u>FY 2004</u> <u>Units</u> | <u>Revenue</u> <u>Change</u> |
|---|----------------------------------|-----------------------------------|-------------------|--------------------------------|---------------------------------|
| Brand Inspection | | | | | |
| Farm Custom Slaughter | 50.00 | 50.00 | | | |
| Estray Animals | varies | varies | | | |
| Beef Promotion (cattle only), per head | 1.00 | 1.00 | | | |
| Citation, per violation | 100.00 | 100.00 | | | |
| Citation, per head | 2.00 | 2.00 | | | |
| If not paid within 15 days 2 times citation fee | | | | | |
| If not paid within 30 days 4 times citation fee | | | | | |
| Brand Inspection Fee, Special Sales | 100.00 | 100.00 | | | |
| Brand Inspection (cattle), per head, | | | | | |
| maximum | 0.50 | 0.60 | 0.10 | 535,000 | 53,500.00 |
| Brand Inspection (horse), per head | 0.65 | 0.75 | 0.10 | 16,000 | 1,600.00 |
| Brand Inspection (sheep), per head | 0.05 | 0.05 | | | |
| Brand Book | 25.00 | 25.00 | | | |
| Show and Seasonal Permits | | | | | |
| Horse | 10.00 | 10.00 | | | |
| Cattle | 10.00 | 10.00 | | | |
| Lifetime Horse Permit | 20.00 | 20.00 | | | |
| Duplicate Lifetime Horse Permit | 10.00 | 10.00 | | | |
| Lifetime Transfer Horse Permit | 10.00 | 10.00 | | | |
| Brand Recording | 75.00 | 75.00 | | | |
| Certified copy of Recording | | | | | |
| (new Brand Card) | 5.00 | 5.00 | | | |
| Minimum charge per certificate | | | | | |
| (Cattle, Sheep, Hogs, and Horses) | 5.00 | 5.00 | | | |
| Brand Transfer | 50.00 | 50.00 | | | |
| Brand Renewal (five-year cycle) | 50.00 | 50.00 | | | |
| Elk Farming | | | | | |
| Elk Inspection New License | 300.00 | 300.00 | | | |
| Brand Inspection per elk | 5.00 | 5.00 | | | |
| Service Charge (per stop | | | | | |
| per owner) | 15.00 | 15.00 | | | |
| Horn Inspection per set | 1.00 | 1.00 | | | |
| Elk License Renewal | 300.00 | 300.00 | | | |
| Elk License Late Fee | 50.00 | 50.00 | | | |
| Grain Inspection | | | | | |

| | <u>FY 2003</u> <u>Current</u> | <u>FY 2004</u> <u>Proposed</u> | <u>Difference</u> | <u>FY 2004</u> <u>Units</u> | <u>Revenue</u> <u>Change</u> |
|---|----------------------------------|-----------------------------------|-------------------|--------------------------------|---------------------------------|
| Regular hourly rate | 24.50 | 24.50 | | | |
| Overtime hourly rate | 36.75 | 36.75 | | | |
| Official Inspection Services: (Includes sampling except where indicated) | | | | | |
| Railcar, per car or part car | 20.00 | 20.00 | | | |
| Truck or trailer, per carrier or part carrier | 10.00 | 10.00 | | | |
| Submitted sample, per sample | 7.00 | 7.00 | | | |
| Reinspection, basis file sample | 6.50 | 6.50 | | | |
| Protein test, original or file sample retest | 5.00 | 5.00 | | | |
| Protein test, basis new sample, plus sample hourly fee | 5.00 | 5.00 | | | |
| Factor only determination, per factor, plus sampler's hourly rate, if applicable | 3.00 | 3.00 | | | |
| Stowage examination services, per certificate | 10.00 | 10.00 | | | |
| A fee for applicant requested certification of specific factors (malting barley analysis of non-malting class barley, HVAC or DHV percentage determination in durum or hard spring wheats, etc., per request) | 2.50 | 2.50 | | | |
| Extra copies of certificates, per copy | 1.00 | 1.00 | | | |
| Insect damaged kernel, determination (weevil, bore) | 2.50 | 2.50 | | | |
| Sampling only, same as original carrier fee, except hopper cars, 4 or more | 11.00 | 11.00 | | | |
| Mailing sample handling charge | 2.00+ | 2.00+ | | | |

Actual Charge Actual Charge

Request for services not covered by the above fees will be performed at the applicable hourly rate stated herein, plus mileage and travel time, if applicable. Actual travel time will be assessed

| | <u>FY 2003 Current</u> | <u>FY 2004 Proposed</u> | <u>Difference</u> | <u>FY 2004 Units</u> | <u>Revenue Change</u> |
|--|----------------------------|-----------------------------|-------------------|--------------------------|---------------------------|
| outside of a 50 mile radius of Ogden. | | | | | |
| Non-official Services | | | | | |
| Safflower Grading | 10.00 | 10.00 | | | |
| Class II weighing, per carrier | 4.50 | 4.50 | | | |
| Determination of DHV | | | | | |
| percentage in Hard Red Wheat | 3.50 | 3.50 | | | |
| Determination of hard kernel percentage | | | | | |
| in soft white wheat | 3.50 | 3.50 | | | |
| Other requests | Hourly Rate | Hourly Rate | | | |
| All Agriculture Divisions | | | | | |
| Organic Certification | | | | | |
| Annual registration of producers, handlers, processors or combination | | | | | |
| | 100.00 | 100.00 | | | |
| Hourly fee for inspection | 23.00 | 24.50 | 1.50 | 50 | 75.00 |
| Hourly charge for inspectors' time more than 40 hours per week (overtime) plus regular fees | | | | | |
| | 34.50 | 36.75 | 2.25 | 10 | 22.50 |
| Hourly charge for major holidays and Sundays (four hour min.) plus regular fees | | | | | |
| | 34.50 | 36.75 | 2.25 | 5 | 11.25 |
| Gross Sales Fees (\$10.00 min.) based on previous calendar year according to the following schedule: | | | | | |
| \$0 to \$5,000 | Exempt | Exempt | | | |
| \$5,001 to \$10,000 | 50.00 | 50.00 | | | |
| \$10,001 to \$15,000 | 75.00 | 75.00 | | | |
| \$15,001 to \$20,000 | 100.00 | 100.00 | | | |
| \$20,001 to \$25,000 | 125.00 | 125.00 | | | |
| \$25,001 to \$30,000 | 150.00 | 150.00 | | | |
| \$30,001 to \$35,000 | 175.00 | 175.00 | | | |
| \$35,001 to \$50,000 | 250.00 | 250.00 | | | |
| \$50,001 to \$75,000 | 375.00 | 375.00 | | | |
| \$75,001 to \$100,000 | 500.00 | 500.00 | | | |
| \$100,001 to \$150,000 | 690.00 | 690.00 | | | |
| \$150,001 to \$280,000 | 1,050.00 | 1,050.00 | | | |

Legislative Fiscal Analyst

| | <u>FY 2003 Current</u> | <u>FY 2004 Proposed</u> | <u>Difference</u> | <u>FY 2004 Units</u> | <u>Revenue Change</u> |
|--|----------------------------|-----------------------------|-------------------|--------------------------|---------------------------|
| \$280,001 to 375,000 | 1,250.00 | 1,250.00 | | | |
| \$375,001 to \$500,000 | 1,460.00 | 1,460.00 | | | |
| \$500,001 and up | 2,000.00 | 2,000.00 | | | |
| Administrative costs for making copies of files, per hour | 10.00 | 10.00 | | | |
| Administrative costs for making copies of files, per copy | 0.07 | 0.07 | | | |
| Duplicate Fee | N/A | 15.00 | 15.00 | 60 | 900.00 |
| Internet Access Fee | N/A | 1.50 | 1.50 | 300 | 450.00 |
| Late Fee | 25.00 | 25.00 | | | |
| Returned check fee | 15.00 | 15.00 | | | |
| Mileage | State Rate | State Rate | | | |

Office of the
Legislative Fiscal Analyst

FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Natural Resources

Utah Department of Natural Resources
Department Summary

Contents:

1.0 Summary

4.0 Additional Information

This Page Intentionally Left Blank

1.0 Summary: Department of Natural Resources

The Department of Natural Resources serves as an umbrella organization bringing together seven divisions of state government that affect the state's natural resources in diverse ways. These divisions include:

- Forestry, Fire and State Lands
- Oil, Gas and Mining
- Utah Geological Survey
- Parks and Recreation
- Water Rights
- Water Resources
- Wildlife Resources

With the exception of Water Rights and Forestry, Fire and State Lands, each division has a policy making board. Forestry, Fire and State Lands has an advisory council. Other divisions have advisory councils in addition to their policy board. UCA 63-34-8 requires the division directors to prepare, with the advice of their boards, a budget for the next fiscal year, which must be submitted to the director of the Department of Natural Resources to aid in the preparation of the departmental budget. The department submits the budget package to the governor, for inclusion in the budget request to the Legislature.

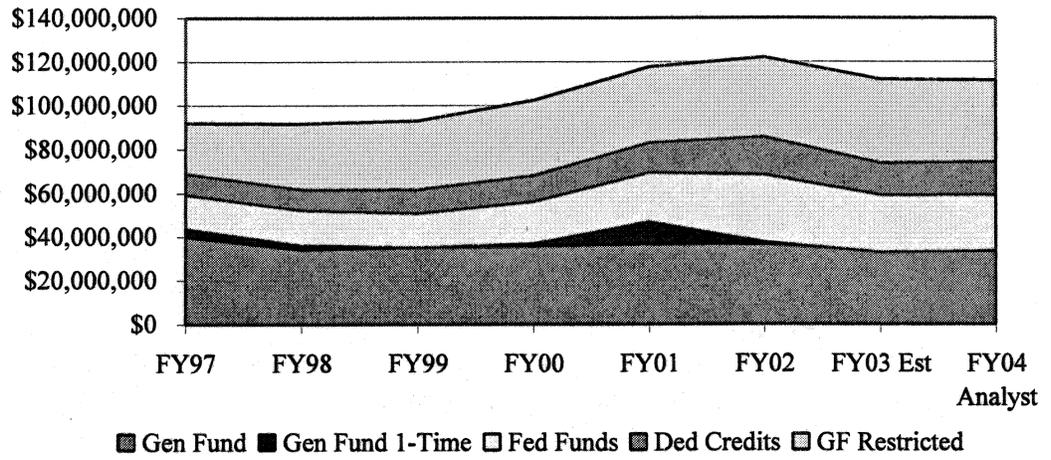
Recommendation

The Analyst recommends a total Natural Resources budget of \$119,636,900. This includes General Funds of \$33,553,700. The General Fund number is derived as follows:

| | |
|--|----------------------------|
| FY 2003 beginning base | \$37,795,200 |
| Internal Service Fund rate changes made earlier | 33,200 |
| Retirement rate/extra working day adjustments | 250,600 |
| Insurance benefit adjustments..... | 327,100 |
| Base/Program transfers | 169,600 |
| Reductions made in Special Sessions 1-5 | (3,458,000) |
| Reductions made in Special Session 6..... | (1,492,700) |
| FY 2004 Beginning Base: | <u>\$33,625,000</u> |
| New Info Tech / Retirement savings | (67,200) |
| New base transfer | (4,100) |
| Total GF Allocation/Analyst Recommendation: | <u>\$33,553,700</u> |

| | Analyst FY 2004 Base | Analyst FY 2004 Changes | Analyst FY 2004 Total |
|--------------------------------|----------------------------|-------------------------------|-----------------------------|
| Financing | | | |
| General Fund | 33,625,000 | (71,300) | 33,553,700 |
| General Fund Restricted | 36,716,100 | | 36,716,100 |
| Federal Funds | 25,578,000 | | 25,578,000 |
| Dedicated Credits | 15,202,700 | | 15,202,700 |
| Federal Mineral Lease | 716,400 | | 716,400 |
| Trust and Agency Funds | 7,041,700 | | 7,041,700 |
| Transfers | 412,900 | | 412,900 |
| Beginning Balance | 530,300 | | 530,300 |
| Closing Balance | (114,900) | | (114,900) |
| Total | \$119,708,200 | (\$71,300) | \$119,636,900 |
| Programs | | | |
| Administration | 6,522,400 | (6,200) | 6,516,200 |
| Species Protection | 3,137,200 | | 3,137,200 |
| Building Operations | 1,552,800 | | 1,552,800 |
| Forestry, Fire and State Lands | 10,837,000 | (2,200) | 10,834,800 |
| Oil, Gas and Mining | 7,156,600 | (6,300) | 7,150,300 |
| Wildlife Resources | 36,560,700 | (18,100) | 36,542,600 |
| Predator Control | | | |
| GFR - Wildlife Resources | 68,000 | | 68,000 |
| Contributed Research | 336,700 | | 336,700 |
| Cooperative Env Studies | 3,597,600 | | 3,597,600 |
| Wildlife Resources Capital | 3,316,000 | | 3,316,000 |
| Parks & Recreation | 22,656,400 | (17,700) | 22,638,700 |
| Parks & Recreation Capital | 4,014,200 | | 4,014,200 |
| Utah Geological Survey | 4,126,500 | (9,000) | 4,117,500 |
| Water Resources | 4,498,100 | (4,400) | 4,493,700 |
| W Res Revolving Const | 4,339,100 | | 4,339,100 |
| W Res Conserv & Develop | 1,043,200 | | 1,043,200 |
| Water Rights | 5,945,700 | (7,400) | 5,938,300 |
| Total | \$119,708,200 | (\$71,300) | \$119,636,900 |
| FTE/Other | | | |
| Total FTE | 1,225 | | 1,225 |

Natural Resources Major Funding Sources



4.0 Additional Information: Department of Natural Resources

4.1 Funding History

| | 2000 | 2001 | 2002 | 2003 | 2004 |
|--------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Financing | Actual | Actual | Actual | Estimated* | Analyst |
| General Fund | 35,612,300 | 36,382,100 | 36,545,500 | 33,625,000 | 33,553,700 |
| General Fund, One-time | 1,267,000 | 10,554,000 | 1,108,200 | (680,000) | |
| General Fund Restricted | 32,864,900 | 34,568,100 | 36,262,800 | 38,183,900 | 36,716,100 |
| Federal Funds | 19,014,000 | 22,356,700 | 30,531,700 | 26,061,800 | 25,578,000 |
| Dedicated Credits | 12,270,500 | 13,836,300 | 17,549,200 | 14,781,600 | 15,202,700 |
| Federal Mineral Lease | 712,200 | 1,117,900 | 681,200 | 704,100 | 716,400 |
| Trust and Agency Funds | 18,526,100 | 18,865,400 | 8,918,500 | 6,929,900 | 7,041,700 |
| Transfers | (6,861,700) | (5,542,100) | 1,015,500 | 554,700 | 412,900 |
| Repayments/Reimbursements | 14,587,400 | 16,798,800 | | | |
| Beginning Balance | 29,697,500 | 20,665,200 | 23,341,700 | 17,231,000 | 530,300 |
| Closing Balance | (20,665,300) | (32,484,500) | (17,231,000) | (530,300) | (114,900) |
| Lapsing Balance | (1,870,200) | (8,494,000) | (5,635,400) | (1,913,900) | |
| Total | \$135,154,700 | \$128,623,900 | \$133,087,900 | \$134,947,800 | \$119,636,900 |
| Programs | | | | | |
| Administration | 3,641,400 | 3,783,300 | 5,729,800 | 6,704,600 | 6,516,200 |
| Species Protection | 839,200 | 986,900 | 3,019,800 | 2,637,200 | 3,137,200 |
| Building Operations | 1,630,500 | 1,608,500 | 1,617,800 | 1,552,800 | 1,552,800 |
| Forestry, Fire and State Lands | 8,367,700 | 13,187,000 | 14,587,500 | 12,094,400 | 10,834,800 |
| Oil, Gas and Mining | 6,120,300 | 5,709,400 | 6,205,500 | 7,343,900 | 7,150,300 |
| Wildlife Resources | 30,838,600 | 32,265,700 | 33,169,900 | 37,359,900 | 36,542,600 |
| Predator Control | | | | | |
| GFR - Wildlife Resources | | | 172,200 | 68,000 | 68,000 |
| Contributed Research | 311,100 | 344,700 | 634,400 | 336,700 | 336,700 |
| Cooperative Env Studies | 3,395,800 | 2,569,100 | 5,567,000 | 3,596,500 | 3,597,600 |
| Wildlife Resources Capital | 2,674,800 | 4,527,000 | 11,649,200 | 5,994,700 | 3,316,000 |
| Parks & Recreation | 22,295,800 | 22,328,500 | 22,420,000 | 23,153,800 | 22,638,700 |
| Parks & Recreation Capital | 4,264,800 | 5,337,400 | 8,015,700 | 15,495,600 | 4,014,200 |
| Utah Geological Survey | 4,085,500 | 4,581,700 | 4,497,300 | 4,424,400 | 4,117,500 |
| Water Resources | 7,477,200 | 7,627,900 | 4,529,900 | 4,815,200 | 4,493,700 |
| W Res Revolving Const | 11,904,100 | 5,067,900 | 4,363,000 | 2,324,100 | 4,339,100 |
| W Res Cities Water Loan | 2,660,000 | 2,980,000 | | | |
| W Res Conserv & Develop | 18,259,900 | 9,788,200 | 1,039,500 | 1,043,200 | 1,043,200 |
| Water Rights | 6,388,000 | 5,930,700 | 5,869,400 | 6,002,800 | 5,938,300 |
| Total | \$135,154,700 | \$128,623,900 | \$133,087,900 | \$134,947,800 | \$119,636,900 |
| Expenditures | | | | | |
| Personal Services | 56,138,300 | 57,709,700 | 61,027,700 | 63,205,200 | 62,825,500 |
| In-State Travel | 722,500 | 644,800 | 741,900 | 755,800 | 763,100 |
| Out of State Travel | 344,400 | 376,700 | 349,900 | 428,300 | 416,600 |
| Current Expense | 25,730,000 | 27,502,200 | 33,403,900 | 34,932,300 | 30,392,300 |
| DP Current Expense | 2,060,800 | 2,218,000 | 1,990,200 | 1,800,900 | 1,650,100 |
| DP Capital Outlay | 88,100 | 106,900 | 283,100 | 15,000 | 28,500 |
| Capital Outlay | 8,055,000 | 10,056,000 | 15,250,000 | 10,744,200 | 6,160,900 |
| Other Charges/Pass Thru | 42,015,600 | 30,009,600 | 20,041,200 | 23,066,100 | 17,399,900 |
| Total | \$135,154,700 | \$128,623,900 | \$133,087,900 | \$134,947,800 | \$119,636,900 |
| FTE/Other | | | | | |
| Total FTE | 1,204 | 1,202 | 1,177 | 1,236 | 1,225 |

*General and school funds as revised by Supplemental Bills I-V, 2002 Gen and Spec Sessions. Others as estimated by agency.

Office of the
Legislative Fiscal Analyst

FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Natural Resources

Utah Department of Natural Resources
Department Administration

Contents:

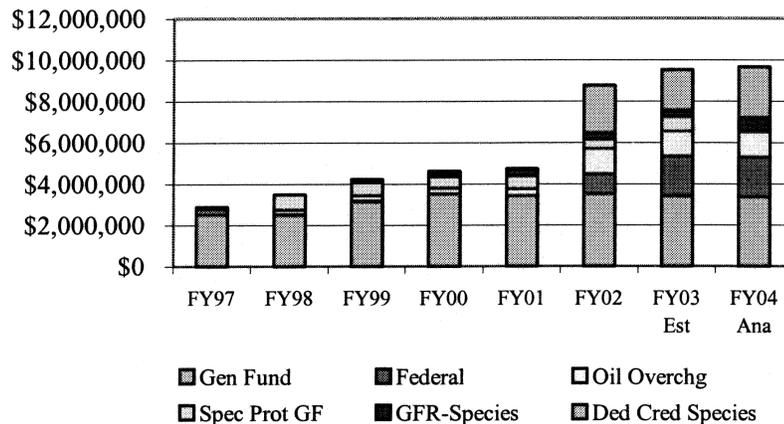
- 1.0 Summary
- 2.0 Issues
- 3.0 Programs
- 4.0 Additional Information

This Page Intentionally Left Blank

1.0 Summary: Department Administration

The Department Administration develops, implements, and coordinates the management of Utah's natural resources. The functions within this line item include: Executive Director's Office, Private Property Ombudsman, Human Resources, Data Processing, Finance, Auditing, Public Affairs, Law Enforcement oversight, Energy Resource Planning, and the Bear Lake Regional Commission. More detail on each program can be found in Section 3.0.

DNR Admin Funding (Includes Species Protection)



| | Analyst FY 2004 Base | Analyst FY 2004 Changes | Analyst FY 2004 Total |
|-----------------------------|-------------------------------------|--|--------------------------------------|
| Financing | | | |
| General Fund | 3,352,900 | (6,200) | 3,346,700 |
| Federal Funds | 1,946,700 | | 1,946,700 |
| Oil Overchg - Exxon | 927,800 | | 927,800 |
| Oil Overchg - Stripper Well | 295,000 | | 295,000 |
| Total | \$6,522,400 | (\$6,200) | \$6,516,200 |
| Programs | | | |
| Executive Director | 688,400 | (400) | 688,000 |
| Administrative Services | 1,405,900 | (1,900) | 1,404,000 |
| Energy Resource Planning | 3,769,400 | (2,100) | 3,767,300 |
| Public Affairs | 361,400 | (400) | 361,000 |
| Bear Lake Commission | 28,700 | | 28,700 |
| Law Enforcement | 123,100 | (1,300) | 121,800 |
| Ombudsman | 145,500 | (100) | 145,400 |
| Total | \$6,522,400 | (\$6,200) | \$6,516,200 |
| FTE/Other | | | |
| Total FTE | | 53 | 53 |

2.0 Issues: Department Administration

2.1 Previous Budget Reductions

During the 2002 General Session and subsequent special sessions, the Legislature made the following ongoing General Fund adjustments:

| | |
|---|---------------------------|
| FY 2003 Beginning Base: | <u>\$3,541,700</u> |
| ISF rate changes | 27,000 |
| Retirement rate/extra working day adjustments | 23,400 |
| Insurance benefit adjustments | 38,000 |
| Energy Office transfer from DCED | 42,800 |
| Energy Office transfer from GOPB | 124,600 |
| Administrative staff reductions | (110,000) |
| Reduced 4x4 usage | (7,000) |
| Bear Lake Commission | (20,000) |
| Law Enforcement FTE | (83,000) |
| RS 2477 roads defense | (60,000) |
| Across-the-board cuts (sixth special session) | <u>(164,600)</u> |
| FY 2004 Beginning Base | <u>\$3,352,900</u> |

2.2 Information Technology / Retirement Rate Savings

The FY 2004 beginning base has been reduced by mandated statewide information technology savings and by reductions to statewide retirement rates. The portion of savings applicable to this line item is shown below.

| | |
|--------------------------------------|---------------------------|
| IT/Retirement Savings | <u>(\$6,200)</u> |
| New FY 2004 General Fund Base | <u>\$3,346,700</u> |

3.0 Programs: Administration

3.1 Executive Director

Recommendation

The Analyst recommends a total budget of \$688,000. This program formerly included \$60,000 for RS 2477 roads defense, but those funds were cut last general session. RS 2477 issues are still being funded out of the Governor's Office with Constitutional Defense Funds.

| | 2002 | 2003 | 2004 | Est/Analyst |
|-------------------------|------------------|------------------|------------------|--------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 865,400 | 688,500 | 688,000 | (500) |
| General Fund, One-time | (2,900) | 40,000 | | (40,000) |
| Beginning Nonlapsing | 176,400 | 147,100 | | (147,100) |
| Closing Nonlapsing | (147,100) | | | |
| Lapsing Balance | (1,500) | | | |
| Total | \$890,300 | \$875,600 | \$688,000 | (\$187,600) |
| Expenditures | | | | |
| Personal Services | 606,500 | 489,100 | 491,300 | 2,200 |
| In-State Travel | 9,900 | 9,400 | 9,600 | 200 |
| Out of State Travel | 14,500 | 14,600 | 14,600 | |
| Current Expense | 233,100 | 289,200 | 161,200 | (128,000) |
| DP Current Expense | 11,300 | 33,300 | 11,300 | (22,000) |
| Other Charges/Pass Thru | 15,000 | 40,000 | | (40,000) |
| Total | \$890,300 | \$875,600 | \$688,000 | (\$187,600) |
| FTE/Other | | | | |
| Total FTE | 7 | 4 | 4 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

Under the direction of the Governor, the Executive Director's office provides leadership, direction, and policy for the management of Utah's natural resources.

The department's leadership team consists of the Executive Director and deputies, division directors, and administrative staff. They meet weekly to discuss departmental goals and to handle a variety of management matters. Each division director, as a member of this team, has direct access to the Executive Director and a role in decision-making.

Intent Language

The Analyst recommends **discontinuing** the following intent language, which is no longer relevant:

It is the intent of the Legislature that the FY 2000 one-time supplemental appropriation of \$120,000 for Thistle water tunnel improvements be nonlapsing.

It is the intent of the Legislature that the appropriation for RS 2477 roads defense be nonlapsing.

It is the intent of the Legislature that the FY 2000 one-time General Fund appropriation of \$50,000 for Wide Hollow Water Conservancy District be nonlapsing, but not released until the Environmental Impact Statement is complete and the project has been authorized to move forward.

The remaining funds for Wide Hollow Conservancy District were released during the summer of 2002, although it is still not clear whether the project has been authorized to begin construction.

Intent Language Reports

The following intent language from H.B 5009, 2002 Fifth Special Session, requires a **report** from the department to the subcommittee:

It is the It is the intent of the Legislature that the Department of Natural Resources study brine shrimp royalty laws to determine if adjustments could be made to enhance revenue collections in an effort to offset General Fund reductions to the Species Protection program. This study shall be presented to the Natural Resources Appropriations Subcommittee in January 2003.

The Analyst also recommends the department **report** on its progress with intent language inserted in H.B. 3, 2002 General Session:

It is the It is the intent of the Legislature that the FY 2003 one-time General Fund appropriation of \$40,000 to the Department of Natural Resources be used to pay legal costs associated with seeking to preserve by lawful means the rights of the state and its citizens to determine and affect the disposition and use of federal lands within the state, including agricultural grazing rights on federal lands. The Department of Natural Resources shall coordinate these efforts with the Governor's Office and the Attorney General's Office.

Previous Building Block Report

The only funding increase made in the last general session was the one-time appropriation of \$40,000 for grazing rights protection.

3.2 Administrative Services

Recommendation

The Analyst recommends a total budget for this program of \$1,404,000, funded entirely from the General Fund. Personal Services comprise 88 percent of the recommended appropriation. Two FTEs became vacant in FY 2002 and will probably not be filled for some time.

| | 2002 | 2003 | 2004 | Est/Analyst |
|------------------------|--------------------|--------------------|--------------------|------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 1,392,200 | 1,406,800 | 1,404,000 | (2,800) |
| General Fund, One-time | (800) | | | |
| Total | \$1,391,400 | \$1,406,800 | \$1,404,000 | (\$2,800) |
| Expenditures | | | | |
| Personal Services | 1,232,800 | 1,296,700 | 1,237,000 | (59,700) |
| In-State Travel | 1,400 | 1,400 | 1,400 | |
| Out of State Travel | 2,100 | 2,600 | 2,600 | |
| Current Expense | 113,500 | 64,800 | 121,700 | 56,900 |
| DP Current Expense | 41,600 | 41,300 | 41,300 | |
| Total | \$1,391,400 | \$1,406,800 | \$1,404,000 | (\$2,800) |
| FTE/Other | | | | |
| Total FTE | 19 | 21 | 21 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

Administrative Services supports the Executive Director and the seven divisions in the areas of human resources, budgeting, accounting, data processing, and central services (motor pool, warehouse, data processing). The purpose of department-level support is to assure uniform policy among divisions and to coordinate actions between divisions.

3.3 Utah Energy Office (formerly Office of Energy and Resource Planning)

Recommendation

The Analyst recommends a total budget of \$3,767,300, funded from the General Fund, federal funds, and the Oil Overcharge accounts. Lapsing funds in FY 2002 and FY 2003 lapsed back to the Oil Overcharge accounts. The present constitution of the office is different than it was two years ago. The Legislature approved the Governor's transfer of budget and staff from the Department of Community and Economic Development (DCED) and the Resource Planning and Legal Review division from the Governor's Office of Planning and Budget (GOPB), to this program.

| | 2002 | 2003 | 2004 | Est/Analyst |
|-----------------------------|--------------------|--------------------|--------------------|--------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 500,600 | 602,100 | 597,800 | (4,300) |
| General Fund, One-time | (300) | | | |
| Federal Funds | 973,200 | 1,946,700 | 1,946,700 | |
| Oil Overchg - Exxon | 2,376,300 | 2,376,300 | 927,800 | (1,448,500) |
| Oil Overchg - Stripper Well | 755,500 | 755,500 | 295,000 | (460,500) |
| Lapsing Balance | (1,909,000) | (1,913,900) | | 1,913,900 |
| Total | \$2,696,300 | \$3,766,700 | \$3,767,300 | \$600 |
| Expenditures | | | | |
| Personal Services | 891,800 | 1,350,700 | 1,355,600 | 4,900 |
| In-State Travel | 5,600 | 5,500 | 5,500 | |
| Out of State Travel | 29,200 | 29,200 | 29,200 | |
| Current Expense | 1,517,000 | 1,560,700 | 1,554,800 | (5,900) |
| DP Current Expense | 53,100 | 53,000 | 53,000 | |
| Other Charges/Pass Thru | 199,600 | 767,600 | 769,200 | 1,600 |
| Total | \$2,696,300 | \$3,766,700 | \$3,767,300 | \$600 |
| FTE/Other | | | | |
| Total FTE | 12 | 20 | 20 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The Utah Energy Office directs and provides economic analysis, research analysis, policy coordination, energy engineering services, and strategic planning on behalf of the Executive Director, as required by UCA 63-34-5. The program is responsible for coordinating all energy issues across the department and its divisions. The office took on a new role with the passage of the Quality Growth Act of 1999. The Act authorized creation of a State Buildings Energy Efficiency Program (SBEEP). This office oversees the program, with the requirement that 50 percent of net energy savings be deposited in the LeRay McCallister Critical Land Conservation Fund.

Oil Overcharge funds were awarded by the federal Department of Energy and the federal courts to state governors for restitution of damages to consumers due to oil companies' violation of law. The Utah Attorney General has issued an opinion that, since the funds were distributed directly to the governor, "such monies are subject to executive disbursement and not amenable to legislative appropriation." Nevertheless, the department presents the requested amounts in its annual budget package to the Legislature.

The Legislature approved a transfer of \$42,800 in General Funds from DCED, and \$124,600 in General Funds from GOPB, to consolidate energy functions in this office. These transfers may cause the General Fund cuts in this line item to appear less severe than they really were. It is the Analyst's opinion that the revenue transfers were probably insufficient to cover all costs that were transferred; however, it is also recognized that some savings could be expected through consolidation.

3.4 Public Affairs

Recommendation

The Analyst recommends a total budget of \$361,000, funded entirely from the General Fund. One of the FTEs in this program has recently become vacant and will probably not be filled in the near future.

| | 2002 Actual | 2003 Estimated* | 2004 Analyst | Est/Analyst Difference |
|------------------------|------------------|--------------------|------------------|---------------------------|
| Financing | | | | |
| General Fund | 322,700 | 362,100 | 361,000 | (1,100) |
| General Fund, One-time | (200) | | | |
| Total | <u>\$322,500</u> | <u>\$362,100</u> | <u>\$361,000</u> | <u>(\$1,100)</u> |
| Expenditures | | | | |
| Personal Services | 298,800 | 338,500 | 337,500 | (1,000) |
| In-State Travel | 500 | 600 | 600 | |
| Out of State Travel | 1,000 | 1,000 | 1,000 | |
| Current Expense | 11,400 | 11,100 | 11,000 | (100) |
| DP Current Expense | 10,800 | 10,900 | 10,900 | |
| Total | <u>\$322,500</u> | <u>\$362,100</u> | <u>\$361,000</u> | <u>(\$1,100)</u> |
| FTE/Other | | | | |
| Total FTE | 5 | 5 | 5 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The Public Affairs program assists the department in understanding the needs of its customers and educates the public regarding the department's efforts. They coordinate the production of written materials, department communications, and news media relations. They provide information regarding department services to the citizens of the state and keep managers abreast of public attitudes and concerns.

The program is also the liaison between the Legislature and the Department. It coordinates the Take Pride in Utah partnership of state, federal, and private entities. The goal of Take Pride in Utah is to raise public awareness and encourage greater stewardship over the state's resources.

3.5 Bear Lake Regional Commission

Recommendation

The Analyst recommends a total budget of \$28,700, funded entirely from the General Fund.

| | 2002 | 2003 | 2004 | Est/Analyst |
|-------------------------|-----------------|-----------------|-----------------|-------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 50,000 | 28,700 | 28,700 | |
| Total | \$50,000 | \$28,700 | \$28,700 | \$0 |
| Expenditures | | | | |
| Other Charges/Pass Thru | 50,000 | 28,700 | 28,700 | |
| Total | \$50,000 | \$28,700 | \$28,700 | \$0 |
| FTE/Other | | | | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

In 1983, the Bear Lake Regional Commission, through funds provided by the Department of Natural Resources, the State of Idaho and the Environmental Protection Agency, undertook a water quality study of Bear Lake, Bear River, and the associated watersheds. The Commission reported to the Legislature that the water quality of Bear Lake had deteriorated and that the Commission wanted to continue studying the lake to preserve its quality.

Research several years ago found higher-than-expected amounts of algae and phosphorus in the lake. These result from biological matter that enters the water. The Commission works to reduce non-point source pollutants with federal grants, local influence, and a small hands-on staff.

Intent Language

The Analyst recommends **maintaining** the following intent language from S.B. 1, 2002 General Session:

It is the intent of the Legislature that funding for the Bear Lake Regional Commission be expended only as a one-to-one match with funds from the State of Idaho.

During 2002 the State of Utah reduced its commitment to this program by \$21,300. However, the State of Idaho maintained its commitment at \$50,000. It is unknown whether Idaho will adjust its future appropriations in response to Utah.

3.6 Law Enforcement

Recommendation

The Analyst recommends a total budget of \$121,800, funded entirely from the General Fund. This program has decreased from three FTE in FY 2001 to one in FY 2003. Due to budget cuts these positions probably will not be filled for some time.

| | 2002 | 2003 | 2004 | Est/Analyst |
|------------------------|------------------|-------------------|------------------|-------------------|
| Financing | Actual | Estimated* | Analyst | Difference |
| General Fund | 205,600 | 119,200 | 121,800 | 2,600 |
| General Fund, One-time | (100) | | | |
| Total | \$205,500 | \$119,200 | \$121,800 | \$2,600 |
| Expenditures | | | | |
| Personal Services | 173,200 | 96,100 | 95,200 | (900) |
| In-State Travel | 1,600 | 1,600 | 1,600 | |
| Out of State Travel | 200 | 200 | 200 | |
| Current Expense | 27,100 | 17,900 | 21,400 | 3,500 |
| DP Current Expense | 3,400 | 3,400 | 3,400 | |
| Total | \$205,500 | \$119,200 | \$121,800 | \$2,600 |
| FTE/Other | | | | |
| Total FTE | 2 | 1 | 1 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The department has a large law enforcement presence. The purpose of this departmental law enforcement office is to ensure a high degree of professionalism and training, consistent policy administration, and to review complaints about any peace officers in the department.

3.7 Private Property Ombudsman

Recommendation

The Analyst recommends General Funds for this program in the amount of \$145,400. Program staffing includes one attorney and one office technician.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------|------------------|------------------|------------------|----------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 173,800 | 145,500 | 145,400 | (100) |
| Total | <u>\$173,800</u> | <u>\$145,500</u> | <u>\$145,400</u> | <u>(\$100)</u> |
| Expenditures | | | | |
| Personal Services | 121,600 | 134,800 | 128,400 | (6,400) |
| In-State Travel | 8,700 | 8,800 | 8,700 | (100) |
| Out of State Travel | 5,700 | 5,500 | 5,500 | |
| Current Expense | 34,800 | (6,700) | (300) | 6,400 |
| DP Current Expense | 3,000 | 3,100 | 3,100 | |
| Total | <u>\$173,800</u> | <u>\$145,500</u> | <u>\$145,400</u> | <u>(\$100)</u> |
| FTE/Other | | | | |
| Total FTE | 2 | 2 | 2 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The Ombudsman program was created by the 1997 Legislature in an effort to address citizen concerns about the way government actions can impact the use and value of private property. At the request of a state agency, local government, or private property owner, the Ombudsman assists in analyzing actions with takings implications. Information is provided to groups about takings law. Mediation or arbitration is arranged for disputes between private property owners and government entities.

4.0 Additional Information: Department Administration

4.1 Funding History

| | 2000 | 2001 | 2002 | 2003 | 2004 |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Financing | Actual | Actual | Actual | Estimated* | Analyst |
| General Fund | 3,334,900 | 3,414,200 | 3,510,300 | 3,352,900 | 3,346,700 |
| General Fund, One-time | 170,000 | | (4,300) | 40,000 | |
| Federal Funds | 8,300 | | 973,200 | 1,946,700 | 1,946,700 |
| Oil Overchg - Exxon | | | 2,376,300 | 2,376,300 | 927,800 |
| Oil Overchg - Stripper Well | 350,000 | 500,000 | 755,500 | 755,500 | 295,000 |
| Beginning Nonlapsing | 72,000 | 208,900 | 176,400 | 147,100 | |
| Closing Nonlapsing | (209,000) | (176,400) | (147,100) | | |
| Lapsing Balance | (84,800) | (163,400) | (1,910,500) | (1,913,900) | |
| Total | \$3,641,400 | \$3,783,300 | \$5,729,800 | \$6,704,600 | \$6,516,200 |
| Programs | | | | | |
| Executive Director | 918,400 | 800,300 | 890,300 | 875,600 | 688,000 |
| Administrative Services | 1,311,500 | 1,331,300 | 1,391,400 | 1,406,800 | 1,404,000 |
| Energy Resource Planning | 786,600 | 868,300 | 2,696,300 | 3,766,700 | 3,767,300 |
| Public Affairs | 267,300 | 291,200 | 322,500 | 362,100 | 361,000 |
| Bear Lake Commission | 50,000 | 50,000 | 50,000 | 28,700 | 28,700 |
| Law Enforcement | 307,600 | 282,300 | 205,500 | 119,200 | 121,800 |
| Ombudsman | | 159,900 | 173,800 | 145,500 | 145,400 |
| Total | \$3,641,400 | \$3,783,300 | \$5,729,800 | \$6,704,600 | \$6,516,200 |
| Expenditures | | | | | |
| Personal Services | 2,704,600 | 2,845,000 | 3,324,700 | 3,705,900 | 3,645,000 |
| In-State Travel | 36,900 | 37,400 | 27,700 | 27,300 | 27,400 |
| Out of State Travel | 34,400 | 41,100 | 52,700 | 53,100 | 53,100 |
| Current Expense | 764,400 | 717,700 | 1,936,900 | 1,937,000 | 1,869,800 |
| DP Current Expense | 108,200 | 122,100 | 123,200 | 145,000 | 123,000 |
| Capital Outlay | | 15,100 | | | |
| Other Charges/Pass Thru | (7,100) | 4,900 | 264,600 | 836,300 | 797,900 |
| Total | \$3,641,400 | \$3,783,300 | \$5,729,800 | \$6,704,600 | \$6,516,200 |
| FTE/Other | | | | | |
| Total FTE | 45 | 45 | 46 | 53 | 53 |

*General and school funds as revised by Supplemental Bills I-V, 2002 Gen and Spec Sessions. Others as estimated by agency.

4.2 Federal Funds

| | | | FY 2002 Actual | FY 2003 Estimated | FY 2004 Analyst |
|-------------|---------------------------|--------------------------|---------------------------|------------------------------|----------------------------|
| Program: | Utah Energy Office | Federal | 840,900 | 1,548,900 | 1,819,400 |
| Fed Agency: | Department of Energy | State Match | | | |
| Purpose: | Special Projects | Total | 840,900 | 1,548,900 | 1,819,400 |
| | | | | | |
| Program: | Utah Energy Office | Federal | 132,300 | 397,800 | 127,300 |
| Fed Agency: | Enviro Protection Agency | State Match | 44,100 | 132,600 | 42,400 |
| Purpose: | Wetland Protection Grants | Total | 176,400 | 530,400 | 169,700 |
| | | Federal Total | 973,200 | 1,946,700 | 1,946,700 |
| | | State Match Total | 44,100 | 132,600 | 42,400 |
| | | Total | \$1,017,300 | \$2,079,300 | \$1,989,100 |

4.3 Department Administration Fees

| | FY 2003 Current | FY 2004 Proposed | Difference | FY 2004 Units | Revenue Change |
|----------------------------------|--|--|-------------------|--------------------------|---------------------------|
| Custom Reports | Computer time and current personnel rate | Computer time and current personnel rate | | | |
| Photocopies-Staff Copy, Per Page | 0.25 | 0.25 | | | |
| Photocopies-Self Copy, Per Page | 0.10 | 0.10 | | | |

Office of the
Legislative Fiscal Analyst

FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Natural Resources

Utah Department of Natural Resources
Species Protection

Contents:

- 1.0 Summary
- 2.0 Issues
- 3.0 Programs
- 4.0 Additional Information

This Page Intentionally Left Blank

1.0 Summary: Species Protection

In the 1997 General Session, the Legislature passed HB 359, which: (1) levied a brine shrimp royalty tax of 3.5 percent of the value of unprocessed brine shrimp eggs, and (2) created the General Fund Restricted - Species Protection Account into which brine shrimp royalties are deposited. Species protection refers to an action to protect any plant or animal species identified as sensitive by the state or as threatened or endangered by the federal Endangered Species Act of 1973. The Species Protection Account may be used:

- To develop and implement species status assessments and species protection measures;
- For biological opinions of proposed species protection measures;
- To research the effects of proposed species protection measures;
- To verify species protection proposals that are not based on valid biological data;
- For Great Salt Lake wetlands mitigation in connection with transportation projects;
- For the state's voluntary contributions to the Utah Reclamation Mitigation and Conservation Commission under the Central Utah Project. (UCA 63-34-14.)

| | Analyst FY 2004 Base | Analyst FY 2004 Changes | Analyst FY 2004 Total |
|---------------------------|-------------------------------------|--|--------------------------------------|
| Financing | | | |
| Dedicated Credits Revenue | 2,450,000 | | 2,450,000 |
| GFR - Species Protection | 687,200 | | 687,200 |
| Total | \$3,137,200 | \$0 | \$3,137,200 |
| Programs | | | |
| Species Protection | 3,137,200 | | 3,137,200 |
| Total | \$3,137,200 | \$0 | \$3,137,200 |
| FTE/Other | | | |
| Total FTE | 2 | | 2 |

2.0 Issues: Species Protection

2.1 Previous Budget Reductions

During the 2002 General Session and subsequent special sessions, the Legislature made the following ongoing General Fund adjustments:

| | |
|---|-------------------|
| FY 2003 Beginning Base: | <u>\$625,900</u> |
| Retirement rate/extra working day adjustments | 500 |
| Insurance benefit adjustments | 800 |
| Program reduction | <u>(627,200)</u> |
| FY 2004 Beginning Base | <u>\$0</u> |

2.2 Changes from H.B. 6004

House Bill 275 (2000 General Session) dedicated \$2.3 million from a 1/16 percent sales tax collection to Species Protection, beginning in FY 2002. However, H.B. 6004 from the 2002 Sixth Special Session cut \$350,000 from FY 2003, capped the sales tax collections at \$17,500,000 in FY 2004, and dedicated 14 percent (or \$2,450,000) to this program.

3.0 Programs: Species Protection

3.1 Species Protection

Recommendation

The Analyst recommends the base budget of \$3,137,200. Dedicated Credits come from the 1/16 percent sales tax as required by state law (UCA 59-12-103).

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------------|--------------------|--------------------|--------------------|------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 446,200 | | | |
| Dedicated Credits Revenue | 2,300,000 | 1,950,000 | 2,450,000 | 500,000 |
| GFR - Species Protection | 324,100 | 687,200 | 687,200 | |
| Lapsing Balance | (50,500) | | | |
| Total | \$3,019,800 | \$2,637,200 | \$3,137,200 | \$500,000 |
| Expenditures | | | | |
| Personal Services | 137,400 | 154,000 | 154,500 | 500 |
| In-State Travel | 8,600 | 8,600 | 8,600 | |
| Out of State Travel | 500 | 600 | 600 | |
| Current Expense | 2,870,800 | 2,471,500 | 2,971,000 | 499,500 |
| DP Current Expense | 2,500 | 2,500 | 2,500 | |
| Total | \$3,019,800 | \$2,637,200 | \$3,137,200 | \$500,000 |
| FTE/Other | | | | |
| Total FTE | 2 | 2 | 2 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The purpose of this program is to take action to protect any plant or animal species identified as sensitive by the state or as threatened by the federal government.

Intent Language

The Analyst recommends **discontinuing** the following intent language, which is no longer relevant:

It is the intent of the Legislature that the Species Protection program General Fund appropriation be nonlapsing.

The following is a list of projects funded or in progress:

| Ongoing Projects | Sponsor | Project Cost | Fiscal Years |
|--------------------------------------|-----------|--------------------|--------------|
| Colorado River RIP | DNR | \$721,000 | 2002-10 |
| June Sucker RIP | DNR | 300,000 | 2002-10 |
| Virgin River RIP | DNR | 730,000 | 2002-10 |
| Bat Survey | DOGM | 12,200 | 2002-03 |
| Spotted Frog Habitat Prot | DWR | 133,200 | 2002-05 |
| Leatherside Chub Research | DWR | 7,500 | 2002-03 |
| Boreal Toad Monitoring | DWR | 12,000 | 2002-03 |
| Ecol Study of Desert Wetlands | BYU | 15,800 | 2002-03 |
| Forest Carnivores | BYU | 60,000 | 2002-03 |
| RT, BH, FM Conserv Strategy | DWR | 15,000 | 2002-03 |
| Depletion Charges | Carbon Co | 21,100 | 2002-05 |
| Prairie Dog Habitat | Iron Co | 58,000 | 2002-03 |
| New Projects in FY 2003 | | | |
| Prairie Dog Mgt & Recov Plan | DWR | \$30,000 | 2003 |
| Spotted Frog & Least Chub Mgt | DWR | 40,000 | 2003-05 |
| Least Chub Captive Mgt/Site Eval | DWR | 30,000 | 2003-05 |
| Sage Grouse Hab Improve Proj | DWR | 35,000 | 2003-04 |
| Devel of Prairie Dog Mitig Bank | SITLA | 79,900 | 2003-05 |
| Prairie Dogs on Private Land | USU | 25,000 | 2003-05 |
| Snail Conservation Plan | DWR | 1,500 | 2003 |
| Spotted Owl Habitat Model | DWR | 11,900 | 2003-04 |
| Sage Grouse Conserv & Recov | DLL | 24,700 | 2003 |
| Sensitive Species List Review | DWR | 12,500 | 2003 |
| Avian/Mammal Sensitive Spec | DWR | 100,000 | 2003-04 |
| Cedar City Golf Course HCP | Iron Co | 10,000 | 2003 |
| Easement Specialist DWR | DWR | 30,000 | 2003-05 |
| Prog Mgt for JSRP and VRRMRP | DWR | 30,000 | 2003-05 |
| Total All Projects in FY 2003 | | \$2,546,300 | |

Note: Another sixteen proposals totaling \$271,000 are currently unfuded.

4.0 Additional Information: Species Protection

4.1 Funding History

| | 2000 | 2001 | 2002 | 2003 | 2004 |
|---------------------------|------------------|------------------|--------------------|--------------------|--------------------|
| | Actual | Actual | Actual | Estimated* | Analyst |
| Financing | | | | | |
| General Fund | 573,900 | 625,900 | 446,200 | | |
| Dedicated Credits Revenue | | | 2,300,000 | 1,950,000 | 2,450,000 |
| GFR - Species Protection | 324,100 | 724,100 | 324,100 | 687,200 | 687,200 |
| Lapsing Balance | (58,800) | (363,100) | (50,500) | | |
| Total | \$839,200 | \$986,900 | \$3,019,800 | \$2,637,200 | \$3,137,200 |
| Programs | | | | | |
| Species Protection | 839,200 | 986,900 | 3,019,800 | 2,637,200 | 3,137,200 |
| Total | \$839,200 | \$986,900 | \$3,019,800 | \$2,637,200 | \$3,137,200 |
| Expenditures | | | | | |
| Personal Services | 22,000 | 47,300 | 137,400 | 154,000 | 154,500 |
| In-State Travel | 400 | 2,000 | 8,600 | 8,600 | 8,600 |
| Out of State Travel | | 700 | 500 | 600 | 600 |
| Current Expense | 816,800 | 935,000 | 2,870,800 | 2,471,500 | 2,971,000 |
| DP Current Expense | | 1,900 | 2,500 | 2,500 | 2,500 |
| Total | \$839,200 | \$986,900 | \$3,019,800 | \$2,637,200 | \$3,137,200 |
| FTE/Other | | | | | |
| Total FTE | | 1 | 2 | 2 | 2 |

*General and school funds as revised by Supplemental Bills I-V, 2002 Gen and Spec Sessions. Others as estimated by agency.

This Page Intentionally Left Blank

Office of the
Legislative Fiscal Analyst

FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Natural Resources

Utah Department of Natural Resources
Building Operation and Maintenance

Contents:

- 1.0 Summary
- 2.0 Issues
- 3.0 Programs
- 4.0 Additional Information

This Page Intentionally Left Blank

1.0 Summary: Building Operation and Maintenance

The Department of Natural Resources building at 1594 West North Temple was completed in FY 1996. Prior to FY 1996 the divisions were housed in four different locations. The new Natural Resources building was financed through a revenue bond, with bond payments roughly equal to the old rent payments. Approximately \$980,000 of this program's funding goes for bond payments.

| | Analyst FY 2004 Base | Analyst FY 2004 Changes | Analyst FY 2004 Total |
|---------------------|----------------------------|-------------------------------|-----------------------------|
| Financing | | | |
| General Fund | 1,552,800 | | 1,552,800 |
| Total | <u>\$1,552,800</u> | \$0 | <u>\$1,552,800</u> |
| Programs | | | |
| Building Operations | 1,552,800 | | 1,552,800 |
| Total | <u>\$1,552,800</u> | \$0 | <u>\$1,552,800</u> |
| FTE/Other | | | |

2.0 Issues: Building Operation and Maintenance

2.1 Previous Budget Reductions

During the 2002 General Session and subsequent special sessions, the Legislature made the following ongoing General Fund adjustments:

| | |
|---|---------------------------|
| FY 2003 Beginning Base: | <u>\$1,608,500</u> |
| ISF rate changes | 38,300 |
| Across-the-board cuts | (25,100) |
| Across-the-board cuts (sixth special session) | <u>(68,900)</u> |
| FY 2004 Beginning Base | <u>\$1,552,800</u> |

3.0 Programs: Building Operation and Maintenance

3.1 Building Operation and Maintenance

Recommendation

The Analyst recommends a budget of \$1,552,800. The bond payment portion of this budget is fixed. The remainder goes for maintenance, utilities, etc. However, the recent reduction in General Funds does not mean the rates charged by DFCM will decrease. The department will make adjustments in order to continue to pay its maintenance costs.

| | 2002 | 2003 | 2004 | Est/Analyst |
|------------------------|--------------------|--------------------|--------------------|-------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 1,583,400 | 1,552,800 | 1,552,800 | |
| General Fund, One-time | 34,400 | | | |
| Total | <u>\$1,617,800</u> | <u>\$1,552,800</u> | <u>\$1,552,800</u> | <u>\$0</u> |
| Expenditures | | | | |
| Current Expense | 1,617,800 | 1,552,800 | 1,552,800 | |
| Total | <u>\$1,617,800</u> | <u>\$1,552,800</u> | <u>\$1,552,800</u> | <u>\$0</u> |
| FTE/Other | | | | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

This program pays rent and maintenance of the building and grounds for the Department of Natural Resources building.

Intent Language

The Analyst recommends the following **new** item of intent language:

It is the intent of the Legislature to authorize the Department of Natural Resources to transfer any lapsing unrestricted balances from FY 2003 appropriations to the FY 2004 Building Operations line item.

This intent language would allow the department to transfer funds to cover any shortfalls in funding for DFCM's rates.

4.0 Additional Information: Building Operation and Maintenance

4.1 Funding History

| | 2000 | 2001 | 2002 | 2003 | 2004 |
|------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | Actual | Actual | Actual | Estimated* | Analyst |
| Financing | | | | | |
| General Fund | 1,608,500 | 1,608,500 | 1,583,400 | 1,552,800 | 1,552,800 |
| General Fund, One-time | | | 34,400 | | |
| Beginning Nonlapsing | 22,000 | | | | |
| Total | \$1,630,500 | \$1,608,500 | \$1,617,800 | \$1,552,800 | \$1,552,800 |
| Programs | | | | | |
| Building Operations | 1,630,500 | 1,608,500 | 1,617,800 | 1,552,800 | 1,552,800 |
| Total | \$1,630,500 | \$1,608,500 | \$1,617,800 | \$1,552,800 | \$1,552,800 |
| Expenditures | | | | | |
| Current Expense | 1,630,500 | 1,608,500 | 1,617,800 | 1,552,800 | 1,552,800 |
| Total | \$1,630,500 | \$1,608,500 | \$1,617,800 | \$1,552,800 | \$1,552,800 |
| FTE/Other | | | | | |

*General and school funds as revised by Supplemental Bills I-V, 2002 Gen and Spec Sessions. Others as estimated by agency.

Office of the
Legislative Fiscal Analyst

FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Natural Resources

Utah Department of Natural Resources
Internal Service Funds

Contents:

- 1.0 Summary
- 3.0 Programs
- 4.0 Additional Information

This Page Intentionally Left Blank

1.0 Summary: Internal Service Funds

Internal Service Funds (ISFs) provide specific services to multiple agencies. This allows economies of scale and greater expertise than would be available if each agency provided its own services. Each agency that uses ISF services pays its "fair share" of costs. This is an exception to the Budgetary Procedures Act, which requires that funds not be moved between line items of appropriations. To guard against abuse, the 1988 Legislature passed H.B. 81, which provides budgetary controls over ISFs. The law does not allow an ISF to bill another agency unless the Legislature has:

- Reviewed and approved the ISF agency's budget request;
- Reviewed and approved the ISF's rates, fees, and other charges and included those rates, fees and charges in an appropriations act;
- Approved the number of employees;
- Appropriated the estimated revenue based on the rates and fee structure.
- Separately reviewed and approved the capital needs and related capital budget.

No new ISF agency may be established unless reviewed and approved by the Legislature.

The Department has three ISFs: Warehouse, Motor Pool, and Data Processing.

| | Analyst FY 2004 Base | Analyst FY 2004 Changes | Analyst FY 2004 Total |
|----------------------------------|----------------------------|-------------------------------|-----------------------------|
| Financing by Source | | | |
| Dedicated Credits - Intragvt Rev | 5,385,700 | | 5,385,700 |
| Sale of Fixed Assets | 17,100 | | 17,100 |
| Total | \$5,402,800 | \$0 | \$5,402,800 |
| Expenditures by Program | | | |
| ISF - DNR Warehouse | 661,500 | | 661,500 |
| ISF - DNR Motorpool | 3,673,800 | | 3,673,800 |
| ISF - DNR Data Processing | 684,500 | | 684,500 |
| Total | \$5,019,800 | \$0 | \$5,019,800 |
| Profit/Loss | \$383,000 | \$0 | \$383,000 |
| FTE/Other | | | |
| Total FTE | 10 | | 10 |
| Authorized Capital Outlay | 100,000 | | 100,000 |
| Retained Earnings | (1,508,300) | | (1,508,300) |

3.0 Programs: Internal Service Funds

3.1 Warehouse

Recommendation

The Analyst recommends:

- Approved revenues of \$685,000
- Approved operating expenses of \$661,500. The \$23,500 difference between revenues and expenses will go to Retained Earnings.
- The rate and fee schedule shown below
- 2 FTEs
- No capital purchases

| | 2002 Actual | 2003 Estimated* | 2004 Analyst | Est/Analyst Difference |
|----------------------------------|------------------|--------------------|------------------|---------------------------|
| Financing | | | | |
| Dedicated Credits - Intragvt Rev | 658,800 | 670,000 | 685,000 | 15,000 |
| Total | \$658,800 | \$670,000 | \$685,000 | \$15,000 |
| Expenditures | | | | |
| Personal Services | 81,000 | 85,000 | 88,000 | 3,000 |
| Current Expense | 471,900 | 510,000 | 520,200 | 10,200 |
| DP Current Expense | 3,300 | 7,000 | 7,100 | 100 |
| Other Charges/Pass Thru | 4,200 | 6,000 | 6,100 | 100 |
| Depreciation | 41,300 | 41,100 | 40,100 | (1,000) |
| Total | \$601,700 | \$649,100 | \$661,500 | \$12,400 |
| Profit/Loss | \$57,100 | \$20,900 | \$23,500 | \$2,600 |
| FTE/Other | | | | |
| Total FTE | 2 | 2 | 2 | |
| Retained Earnings | 112,600 | 133,500 | 157,000 | 23,500 |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Rate Schedule

| | |
|--|----------|
| Mark-up of goods above cost | 19% |
| Warehouse space, per square foot, per year | \$4.38 |
| Core Sample Warehouse, per year for 22 years | \$40,123 |

Revenue by Agency

| | FY02 Actual | FY03 Estimated | FY04 Analyst |
|------------------------------|------------------|-------------------|------------------|
| DNR Administration | \$5,400 | \$8,500 | \$9,000 |
| Forestry, Fire & State Lands | 27,000 | 13,000 | 13,000 |
| Oil, Gas & Mining | 4,300 | 5,000 | 5,000 |
| Wildlife Resources | 317,500 | 303,000 | 320,000 |
| Parks & Recreation | 222,900 | 261,000 | 265,000 |
| UGS (Sample Library) | 40,300 | 42,000 | 42,000 |
| Water Resources | 600 | 600 | 600 |
| Water Rights | 400 | 1,700 | 1,700 |
| Others | 18,600 | 30,000 | 23,000 |
| Motorpool | 21,800 | 5,200 | 5,700 |
| Total | \$658,800 | \$670,000 | \$685,000 |

Purpose

The Warehouse ISF provides purchasing services. It buys specialized items used by the divisions (e.g. Ranger uniforms). The program stores the articles until requisitioned by the divisions. This program also includes the Core Sample Library used by the Utah Geological Survey. Other agencies, such as DFCM, also purchase warehouse space.

**Intent
Language**

The Analyst recommends **maintaining** the following intent language from S.B. 1, 2002 General Session:

It is the intent of the Legislature that, if funding is available, the Utah Geological Survey be allowed to pay up to \$200,000 in contributed capital to the Natural Resources Warehouse Internal Service Fund in order to pay down their existing debt on the Core Sample Library.

3.2 Motor Pool

Recommendation

The Analyst recommends:

- Approved revenues of \$4,015,800
- Approved operating expenses of \$3,673,800. The \$342,000 difference between revenues and expenses will go to Retained Earnings.
- The rate and fee schedule shown below
- 4 FTEs
- No capital purchases. In FY 2004 it is estimated that 80 vehicles will be replaced. However, replacement vehicles will be leased from the Division of Fleet Operations (DFO).

| | 2002 | 2003 | 2004 | Est/Analyst |
|----------------------------------|--------------------|--------------------|--------------------|--------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| Dedicated Credits - Intragvt Rev | 3,817,900 | 3,998,700 | 3,998,700 | |
| Sale of Fixed Assets | (3,100) | 78,000 | 17,100 | (60,900) |
| Total | \$3,814,800 | \$4,076,700 | \$4,015,800 | (\$60,900) |
| Expenditures | | | | |
| Personal Services | 181,800 | 185,000 | 192,400 | 7,400 |
| In-State Travel | 100 | 1,100 | 3,000 | 1,900 |
| Current Expense | 2,511,900 | 2,759,400 | 2,716,900 | (42,500) |
| DP Current Expense | 7,700 | 6,900 | 6,800 | (100) |
| Other Charges/Pass Thru | 31,400 | 24,800 | 30,800 | 6,000 |
| Depreciation | 994,800 | 873,600 | 723,900 | (149,700) |
| Total | \$3,727,700 | \$3,850,800 | \$3,673,800 | (\$177,000) |
| Profit/Loss | \$87,100 | \$225,900 | \$342,000 | \$116,100 |
| FTE/Other | | | | |
| Total FTE | 4 | 4 | 4 | |
| Retained Earnings | (2,644,200) | (2,418,600) | (2,076,600) | 342,000 |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

The following rates apply to DNR vehicles purchased prior to FY 2000 only. Rates include a \$100.00 per month fixed rate plus a mileage rate (as shown below) plus a fuel surcharge based on fuel expenses.

| <u>Vehicle</u> | <u>FY 03 Curr</u> | <u>FY 04</u> |
|--|-------------------|--------------|
| Sedan | \$0.19 | \$0.20 |
| Station Wagon | 0.19 | 0.20 |
| Minivan | 0.19 | 0.20 |
| 1/2 Ton 2WD Pick-Up | 0.19 | 0.20 |
| 1/2 Ton 4WD Pick-Up | 0.26 | 0.27 |
| 1/2 Ton 4WD Extended Cab Pick-Up | 0.30 | 0.31 |
| 3/4 Ton 2WD Pick-Up | 0.21 | 0.22 |
| 3/4 Ton 4WD Pick-Up | 0.28 | 0.29 |
| 3/4 Ton 4WD Extended Cab Pick-Up | 0.33 | 0.34 |
| 1 Ton 2WD Pick-Up | 0.32 | 0.33 |
| 1 Ton 4WD Pick-Up | 0.32 | 0.33 |
| 1 Ton 4WD Extended Cab Pick-Up | 0.36 | 0.37 |
| Sport Utility | 0.26 | 0.27 |
| Large Utility | 0.28 | 0.29 |
| Large Van | 0.26 | 0.27 |
| Fire Trucks | 0.42 | 0.44 |
| 1 1/2 Ton, 2 Ton, 2 1/2 Ton, 1 Axle, etc | 0.43 | 0.45 |
| 5 Ton, 10 Ton Tractor, etc. | 0.46 | 0.48 |

The rates include a “fuel surcharge” created in FY 2001 to recoup the increase in gasoline prices. The fuel surcharge varies based on fuel expenses.

Revenue by Agency

| | FY02 | FY03 | FY04 |
|------------------------------|--------------------|--------------------|--------------------|
| | Actual | Estimated | Analyst |
| DNR Administration | \$36,000 | \$45,000 | \$45,000 |
| Forestry, Fire & State Lands | 494,200 | 484,500 | 484,500 |
| Oil, Gas & Mining | 82,500 | 85,700 | 85,700 |
| Wildlife Resources | 2,213,900 | 2,328,600 | 2,328,600 |
| Parks & Recreation | 823,700 | 865,400 | 865,400 |
| Utah Geological Survey | 42,500 | 41,700 | 41,700 |
| Water Resources | 34,100 | 45,600 | 45,600 |
| Water Rights | 84,300 | 95,700 | 95,700 |
| Others | 6,700 | 6,500 | 6,500 |
| Sale of Fixed Assets | (3,100) | 78,000 | 17,100 |
| Total | \$3,814,800 | \$4,076,700 | \$4,015,800 |

Capital Expenditures

None. All new vehicles will be leased from the Division of Fleet Operations.

Beginning in FY 2000 DNR began leasing vehicle replacements and new vehicle additions through DFO. Over seven to ten years, as the DNR vehicles phase out, DNR will pay exclusively the DFO rates. Compared to DNR, DFO rates are higher per month and lower per mile. This is because DFO's depreciation philosophy is based on age, whereas DNR's philosophy is weighted on mileage.

Developments

In 2001 DNR conducted a thorough internal audit regarding the use of fleet vehicles. They concluded there were opportunities to convert some sport utility vehicles (SUV) to passenger vehicles in the short-term fleet, and to reduce the overall number of vehicles. As shown below, they have eliminated 60 vehicles, or 8 percent of their fleet. In going through this process, the department has set an example for other agencies in the state.

| DNR Fleet Size | October | October | Change |
|-----------------------------|------------|------------|------------|
| | 2001 | 2002 | |
| Sedans | 29 | 22 | -7 |
| Motorcycles | 3 | 2 | -1 |
| Less than 1-ton 4x2 trucks | 39 | 35 | -4 |
| 1-ton or greater 4x2 trucks | 81 | 85 | 4 |
| Minivans | 14 | 14 | 0 |
| Full-size vans | 3 | 3 | 0 |
| Less than 1-ton 4x4 trucks | 418 | 390 | -28 |
| 1-ton or greater 4x4 trucks | 58 | 52 | -6 |
| 4x4 SUVs | 112 | 94 | -18 |
| Total | 757 | 697 | -60 |

3.3 Data Processing

Recommendation

The Analyst recommends:

- Approved revenues of \$702,000
- Approved operating expenses of \$684,500. The \$17,500 difference between revenues and expenses will go to Retained Earnings.
- The rate and fee schedule shown below
- 4 FTEs
- Authorized capital purchases in the amount of \$100,000 with a five-year depreciation schedule.

| | 2002 | 2003 | 2004 | Est/Analyst |
|----------------------------------|------------------|------------------|------------------|-------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| Dedicated Credits - Intragvt Rev | 702,000 | 702,000 | 702,000 | |
| Total | \$702,000 | \$702,000 | \$702,000 | \$0 |
| Expenditures | | | | |
| Personal Services | 175,700 | 257,300 | 273,000 | 15,700 |
| In-State Travel | 500 | 800 | 800 | |
| Current Expense | 43,400 | 56,500 | 59,000 | 2,500 |
| DP Current Expense | 231,800 | 321,500 | 336,000 | 14,500 |
| Other Charges/Pass Thru | 2,300 | 5,700 | 6,000 | 300 |
| Depreciation | 9,700 | 9,700 | 9,700 | |
| Total | \$463,400 | \$651,500 | \$684,500 | \$33,000 |
| Profit/Loss | \$238,600 | \$50,500 | \$17,500 | (\$33,000) |
| FTE/Other | | | | |
| Total FTE | 4 | 4 | 4 | |
| Authorized Capital Outlay | | 100,000 | 100,000 | |
| Retained Earnings | 342,800 | 393,800 | 411,300 | 17,500 |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Rate Schedule

In theory, rates are based upon total estimated costs incurred divided by the number of hot ports used by each division. In reality, divisions connect and disconnect constantly, so the number of hot ports is fluid. Therefore, rates charged are really based on what the divisions paid in the prior year. The revenue by agency shown below is identical to the prior year.

Revenue by Agency

| | FY02 Actual | FY03 Estimated | FY04 Analyst |
|------------------------------|------------------------|---------------------------|-------------------------|
| DNR Administration | \$69,400 | \$69,400 | \$69,400 |
| Forestry, Fire & State Lands | 29,300 | 29,600 | 29,600 |
| Oil, Gas & Mining | 85,000 | 85,000 | 85,000 |
| Wildlife Resources | 200,700 | 200,700 | 200,700 |
| Parks & Recreation | 95,800 | 95,800 | 95,800 |
| Utah Geological Survey | 64,500 | 64,500 | 64,500 |
| Water Resources | 59,600 | 59,600 | 59,600 |
| Water Rights | 97,700 | 97,700 | 97,700 |
| Others | 0 | 0 | 0 |
| Total | \$702,000 | \$702,300 | \$702,300 |

Capital Expenditures

LAN upgrades, file servers, and software (if needed): \$100,000

Purpose

This ISF provides computer services to the divisions. Services include, but are not limited to:

- Network operations
- Computer maintenance
- Software integration
- Computer system customization for department needs

The Analyst does not see any significant advantages to this function being an ISF as opposed to a regular appropriated entity. Rates are not based on actual usage, so there are no price signals to guide purchasing decisions or incentivize improved customer service. There are already several data processing FTEs in DNR Administration outside the ISF. Services are rendered only inside the DNR building in Salt Lake, leaving the divisions responsible for employing additional data processing staff to support field offices.

Without the usual advantages that Internal Service Funds provide, it is questionable whether it is worth continuing the extra administrative burdens they create. The Analyst would support a decision by the department to convert this ISF to an appropriated entity.

4.0 Additional Information: Internal Service Funds

4.1 Funding History

| | 2000 | 2001 | 2002 | 2003 | 2004 |
|----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Financing by Source | Actual | Actual | Actual | Estimated | Analyst |
| Dedicated Credits - Intragvt Rev | 4,338,700 | 5,042,500 | 5,178,700 | 5,370,700 | 5,385,700 |
| Sale of Fixed Assets | 55,200 | 35,000 | (3,100) | 78,000 | 17,100 |
| Total | \$4,393,900 | \$5,077,500 | \$5,175,600 | \$5,448,700 | \$5,402,800 |
| Financing by Program | | | | | |
| ISF - DNR Warehouse | 587,300 | 608,000 | 658,800 | 670,000 | 685,000 |
| ISF - DNR Motorpool | 3,116,800 | 3,767,500 | 3,814,800 | 4,076,700 | 4,015,800 |
| ISF - DNR Data Processing | 689,800 | 702,000 | 702,000 | 702,000 | 702,000 |
| Total | \$4,393,900 | \$5,077,500 | \$5,175,600 | \$5,448,700 | \$5,402,800 |
| Expenditures | | | | | |
| Personal Services | 527,200 | 453,600 | 438,500 | 527,300 | 553,400 |
| In-State Travel | 2,300 | 400 | 600 | 1,900 | 3,800 |
| Current Expense | 2,293,300 | 2,569,200 | 3,027,200 | 3,325,900 | 3,296,100 |
| DP Current Expense | 338,500 | 287,000 | 242,800 | 335,400 | 349,900 |
| Other Charges/Pass Thru | 30,600 | 41,000 | 37,900 | 36,500 | 42,900 |
| Depreciation | 1,633,900 | 1,313,100 | 1,045,800 | 924,400 | 773,700 |
| Total | \$4,825,800 | \$4,664,300 | \$4,792,800 | \$5,151,400 | \$5,019,800 |
| Profit/Loss | (\$431,900) | \$413,200 | \$382,800 | \$297,300 | \$383,000 |
| FTE/Other | | | | | |
| Total FTE | 10 | 10 | 10 | 10 | 10 |
| Authorized Capital Outlay | 36,900 | | | 100,000 | 100,000 |
| Retained Earnings | (2,979,500) | (2,571,600) | (2,188,800) | (1,891,300) | (1,508,300) |

*General and school funds as revised by Supplemental Bills I-V, 2002 Gen and Spec Sessions. Others as estimated by agency.

This Page Intentionally Left Blank

Office of the
Legislative Fiscal Analyst

FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Natural Resources

Utah Department of Natural Resources
Forestry, Fire and State Lands

Contents:

- 1.0 Summary
- 2.0 Issues
- 3.0 Programs
- 4.0 Additional Information

This Page Intentionally Left Blank

1.0 Summary: Forestry, Fire and State Lands

The division manages the state's sovereign lands and provides forestry conservation and fire control activities on non-federal forest, range, and watershed lands. Although there are no state forests, approximately 30 percent of the state is non-federal land, leaving a sizeable area on which the division administers the state's forestry laws. A twelve-member Advisory Council provides counsel to the division.

Definition of sovereign lands

UCA 65A-1-1 defines sovereign lands as "those lands lying below the ordinary high water mark of navigable bodies of water at the date of statehood and owned by the state by virtue of its sovereignty."

Funding sources

The division's two principal funding sources are the General Fund and the General Fund Restricted - Sovereign Lands Management Account. The Sovereign Lands Management Account consists of all revenues derived from sovereign lands, including mineral revenues. By statute, funds in the Sovereign Lands Management Account are nonlapsing.

Wildland Fire Suppression Fund

The division manages an expendable trust fund known as the Wildland Fire Suppression Fund (UCA 65A-8-6.1). Counties may contribute to the fund by agreeing to specific terms set in statute. The state must match the counties' contributions. In FY 1998 the Legislature added \$1.5 million to the division's General Fund base for this purpose. The fund pays fire suppression and pre-suppression costs on private and unincorporated county lands. If there is not enough money in the fund to cover all costs, the State Forester may prorate available funds at the end of the year.

The 2000 fire season was severe enough to empty the fund. This provided an opportunity to re-open the doors to all counties to participate without making a retroactive equity payment. As a result, all counties except Salt Lake opted in. However, in 2001 Weber County dropped out. These are still the only nonparticipating counties.

Again in 2002 the fire season resulted in costs that exceed the fund's assets. Currently the fund has \$4.3 million available. The division estimates the fund will need an additional \$3.2 million to meet commitments.

| | Analyst FY 2004 Base | Analyst FY 2004 Changes | Analyst FY 2004 Total |
|------------------------------|-------------------------------------|--|--------------------------------------|
| Financing | | | |
| General Fund | 2,865,600 | (2,200) | 2,863,400 |
| Federal Funds | 3,497,500 | | 3,497,500 |
| Dedicated Credits Revenue | 2,517,200 | | 2,517,200 |
| GFR - Sovereign Land Mgt | 1,736,700 | | 1,736,700 |
| Transfers | 220,000 | | 220,000 |
| Total | \$10,837,000 | (\$2,200) | \$10,834,800 |
| Programs | | | |
| Director's Office | 315,100 | | 315,100 |
| Administrative Services | 358,200 | (2,200) | 356,000 |
| Fire Suppression | 2,247,100 | | 2,247,100 |
| Planning and Technology | 142,400 | | 142,400 |
| Technical Assistance | 707,600 | | 707,600 |
| Program Delivery | 1,224,300 | | 1,224,300 |
| Lone Peak Center | 2,606,500 | | 2,606,500 |
| Program Delivery Cooperators | 3,235,800 | | 3,235,800 |
| Total | \$10,837,000 | (\$2,200) | \$10,834,800 |
| FTE/Other | | | |
| Total FTE | 90 | | 90 |

2.0 Issues: Forestry, Fire and State Lands

2.1 Previous Budget Reductions

During the 2002 General Session and subsequent special sessions, the Legislature made the following ongoing General Fund adjustments:

| | |
|---|---------------------------|
| FY 2003 Beginning Base: | <u>\$2,990,700</u> |
| ISF rate changes | (1,000) |
| Retirement rate/extra working day adjustments | 20,500 |
| Insurance benefit adjustments | 47,200 |
| 800 MHz communications transfer | 2,200 |
| Fire Suppression Program | (61,300) |
| Across-the-board cuts | (5,600) |
| Across-the-board cuts (sixth special session) | <u>(127,100)</u> |
| FY 2004 Beginning Base | <u>\$2,865,600</u> |

2.2 Information Technology / Retirement Rate Savings

The FY 2004 beginning base has been reduced by mandated statewide information technology savings and by reductions to statewide retirement rates. The portion of savings applicable to this line item is shown below.

| | |
|--------------------------------------|---------------------------|
| IT/Retirement Savings | <u>(\$2,200)</u> |
| New FY 2004 General Fund Base | <u>\$2,863,400</u> |

2.3 Fire Suppression Costs

The division has requested an FY 2003 supplemental appropriation of \$12.4 million for wildland fire suppression costs in the last fire season. This number is probably too high and is now estimated at closer to \$11.5 million, as shown below.

Suppression Program

UCA 65A-8 makes the division responsible for suppressing wildland fires on state lands and for working with the counties to ensure they suppress fires on private lands and county lands. If a county sets a wildland fire suppression budget agreeable to the State Forester, the state is obligated to pay half the actual suppression costs that exceed the county's budget. In addition, if a county participates in the Insurance Fund, the state is obligated to match their payments into the fund.

Costs of fire suppression on SITLA lands during 2002 are estimated at \$6M, most of which occurred on the Rattle Complex fire in Grand County. The following is a breakout of all estimated costs to the program:

| | |
|---|--------------------|
| Rattle Complex Fire (SITLA land) | \$5,500,000 |
| Other SITLA fires | \$500,000 |
| Non-SITLA fires | \$1,000,000 |
| May and June fires (estimate for next spring) | \$500,000 |
| Matching county payments in Insurance Fund | \$840,000 |
| Total Estimate | \$8,340,000 |

State agencies haven't been required to pay for fires that occur on their land. However, statute does include a provision that agencies should recognize the responsibility for sharing the costs (see UCA 65A-8-8). Although this provision has not been enforced in the past, it may be necessary to reconsider that policy this year.

Suppression Fund

This fund is used by counties as an insurance fund and is administered by the division to reimburse participating counties for their suppression costs that exceed their approved budgets. If the fund does not have enough money to cover all eligible costs, the State Forester may prorate available funds at less than 100%. However, the state would remain obligated to pay half the actual suppression costs that exceed the county's budget, as mentioned above.

The division estimates the fund will need \$7.5 million to meet all expenses. Currently the fund has \$4.3 million available, the difference (requested) being \$3.2 million.

Therefore, the sum of the two program needs is \$8.3 million plus \$3.2 million, for a total of \$11.5 million.

2.4 Flame-In-Go Firefighters

Recent changes in funding and crew certification have placed the long-term viability of the Flame-In-Go program in jeopardy. The division cooperates with the Department of Corrections to organize, train, and equip inmate fire crews to fight wildland fires and remove hazardous fuels. Program revenues come from dedicated credits. The Department of Corrections is pulling approximately \$400,000 in appropriated funds per year for security. In addition, they want the program to break even for them and are considering adding costs of \$120,000 per year for their overhead. Existing dedicated credit collections are insufficient to cover these new costs, especially during low fire years. In addition, changes to national crew certification requirements demand more experience and qualifications than are generally available from the inmate labor pool and will require some civilian labor. The Analyst believes the Flame-In-Go program is valuable to the state and recommends an appropriation from restricted funds to keep it viable.

GFR – Sovereign Land Management.....\$472,000

2.5 Bear River Bird Refuge Settlement

Last session the Legislature passed two bills regarding the settlement of land ownership issues in the Bear River Migratory Bird Refuge. In HJR 27 the Legislature authorized the terms of the settlement; in HB 162 the Legislature created two restricted funds into which federal settlement monies would be deposited and outlined terms for their expenditure. However, Congress did not pass its settlement legislation before adjourning last year. It is expected that Congress will revisit the issue this year, but even if/when the legislation passes, it will probably be several years before any money arrives to the state.

3.0 Programs: Forestry, Fire and State Lands

3.1 Director's Office

Recommendation

The Analyst recommends a total budget of \$315,100, funded mostly from the GFR - Sovereign Lands Management Account (90 percent).

| | 2002 | 2003 | 2004 | Est/Analyst |
|--------------------------|------------------|------------------|------------------|--------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 26,200 | 30,800 | 30,500 | (300) |
| GFR - Sovereign Land Mgt | 250,800 | 283,800 | 284,600 | 800 |
| Lapsing Balance | (71,400) | | | |
| Total | <u>\$205,600</u> | <u>\$314,600</u> | <u>\$315,100</u> | <u>\$500</u> |
| Expenditures | | | | |
| Personal Services | 146,400 | 241,500 | 242,300 | 800 |
| In-State Travel | 3,900 | 6,900 | 6,900 | |
| Out of State Travel | 3,900 | 7,200 | 7,200 | |
| Current Expense | 23,600 | 29,200 | 28,900 | (300) |
| DP Current Expense | 2,600 | 2,600 | 2,600 | |
| Other Charges/Pass Thru | 25,200 | 27,200 | 27,200 | |
| Total | <u>\$205,600</u> | <u>\$314,600</u> | <u>\$315,100</u> | <u>\$500</u> |
| FTE/Other | | | | |
| Total FTE | 3 | 4 | 4 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

This program includes the administrative functions of the director, administrative assistant and public affairs officer in directing and coordinating the division's efforts.

The Director's Office maintains public records of the division's actions and provides overall administration for implementation of policies established by the Executive Director, Governor, or Legislature.

Funds in this program also cover expenses of the twelve-member Forestry, Fire and State Lands Advisory Council representing geographic and multiple-use interests.

3.2 Administrative Services

Recommendation The Analyst recommends a total budget of \$356,000. Sixty five percent of this budget is funded from the GFR - Sovereign Lands Management Account.

| | 2002 | 2003 | 2004 | Est/Analyst |
|--------------------------|------------------|------------------|------------------|----------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 132,800 | 125,200 | 125,000 | (200) |
| General Fund, One-time | (200) | | | |
| GFR - Sovereign Land Mgt | 240,600 | 231,000 | 231,000 | |
| Lapsing Balance | (300) | | | |
| Total | \$372,900 | \$356,200 | \$356,000 | (\$200) |
| Expenditures | | | | |
| Personal Services | 263,000 | 254,000 | 253,900 | (100) |
| In-State Travel | 1,400 | 1,400 | 1,400 | |
| Out of State Travel | 2,500 | 2,500 | 2,500 | |
| Current Expense | 27,500 | 21,900 | 19,700 | (2,200) |
| DP Current Expense | 65,000 | 62,900 | 65,000 | 2,100 |
| DP Capital Outlay | 13,500 | | 13,500 | 13,500 |
| Capital Outlay | | 13,500 | | (13,500) |
| Total | \$372,900 | \$356,200 | \$356,000 | (\$200) |
| FTE/Other | | | | |
| Total FTE | 5 | 5 | 5 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose This program coordinates the division's administrative efforts and maintains the division's infrastructure. Functions have division-wide implications, such as policy analysis, planning, budgeting, accounting, human resource management, rule making, and records management.

3.3 Fire Suppression

Recommendation

The Analyst recommends a total budget of \$2,247,100, mostly from the General Fund. Actual Personal Services costs showing in FY 2002 are higher because they include actual "on call" time and temporary fire fighters. Beginning in FY 2002 the division began using federal funds (see Program Delivery – Cooperators program) to increase the number of fire wardens throughout the state. It should be expected that actual Personal Services costs in FY 2004 will be higher than shown below.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------------|--------------------|--------------------|--------------------|--------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 1,464,000 | 1,443,100 | 1,440,800 | (2,300) |
| General Fund, One-time | (60,400) | | | |
| Federal Funds | 188,900 | 224,000 | 224,000 | |
| Dedicated Credits Revenue | 292,800 | 370,000 | 270,000 | (100,000) |
| GFR - Sovereign Land Mgt | 108,300 | 112,300 | 312,300 | 200,000 |
| Beginning Nonlapsing | 2,059,200 | 450,100 | | (450,100) |
| Closing Nonlapsing | (450,100) | | | |
| Total | \$3,602,700 | \$2,599,500 | \$2,247,100 | (\$352,400) |
| Expenditures | | | | |
| Personal Services | 1,096,100 | 853,500 | 767,800 | (85,700) |
| In-State Travel | 17,400 | 17,400 | 16,000 | (1,400) |
| Out of State Travel | 11,600 | 11,600 | 11,500 | (100) |
| Current Expense | 1,881,000 | 36,200 | 611,800 | 575,600 |
| DP Current Expense | 2,900 | | | |
| Other Charges/Pass Thru | 593,700 | 1,680,800 | 840,000 | (840,800) |
| Total | \$3,602,700 | \$2,599,500 | \$2,247,100 | (\$352,400) |
| FTE/Other | | | | |
| Total FTE | 8 | 21 | 17 | (4) |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

Funds appropriated to this program are used for fire control expenditures of two kinds, neither of which is predictable with any degree of certainty. The fund covers district fire warden salaries—which vary with the severity of the fire season—and supplies and services required on a case-by-case basis with each fire suppression effort. The appropriation is also used to match county payments into the Wildland Fire Suppression Fund pursuant to UCA 65A-8-6.2(4)(a), and to pay half of county fire suppression costs in excess of the county's approved fire suppression budget, pursuant to UCA 65A-8-6(7) and 65A-8-6.2(4)(b).

The Suppression Fund provides the flexibility to pay for wildland fire supplies and services as the cost is incurred. Many of the supplies and services are provided by local merchants and contractors. The suppression fund allows payment to local vendors in a reasonable time frame.

During severe fire years, when revenues in the fund have been insufficient to cover expenditures, the Legislature has generally provided a supplemental appropriation. The average annual need is approximately \$2.2 million.

3.4 Planning and Technology Transfer

Recommendation The Analyst recommends a total budget of \$142,400. Seventy four percent of this budget is for personal services.

| | 2002 | 2003 | 2004 | Est/Analyst |
|--------------------------|------------------|------------------|------------------|--------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 88,800 | 80,300 | 80,400 | 100 |
| General Fund, One-time | (100) | | | |
| GFR - Sovereign Land Mgt | 68,000 | 62,000 | 62,000 | |
| Lapsing Balance | (28,700) | | | |
| Total | <u>\$128,000</u> | <u>\$142,300</u> | <u>\$142,400</u> | <u>\$100</u> |
| Expenditures | | | | |
| Personal Services | 112,100 | 105,000 | 105,000 | |
| In-State Travel | 1,600 | 1,600 | 1,600 | |
| Out of State Travel | | 2,400 | 2,400 | |
| Current Expense | 29,100 | 9,500 | 9,600 | 100 |
| DP Current Expense | 7,900 | 23,800 | 23,800 | |
| Other Charges/Pass Thru | (22,700) | | | |
| Total | <u>\$128,000</u> | <u>\$142,300</u> | <u>\$142,400</u> | <u>\$100</u> |
| FTE/Other | | | | |
| Total FTE | 2 | 2 | 2 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The Planning and Technology Transfer program develops guidelines and coordinates planning processes through the division. They identify ways to get public involvement in division planning and assure implementation among all the parties involved. A recent example is the Great Salt Lake management plan. This program also operates the Geographic Information System (GIS) and evaluates hardware and software.

3.5 Technical Assistance and Consultation

Recommendation

The Analyst recommends a total budget of \$707,600. Each year about two-thirds of the funding comes from the General Fund. This year is no exception.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------------|------------------|------------------|------------------|------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 496,000 | 476,400 | 475,600 | (800) |
| General Fund, One-time | (100) | | | |
| Federal Funds | 144,400 | 189,700 | 189,700 | |
| Dedicated Credits Revenue | 15,200 | 4,000 | 4,000 | |
| GFR - Sovereign Land Mgt | 43,500 | 38,300 | 38,300 | |
| Beginning Nonlapsing | | 2,500 | | (2,500) |
| Closing Nonlapsing | (2,500) | | | |
| Total | \$696,500 | \$710,900 | \$707,600 | (\$3,300) |
| Expenditures | | | | |
| Personal Services | 479,700 | 518,800 | 520,300 | 1,500 |
| In-State Travel | 11,400 | 12,000 | 12,000 | |
| Out of State Travel | 13,300 | 14,100 | 14,100 | |
| Current Expense | 221,200 | 163,200 | 158,400 | (4,800) |
| DP Current Expense | 2,800 | 2,800 | 2,800 | |
| Other Charges/Pass Thru | (31,900) | | | |
| Total | \$696,500 | \$710,900 | \$707,600 | (\$3,300) |
| FTE/Other | | | | |
| Total FTE | 9 | 10 | 10 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

This program establishes guidelines and direction for the division's services and activities to the public. Technical expertise assures consistency and quality of service. The program supports the Program Delivery program (see following page) and assists the Administrative Services program in strategic planning, long-term planning and budget development. Staff expertise in a wide range of forestry, fire and lands activities is provided: fire management, federal excess property, forest products utilization, sovereign land surface and mineral management, ecosystem management, urban forestry, forest health, rural forestry, and fire protection.

Forestry experts in this program administer Utah's Heritage Tree Act (UCA 63-11-57). The purpose of the act is to preserve certain rare, threatened, or vanishing species of tree, and to retain as many "heritage" trees as possible consistent with reasonable and economic enjoyment of private property.

**Prior Building
Block Report**

The 2002 Legislature appropriated \$33,000 from the General Fund Restricted – Sovereign Land Management Account, and \$33,000 from matching federal funds, to begin a process for monitoring the acceptance and effectiveness of Forest Water Quality Guidelines in Utah. The Division is cooperating with the Department of Environmental Quality to establish the program, which is necessary to meet requirements of the federal Clean Water Act.

3.6 Program Delivery

Recommendation

The Analyst recommends a total budget of \$1,224,300. Just under fifty percent of the recommended funding comes from the General Fund.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------------|--------------------|--------------------|--------------------|----------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 597,600 | 594,300 | 595,800 | 1,500 |
| General Fund, One-time | (300) | | | |
| Federal Funds | 287,900 | 295,600 | 295,600 | |
| Dedicated Credits Revenue | 22,000 | 23,400 | 23,400 | |
| GFR - Sovereign Land Mgt | 312,200 | 310,300 | 309,500 | (800) |
| Beginning Nonlapsing | 3,600 | 1,300 | | (1,300) |
| Closing Nonlapsing | (1,300) | | | |
| Total | \$1,221,700 | \$1,224,900 | \$1,224,300 | (\$600) |
| Expenditures | | | | |
| Personal Services | 751,500 | 777,400 | 785,800 | 8,400 |
| In-State Travel | 17,900 | 18,100 | 18,000 | (100) |
| Out of State Travel | 4,200 | 4,200 | 4,200 | |
| Current Expense | 407,800 | 384,900 | 376,800 | (8,100) |
| DP Current Expense | 6,400 | 6,400 | 5,600 | (800) |
| Other Charges/Pass Thru | 33,900 | 33,900 | 33,900 | |
| Total | \$1,221,700 | \$1,224,900 | \$1,224,300 | (\$600) |
| FTE/Other | | | | |
| Total FTE | 16 | 16 | 16 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

This program is the division's service delivery arm. Six area offices (Logan, Salt Lake City, Vernal, Richfield, Cedar City, and Moab) provide access for customers and facilitate response to wildland fires on non-federal, unincorporated land. During low fire years, all the other services of the division are offered through this program. Each area office is administered by an area manager, who may have a staff of foresters, fire wardens, lands administrators and office specialists, depending on resource management needs within the area.

As the program that serves most of the division's customers, Program Delivery is also the division's largest internal customer. Other programs support Program Delivery in a full range of activities associated with forest stewardship, agro-forestry, urban forestry, forest products utilization, forest health, fire management (prevention, detection, pre-suppression, suppression), federal excess personal property acquisition and management, sovereign land management and state land mineral management.

3.7 Lone Peak Conservation Center

Recommendation

The Analyst recommends a total budget of \$2,606,500. Dedicated Credits (85 percent of the budget) come from tree seedling sales and reimbursement for project labor, including firefighting.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------------|--------------------|--------------------|--------------------|--------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 106,100 | 101,700 | 101,500 | (200) |
| General Fund, One-time | (200) | | | |
| Federal Funds | 290,500 | 290,500 | 290,500 | |
| Dedicated Credits Revenue | 2,875,500 | 1,723,700 | 2,214,500 | 490,800 |
| Beginning Nonlapsing | 600,900 | 838,600 | | (838,600) |
| Closing Nonlapsing | (838,600) | | | |
| Total | \$3,034,200 | \$2,954,500 | \$2,606,500 | (\$348,000) |
| Expenditures | | | | |
| Personal Services | 2,213,100 | 2,106,200 | 1,738,800 | (367,400) |
| In-State Travel | 24,100 | 24,100 | 24,100 | |
| Out of State Travel | 55,000 | 55,000 | 55,000 | |
| Current Expense | 721,800 | 749,000 | 778,500 | 29,500 |
| DP Current Expense | 10,100 | 10,100 | 10,100 | |
| Capital Outlay | 10,100 | 10,100 | | (10,100) |
| Total | \$3,034,200 | \$2,954,500 | \$2,606,500 | (\$348,000) |
| FTE/Other | | | | |
| Total FTE | 15 | 29 | 29 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Building Block: Flame-In-Go Program

Recent changes in funding and crew certification have placed the long-term viability of the Flame-In-Go program in jeopardy. The division cooperates with the Department of Corrections to organize, train, and equip inmate fire crews to fight wildland fires and remove hazardous fuels. Program revenues come from dedicated credits. The Department of Corrections is pulling approximately \$400,000 in appropriated funds per year for security. In addition, they want the program to break even for them and are considering adding costs of \$120,000 per year for their overhead. Existing dedicated credit collections are insufficient to cover these new costs, especially during low fire years. In addition, changes to national crew certification requirements demand more experience and qualifications than are generally available from the inmate labor pool and will require some civilian labor. The Analyst believes the Flame-In-Go program is valuable to the state and recommends an appropriation from restricted funds to keep it viable.

GFR – Sovereign Land Management.....\$472,000

Purpose

The Center was established in 1989 by combining the tree and shrub seedling nursery operations with the inmate conservation and firefighter program. The Center provides services (inmate labor, education) and supplies (plant material) for conservation practices to multiple private, state and federal agencies throughout the Great Basin area. The nursery specializes in the production of native and adapted trees, shrubs, grasses, and wetland plants.

The Center employs over one hundred inmates from the Utah State Prison. Inmates are trained, equipped, and supervised as a relatively inexpensive labor work force for nursery operations, conservation work projects, and fire fighting. Unique fire fighting services presently include an inmate fire engine strike team, helicopter operations and certified "Flame-In-Go" inmate fire crews.

State law (65A-8-3) establishes that funds used for firefighting and forest management are nonlapsing. This is particularly important now that the Department of Corrections has ceased funding inmate supervisory costs. (The Department of Corrections claimed it was subsidizing this program with General Funds, and that it could no longer do so. As a result, it transferred this program to their Utah Correctional Industries (UCI) which operates on a break-even basis.) This has added a burden of approximately \$400,000 annually on the Lone Peak Center. Ironically, the Center will need to have active fire seasons to raise enough revenue to pay the extra Corrections costs.

3.8 Program Delivery - Cooperators

Recommendation

The Analyst recommends a total budget of \$3,235,800. Federal funds cover 77 percent of this budget. Capital Outlays of \$1 million are funded by the federal government for purchase of conservation easements.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------------|--------------------|--------------------|--------------------|--------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 12,300 | 13,800 | 13,800 | |
| General Fund, One-time | (100) | | | |
| Federal Funds | 4,379,700 | 2,853,400 | 2,497,700 | (355,700) |
| Dedicated Credits Revenue | 13,500 | 5,300 | 5,300 | |
| GFR - Sovereign Land Mgt | 645,100 | 699,000 | 499,000 | (200,000) |
| Transfers | 210,000 | 220,000 | 220,000 | |
| Beginning Nonlapsing | 65,400 | | | |
| Total | \$5,325,900 | \$3,791,500 | \$3,235,800 | (\$555,700) |
| Expenditures | | | | |
| Personal Services | 302,100 | 294,200 | 270,100 | (24,100) |
| In-State Travel | 9,400 | 9,200 | 9,200 | |
| Out of State Travel | 17,000 | 10,900 | 10,900 | |
| Current Expense | 953,600 | 891,600 | 660,000 | (231,600) |
| DP Current Expense | 37,500 | 37,500 | 37,500 | |
| Capital Outlay | 2,013,300 | 1,000,000 | 1,000,000 | |
| Other Charges/Pass Thru | 1,993,000 | 1,548,100 | 1,248,100 | (300,000) |
| Total | \$5,325,900 | \$3,791,500 | \$3,235,800 | (\$555,700) |
| FTE/Other | | | | |
| Total FTE | 6 | 8 | 7 | (1) |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The division leverages its ability to deliver services by cooperating with other interested parties, thus taking advantage of cooperators' expertise, infrastructure and cost-sharing ability. The division enters into cooperative agreements for purposes such as: fire suppression coordination through the Eastern Great Basin Fire Coordination Center; increasing fire fighting capability of rural volunteer fire departments through matching financial and technical assistance; coordination of volunteer tree planting projects through Tree Utah (a non-profit organization); education of school children about trees through Arbor Day activities; and enhancement of public access and use of sovereign lands by cost-sharing with the Division of Wildlife Resources.

Prior Building Block Report

The 2002 Legislature appropriated \$15,000 from the General Fund Restricted – Sovereign Land Management Account for proper recordation, reburial, excavation, and other actions necessary to protect Native American gravesites being damaged by the fluctuating level of the Great Salt Lake. The division is meeting the intent of this building block via a contract with the Utah State University Anthropology Program.

4.0 Additional Information: Forestry, Fire and State Lands

4.1 Funding History

| | 2000 | 2001 | 2002 | 2003 | 2004 |
|------------------------------|--------------------|---------------------|---------------------|---------------------|---------------------|
| | Actual | Actual | Actual | Estimated* | Analyst |
| Financing | | | | | |
| General Fund | 2,963,700 | 2,942,900 | 2,923,800 | 2,865,600 | 2,863,400 |
| General Fund, One-time | 398,000 | 5,501,500 | (61,400) | | |
| Federal Funds | 2,909,600 | 5,667,400 | 5,291,400 | 3,853,200 | 3,497,500 |
| Dedicated Credits Revenue | 1,523,900 | 2,335,700 | 3,219,000 | 2,126,400 | 2,517,200 |
| GFR - Sovereign Land Mgt | 1,232,700 | 1,430,700 | 1,668,500 | 1,736,700 | 1,736,700 |
| Transfers | 250,500 | 625,900 | 210,000 | 220,000 | 220,000 |
| Beginning Nonlapsing | 1,547,100 | 2,422,700 | 2,729,100 | 1,292,500 | |
| Closing Nonlapsing | (2,422,700) | (2,729,100) | (1,292,500) | | |
| Lapsing Balance | (35,100) | (5,010,700) | (100,400) | | |
| Total | \$8,367,700 | \$13,187,000 | \$14,587,500 | \$12,094,400 | \$10,834,800 |
| Programs | | | | | |
| Director's Office | 245,500 | 275,300 | 205,600 | 314,600 | 315,100 |
| Administrative Services | 362,300 | 326,900 | 372,900 | 356,200 | 356,000 |
| Fire Suppression | 1,866,300 | 1,312,000 | 3,602,700 | 2,599,500 | 2,247,100 |
| Planning and Technology | 161,600 | 208,400 | 128,000 | 142,300 | 142,400 |
| Technical Assistance | 682,800 | 746,800 | 696,500 | 710,900 | 707,600 |
| Program Delivery | 1,081,800 | 1,197,200 | 1,221,700 | 1,224,900 | 1,224,300 |
| Lone Peak Center | 1,001,500 | 2,517,800 | 3,034,200 | 2,954,500 | 2,606,500 |
| Program Delivery Cooperators | 2,965,900 | 6,602,600 | 5,325,900 | 3,791,500 | 3,235,800 |
| Total | \$8,367,700 | \$13,187,000 | \$14,587,500 | \$12,094,400 | \$10,834,800 |
| Expenditures | | | | | |
| Personal Services | 3,225,400 | 4,108,000 | 5,364,000 | 5,150,600 | 4,684,000 |
| In-State Travel | 57,900 | 62,500 | 87,100 | 90,700 | 89,200 |
| Out of State Travel | 60,800 | 91,500 | 107,500 | 107,900 | 107,800 |
| Current Expense | 2,685,900 | 3,357,200 | 4,265,600 | 2,285,500 | 2,643,700 |
| DP Current Expense | 153,100 | 200,700 | 135,200 | 146,100 | 147,400 |
| DP Capital Outlay | | | 13,500 | | 13,500 |
| Capital Outlay | 1,897,100 | 4,405,700 | 2,023,400 | 1,023,600 | 1,000,000 |
| Other Charges/Pass Thru | 287,500 | 961,400 | 2,591,200 | 3,290,000 | 2,149,200 |
| Total | \$8,367,700 | \$13,187,000 | \$14,587,500 | \$12,094,400 | \$10,834,800 |
| FTE/Other | | | | | |
| Total FTE | 60 | 75 | 63 | 95 | 90 |

*General and school funds as revised by Supplemental Bills I-V, 2002 Gen and Spec Sessions. Others as estimated by agency.

4.2 Federal Funds

| | | | FY 2002 | FY 2003 | FY 2004 |
|-------------|--------------------------------|--------------------------|--------------------|--------------------|--------------------|
| | | | Actual | Estimated | Analyst |
| Program: | Technical Assist & Consult | Federal | 144,400 | 189,700 | 189,700 |
| Fed Agency: | USDA Forest Service | State Match | 144,400 | 189,700 | 189,700 |
| Purpose: | Cooperative Forest Assistance | Total | 288,800 | 379,400 | 379,400 |
| Program: | Program Delivery | Federal | 287,900 | 295,600 | 295,600 |
| Fed Agency: | USDA Forest Service | State Match | 287,900 | 295,600 | 295,600 |
| Purpose: | Cooperative Forest Assistance | Total | 575,800 | 591,200 | 591,200 |
| Program: | TAC - Lone Peak | Federal | 290,500 | 290,500 | 290,500 |
| Fed Agency: | USDA Forest Service | State Match | 290,500 | 290,500 | 290,500 |
| Purpose: | Cooperative Forest Assistance | Total | 581,000 | 581,000 | 581,000 |
| Program: | Program Delivery - Cooperators | Federal | 4,379,700 | 2,853,400 | 2,497,700 |
| Fed Agency: | USDA Forest Service | State Match | 1,095,000 | 713,400 | 630,000 |
| Purpose: | Cooperative Forest Assistance | Total | 5,474,700 | 3,566,800 | 3,127,700 |
| Program: | Fire Suppression Program | Federal | \$188,900 | 224,000 | 224,000 |
| Fed Agency: | USDA Forest Service | State Match | \$188,900 | 224,000 | 224,000 |
| Purpose: | Cooperative Forest Assistance | Total | \$377,800 | \$448,000 | \$448,000 |
| | | Federal Total | 5,291,400 | 3,853,200 | 3,497,500 |
| | | State Match Total | 2,006,700 | 1,713,200 | 1,629,800 |
| | | Total | \$7,298,100 | \$5,566,400 | \$5,127,300 |

Office of the
Legislative Fiscal Analyst

FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Natural Resources

Utah Department of Natural Resources
Oil, Gas and Mining

Contents:

- 1.0 Summary
- 2.0 Issues
- 3.0 Programs
- 4.0 Additional Information

This Page Intentionally Left Blank

1.0 Summary: Oil, Gas and Mining

The Division of Oil, Gas and Mining regulates exploration for development of coal, oil, gas, and other mineral resources. The division must ensure successful reclamation of lands affected by those activities. Regulatory activities should be carried out in a manner that encourages responsible development, protects correlative rights, prevents waste, protects human health, protects the environment, and protects the interests of the state.

By regulating these activities, the division accounts for and protects the rights of all surface property and mineral owners in oil and gas operations. It also inspects each well site to assure that proper conservation practices are followed and that minimum ecological damage results from the location, operation, and reclamation of each site.

Utah has primacy from the U.S. Department of the Interior for regulation of coal mining operations, reclamation of abandoned mine sites, and control of underground injection sites. The Coal Reclamation program is a reimbursable grant program, with the Department of the Interior providing 80 percent of the funding while the state supplies 20 percent.

Beside General Funds, the other source of state funds to the division is the General Fund Restricted – Oil and Gas Conservation Account. Revenue to the account comes from a fee of .002 of the value at the well of oil and gas. The account is capped at \$750,000 at the end of a fiscal year. The FY 2002 ending balance was the full \$750,000.

| | Analyst FY 2004 Base | Analyst FY 2004 Changes | Analyst FY 2004 Total |
|---------------------------------|----------------------------|-------------------------------|-----------------------------|
| Financing | | | |
| General Fund | 1,301,500 | (6,300) | 1,295,200 |
| Federal Funds | 3,817,900 | | 3,817,900 |
| Dedicated Credits Revenue | 152,900 | | 152,900 |
| GFR - Oil & Gas Conservation Ac | 1,673,700 | | 1,673,700 |
| Transfers | 62,200 | | 62,200 |
| Beginning Nonlapsing | 148,400 | | 148,400 |
| Total | \$7,156,600 | (\$6,300) | \$7,150,300 |
| Programs | | | |
| Administration | 1,193,500 | (6,300) | 1,187,200 |
| Board | 24,300 | | 24,300 |
| Oil and Gas Conservation | 1,647,100 | | 1,647,100 |
| Minerals Reclamation | 465,700 | | 465,700 |
| Coal Reclamation | 1,601,100 | | 1,601,100 |
| Abandoned Mine | 2,076,500 | | 2,076,500 |
| OGM Misc. Nonlapsing | 148,400 | | 148,400 |
| Total | \$7,156,600 | (\$6,300) | \$7,150,300 |
| FTE/Other | | | |
| Total FTE | 78 | | 78 |

2.0 Issues: Oil, Gas and Mining

2.1 Previous Budget Reductions

During the 2002 General Session and subsequent special sessions, the Legislature made the following ongoing General Fund adjustments:

| | |
|---|---------------------------|
| FY 2003 Beginning Base: | <u>\$1,363,100</u> |
| ISF rate changes | (1,400) |
| Retirement rate/extra working day adjustments | 38,800 |
| Insurance benefit adjustments | 11,200 |
| Outside legal staff | (25,000) |
| Internal spending cuts | (27,300) |
| Across-the-board cuts (sixth special session) | (57,900) |
| FY 2004 Beginning Base | <u>\$1,301,500</u> |

2.2 Information Technology / Retirement Rate Savings

The FY 2004 beginning base has been reduced by mandated statewide information technology savings and by reductions to statewide retirement rates. The portion of savings applicable to this line item is shown below.

| | |
|--------------------------------------|---------------------------|
| IT/Retirement Savings | <u>(\$6,300)</u> |
| New FY 2004 General Fund Base | <u>\$1,295,200</u> |

3.0 Programs: Oil, Gas and Mining

3.1 Administration

Recommendation

The Analyst recommends a total budget of \$1,187,200. Approximately 46 percent of the recommendation comes from General Funds. Personal Services comprise 77 percent of the recommended appropriation.

| | 2002 | 2003 | 2004 | Est/Analyst |
|------------------------------|--------------------|--------------------|--------------------|----------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 575,400 | 557,600 | 550,200 | (7,400) |
| General Fund, One-time | (7,700) | | | |
| Federal Funds | 608,100 | 490,600 | 498,300 | 7,700 |
| Dedicated Credits Revenue | 3,700 | 7,300 | 7,300 | |
| GFR - Oil & Gas Conservation | 103,500 | 104,300 | 104,200 | (100) |
| Transfers | 200 | 25,200 | 27,200 | 2,000 |
| Closing Nonlapsing | (9,300) | | | |
| Lapsing Balance | (117,700) | | | |
| Total | \$1,156,200 | \$1,185,000 | \$1,187,200 | \$2,200 |
| Expenditures | | | | |
| Personal Services | 883,300 | 895,000 | 912,300 | 17,300 |
| In-State Travel | 6,300 | 8,400 | 8,400 | |
| Out of State Travel | 6,500 | 8,000 | 8,000 | |
| Current Expense | 136,100 | 146,600 | 132,500 | (14,100) |
| DP Current Expense | 138,000 | 141,000 | 140,000 | (1,000) |
| Other Charges/Pass Thru | (14,000) | (14,000) | (14,000) | |
| Total | \$1,156,200 | \$1,185,000 | \$1,187,200 | \$2,200 |
| FTE/Other | | | | |
| Total FTE | 14 | 14 | 14 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The Division of Oil, Gas and Mining is created under the authority of UCA 40-6-15. The purpose of this program is to establish policy, provide direction, and furnish administrative support to the division's established work programs.

3.2 Board

Recommendation

The Analyst recommends a budget of \$24,300, funded entirely from the General Fund. Funds are used to pay for the board's time, travel, and per diem expenses.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------|-----------------|-----------------|-----------------|--------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 25,800 | 24,200 | 24,300 | 100 |
| Closing Nonlapsing | (9,200) | | | |
| Total | \$16,600 | \$24,200 | \$24,300 | \$100 |
| Expenditures | | | | |
| Personal Services | 9,100 | 9,100 | 9,100 | |
| In-State Travel | 7,500 | 9,900 | 10,000 | 100 |
| Out of State Travel | | 3,100 | 3,100 | |
| Current Expense | | 2,100 | 2,100 | |
| Total | \$16,600 | \$24,200 | \$24,300 | \$100 |
| FTE/Other | | | | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The Board of Oil, Gas and Mining (a policy board) is created under the authority of UCA 40-6-4. The board uses statutory authority to conduct formal administrative adjudication and provide direction on the development of energy and mineral resources in Utah, including appropriate resource conservation, waste minimization, and environmental mitigation.

The make-up of the board is:

- Two members knowledgeable in mining matters
- Two members knowledgeable in oil and gas matters
- One member knowledgeable in ecological and environmental matters
- One member who is a private landowner and owns a mineral or royalty interest
- One member who is knowledgeable in geological matters

3.3 Oil and Gas Conservation

Recommendation

The Analyst recommends a total budget of \$1,647,100, funded primarily from the restricted Oil and Gas Conservation Account. Typically, no General Funds are used in this program. Revenue transfers come from the Department of Environmental Quality. Personal Services comprise 87 percent of the recommended appropriation.

| | 2002 | 2003 | 2004 | Est/Analyst |
|------------------------------|--------------------|--------------------|--------------------|----------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 400 | | | |
| General Fund, One-time | (400) | | | |
| Federal Funds | 44,400 | 53,000 | 53,000 | |
| Dedicated Credits Revenue | 8,500 | 9,600 | 9,600 | |
| GFR - Oil & Gas Conservation | 1,373,000 | 1,564,800 | 1,569,500 | 4,700 |
| Transfers | 15,000 | 15,000 | 15,000 | |
| Closing Nonlapsing | (57,300) | | | |
| Total | \$1,383,600 | \$1,642,400 | \$1,647,100 | \$4,700 |
| Expenditures | | | | |
| Personal Services | 1,258,700 | 1,421,300 | 1,437,800 | 16,500 |
| In-State Travel | 9,900 | 10,600 | 10,600 | |
| Out of State Travel | 20,600 | 22,500 | 22,500 | |
| Current Expense | 93,200 | 120,500 | 112,700 | (7,800) |
| DP Current Expense | 1,200 | 7,500 | 3,500 | (4,000) |
| Other Charges/Pass Thru | | 60,000 | 60,000 | |
| Total | \$1,383,600 | \$1,642,400 | \$1,647,100 | \$4,700 |
| FTE/Other | | | | |
| Total FTE | 24 | 25 | 25 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The Oil and Gas Conservation program is created under the authority of UCA 40-6-16. The mission is to encourage development of Utah's crude oil and natural gas resources in a manner that obtains the greatest possible recovery while preventing waste and protecting the environment. Statute requires an inspection program, issuance of monthly production reports, and provision of technical support to the board by reviewing and evaluating evidence that accompanies petitions to the board.

Included in the Oil and Gas Conservation Program is the Underground Injection Control (UIC) Program. This program is an EPA program that has been assigned to the division. The intent of the program is to prevent water pollution by injecting produced oil field waters into underground reservoirs with water quality equivalent to or lower than that of the produced water. The program provides technical assurance that injected waters will not impact underground sources of drinking water. The EPA provides partial funding, but the majority is funded by the Oil and Gas Conservation fee.

**Prior Building
Block Report**

During the 2002 General Session the Legislature approved an increase of \$166,300 from the GFR – Oil and Gas Conservation Account for increased staffing to address increasing permitting requests and regulatory oversight. Lower than expected revenues into the restricted account at the beginning of the year caused a delay in hiring, but plans are in motion to fill two positions.

3.4 Minerals Reclamation

Recommendation

The Analyst recommends a total budget of \$465,700, funded primarily from the General Fund. Dedicated Credits come from mining permit fees. Personal Services comprise 88 percent of the recommended appropriation.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------------|------------------|------------------|------------------|--------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 322,900 | 332,600 | 333,300 | 700 |
| General Fund, One-time | (100) | | | |
| Dedicated Credits Revenue | 102,600 | 132,400 | 132,400 | |
| Closing Nonlapsing | (31,400) | | | |
| Total | <u>\$394,000</u> | <u>\$465,000</u> | <u>\$465,700</u> | <u>\$700</u> |
| Expenditures | | | | |
| Personal Services | 376,000 | 408,600 | 410,000 | 1,400 |
| In-State Travel | 4,400 | 4,600 | 4,600 | |
| Out of State Travel | 1,100 | 3,800 | 3,800 | |
| Current Expense | 12,500 | 48,000 | 47,300 | (700) |
| Total | <u>\$394,000</u> | <u>\$465,000</u> | <u>\$465,700</u> | <u>\$700</u> |
| FTE/Other | | | | |
| Total FTE | 6 | 6 | 6 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

This program requires that every exploration or mining operation for non-coal commodities have a valid notice of intent or an approved mining and reclamation plan before surface disturbing operations are commenced. Authority for this program is found at UCA 40-8. The program ensures that non-coal mining operations will be reclaimed at the conclusion of the mining cycle, and the affected lands returned to a viable use.

Intent Language

The Analyst recommends **keeping** the following intent language from S.B. 1, 2002 General Session:

It is the intent of the Legislature that the appropriation to the Minerals Reclamation Program be nonlapsing.

This language allows the agency to keep excess fee revenue in case a major operator sets up business in Utah. The language complies with statute, which allows an agency to keep its excess (unspent) dedicated credits if the Legislature has designated the entire program as nonlapsing. If the division needs to keep more than 125 percent of its dedicated credits appropriation, it can request a supplemental appropriation later.

**Prior Building
Block Report**

The 2002 Legislature approved permit fee increases in this program to help offset General Fund reductions. Consequently, the appropriation from Dedicated Credits was increased by \$39,500 (the expected revenue growth from the fee increase). The fee increase appears to have been accepted by the regulated industry. Workload has been heavy, with two large minerals mines declaring bankruptcy in the last year.

3.5 Coal Reclamation

Recommendation

The Analyst recommends a total budget of \$1,601,100. Funding is approximately 85 percent federal and 15 percent General Funds. Personal Services comprise 92 percent of the recommended appropriation.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------------|--------------------|--------------------|--------------------|--------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 235,700 | 241,500 | 241,900 | 400 |
| General Fund, One-time | (100) | | | |
| Federal Funds | 1,349,400 | 1,358,800 | 1,358,800 | |
| Dedicated Credits Revenue | | 400 | 400 | |
| Transfers | (2,400) | | | |
| Closing Nonlapsing | (4,300) | | | |
| Total | \$1,578,300 | \$1,600,700 | \$1,601,100 | \$400 |
| Expenditures | | | | |
| Personal Services | 1,320,200 | 1,476,300 | 1,476,300 | |
| In-State Travel | 7,000 | 5,800 | 5,800 | |
| Out of State Travel | 4,600 | 7,000 | 7,000 | |
| Current Expense | 245,900 | 110,900 | 111,300 | 400 |
| DP Current Expense | 600 | 700 | 700 | |
| Total | \$1,578,300 | \$1,600,700 | \$1,601,100 | \$400 |
| FTE/Other | | | | |
| Total FTE | 22 | 23 | 23 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

Activities in this regulatory program have been delegated to the Division of Oil, Gas and Mining under a Cooperative Agreement with the Secretary of the Interior. Provisions for the program are found in UCA 40-10. The program reviews applications for mining and reclamation plans for all coal mines and coal exploration operations in Utah. Upon approval of the permit application a reclamation bond is posted to assure final reclamation is conducted under terms of the permit. When mining begins, operations are inspected for compliance with the permit. When mining ends, reclamation activities take place for several years, depending on the size of the mine.

3.6 Abandoned Mines

Recommendation

The Analyst recommends a total budget of \$2,076,500, funded primarily from federal funds, with most of the balance from General Funds. Over half of this appropriation will be used on construction contracts to shut down abandoned mines. Revenue transfers come from the Species Protection Account for conducting bat studies in abandoned mines.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------------|--------------------|--------------------|--------------------|----------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 150,600 | 145,600 | 145,500 | (100) |
| Federal Funds | 1,410,800 | 1,907,800 | 1,907,800 | |
| Dedicated Credits Revenue | 1,400 | 3,200 | 3,200 | |
| Transfers | 16,000 | 20,000 | 20,000 | |
| Total | \$1,578,800 | \$2,076,600 | \$2,076,500 | (\$100) |
| Expenditures | | | | |
| Personal Services | 580,300 | 602,000 | 626,000 | 24,000 |
| In-State Travel | 19,000 | 24,800 | 24,800 | |
| Out of State Travel | 7,500 | 8,800 | 8,800 | |
| Current Expense | 609,800 | 515,900 | 515,800 | (100) |
| Other Charges/Pass Thru | 362,200 | 925,100 | 901,100 | (24,000) |
| Total | \$1,578,800 | \$2,076,600 | \$2,076,500 | (\$100) |
| FTE/Other | | | | |
| Total FTE | 10 | 10 | 10 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The purpose of this program is to mitigate adverse effects of past unregulated mining practices by identifying and prioritizing the health/safety aspects of abandoned mines and developing and executing closure and reclamation plans. Authority for this program is found in UCA 40-10-25.

3.7 Miscellaneous Nonlapsing

This program accounts for nonlapsing balances rolled forward from previous years.

| | 2002 | 2003 | 2004 | Est/Analyst |
|-------------------------|-----------------|------------------|------------------|--------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| Transfers | 25,000 | | | |
| Beginning Nonlapsing | 459,900 | 498,400 | 148,400 | (350,000) |
| Closing Nonlapsing | (386,900) | (148,400) | | 148,400 |
| Total | <u>\$98,000</u> | <u>\$350,000</u> | <u>\$148,400</u> | <u>(\$201,600)</u> |
| Expenditures | | | | |
| Personal Services | 25,300 | 25,000 | | (25,000) |
| In-State Travel | 500 | | | |
| Current Expense | 27,500 | 100,000 | 10,800 | (89,200) |
| DP Current Expense | 38,400 | 25,000 | | (25,000) |
| DP Capital Outlay | 6,300 | | | |
| Other Charges/Pass Thru | | 200,000 | 137,600 | (62,400) |
| Total | <u>\$98,000</u> | <u>\$350,000</u> | <u>\$148,400</u> | <u>(\$201,600)</u> |
| FTE/Other | | | | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

4.0 Additional Information: Oil, Gas and Mining

4.1 Funding History

| | 2000 | 2001 | 2002 | 2003 | 2004 |
|---------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Financing | Actual | Actual | Actual | Estimated* | Analyst |
| General Fund | 1,301,500 | 1,335,800 | 1,310,800 | 1,301,500 | 1,295,200 |
| General Fund, One-time | 267,000 | | (8,300) | | |
| Federal Funds | 3,272,600 | 2,954,500 | 3,412,700 | 3,810,200 | 3,817,900 |
| Dedicated Credits Revenue | 117,800 | 122,400 | 116,200 | 152,900 | 152,900 |
| GFR - Oil & Gas Conservation Ac | | 1,373,000 | 1,476,500 | 1,669,100 | 1,673,700 |
| Fixed Collections | 1,321,600 | | | | |
| Transfers | 70,200 | 65,500 | 53,800 | 60,200 | 62,200 |
| Beginning Nonlapsing | 204,600 | 435,000 | 459,900 | 498,400 | 148,400 |
| Closing Nonlapsing | (435,000) | (459,900) | (498,400) | (148,400) | |
| Lapsing Balance | | (116,900) | (117,700) | | |
| Total | \$6,120,300 | \$5,709,400 | \$6,205,500 | \$7,343,900 | \$7,150,300 |
| Programs | | | | | |
| Administration | 1,140,900 | 1,117,900 | 1,156,200 | 1,185,000 | 1,187,200 |
| Board | 14,400 | 13,300 | 16,600 | 24,200 | 24,300 |
| Oil and Gas Conservation | 1,414,300 | 1,234,600 | 1,383,600 | 1,642,400 | 1,647,100 |
| Minerals Reclamation | 385,700 | 388,900 | 394,000 | 465,000 | 465,700 |
| Coal Reclamation | 1,297,900 | 1,403,400 | 1,578,300 | 1,600,700 | 1,601,100 |
| Abandoned Mine | 1,737,300 | 1,481,800 | 1,578,800 | 2,076,600 | 2,076,500 |
| OGM Misc. Nonlapsing | 129,800 | 69,500 | 98,000 | 350,000 | 148,400 |
| Total | \$6,120,300 | \$5,709,400 | \$6,205,500 | \$7,343,900 | \$7,150,300 |
| Expenditures | | | | | |
| Personal Services | 3,864,700 | 4,015,000 | 4,452,900 | 4,837,300 | 4,871,500 |
| In-State Travel | 58,600 | 43,200 | 54,600 | 64,100 | 64,200 |
| Out of State Travel | 45,700 | 37,200 | 40,300 | 53,200 | 53,200 |
| Current Expense | 923,800 | 920,500 | 1,125,000 | 1,044,000 | 932,500 |
| DP Current Expense | 241,900 | 177,100 | 178,200 | 174,200 | 144,200 |
| DP Capital Outlay | 7,200 | 10,100 | 6,300 | | |
| Capital Outlay | | 9,800 | | | |
| Other Charges/Pass Thru | 978,400 | 496,500 | 348,200 | 1,171,100 | 1,084,700 |
| Total | \$6,120,300 | \$5,709,400 | \$6,205,500 | \$7,343,900 | \$7,150,300 |
| FTE/Other | | | | | |
| Total FTE | 74 | 70 | 76 | 78 | 78 |

*General and school funds as revised by Supplemental Bills I-V, 2002 Gen and Spec Sessions. Others as estimated by agency.

4.2 Federal Funds

| | | | FY 2002 Actual | FY 2003 Estimated | FY 2004 Analyst |
|-------------|-----------------------------------|--------------------------|---------------------------|------------------------------|----------------------------|
| Program: | Administration | Federal | 608,100 | 490,600 | 498,300 |
| Fed Agency: | Interior-Inspector General | State Match | | | |
| Purpose: | Recover Grant Admin Costs | Total | 608,100 | 490,600 | 498,300 |
| Program: | Oil and Gas | Federal | 44,400 | 53,000 | 53,000 |
| Fed Agency: | EPA | State Match | 52,100 | 62,200 | 62,200 |
| Purpose: | Protect Underground Water | Total | 96,500 | 115,200 | 115,200 |
| Program: | Coal Reclamation | Federal | 1,349,400 | 1,358,800 | 1,358,800 |
| Fed Agency: | Interior-Office of Surface Mining | State Match | 240,200 | 252,200 | 252,200 |
| Purpose: | Permitting & Enforcement of Coal | Total | 1,589,600 | 1,611,000 | 1,611,000 |
| Program: | Abandoned Mine Reclamation | Federal | 1,272,900 | 1,307,800 | 1,307,800 |
| Fed Agency: | Interior-Office of Surface Mining | State Match | | | |
| Purpose: | Reclaim Abandoned Mines | Total | 1,272,900 | 1,307,800 | 1,307,800 |
| Program: | Abandoned Mine Reclamation | Federal | 135,900 | 550,000 | 550,000 |
| Fed Agency: | Forest Service | State Match | | | |
| Purpose: | Watershed Invest and Reclam | Total | 135,900 | 550,000 | 550,000 |
| Program: | Abandoned Mine Reclamation | Federal | 2,000 | 50,000 | 50,000 |
| Fed Agency: | Interior-BLM | State Match | | | |
| Purpose: | Watershed Cleanup on BLM Land | Total | 2,000 | 50,000 | 50,000 |
| | | Federal Total | 3,412,700 | 3,810,200 | 3,817,900 |
| | | State Match Total | 292,300 | 314,400 | 314,400 |
| | | Total | \$3,705,000 | \$4,124,600 | \$4,132,300 |

4.3 Oil, Gas and Mining Fees

In accordance with Section 63-34-5, the following fees are proposed for the services of the Division of Oil, Gas and Mining for FY 2004.

| | FY 2003 Current | FY 2004 Proposed | Difference | FY 2004 Units | Revenue Change |
|--|----------------------------|-----------------------------|-------------------|--------------------------|---------------------------|
| Copy Fees | | | | | |
| Mine Permit application | 5.00 | 5.00 | | | |
| Bid Specifications | 20.00 | 20.00 | | | |
| Telefax of material | 0.25/pg | 0.25/pg | | | |
| Photocopy - Staff Copy | 0.25/pg | 0.25/pg | | | |
| Photocopy - Self Copy | 0.10/pg | 0.10/pg | | | |
| Prints from microfilm - Staff Copy | 0.55/ft | 0.55/ft | | | |
| Prints from microfilm - Self Copy | 0.40/ft | 0.40/ft | | | |
| Print of microfiche - Staff Copy | 0.25/pg | 0.25/pg | | | |
| Print of microfiche - Self Copy | 0.10/pg | 0.10/pg | | | |
| Print Well Logs - Staff Copy | 0.75/ft | 0.75/ft | | | |
| Print Well Logs - Self Copy | 0.50/ft | 0.50/ft | | | |
| Print of computer screen | 0.50/ea | 0.50/ea | | | |
| Fees for Compiling or Photocopying Records | | | | | |
| Actual time spent compiling | | | | | |
| or copying | | Personnel rate | Personnel rate | | |
| Data entry or records segregation | | Personnel rate | Personnel rate | | |
| Fees for Third Party Services | | | | | |
| Copying maps or charts | Actual Cost | Actual Cost | | | |
| Copying odd sized documents | Actual Cost | Actual Cost | | | |
| Fees for Specific Reports | | | | | |
| Monthly Production Report | | | | | |
| Picked up | 17.50 | 17.50 | | | |
| Mailed | 20.00 | 20.00 | | | |
| Annual Subscription | 210.00 | 210.00 | | | |
| Monthly Notice of Intent to Drill/ Well Completion Report | | | | | |
| Picked up | 0.50 | 0.50 | | | |
| Mailed | 1.00 | 1.00 | | | |
| Annual Subscription | 6.00 | 6.00 | | | |

| | FY 2003 Current | FY 2004 Proposed | Difference | FY 2004 Units | Revenue Change |
|--|---|---|------------|------------------|-------------------|
| Mailed Notice of Board | | | | | |
| Hearings List (Annual) | 20.00 | 20.00 | | | |
| Current Administrative Rules, - Oil and Gas, Coal, Non-Coal, Abandoned Mine Lease (first copy is free) | | | | | |
| Picked up | 10.00 | 10.00 | | | |
| Mailed | 13.00 | 13.00 | | | |
| Custom-tailored data reports | | | | | |
| Diskettes/tapes | Computer Time and Personnel Rates | Computer Time and Personnel Rates | | | |
| Custom Maps | Personnel Rate Per Hour and Cost/Foot | Personnel Rate Per Hour and Cost/Foot | | | |
| Minimum Charges: | | | | | |
| Color Plot | 25.00 | 25.00 | | | |
| Laser Print | 5.00 | 5.00 | | | |
| Notice of Intention to Conduct | | | | | |
| Exploration Activities | 150.00 | 150.00 | | | |
| Small Mining Operations (< 5 acres) | 150.00 | 150.00 | | | |
| Mining Operations (5 - 50 acres) | 500.00 | 500.00 | | | |
| Large Mining Operations (> 50 acres) | 1,000.00 | 1,000.00 | | | |

Office of the
Legislative Fiscal Analyst

FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Natural Resources

Utah Department of Natural Resources
Utah Geological Survey

Contents:

- 1.0 Summary
- 2.0 Issues
- 3.0 Programs
- 4.0 Additional Information

This Page Intentionally Left Blank

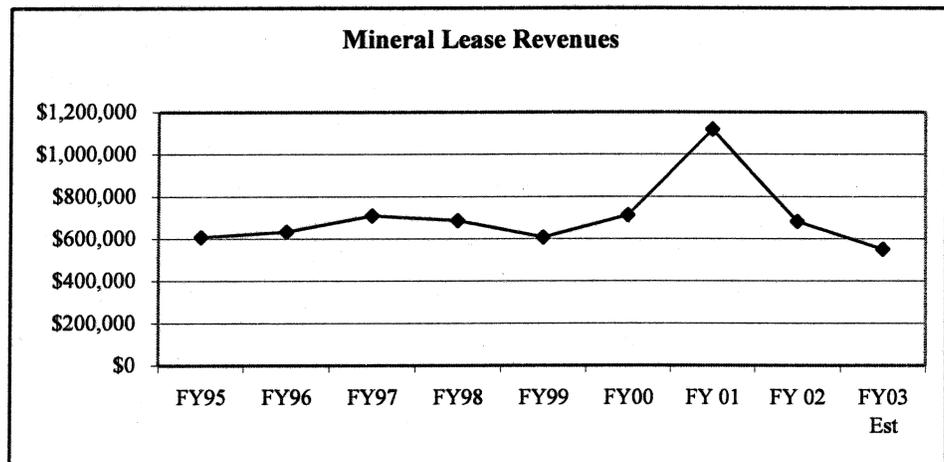
1.0 Summary: Utah Geological Survey

Created under UCA 63-73, the Utah Geological Survey has a mission to make Utah safer and richer by generating, interpreting, preserving, and distributing geologic information.

The Survey does not have regulatory power except in areas concerning paleontology. Statute requires the Survey to "assist and advise" state and local governments on geologic subjects, "assist" local governments in planning and zoning, and "cooperate" with other governmental agencies (including schools) in fields of mutual concern, which may include field investigations and reports. The Survey must encourage safe practices, but ultimately cannot enforce them.

Other duties of the Survey include collection and distribution of mineral information, collection and publication of mapping data and paleontological data, protection of paleontological sites, stimulation of research, publication of scientific reports, and determining areas of topographic hazards.

Federal mineral lease receipts are a crucial part of the division's revenue, typically between fifteen to twenty percent of the total or \$600,000 to \$700,000 per year, depending on current energy prices. In FY 2001 they jumped to \$1,197,900, or 24 percent of division revenues. In FY 2002 they returned to past levels. Typically mineral lease revenues follow natural gas prices, but with a three month lag. The division has been unable to successfully predict any individual month's receipt, apparently because of variable reporting to the federal government on production levels. The volatility in mineral lease receipts makes long-term financial planning in the division difficult, and highlights the need to maintain a carry forward balance each year to cover unexpected fluctuations.



| | Analyst FY 2004 Base | Analyst FY 2004 Changes | Analyst FY 2004 Total |
|----------------------------|-------------------------------------|--|--------------------------------------|
| Financing | | | |
| General Fund | 2,149,800 | (9,000) | 2,140,800 |
| Federal Funds | 455,800 | | 455,800 |
| Dedicated Credits Revenue | 354,500 | | 354,500 |
| Federal Mineral Lease | 716,400 | | 716,400 |
| Transfers | 197,100 | | 197,100 |
| Beginning Nonlapsing | 356,900 | | 356,900 |
| Closing Nonlapsing | (104,000) | | (104,000) |
| Total | \$4,126,500 | (\$9,000) | \$4,117,500 |
| Programs | | | |
| Administration | 557,700 | (200) | 557,500 |
| Technical Services | 460,200 | (4,700) | 455,500 |
| Applied Geology | 460,400 | (4,100) | 456,300 |
| Board | 4,200 | | 4,200 |
| Geologic Mapping | 605,100 | | 605,100 |
| Economic Geology | 1,067,000 | | 1,067,000 |
| Environmental | 437,800 | | 437,800 |
| Geologic Extension Service | 534,100 | | 534,100 |
| Total | \$4,126,500 | (\$9,000) | \$4,117,500 |
| FTE/Other | | | |
| Total FTE | 57 | | 57 |

2.0 Issues: Utah Geological Survey

2.1 Previous Budget Reductions

During the 2002 General Session and subsequent special sessions, the Legislature made the following ongoing General Fund adjustments:

| | |
|---|---------------------------|
| FY 2003 Beginning Base: | <u>\$2,388,100</u> |
| ISF rate changes | (1,700) |
| Retirement rate/extra working day adjustments | 15,300 |
| Insurance benefit adjustments | 25,800 |
| Geologist position | (50,000) |
| Internal spending cuts | (132,200) |
| Across-the-board cuts (sixth special session) | <u>(95,500)</u> |
| FY 2004 Beginning Base | <u>\$2,149,800</u> |

2.2 Information Technology / Retirement Rate / Transfers

The FY 2004 beginning base has been reduced by mandated statewide information technology savings and by reductions to statewide retirement rates. The portion of savings applicable to this line item is shown below.

Several years ago the UGS received an ongoing appropriation for the Utah Seismic Safety Commission. The division has always passed those funds through to the appropriate location. Now the division has agreed to transfer this piece of their budget to the division of Comprehensive Emergency Management (within the Department of Public Safety) which has control over the Seismic Safety Commission.

| | |
|--------------------------------------|---------------------------|
| IT/Retirement Savings | (\$4,900) |
| Transfer to CEM (Public Safety) | <u>(4,100)</u> |
| New FY 2004 General Fund Base | <u>\$2,140,800</u> |

3.0 Programs: Utah Geological Survey

3.1 Administration

Recommendation

The Analyst recommends a total budget of \$557,500. Personal Services comprise 91 percent of the recommended appropriation.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------------|------------------|------------------|------------------|-------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 576,300 | 528,000 | 545,700 | 17,700 |
| General Fund, One-time | (31,200) | | | |
| Federal Funds | | 20,800 | 7,200 | (13,600) |
| Dedicated Credits Revenue | 9,800 | 29,000 | | (29,000) |
| Transfers | | 6,800 | 4,600 | (2,200) |
| Total | <u>\$554,900</u> | <u>\$584,600</u> | <u>\$557,500</u> | <u>(\$27,100)</u> |
| Expenditures | | | | |
| Personal Services | 483,000 | 506,400 | 508,000 | 1,600 |
| In-State Travel | 1,400 | 2,100 | 1,400 | (700) |
| Out of State Travel | 4,200 | 9,900 | 4,600 | (5,300) |
| Current Expense | 63,700 | 62,800 | 41,000 | (21,800) |
| DP Current Expense | 2,600 | 3,400 | 2,500 | (900) |
| Total | <u>\$554,900</u> | <u>\$584,600</u> | <u>\$557,500</u> | <u>(\$27,100)</u> |
| FTE/Other | | | | |
| Total FTE | 8 | 8 | 8 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

Administration provides management, secretarial, and general administrative support to the UGS staff and board. The Director, as State Geologist, provides geologic information to the Department, other state and local government agencies, state educational institutions, and industry.

This program also manages the general building needs of the Core Sample Library.

Intent Language

The Analyst recommends **maintaining** the following intent language from S.B. 1, 2002 General Session:

It is the intent of the Legislature that the Utah Geological Survey's Mineral Lease funds be nonlapsing.

3.2 Technical Services

Recommendation

The Analyst recommends a total budget of \$455,500. Dedicated Credits come from sales of publications.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------------|------------------|------------------|------------------|------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 561,500 | 443,100 | 405,000 | (38,100) |
| General Fund, One-time | (200) | | | |
| Dedicated Credits Revenue | 12,000 | 16,300 | 50,500 | 34,200 |
| Transfers | 7,000 | 3,500 | | (3,500) |
| Total | \$580,300 | \$462,900 | \$455,500 | (\$7,400) |
| Expenditures | | | | |
| Personal Services | 290,100 | 271,500 | 272,300 | 800 |
| In-State Travel | | 500 | | (500) |
| Current Expense | 54,900 | 58,800 | 49,400 | (9,400) |
| DP Current Expense | 215,700 | 122,100 | 123,800 | 1,700 |
| DP Capital Outlay | 12,600 | 10,000 | 10,000 | |
| Capital Outlay | 7,000 | | | |
| Total | \$580,300 | \$462,900 | \$455,500 | (\$7,400) |
| FTE/Other | | | | |
| Total FTE | 6 | 6 | 6 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The Technical Services program includes the Editorial section, which prepares reports and maps for publication, and the Computer Resources section, which provides remote support to UGS regional offices, and maintains a variety of databases.

3.3 Applied Geology

Recommendation

The Analyst recommends a total budget of \$456,300. Transfers come from the School and Institutional Trust Lands Administration. Personal Services comprise 95 percent of the recommended appropriation.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------------|------------------|------------------|------------------|-------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 374,200 | 283,800 | 289,200 | 5,400 |
| General Fund, One-time | (100) | | | |
| Federal Funds | 17,700 | 70,200 | 77,100 | 6,900 |
| Dedicated Credits Revenue | | 32,000 | | (32,000) |
| Federal Mineral Lease | 85,000 | 85,000 | 85,000 | |
| Transfers | 10,000 | 5,000 | 5,000 | |
| Beginning Nonlapsing | | 8,700 | | (8,700) |
| Closing Nonlapsing | (8,700) | | | |
| Total | \$478,100 | \$484,700 | \$456,300 | (\$28,400) |
| Expenditures | | | | |
| Personal Services | 433,100 | 433,800 | 435,200 | 1,400 |
| In-State Travel | 2,700 | 5,600 | 2,700 | (2,900) |
| Out of State Travel | 1,800 | 3,800 | 1,800 | (2,000) |
| Current Expense | 32,500 | 40,100 | 15,700 | (24,400) |
| DP Current Expense | 900 | 1,400 | 900 | (500) |
| Other Charges/Pass Thru | 7,100 | | | |
| Total | \$478,100 | \$484,700 | \$456,300 | (\$28,400) |
| FTE/Other | | | | |
| Total FTE | 8 | 7 | 7 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The purpose of this program is to protect Utah's public health and safety by investigating and providing information to reduce losses from geologic hazards. Hazards may include:

- Earthquakes
- Landslides
- Subsidence
- Problem soils
- Ground water
- Flooding
- Radon gas

The program prepares hazard maps for urban areas and advises state and local governments with information and technical services to help with prudent land use regulation.

It is likely that growth along the Wasatch Front will mean more development in geologically unstable areas. Local governments will likely continue to feel pressure to allow such development until a major event occurs.

3.4 Board

Recommendation

The Analyst recommends a total budget of \$4,200 for the Board's support costs.

| | 2002 Actual | 2003 Estimated* | 2004 Analyst | Est/Analyst Difference |
|---------------------|----------------|--------------------|-----------------|---------------------------|
| Financing | | | | |
| General Fund | 4,300 | 4,000 | 4,200 | 200 |
| Total | <u>\$4,300</u> | <u>\$4,000</u> | <u>\$4,200</u> | <u>\$200</u> |
| Expenditures | | | | |
| Personal Services | 1,500 | 1,500 | 1,300 | (200) |
| In-State Travel | 1,400 | 1,100 | 1,500 | 400 |
| Current Expense | 1,400 | 1,400 | 1,400 | |
| Total | <u>\$4,300</u> | <u>\$4,000</u> | <u>\$4,200</u> | <u>\$200</u> |
| FTE/Other | | | | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

UCA 63-73-4 establishes a seven-member policy board for the division. The director of the School and Institutional Trust Lands Administration sits as a non-voting member. Duties of the board are to:

- Establish and review policies, programs and priorities
- Review and recommend budgets
- Assess the needs of the community with regard to development and use of geologic resources
- Keep the director advised concerning survey policies
- Enact rules.

3.5 Geologic Mapping

Recommendation

The Analyst recommends a total budget of \$605,100. Over one-third of the appropriation comes from Mineral Lease monies. Personal Services comprise 82 percent of the recommended appropriation.

| | 2002 | 2003 | 2004 | Est/Analyst |
|-------------------------|------------------|------------------|------------------|-------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 170,900 | 184,800 | 292,900 | 108,100 |
| Federal Funds | 207,600 | 258,600 | 94,600 | (164,000) |
| Federal Mineral Lease | 200,000 | 200,000 | 217,600 | 17,600 |
| Total | \$578,500 | \$643,400 | \$605,100 | (\$38,300) |
| Expenditures | | | | |
| Personal Services | 479,900 | 506,800 | 493,800 | (13,000) |
| In-State Travel | 10,500 | 11,200 | 10,500 | (700) |
| Out of State Travel | | 2,500 | | (2,500) |
| Current Expense | 68,400 | 62,600 | 49,500 | (13,100) |
| DP Current Expense | 1,300 | 1,500 | 1,300 | (200) |
| Other Charges/Pass Thru | 18,400 | 58,800 | 50,000 | (8,800) |
| Total | \$578,500 | \$643,400 | \$605,100 | (\$38,300) |
| FTE/Other | | | | |
| Total FTE | 8 | 9 | 8 | (1) |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The program does field work to create maps depicting the geology (rock and soil types) of Utah, and creates maps at scales of 1:24,000 (7.5 minute quadrangle maps) to 1:100,000 (regional maps). These maps are accompanied by booklets that describe:

- Stratigraphy
- Structure
- Quaternary geology
- Geologic hazards
- Economic geology
- Ground-water resources
- Scenic geologic resources

The Automatic Geographic Reference Center (AGRC), geologists, government officials, industry representatives, and the public use UGS geologic maps to better understand Utah's geology, delineate the economic value and potential of property, and assess geologic hazards.

3.6 Economic Geology

Recommendation

The Analyst recommends a total budget of \$1,067,000. The revenue transfer of \$151,800 comes from the School and Institutional Trust Lands Administration, the Division of Forestry, Fire and State Lands, and the Utah Energy Office. Pass-through expenditures go to industry partners who participate in projects.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------------|--------------------|--------------------|--------------------|--------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 143,500 | 197,900 | 100,100 | (97,800) |
| General Fund, One-time | (200) | | | |
| Federal Funds | 232,300 | 202,500 | 133,900 | (68,600) |
| Dedicated Credits Revenue | 51,100 | 26,100 | 14,500 | (11,600) |
| Federal Mineral Lease | 396,200 | 419,100 | 413,800 | (5,300) |
| Transfers | 163,300 | 169,500 | 151,800 | (17,700) |
| Beginning Nonlapsing | 577,400 | 515,800 | 356,900 | (158,900) |
| Closing Nonlapsing | (515,800) | (356,900) | (104,000) | 252,900 |
| Total | \$1,047,800 | \$1,174,000 | \$1,067,000 | (\$107,000) |
| Expenditures | | | | |
| Personal Services | 872,400 | 882,900 | 846,900 | (36,000) |
| In-State Travel | 6,100 | 10,100 | 6,100 | (4,000) |
| Out of State Travel | 5,700 | 6,400 | 5,700 | (700) |
| Current Expense | 94,800 | 88,600 | 90,200 | 1,600 |
| DP Current Expense | 1,700 | 2,000 | 1,700 | (300) |
| Other Charges/Pass Thru | 67,100 | 184,000 | 116,400 | (67,600) |
| Total | \$1,047,800 | \$1,174,000 | \$1,067,000 | (\$107,000) |
| FTE/Other | | | | |
| Total FTE | 15 | 15 | 14 | (1) |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

Economic geology provides geologic information to government, industry, and individuals to aid in the prudent development of the state's mineral and energy resources. This program maintains the UGS Core Sample Library, the core sample inventory, core sample documents, and research on Utah's mineral and energy resources.

With 70 percent of the state under federal jurisdiction and demands for more wilderness designations, it is possible Utah will see more and tighter restrictions on resource exploration and development. Some predict Utah will cease to be a major coal producer in 30 years, and oil production will continue a long-term decline. Natural gas production, however, is predicted to increase in the next 30 years.

3.7 Environmental Sciences

Recommendation

The Analyst recommends a total budget of \$437,800. The revenue transfer of \$27,000 comes from the School and Institutional Trust Lands Administration. Dedicated Credits come from non-state requestors of projects. Personal Services comprise 92 percent of the recommended appropriation.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------------|------------------|------------------|------------------|-------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 218,800 | 229,800 | 222,800 | (7,000) |
| General Fund, One-time | 78,800 | | | |
| Federal Funds | 182,300 | 92,000 | 143,000 | 51,000 |
| Dedicated Credits Revenue | 99,600 | 35,000 | 45,000 | 10,000 |
| Transfers | 122,700 | 147,400 | 27,000 | (120,400) |
| Total | \$702,200 | \$504,200 | \$437,800 | (\$66,400) |
| Expenditures | | | | |
| Personal Services | 588,400 | 457,100 | 400,600 | (56,500) |
| In-State Travel | 16,300 | 1,800 | 11,300 | 9,500 |
| Out of State Travel | 3,500 | 2,600 | 2,600 | |
| Current Expense | 48,700 | 31,700 | 21,400 | (10,300) |
| DP Current Expense | 1,900 | 2,100 | 1,900 | (200) |
| Other Charges/Pass Thru | 43,400 | 8,900 | | (8,900) |
| Total | \$702,200 | \$504,200 | \$437,800 | (\$66,400) |
| FTE/Other | | | | |
| Total FTE | 11 | 9 | 8 | (2) |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

This program evaluates the quantity and quality of Utah's ground-water resources, provides information on environmental change and ecosystem management issues to governmental agencies and citizens, and helps preserve Utah's fossil and archaeological resources (paleontology) through public outreach programs and recovery projects. Public outreach, education, and research programs include:

- Paleontological training for amateurs
- Fossil recovery and analysis
- Archaeological surveys and recovery
- Quaternary paleoecology studies
- Ground-water contamination studies
- Water-well cuttings analysis
- Geologic framework studies for aquifers and hydrologic basins

The Groundwater Section was established in 1994 to provide state and local governments with scientific information to help make sound water resource decisions. Continued population growth and development pressure have resulted in an increase in the number of requests for technical aid. No additional funds were used to create this section. The UGS reassigned two FTE from the Hazards program, and added two FTE with groundwater expertise. These two FTE are currently entirely dependent on outside funding from agencies seeking information, making the program probably too dependent on outside funding. Staff spends significant time and effort pursuing this funding rather than focusing on groundwater needs.

3.8 Geologic Extension Service

Recommendation

The Analyst recommends a total budget of \$534,100. Dedicated Credits come mostly from sales at the DNR Bookstore. Personal Services comprise 73 percent of the recommended appropriation.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------------|------------------|------------------|------------------|-------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 273,100 | 278,400 | 280,900 | 2,500 |
| Dedicated Credits Revenue | 278,100 | 279,400 | 244,500 | (34,900) |
| Transfers | | 8,800 | 8,700 | (100) |
| Total | \$551,200 | \$566,600 | \$534,100 | (\$32,500) |
| Expenditures | | | | |
| Personal Services | 396,700 | 421,200 | 390,600 | (30,600) |
| In-State Travel | 1,500 | 2,300 | 1,600 | (700) |
| Out of State Travel | | 1,100 | | (1,100) |
| Current Expense | 152,200 | 139,900 | 139,900 | |
| DP Current Expense | 800 | 2,100 | 2,000 | (100) |
| Total | \$551,200 | \$566,600 | \$534,100 | (\$32,500) |
| FTE/Other | | | | |
| Total FTE | 9 | 8 | 7 | (1) |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The Geologic Extension Service answers geologic inquiries, manages the Department of Natural Resources' bookstore and library, and prepares reports and maps for non-technical users of UGS information.

4.0 Additional Information: Utah Geological Survey

4.1 Funding History

| | 2000 | 2001 | 2002 | 2003 | 2004 |
|----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | Actual | Actual | Actual | Estimated* | Analyst |
| Financing | | | | | |
| General Fund | 2,257,000 | 2,329,400 | 2,322,600 | 2,149,800 | 2,140,800 |
| General Fund, One-time | 7,000 | | 47,100 | | |
| Federal Funds | 731,300 | 669,300 | 639,900 | 644,100 | 455,800 |
| Dedicated Credits Revenue | 425,500 | 517,000 | 450,600 | 417,800 | 354,500 |
| Federal Mineral Lease | 712,200 | 1,117,900 | 681,200 | 704,100 | 716,400 |
| Transfers | 183,600 | 243,700 | 303,000 | 341,000 | 197,100 |
| Beginning Nonlapsing | 50,700 | 281,800 | 577,400 | 524,500 | 356,900 |
| Closing Nonlapsing | (281,800) | (577,400) | (524,500) | (356,900) | (104,000) |
| Total | \$4,085,500 | \$4,581,700 | \$4,497,300 | \$4,424,400 | \$4,117,500 |
| Programs | | | | | |
| Administration | 416,400 | 529,400 | 554,900 | 584,600 | 557,500 |
| Technical Services | 484,100 | 675,900 | 580,300 | 462,900 | 455,500 |
| Applied Geology | 508,700 | 495,400 | 478,100 | 484,700 | 456,300 |
| Board | 7,800 | 4,100 | 4,300 | 4,000 | 4,200 |
| Geologic Mapping | 594,900 | 502,000 | 578,500 | 643,400 | 605,100 |
| Economic Geology | 894,000 | 1,102,800 | 1,047,800 | 1,174,000 | 1,067,000 |
| Environmental | 655,400 | 668,600 | 702,200 | 504,200 | 437,800 |
| Geologic Extension Service | 485,800 | 546,800 | 551,200 | 566,600 | 534,100 |
| Conferences | 38,400 | 56,700 | | | |
| Total | \$4,085,500 | \$4,581,700 | \$4,497,300 | \$4,424,400 | \$4,117,500 |
| Expenditures | | | | | |
| Personal Services | 3,180,800 | 3,345,900 | 3,545,100 | 3,481,200 | 3,348,700 |
| In-State Travel | 44,200 | 33,700 | 39,900 | 34,700 | 35,100 |
| Out of State Travel | 19,900 | 32,400 | 15,200 | 26,300 | 14,700 |
| Current Expense | 477,200 | 580,100 | 516,600 | 485,900 | 408,500 |
| DP Current Expense | 180,000 | 339,600 | 224,900 | 134,600 | 134,100 |
| DP Capital Outlay | 9,600 | 58,800 | 12,600 | 10,000 | 10,000 |
| Capital Outlay | | 93,700 | 7,000 | | |
| Other Charges/Pass Thru | 173,800 | 97,500 | 136,000 | 251,700 | 166,400 |
| Total | \$4,085,500 | \$4,581,700 | \$4,497,300 | \$4,424,400 | \$4,117,500 |
| FTE/Other | | | | | |
| Total FTE | 63 | 62 | 64 | 61 | 57 |

*General and school funds as revised by Supplemental Bills I-V, 2002 Gen and Spec Sessions. Others as estimated by agency.

4.2 Federal Funds

| | | | FY 2002 | FY 2003 | FY 2004 |
|-------------|--------------------------|----------------------|------------------|--------------------|------------------|
| | | | Actual | Estimated | Analyst |
| Program: | Utah Geological Survey | Federal | 163,800 | 128,000 | 119,400 |
| Fed Agency: | Dept of Energy | State Match | 94,000 | 127,100 | 119,400 |
| Purpose: | Studies | Total | 257,800 | 255,100 | 238,800 |
| Program: | Utah Geological Survey | Federal | 237,000 | 362,400 | 273,400 |
| Fed Agency: | U.S. Geological Survey | State Match | 171,200 | 245,900 | 231,000 |
| Purpose: | Studies | Total | 408,200 | 608,300 | 504,400 |
| Program: | Utah Geological Survey | Federal | 81,800 | 72,800 | |
| Fed Agency: | National Park Service | State Match | 78,900 | 56,000 | |
| Purpose: | Studies | Total | 160,700 | 128,800 | 0 |
| Program: | Utah Geological Survey | Federal | 20,000 | 21,000 | |
| Fed Agency: | Enviro Protection Agency | State Match | 10,000 | 3,300 | |
| Purpose: | Studies | Total | 30,000 | 24,300 | 0 |
| Program: | Utah Geological Survey | Federal | 10,000 | 15,000 | 30,000 |
| Fed Agency: | Bureau of Reclamation | State Match | | 15,000 | 30,000 |
| Purpose: | Studies | Total | 10,000 | 30,000 | 60,000 |
| Program: | Utah Geological Survey | Federal | 39,000 | 44,900 | 33,000 |
| Fed Agency: | Bureau of Land Mgt | State Match | 5,800 | 14,600 | 14,600 |
| Purpose: | Studies | Total | 44,800 | 59,500 | 47,600 |
| Program: | Utah Geological Survey | Federal | 88,300 | | |
| Fed Agency: | DOD - Dugway | State Match | | | |
| Purpose: | Studies | Total | 88,300 | 0 | 0 |
| | | Federal Total | 639,900 | 644,100 | 455,800 |
| | | State Total | 359,900 | 461,900 | 395,000 |
| | | Total | \$999,800 | \$1,106,000 | \$850,800 |

4.3 Utah Geological Survey Fees

In accordance with UCA 63-34-5, the following fees are proposed for the services of the Utah Geological Survey for FY 2004.

| | FY 2003 Current | FY 2004 Proposed | Difference | FY 2004 Units | Revenue Change |
|--|---|--|------------|------------------|-------------------|
| Editorial: | | | | | |
| Color Plots | \$3.00 set up + \$3/sq ft \$4.50/sq ft – special paper | \$3.00 set up + \$3/sq ft \$4.50/sq ft. - special paper | | | |
| Color Scanning | \$9.00/scan | \$9.00/scan | | | |
| Bluelines | \$0.25/sq ft | \$0.25/sq ft | | | |
| File Conversion | \$36.00/hr \$5.00 min | \$36.00/hr \$5.00 min | | | |
| Clear/Matte Mylars from Negatives | \$20.00 set up +\$6.00/sq ft | \$20.00 set up +\$6.00/sq ft | | | |
| Clear/Matte Mylars (Division Makes Negatives) | \$20.00 set up +\$11.00/sq ft | \$20.00 set up +\$11.00/sq ft | | | |
| Negatives | \$20.00 set up +\$9.00/sq ft | \$20.00 set up +\$9.00/sq ft | | | |
| Professional Services | \$36.00/hr | \$36.00/hr | | | |
| Sample Library: | | | | | |
| On-Site Examination | | | | | |
| Cuttings | \$2.00/box | \$2.00/box | | | |
| Core | \$3.00/box | \$3.00/box | | | |
| Coal | \$4.00/box | \$4.00/box | | | |
| Oil/Water (Brine) | \$3.00/bottle | \$3.00/bottle | | | |
| Core Layout Table | \$15.00/table | \$15.00/table | | | |
| Binocular/Petrographic Microscopes | \$15.00/day | \$15.00/day | | | |
| Sat/Sun/Holiday | 60% surcharge | 60% surcharge | | | |

| | FY 2003 Current | FY 2004 Proposed | Difference | FY 2004 Units | Revenue Change |
|-------------------------------|---|---|------------|------------------|-------------------|
| Off-Site Examination | | | | | |
| Cuttings | \$4.00/box + shipping | \$4.00/box + shipping | | | |
| Core | \$6.00/box + shipping | \$6.00/box + shipping | | | |
| Coal | \$6.00/box + shipping | \$6.00/box + shipping | | | |
| Oil/Water (Brine) | \$7.00/bottle + ship & pack | \$7.00/bottle + ship & pack | | | |
| Hazardous Materials | \$12.00 pack +\$4.00 ship (approx) | \$12.00 pack +\$4.00 ship (approx) | | | |
| Core Plug | \$2.00/plug | \$2.00/plug | | | |
| Core Slabbing: | | | | | |
| 1.8" Diam or Smaller | \$8.00/sq ft | \$8.00/sq ft | | | |
| 1.8"-3.5" Diameter | \$10.00/sq ft | \$10.00/sq ft | | | |
| Larger Diameter | Negotiated | Negotiated | | | |
| Core Photographing: | | | | | |
| Box/Closeup | \$20.00/print (8x10 color) | \$20.00/print (8x10 color) | | | |
| Slides | \$10.00/ea | \$10.00/ea | | | |
| Coal Petrography | \$36.00/hr | \$36.00/hr | | | |
| Copying of Data | \$.10/pg | \$.10/pg | | | |
| Searches & Research | \$25.00/hr | \$25.00/hr | | | |
| General Building & Lab Use | \$35.00/day \$225.00/wk \$900.00/mo | \$35.00/day \$225.00/wk \$900.00/mo | | | |

Legislative Fiscal Analyst

| | FY 2003 Current | FY 2004 Proposed | Difference | FY 2004 Units | Revenue Change |
|---|--|--|------------|------------------|-------------------|
| Applied: | | | | | |
| School Site Reviews | | | | | |
| Reviewing Geologic Hazards Report for New School Sites | \$450.00 + travel +\$36.00/hr | \$450.00 + travel +\$36.00/hr | | | |
| Preliminary Screening Of a Proposed School Site: One School | \$500.00 | \$500.00 | | | |
| Multiple in same city | \$700.00 + travel +\$36.00/hr | \$700.00 + travel +\$36.00/hr | | | |
| Paleontology: | | | | | |
| File Search Requests | | | | | |
| Minimum Charge (up to 15 minutes) | \$30.00 | \$30.00 | | | |
| Hourly Rate (>15 min.) | \$60.00 | \$60.00 | | | |
| Miscellaneous: | | | | | |
| Copies | \$.10/copy Self serve \$.25/copy staff copy | \$.10/copy self serve \$.25/copy staff copy | | | |
| Large Format Copies | \$4.00/copy | \$4.00/copy | | | |
| Research Fee | \$36.00/hr | \$36.00/hr | | | |
| UGS Database Searches | \$36.00/hr \$5.00 min | \$36.00/hr \$5.00 min | | | |

| | FY 2003 Current | FY 2004 Proposed | Difference | FY 2004 Units | Revenue Change |
|-----------------------|----------------------------|-----------------------------|-------------------|--------------------------|---------------------------|
| Media Charges | | | | | |
| Compact Disk (650 mb) | \$3.00/ea | \$3.00/ea | | | |
| Zip Disk | | | | | |
| 100 MB | \$15.00/ea | \$15.00/ea | | | |
| 250 MB | \$25.00/ea | \$25.00/ea | | | |
| Floppy Disk (1.44 MB) | \$2.00/ea | \$2.00/ea | | | |
| Paper Printout | \$0.10/ea | \$0.10/ea | | | |
| Custom Map Plots | \$15.00 min | \$15.00 min | | | |
| Bookstore | \$5/plot | \$5/plot | | | |

Office of the
Legislative Fiscal Analyst

FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Natural Resources

Utah Department of Natural Resources
Parks and Recreation Operating Budget

Contents:

- 1.0 Summary
- 2.0 Issues
- 3.0 Programs
- 4.0 Additional Information

This Page Intentionally Left Blank

1.0 Summary: Parks and Recreation - Operating Budget

The mission of the Division of Parks and Recreation is to enhance the quality of life in Utah through parks, people and programs. Utah has 42 (formerly 45) state parks that are a combination of heritage, scenic and recreation parks. Created under UCA 63-11-17.1, the division is responsible for management and development of all state parks, statewide boating safety and statewide off-highway vehicle safety. The Board of Parks and Recreation provides policy direction.

One of the division's recent emphases is creating partnerships with other entities, especially in the Boating and Off-Highway Vehicle Programs. These partnerships help create recreational opportunities for the public without the entire financial burden being borne by the state. For example, the division has worked well with several federal and local agencies to develop the Piute ATV trail. The division has also improved several state parks through matching funds from the federal government; and local citizen groups assist in park planning.

| | Analyst FY 2004 Base | Analyst FY 2004 Changes | Analyst FY 2004 Total |
|---------------------------|----------------------------|-------------------------------|-----------------------------|
| Financing | | | |
| General Fund | 8,211,300 | (17,700) | 8,193,600 |
| Federal Funds | 952,000 | | 952,000 |
| Dedicated Credits Revenue | 8,254,800 | | 8,254,800 |
| GFR - Boating | 3,162,900 | | 3,162,900 |
| GFR - Off-highway Vehicle | 2,075,400 | | 2,075,400 |
| Total | <u>\$22,656,400</u> | <u>(\$17,700)</u> | <u>\$22,638,700</u> |
| Programs | | | |
| Director | 401,400 | | 401,400 |
| Board | 16,000 | | 16,000 |
| Park Operations | 16,574,100 | (10,800) | 16,563,300 |
| Comprehensive Planning | 372,100 | | 372,100 |
| Administration | 540,000 | | 540,000 |
| Design and Construction | 420,600 | | 420,600 |
| Reservations | 271,500 | | 271,500 |
| Law Enforcement | 166,800 | | 166,800 |
| Fiscal and Accounting | 783,900 | (6,900) | 777,000 |
| Boating | 992,700 | | 992,700 |
| OHV | 1,053,400 | | 1,053,400 |
| Grants and Trails | 265,700 | | 265,700 |
| Park Management Contracts | 798,200 | | 798,200 |
| Total | <u>\$22,656,400</u> | <u>(\$17,700)</u> | <u>\$22,638,700</u> |
| FTE/Other | | | |
| Total FTE | 346 | | 346 |

2.0 Issues: Parks and Recreation - Operating Budget

2.1 Previous Budget Reductions

During the 2002 General Session and subsequent special sessions, the Legislature made the following ongoing General Fund adjustments:

| | |
|--|---------------------------|
| FY 2003 Beginning Base: | <u>\$9,526,100</u> |
| ISF rate changes | (16,300) |
| Retirement rate/extra working day adjustments | 74,700 |
| Insurance benefit adjustments | 95,300 |
| Transfer from capital to operating (Sand Hollow) | 60,000 |
| Internal spending cuts | (274,000) |
| This-is-the-Place pass-through | (100,000) |
| Operating reductions (offset by fee increases) | (290,000) |
| Closure of three parks | (500,000) |
| Across-the-board cuts (sixth special session) | <u>(364,500)</u> |
| FY 2004 Beginning Base | <u>\$8,211,300</u> |

2.2 Information Technology / Retirement Rate Savings

The FY 2004 beginning base has been reduced by mandated statewide information technology savings and by reductions to statewide retirement rates. The portion of savings applicable to this line item is shown below.

| | |
|--------------------------------------|---------------------------|
| IT/Retirement Savings | <u>(\$17,700)</u> |
| New FY 2004 General Fund Base | <u>\$8,193,600</u> |

2.3 Park Divestitures

As required by intent language accompanying the General Fund reduction of \$500,000 the division divested itself of three state parks in 2002. These include Minersville, Fort Buenaventura, and most of the Jordan River Parkway. However, the division is under contractual obligations to make some transitional payments in order to help local governments absorb the new obligations. The Analyst recommends the division address these contractual requirements before the subcommittee.

2.4 Law Enforcement Personnel

The division has 97 FTEs on public safety retirement. Some are former law enforcement officers now doing administrative duties. However, among those who are actively in law enforcement, there is a perception that their compensation is inequitable with Conservation Officers in the Division of Wildlife Resources. The Analyst recommends that this issue and other issues associated with law enforcement in the Department of Natural Resources be further studied in the 2003 interim by a task force, an ad-hoc group of concerned individuals, or an item in the Master Study Resolution.

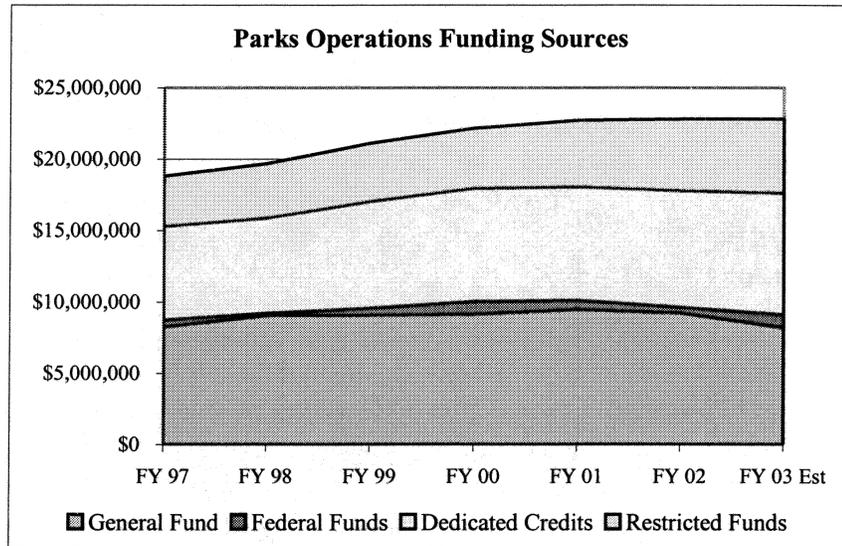
2.5 Legislation

At least three pieces of legislation in the 2003 General Session could impact the division's budget. These bills would:

- Remove the required park entrance fee waiver for senior citizens
- Remove the cap on gas tax revenues to the OHV restricted account (shifting funds from UDOT to Parks)
- Create a restricted account into which park fees would be deposited

3.0 Programs: Parks and Recreation - Operating Budget

The following chart shows the mix of revenue sources in the Parks - Operating Budget from FY 1997 to FY 2003:



Dedicated credits collected in FY 2002 were \$8,159,100, the highest amount ever. Weather conditions were optimal during the year. Visitation has leveled off or declined since FY 1994, when approximately 7.1 million occurred. Visitation in FY 2002 was approximately 5.9 million. The Analyst believes this decline is because popular parks are already full at peak times, and partially due to economics, with the Board having increased most fees in 2002 and again in 2003. At this point, it would appear that significant revenue growth would have to come from sources other than increased visitation. However, there is room for visitation growth at Heritage Parks throughout the state.

An important revenue source for the division's boating programs is the General Fund Restricted - Boating Account. Monies are deposited in this account from boat registration fees and from the gas tax, assuming a usage of 155 gallons of gas per registered boat per year. Though this assumed amount is probably understated, it is the number that has been agreed upon with UDOT and the Tax Commission.

Another important revenue source is the General Fund Restricted - Off-Highway Vehicle Account. Monies enter this account from off-highway vehicle (including snowmobile) registration fees plus .5% of motor fuel tax revenues, up to \$850,000 per year. However, H.B. 59 in the 2003 General Session would remove the cap and may increase revenues by as much as \$350,000 per year.

3.1 Director's Office

Recommendation

The Analyst recommends a budget of \$401,400, all from the General Fund. Personal Services comprise 82 percent of the recommended appropriation.

| | 2002 Actual | 2003 Estimated* | 2004 Analyst | Est/Analyst Difference |
|------------------------|------------------|--------------------|------------------|---------------------------|
| Financing | | | | |
| General Fund | 406,500 | 399,400 | 401,400 | 2,000 |
| General Fund, One-time | (100) | | | |
| Lapsing Balance | (10,200) | | | |
| Total | <u>\$396,200</u> | <u>\$399,400</u> | <u>\$401,400</u> | <u>\$2,000</u> |
| Expenditures | | | | |
| Personal Services | 310,400 | 326,000 | 329,600 | 3,600 |
| In-State Travel | 5,700 | 5,000 | 5,000 | |
| Out of State Travel | 14,300 | 20,000 | 20,000 | |
| Current Expense | 62,500 | 45,900 | 44,300 | (1,600) |
| DP Current Expense | 3,300 | 2,500 | 2,500 | |
| Total | <u>\$396,200</u> | <u>\$399,400</u> | <u>\$401,400</u> | <u>\$2,000</u> |
| FTE/Other | | | | |
| Total FTE | 4 | 4 | 4 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The Director is the executive and administrative head of the division. UCA 63-11-18 provides that "the Director shall have the responsibility for: acquisition, planning, protection, development, operation, use, and maintenance of park area and facilities in such manner as may be established by the policies and rules and regulations of the board." This program also contains the Government Relations Program, which includes the Legislative Liaison and Alternative Funding Coordinator.

Intent Language Report

The Analyst recommends the division **report** on its progress with intent language adopted in H.B. 3, 2002 General Session:

It is the intent of the Legislature that the State Parks Board, in coordination with the division director, analyze the costs and benefits of each state park, and by December 1, 2002 recommend parks for closure to meet the \$500,000 reduction in the state parks budget. It is further the intent of the Legislature that the reduction may be covered by both the operating and capital budgets of the state parks.

The division has already reported on various occasions to the Executive Appropriations Committee and to the Natural Resources Interim Committee. The appropriations subcommittee should also hear a report and an update on the status of the agreements with affected local governments.

3.2 Board

Recommendation

The Analyst recommends a budget of \$16,000 for the board's travel and per diem costs.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------|-----------------|-----------------|-----------------|-------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 16,700 | 16,000 | 16,000 | |
| Lapsing Balance | 4,500 | | | |
| Total | <u>\$21,200</u> | <u>\$16,000</u> | <u>\$16,000</u> | <u>\$0</u> |
| Expenditures | | | | |
| Personal Services | 10,000 | 6,900 | 6,900 | |
| In-State Travel | 9,100 | 6,800 | 6,800 | |
| Current Expense | 2,100 | 2,300 | 2,300 | |
| Total | <u>\$21,200</u> | <u>\$16,000</u> | <u>\$16,000</u> | <u>\$0</u> |
| FTE/Other | | | | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

UCA 63-11-12 establishes the nine-member Board of Parks and Recreation and states that it shall be the policy-making body of the division. This appropriation provides the funding for the board's administrative costs.

The make-up of the board is:

- One member from each judicial district and one from the public at large
- No more than five members are from the same political party
- Persons who have demonstrated an understanding and interest in parks and recreation

3.3 Park Operations

Recommendation

The Analyst recommends a total budget of \$16,563,300. Personal Services comprise 69 percent of the recommended appropriation.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------------|---------------------|---------------------|---------------------|--------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 5,180,900 | 4,510,100 | 4,499,400 | (10,700) |
| General Fund, One-time | (3,500) | | | |
| Federal Funds | 129,700 | 134,500 | 134,500 | |
| Dedicated Credits Revenue | 8,010,200 | 8,258,400 | 8,064,100 | (194,300) |
| GFR - Boating | 2,764,000 | 2,837,400 | 2,843,300 | 5,900 |
| GFR - Off-highway Vehicle | 913,900 | 1,020,000 | 1,022,000 | 2,000 |
| Transfers | 72,600 | | | |
| Beginning Nonlapsing | 404,800 | 315,400 | | (315,400) |
| Closing Nonlapsing | (315,400) | | | |
| Lapsing Balance | (140,800) | | | |
| Total | \$17,016,400 | \$17,075,800 | \$16,563,300 | (\$512,500) |
| Expenditures | | | | |
| Personal Services | 11,358,000 | 11,476,600 | 11,421,300 | (55,300) |
| In-State Travel | 100,600 | 114,100 | 113,300 | (800) |
| Out of State Travel | 2,200 | 3,000 | 3,000 | |
| Current Expense | 4,117,000 | 4,143,200 | 3,939,700 | (203,500) |
| DP Current Expense | 148,800 | 128,600 | 65,500 | (63,100) |
| Capital Outlay | 898,100 | 980,600 | 790,800 | (189,800) |
| Other Charges/Pass Thru | 391,700 | 229,700 | 229,700 | |
| Total | \$17,016,400 | \$17,075,800 | \$16,563,300 | (\$512,500) |
| FTE/Other | | | | |
| Total FTE | 284 | 284 | 283 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

Under the Deputy Director of Operations, this program provides for the daily operations of the 42 state parks. Hosting the public, interpretation, law enforcement, park maintenance, and administrative functions within the parks are done within this program. This is the largest and most comprehensive program in the division.

Enforcement of boating and OHV laws

Park Rangers also enforce water safety at non-park sites such as Lake Powell, Flaming Gorge, and the soon to be created Sand Hollow reservoir near Quail Creek State Park. They also enforce OHV regulations and help police the trail system. During the winter they assist with trail grooming and other needs.

Three types of parks

State parks are divided into three categories: Heritage, Recreation, or Scenic. Each park is unique and creates unique challenges for the Park Manager. Recently the Division has been hiring managers who are not Rangers at Heritage parks. The Analyst supports this action, since civilian managers are cheaper and often have more curation expertise.

**Previous Building
Block Report**

The 2002 Legislature appropriated \$100,000 from the restricted Boating Account, and \$150,000 from the restricted Off-Highway Vehicle Account, for increased boating and OHV activities within the state. These funds have been used throughout the operating budget to help offset the General Fund reductions that have taken place.

The 2002 Legislature also appropriated \$52,800 from the restricted Boating Account, and \$38,800 from the OHV Account, for operations at the newly created Sand Hollow reservoir near St. George. These funds, combined with \$60,000 General Funds already in the budget for Sand Hollow, will be used to hire three to four FTE and associated expenses. Sand Hollow will be combined with Quail Creek and Gunlock to create one management unit, though separate budgets will be maintained for each park.

3.4 Comprehensive Planning

Recommendation

The Analyst recommends a budget of \$372,100 entirely from the General Fund.

| | 2002 | 2003 | 2004 | Est/Analyst |
|------------------------|------------------|------------------|------------------|--------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 377,200 | 371,900 | 372,100 | 200 |
| General Fund, One-time | (100) | | | |
| Federal Funds | 1,800 | | | |
| Transfers | 1,800 | | | |
| Lapsing Balance | (18,200) | | | |
| Total | <u>\$362,500</u> | <u>\$371,900</u> | <u>\$372,100</u> | <u>\$200</u> |
| Expenditures | | | | |
| Personal Services | 310,100 | 335,200 | 336,300 | 1,100 |
| In-State Travel | 3,700 | 4,900 | 4,900 | |
| Current Expense | 34,800 | 23,600 | 22,700 | (900) |
| DP Current Expense | 13,900 | 8,200 | 8,200 | |
| Total | <u>\$362,500</u> | <u>\$371,900</u> | <u>\$372,100</u> | <u>\$200</u> |
| FTE/Other | | | | |
| Total FTE | 6 | 6 | 6 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

UCA 63-11-13 requires the division to formulate a long-range, comprehensive plan and program for the acquisition, planning, protection, operation, maintenance, development, and wise use of areas of scenic beauty, recreational utility, historic, archaeological or scientific interest.

3.5 Administration

Recommendation

The Analyst recommends a budget of \$540,000, entirely from the General Fund.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------|------------------|------------------|------------------|----------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 549,600 | 538,700 | 540,000 | 1,300 |
| Lapsing Balance | (6,800) | | | |
| Total | <u>\$542,800</u> | <u>\$538,700</u> | <u>\$540,000</u> | <u>\$1,300</u> |
| Expenditures | | | | |
| Personal Services | 424,600 | 433,800 | 435,700 | 1,900 |
| In-State Travel | 2,700 | 6,400 | 6,400 | |
| Current Expense | 101,500 | 90,700 | 90,100 | (600) |
| DP Current Expense | 14,000 | 7,800 | 7,800 | |
| Total | <u>\$542,800</u> | <u>\$538,700</u> | <u>\$540,000</u> | <u>\$1,300</u> |
| FTE/Other | | | | |
| Total FTE | 8 | 8 | 8 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

This program is responsible for the administrative side of division responsibilities. Public information, volunteer coordination, and data processing functions are covered in this program. The Deputy Director for Administration represents the Director in his absence and is covered by the same statute as the Director when fulfilling this role. The Volunteer Coordinator has recruited 135,000 hours of volunteer time in the last fiscal year with a dollar value of \$1.6 million.

The Deputy Director for Administration oversees the following programs:

- Fiscal and Accounting
- Grants and Trails
- Reservations
- Boating Administration
- OHV Administration

3.6 Design and Construction

Recommendation

The Analyst recommends a budget of \$420,600. As with most of the division's administrative programs, the recommended funding is entirely General Funds.

| | 2002 | 2003 | 2004 | Est/Analyst |
|------------------------|------------------|------------------|------------------|----------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 448,000 | 420,700 | 420,600 | (100) |
| General Fund, One-time | (200) | | | |
| Lapsing Balance | (2,300) | | | |
| Total | <u>\$445,500</u> | <u>\$420,700</u> | <u>\$420,600</u> | <u>(\$100)</u> |
| Expenditures | | | | |
| Personal Services | 365,900 | 371,100 | 372,300 | 1,200 |
| In-State Travel | 5,300 | 2,000 | 2,000 | |
| Current Expense | 68,300 | 45,600 | 44,300 | (1,300) |
| DP Current Expense | 6,000 | 2,000 | 2,000 | |
| Total | <u>\$445,500</u> | <u>\$420,700</u> | <u>\$420,600</u> | <u>(\$100)</u> |
| FTE/Other | | | | |
| Total FTE | 6 | 6 | 6 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

This program provides the coordination of facilities construction and implementation of development priorities within the division. The program serves as a liaison with the Division of Facilities Construction and Management (DFCM) on the use of monies now appropriated to DFCM for capital improvements at state park facilities.

3.7 Reservations

Recommendation

The Analyst recommends a total budget of \$271,500. Dedicated Credits come from reservation fees (see fee schedule).

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------------|------------------|------------------|------------------|--------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 114,600 | 44,300 | 80,800 | 36,500 |
| General Fund, One-time | (11,100) | | | |
| Dedicated Credits Revenue | 148,600 | 226,800 | 190,700 | (36,100) |
| Lapsing Balance | (600) | | | |
| Total | \$251,500 | \$271,100 | \$271,500 | \$400 |
| Expenditures | | | | |
| Personal Services | 173,300 | 186,000 | 186,600 | 600 |
| In-State Travel | | 2,000 | 2,000 | |
| Current Expense | 52,800 | 55,400 | 55,200 | (200) |
| DP Current Expense | 25,400 | 27,700 | 27,700 | |
| Total | \$251,500 | \$271,100 | \$271,500 | \$400 |
| FTE/Other | | | | |
| Total FTE | 8 | 6 | 6 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

This program provides for a computerized central camping reservation system to accommodate public use of facilities. National trends are now toward central reservation systems using communication networks and providing a more efficient operation for both user and provider. Central reservations are no longer a novelty but are expected by the public. Utah was one of the first states to implement this service.

3.8 Law Enforcement

Recommendation

The Analyst recommends a budget of \$166,800, entirely from General Funds. Along with other law enforcement oversight programs in the department, this budget has decreased significantly over the last two years.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------|------------------|------------------|------------------|-------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 289,400 | 179,900 | 166,800 | (13,100) |
| Lapsing Balance | (18,600) | | | |
| Total | \$270,800 | \$179,900 | \$166,800 | (\$13,100) |
| Expenditures | | | | |
| Personal Services | 134,500 | 59,500 | 41,900 | (17,600) |
| In-State Travel | 2,200 | 4,100 | 4,100 | |
| Current Expense | 130,200 | 103,800 | 108,300 | 4,500 |
| DP Current Expense | 3,900 | 2,500 | 2,500 | |
| Capital Outlay | | 10,000 | 10,000 | |
| Total | \$270,800 | \$179,900 | \$166,800 | (\$13,100) |
| FTE/Other | | | | |
| Total FTE | 2 | 1 | 1 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The Division has approximately 94 law enforcement FTE in the Park Operations program. The Law Enforcement Program ensures the proper operation of law enforcement responsibilities. Working with the department law enforcement administration, the Parks Law Enforcement program creates and implements policy and procedures for parks, boating, and off-highway vehicle enforcement.

UCA 63-11-17.2 requires law enforcement to protect state parks and park property from misuse or damage and to preserve the peace within state parks. Employees who are POST certified and designated as Park Rangers by the Director, have all the powers of law enforcement officers in the state.

3.9 Fiscal and Accounting

Recommendation

The Analyst recommends a total budget of \$777,000. Personal Services comprise 85 percent of the recommended appropriation.

| | 2002 | 2003 | 2004 | Est/Analyst |
|------------------------|------------------|------------------|------------------|------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 823,300 | 783,100 | 777,000 | (6,100) |
| General Fund, One-time | (300) | | | |
| Lapsing Balance | (16,900) | | | |
| Total | \$806,100 | \$783,100 | \$777,000 | (\$6,100) |
| Expenditures | | | | |
| Personal Services | 628,400 | 656,800 | 659,000 | 2,200 |
| In-State Travel | 2,700 | 5,000 | 5,000 | |
| Current Expense | 39,100 | 600 | 29,300 | 28,700 |
| DP Current Expense | 118,100 | 120,700 | 83,700 | (37,000) |
| Capital Outlay | 17,800 | | | |
| Total | \$806,100 | \$783,100 | \$777,000 | (\$6,100) |
| FTE/Other | | | | |
| Total FTE | 12 | 13 | 13 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

This program provides the fiscal and accounting support for the division. Accounting, budgeting, contracts, purchasing, and payroll are some of the functions of this program. These are basic fiscal functions found in all agencies.

3.10 Boating

Recommendation

The Analyst recommends a total budget of \$992,700, funded from federal funds and the GFR - Boating Account. Federal funds come from the U.S. Coast Guard for boating safety equipment and programs.

| | 2002 Actual | 2003 Estimated* | 2004 Analyst | Est/Analyst Difference |
|---------------------|------------------|--------------------|------------------|---------------------------|
| Financing | | | | |
| General Fund | 200 | | | |
| Federal Funds | 190,000 | 694,100 | 694,100 | |
| GFR - Boating | 295,800 | 298,000 | 298,600 | 600 |
| Lapsing Balance | (23,500) | | | |
| Total | <u>\$462,500</u> | <u>\$992,100</u> | <u>\$992,700</u> | <u>\$600</u> |
| Expenditures | | | | |
| Personal Services | 194,000 | 217,100 | 217,800 | 700 |
| In-State Travel | 7,000 | 10,600 | 10,600 | |
| Out of State Travel | 5,600 | 7,500 | 7,500 | |
| Current Expense | 145,300 | 239,300 | 239,300 | |
| DP Current Expense | 4,700 | 5,500 | 5,500 | |
| Capital Outlay | 105,900 | 512,100 | 512,000 | (100) |
| Total | <u>\$462,500</u> | <u>\$992,100</u> | <u>\$992,700</u> | <u>\$600</u> |
| FTE/Other | | | | |
| Total FTE | 5 | 5 | 5 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The boating program is one of the oldest in the division. The division has statutory responsibility for the administration and enforcement of the State Boating Act (73-18-3). Demand for boating on Utah's waters has increased greatly over the past decade. New recreation vessels, such as the personal watercraft (PWC) have created unique problems for the program and have resulted in a new PWC education program sponsored by the division. With more users and static resources, the division has been forced to impose boat limits at several parks.

3.11 Off-Highway Vehicles

Recommendation

The Analyst recommends a budget of \$1,053,400, funded from the GFR – Off-Highway Vehicle Account. This program had \$102,300 in General Funds prior to FY 2002, but the division opted to eliminate them during budget cutbacks.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------------|------------------|--------------------|--------------------|----------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 100 | | | |
| Federal Funds | 59,900 | | | |
| GFR - Off-highway Vehicle | 1,053,100 | 1,051,900 | 1,053,400 | 1,500 |
| Lapsing Balance | (325,600) | | | |
| Total | \$787,500 | \$1,051,900 | \$1,053,400 | \$1,500 |
| Expenditures | | | | |
| Personal Services | 309,400 | 395,600 | 397,100 | 1,500 |
| In-State Travel | 3,000 | 13,900 | 13,900 | |
| Out of State Travel | 800 | 2,000 | 2,000 | |
| Current Expense | 278,300 | 305,900 | 305,900 | |
| DP Current Expense | 7,600 | 12,500 | 12,500 | |
| Capital Outlay | 196,400 | 322,000 | 322,000 | |
| Other Charges/Pass Thru | (8,000) | | | |
| Total | \$787,500 | \$1,051,900 | \$1,053,400 | \$1,500 |
| FTE/Other | | | | |
| Total FTE | 8 | 12 | 12 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

This program is authorized by UCA 41-22-10, 41-22-31, and 63-11-17.1. The division is the recreation authority in the State of Utah, and as such, has responsibility for outdoor recreation activities and law enforcement on Utah's public lands. This includes the construction of trails and OHV riding areas and education programs.

3.12 Grants and Trails

Recommendation

The Analyst recommends a budget of \$265,700, funded mostly from the General Fund. Federal funds are used to compensate the division for administration of federal grants.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------------|------------------|------------------|------------------|----------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 245,600 | 178,200 | 142,300 | (35,900) |
| Federal Funds | 18,600 | 85,000 | 123,400 | 38,400 |
| Dedicated Credits Revenue | 300 | | | |
| Lapsing Balance | (7,500) | | | |
| Total | <u>\$257,000</u> | <u>\$263,200</u> | <u>\$265,700</u> | <u>\$2,500</u> |
| Expenditures | | | | |
| Personal Services | 225,800 | 226,500 | 227,200 | 700 |
| In-State Travel | 3,000 | 5,500 | 5,500 | |
| Out of State Travel | 1,100 | 3,000 | 3,000 | |
| Current Expense | 25,800 | 27,200 | 29,000 | 1,800 |
| DP Current Expense | 1,300 | 1,000 | 1,000 | |
| Total | <u>\$257,000</u> | <u>\$263,200</u> | <u>\$265,700</u> | <u>\$2,500</u> |
| FTE/Other | | | | |
| Total FTE | 3 | 3 | 3 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The program provides grant auditing and administration. Also included in this program is administration of federal Land and Water Conservation Fund (LWCF) purposes. Staff expertise is offered to local governments.

3.13 Park Management Contracts

Recommendation The Analyst recommends a budget of \$798,200, funded from General Funds and boating restricted funds. Dollars will be allocated as follows:

- \$700,000 General Funds to This is the Place
- \$50,000 General Funds to Salt Lake City for Jordan River
- \$25,000 General Funds to Weber County for Ft. Buenaventura
- \$2,200 for insurance and bonds at This is the Place
- \$21,000 GFR-Boating to Weber County for patrols at Pineview

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------|------------------|------------------|------------------|----------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 800,000 | 769,000 | 777,200 | 8,200 |
| GFR - Boating | | 21,000 | 21,000 | |
| Total | \$800,000 | \$790,000 | \$798,200 | \$8,200 |
| Expenditures | | | | |
| Current Expense | 800,000 | 790,000 | 798,200 | 8,200 |
| Total | \$800,000 | \$790,000 | \$798,200 | \$8,200 |
| FTE/Other | | | | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose In June of 1998, the division signed a management agreement with the This is the Place Foundation, under which the Foundation agreed to undertake all phases of operating the park, and the division agreed to request \$800,000 per year as a management fee, and upon appropriation, provide this amount to the Foundation to assist in the maintenance and operation of the park.

This program also accounts for contractual (three-year, declining each year) payments to local governments that assumed control of former state parks.

Intent Language The Analyst also recommends **keeping** intent language from S.B. 1, 2002 General Session, with modifications as shown:

It is the intent of the Legislature that the Division of Parks and Recreation provide a management fee to because the appropriation for the This is the Place Foundation not to exceed \$700,000. management fee has been reduced to \$750,000, the Division of Parks and Recreation provide an amount no greater than \$750,000 to the Foundation.

4.0 Additional Information: Parks and Recreation - Operating Budget

4.1 Funding History

| | 2000 | 2001 | 2002 | 2003 | 2004 |
|---------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Financing | Actual | Actual | Actual | Estimated* | Analyst |
| General Fund | 9,151,100 | 9,459,300 | 9,252,100 | 8,211,300 | 8,193,600 |
| General Fund, One-time | | 20,700 | (15,300) | | |
| Federal Funds | 875,600 | 645,300 | 400,000 | 913,600 | 952,000 |
| Dedicated Credits Revenue | 7,916,900 | 7,946,000 | 8,159,100 | 8,485,200 | 8,254,800 |
| GFR - Boating | 2,685,600 | 2,821,800 | 3,059,800 | 3,156,400 | 3,162,900 |
| GFR - Off-highway Vehicle | 1,529,500 | 1,821,300 | 1,967,000 | 2,071,900 | 2,075,400 |
| Transfers | 57,600 | 33,200 | 74,400 | | |
| Beginning Nonlapsing | 325,900 | 278,300 | 404,800 | 315,400 | |
| Closing Nonlapsing | (278,300) | (404,800) | (315,400) | | |
| Lapsing Balance | 31,900 | (292,600) | (566,500) | | |
| Total | \$22,295,800 | \$22,328,500 | \$22,420,000 | \$23,153,800 | \$22,638,700 |
| Programs | | | | | |
| Director | 431,600 | 439,900 | 396,200 | 399,400 | 401,400 |
| Board | 20,700 | 15,000 | 21,200 | 16,000 | 16,000 |
| Park Operations | 16,945,700 | 17,272,200 | 17,016,400 | 17,075,800 | 16,563,300 |
| Comprehensive Planning | 375,200 | 372,500 | 362,500 | 371,900 | 372,100 |
| Administration | 519,400 | 462,100 | 542,800 | 538,700 | 540,000 |
| Design and Construction | 400,300 | 453,700 | 445,500 | 420,700 | 420,600 |
| Reservations | 333,000 | 278,800 | 251,500 | 271,100 | 271,500 |
| Law Enforcement | 484,500 | 320,100 | 270,800 | 179,900 | 166,800 |
| Fiscal and Accounting | 907,600 | 795,700 | 806,100 | 783,100 | 777,000 |
| Boating | 1,038,300 | 763,500 | 462,500 | 992,100 | 992,700 |
| OHV | 839,500 | 898,300 | 787,500 | 1,051,900 | 1,053,400 |
| Grants and Trails | | 256,700 | 257,000 | 263,200 | 265,700 |
| Park Management Contracts | | | 800,000 | 790,000 | 798,200 |
| Total | \$22,295,800 | \$22,328,500 | \$22,420,000 | \$23,153,800 | \$22,638,700 |
| Expenditures | | | | | |
| Personal Services | 14,016,000 | 14,183,000 | 14,444,400 | 14,691,100 | 14,631,700 |
| In-State Travel | 201,900 | 154,400 | 145,000 | 180,300 | 179,500 |
| Out of State Travel | 28,800 | 30,900 | 24,000 | 35,500 | 35,500 |
| Current Expense | 6,127,800 | 5,782,800 | 5,857,700 | 5,873,500 | 5,708,600 |
| DP Current Expense | 371,000 | 287,200 | 347,000 | 319,000 | 218,900 |
| DP Capital Outlay | 20,500 | | | | |
| Capital Outlay | 1,127,700 | 864,600 | 1,218,200 | 1,824,700 | 1,634,800 |
| Other Charges/Pass Thru | 402,100 | 1,025,600 | 383,700 | 229,700 | 229,700 |
| Total | \$22,295,800 | \$22,328,500 | \$22,420,000 | \$23,153,800 | \$22,638,700 |
| FTE/Other | | | | | |
| Total FTE | 368 | 355 | 345 | 348 | 346 |

*General and school funds as revised by Supplemental Bills I-V, 2002 Gen and Spec Sessions. Others as estimated by agency.

4.2 Federal Funds

| | | | FY 2002 | FY 2003 | FY 2004 |
|-------------|----------------------------|-----------------------------|------------------|------------------|------------------|
| | | | Actual | Estimated | Analyst |
| Program: | Park Operations | Federal | 129,100 | 170,500 | 208,900 |
| Fed Agency: | Dept. of Interior | State Match | | 25,000 | 25,000 |
| Purpose: | Various Grants | Total | 129,100 | 195,500 | 233,900 |
| Program: | Park Operations | Federal | 6,100 | 7,500 | 7,500 |
| Fed Agency: | N.F.A.H. - Museum Services | State Match | | | |
| Purpose: | Grants | Total | 6,100 | 7,500 | 7,500 |
| Program: | Park Operations | Federal | 6,800 | | |
| Fed Agency: | Forest Service | State Match | | | |
| Purpose: | Grants | Total | 6,800 | 0 | 0 |
| Program: | Grant Administration | Federal | 8,100 | 41,500 | 41,500 |
| Fed Agency: | Dept. of Transportation | State Match | | | |
| Purpose: | Grant Administration | Total | 8,100 | 41,500 | 41,500 |
| Program: | Boating | Federal | 190,000 | 694,100 | 694,100 |
| Fed Agency: | Coast Guard | State Match | | | |
| Purpose: | Boating Safety & Equipment | Total | 190,000 | 694,100 | 694,100 |
| Program: | Off-Highway Vehicle | Federal | 59,900 | | |
| Fed Agency: | Dept. of Transportation | State Match | | | |
| Purpose: | OHV Trails & Equipment | Total | 59,900 | 0 | 0 |
| | | Federal Total | 400,000 | 913,600 | 952,000 |
| | | State Matching Total | 0 | 25,000 | 25,000 |
| | | Total | \$400,000 | \$938,600 | \$977,000 |

4.3 Fees

The Parks Board has authority to set and change park fees. The following fee structure is submitted for subcommittee information. Fees were recently set for 2002 and 2003.

- I. USE FEES: All fees required under this fee schedule are to be paid in advance of occupancy or use of facilities.
 - A. Fees for services covering one or more months, for docks and dry storage, must be paid in advance for the season as determined by the Division.
 - B. Fee permits and passes are not refundable or transferable. Duplicate annual permits and special fun tags will be issued only upon completion of an affidavit and payment of the required fee. Inappropriate use of fee permits and passes may result in confiscation by park authorities.
 - C. Fees shall not be waived, reduced or refunded unless authorized by Division guideline; however, park or unit managers may determine and impose equitable fees for unique events or situations not covered in the current fee schedule. The director has the prerogative to waive or reduce fees.
 - D. The Multiple Park Permit, Special Fun Tag, Heritage Park Pass, Camping Permit and Daily Private Vehicle Permit are good for one (1) private vehicle with up to eight (8) occupants, with the exception of any special charges. Multiple Park Permits and Heritage Park Passes are not honored at This Is The Place State Park or the Jordan River OHV Center.
 - E. No charge for persons five years old and younger.
 - F. With the exception of the Multiple Park Permit and Heritage Park Pass fees are applicable only to the specific park or facility where paid and will not be honored at other parks or facilities.
 - G. The contract operator with the approval of the Division Director will set fees for This Is The Place State Park.
- II. DAY USE ENTRANCE FEES: Permit the use of all day activity areas in a state park. These fees do not include overnight camping facilities or special use fees.
 - A. Annual Permits:
 - 1. \$70.00 Multiple Park Permit (good for all parks).
 - 2. Snow Canyon Specialty Permits
 - a. \$15.00 Family Pedestrian Permit
 - b. \$ 5.00 Commuter Permit
 - 3. Duplicate Annual Permits may be purchased if originals are lost, destroyed, or stolen upon payment of a \$10.00 fee and the presentation of a signed affidavit to the Division office. Only one duplicate is allowed.
 - B. Special Fun Tag: Available free to Utah residents, 62 years and older or disabled, as defined by Special Fun Tag permit affidavit.
 - C. Daily Permit: Allows access for a specific state park on the date of purchase.
 - 1. \$9.00 per private motor vehicle or \$4.00 per person for pedestrians or bicycles for the following parks: (increase boating parks by \$1.00)

| | |
|------------|------------|
| Deer Creek | Jordanelle |
| Utah Lake | Willard |
 - 2. \$7.00 per private motor vehicle or \$4.00 per person for pedestrians or bicycles for the following parks: (increase boating parks by \$1.00)

| | |
|------------------|-------------|
| Dead Horse Point | East Canyon |
| Rockport | |
 - 3. \$6.00 per private motor vehicle or \$3.00 per person for pedestrians or bicycles for the following parks:

| | |
|-----------|-------------|
| Bear Lake | Quail Creek |
| Scofield | Yuba |
 - 4. \$5.00 per private motor vehicle or \$3.00 per person for pedestrians or bicycles for the following parks:

| | |
|-----------------|-------------|
| Antelope Island | Coral Pink |
| Escalante | Green River |
| Gunlock | Huntington |
| Hyrum | Kodachrome |

| | |
|------------------|-------------|
| Lost Creek | Millsite |
| Minersville | Otter Creek |
| Palisade | Pineview |
| Piute | Snow Canyon |
| Starvation | Steinaker |
| Wasatch Mountain | |

5. \$1.00 per person or \$5.00 per family (up to eight (8) individuals). For the following parks:

| | |
|--------------------|-------------------|
| Anasazi | Camp Floyd |
| Edge of the Cedars | Fort Buenaventura |
| Fremont | Iron Mission |
| Territorial | Utah Field House |

6. \$2.00 per person for commercial groups or vehicles with nine (9) or more occupants.

- D. Group Site Day Use Fee (advance reservation only). \$2.00 per person, age six (6) and over, for sites with basic facilities. Minimum \$50.00 fee established for each facility.
 - E. Educational Groups: No charge for group visits by Utah public or parochial schools with advance notice to park. When special arrangements or interpretive talks are provided, a fee of \$.50 per person may be charged at the park manager's discretion.
 - F. Heritage Park Pass: \$20.00 permits up to five visits to any Heritage Park, except This Is The Place State Park, during the calendar year of issue for up to eight (8) people per private motor vehicle.
 - G. Antelope Island Wildlife Management Program: A \$1.00 fee will be added to the entrance fee at Antelope Island. This additional fee will be used by the Division to fund the Wildlife Management Program on the Island.
- III. CAMPING FEES: Permits overnight camping and day use for the day of arrival until 2:00 p.m. of the following day or each successive day. Campsites must be vacated by 12:00 P.M. following the last camping night at Dead Horse Point. Camping is limited to 14 consecutive days at all campgrounds with the exception of Snow Canyon State Park, with a five (5) day consecutive limit.
- A. Individual Sites -- One (1) vehicle with up to eight (8) occupants and any attached recreational equipment as one independent camp unit. Any vehicles in addition to the independent camp unit will be charged the full price for a campsite. Fees for individual sites are based on the following schedule:
 - 1. \$8.00 with pit or vault toilets; \$11.00 with flush toilets; \$14.00 with flush toilets and showers or electrical hookups; \$17.00 with flush toilets, showers and electrical hookups; \$20.00 with full hookups.
 - 2. Primitive camping fees may be decreased at the park manager's discretion dependent upon the developed state of the facilities to be used by park visitors. Notification of the change must be made to the Division's financial manager and reservations manager before the reduced fee can be made effective.
 - 3. Special Fun Tag holders may receive a \$2.00 discount for individual camping sites Monday through Thursday nights, excluding holidays.
 - 4. One half the campsite fee rounded up to the nearest dollar will be charged per vehicle at all parks and individual camping sites for all additional transportation vehicles that are separate and not attached to the primary vehicle but are dependent upon that camp unit. No more than one additional vehicle is allowed at any individual camping site.
 - B. Group Sites (by advance reservation for groups).
 - 1. \$2.00 per person, age six (6) and over at sites with vault toilets. Minimum \$50.00 fee for each facility.
 - 2. \$3.00 per person, age six (6) and over at sites with flush toilets and/or pavilions. Minimum \$75.00 fee for each facility, except Dead Horse Point with a minimum of \$25.00.

IV. SPECIAL FEES:

A. Golf Course Fees.

- 1. Jordan River rental and green fees.
 - a. Nine holes general public weekends and holidays-summer \$6.50
 - b. Nine holes weekdays (except holidays-summer) \$5.50
 - c. Nine holes Jr./Sr. weekdays (except holidays-summer) \$4.50

| | | |
|----|--|------------|
| d. | Nine holes general public (winter) | \$4.50 |
| e. | Nine holes Jr./Sr. (winter) | \$3.50 |
| f. | All day rate weekdays (winter) | \$8.00 |
| g. | All day rate weekends and holidays (winter) | \$10.00 |
| h. | 20 round card pass | \$75.00 |
| i. | Promotional pass weekdays (except holidays) | \$250.00 |
| j. | Companion fee - adult | \$2.00 |
| k. | Companion fee - child | \$1.00 |
| l. | Motorized cart (9 holes) | Prohibited |
| m. | Pull carts (9 holes) | \$1.00 |
| n. | Club rental | \$3.00 |
| o. | Summer season is April through October and winter season is November through March. | |
| 2. | Palisade rental and green fees. | |
| a. | Nine holes general public weekends and holidays | \$10.00 |
| b. | Nine holes weekdays (except holidays) | \$9.00 |
| c. | Nine holes Jr./Sr. weekdays (except holidays) | \$8.00 |
| d. | 20 round card pass | \$140.00 |
| e. | 20 round card pass (Jr. only) | \$100.00 |
| f. | Promotional pass - single person (any day) | \$400.00 |
| g. | Promotional pass - single person (weekdays only) | \$275.00 |
| h. | Promotional pass - couple (any day) | \$650.00 |
| i. | Promotional pass - family (any day) | \$850.00 |
| j. | Companion fee - (walking, non-player) | \$4.00 |
| k. | Motorized cart (9 holes) | \$8.00 |
| l. | Motorized cart (9 holes single rider) | \$4.00 |
| m. | Pull carts (9 holes) | \$2.00 |
| n. | Club rental (9 holes) | \$5.00 |
| o. | School teams - No fee for practice rounds with coach and team roster. Tournaments are \$3.00 per player. | |
| p. | Driving range - small bucket | \$2.50 |
| q. | Driving range - large bucket | \$3.50 |
| 3. | Wasatch Mountain rental and green fees. | |
| a. | Nine holes general public (weekdays except holidays) | \$11.50 |
| b. | Nine holes general public (weekends and holidays) | \$12.50 |
| c. | Nine holes Jr./Sr. weekdays (except holidays) | \$10.50 |
| d. | 20 round card pass (no holidays or weekends) | \$210.00 |
| e. | Companion fee - (walking, non-player) | \$4.00 |
| f. | Motorized cart (9 holes - mandatory on Mt. course) | \$11.00 |
| g. | Motorized cart (9 holes single rider) | \$5.50 |
| h. | Pull carts (9 holes) | \$2.25 |
| i. | Club rental (9 holes) | \$6.00 |
| j. | School teams - No fee for practice rounds with coach and team roster (Wasatch County only). Tournaments are \$3.00 per player. | |
| k. | Tournament fee (per player) | \$4.00 |
| l. | Driving range - small bucket | \$2.25 |
| m. | Driving range - large bucket | \$4.50 |
| n. | Advance tee time booking surcharge | \$10.00 |
| 4. | Green River rental and green fees. | |
| a. | Nine holes general public | \$9.00 |
| b. | Nine holes Jr./Sr. weekdays (except holidays) | \$8.00 |
| c. | Eighteen holes general public | \$16.00 |
| d. | 20 round card pass | \$130.00 |
| e. | Promotional pass - single person (any day) | \$325.00 |
| f. | Promotional pass - single person (Jr/Sr weekdays) | \$275.00 |
| g. | Promotional pass - couple (any day) | \$600.00 |
| h. | Promotional pass - family (any day) | \$750.00 |

| | | |
|----|--|----------|
| i. | Companion fee - (walking, non-player) | \$4.00 |
| j. | Motorized cart (9 holes) | \$8.00 |
| k. | Motorized cart (9 holes single rider) | \$4.00 |
| l. | Pull carts (9 holes) | \$2.25 |
| m. | Club rental (9 holes) | \$5.00 |
| n. | School teams - No fee for practice rounds with coach and team roster. Tournaments are \$3.00 per player. | |
| 5. | Golf course hours are daylight to dark. | |
| 6. | No private, motorized golf carts are allowed, except where authorized by existing contractual agreement. | |
| 7. | Jr. golfers are 17 years and under. Sr. golfers are 62 and older. | |
| B. | Boat Mooring and Dry Storage. | |
| 1. | Mooring Fees. | |
| a. | Day Use | \$5.00 |
| b. | Overnight Boat Parking (until 8:00 a.m.) | \$7.00 |
| c. | Overnight - Boat Camping (until 2:00 p.m.) | \$10.00 |
| d. | Monthly per foot | \$4.00 |
| e. | Monthly with utilities per foot. (Bear Lake) | \$6.00 |
| f. | Monthly with utilities per foot. (Other Parks) | \$5.00 |
| g. | Monthly per foot (Off Season) | \$2.00 |
| h. | Monthly per foot (Off Season/with utilities) | \$2.50 |
| 2. | Dry Storage Fees. | |
| a. | Overnight (until 2:00 p.m.) | \$5.00 |
| b. | Monthly (during season) | \$50.00 |
| c. | Monthly (off season) | \$25.00 |
| C. | Meeting Rooms and Buildings. | |
| 1. | Day Use: 1-4 hours between 8:00 a.m. and 6:00 p.m. | |
| a. | Up to 50 persons | \$50.00 |
| b. | 51 to 100 persons | \$70.00 |
| c. | 101 to 150 persons | \$90.00 |
| d. | Add 50% for after 6:00 p.m. | |
| e. | Fees include day use fee. | |
| 2. | Overnight Use: 2:00 p.m. until 2:00 p.m., up to 100 people. | |
| a. | Minimum Fee | \$200.00 |
| b. | November thru March | Add 10% |
| D. | Roller Skating Fees. | |
| 1. | Adults | \$2.00 |
| 2. | Children 6 thru 11 | \$1.00 |
| 3. | Skate Rental | \$1.00 |
| 4. | Group Reservations | |
| a. | First Hour | \$30.00 |
| b. | Every Hour thereafter | \$20.00 |
| E. | Other Miscellaneous Fees. | |
| 1. | Canoe Rental (includes safety equipment). | |
| a. | Up to one (1) hour | \$5.00 |
| b. | Up to four (4) hours | \$10.00 |
| c. | All day to 6 P.M. | \$20.00 |
| 2. | Paddle boat Rental (includes safety equipment). | |
| a. | Up to one (1) hour | \$10.00 |

| | | |
|-----|--|----------|
| b. | Up to four (4) hours | \$20.00 |
| c. | All day to 6 P.M. | \$30.00 |
| 3. | Cross Country Skiing Trails. | |
| a. | Adult, twelve (12) year old and older. | \$4.00 |
| b. | Child, ages six (6) through eleven (11). | \$2.00 |
| 4. | Pavilion: 8:00 a.m. - 10:00 p.m. (non-fee areas). | |
| a. | Single Unit per day. | \$10.00 |
| b. | Group Unit per day. | \$30.00 |
| 5. | Recreation Field (non-fee areas) | \$25.00 |
| 6. | Sports Equipment Rental | \$10.00 |
| 7. | Life Jacket Rental | \$1.00 |
| 8. | Day Use Shower Fee (where facilities can accommodate) | \$2.00 |
| 9. | Application Fees - Non-refundable PLUS Negotiated Costs. | |
| a. | Grazing Permit | \$20.00 |
| b. | Easement | \$50.00 |
| c. | Construction / Maintenance | \$50.00 |
| d. | Special Use Permit | \$50.00 |
| e. | Commercial Filming | \$50.00 |
| f. | Waiting List | \$50.00 |
| 10. | Assessment and Assignment Fees. | |
| a. | Duplicate Document | \$10.00 |
| b. | Contract Assignment | \$20.00 |
| c. | Returned Checks | \$20.00 |
| d. | Staff time per hour | \$40.00 |
| e. | Equipment per hour | \$30.00 |
| f. | Vehicle per hour | \$20.00 |
| g. | Researcher per hour | \$5.00 |
| h. | Photo copy each | \$0.10 |
| i. | Fee collection | \$10.00 |
| 11. | Curation Fees. | |
| a. | Annual curation agreement | \$50.00 |
| b. | Curation storage Edge of Cedars per cubic foot | \$400.00 |
| c. | Curation storage other parks per cubic foot | \$250.00 |
| d. | All curation storage fees are one time only. | |
| 12. | Snowmobile Parking Fee (Monte Cristo Trail head). | |
| a. | Day use (6:00 AM to 10:00 PM) | \$3.00 |
| b. | Overnight (10:00 PM to 10:00 PM) | \$5.00 |
| c. | Season Pass (Day use only) | \$30.00 |
| d. | Season Pass (Overnight) | \$50.00 |

V. RESERVATIONS:

A. Camping Reservation Fees.

- | | | |
|----|---|---------|
| 1. | Individual family camp site | \$7.00 |
| 2. | Group site or building rental | \$10.25 |
| 3. | Fees identified in #1 or #2 above are to be charged for both initial reservations and for changes to existing reservations. | |

B. All park facilities will be allocated on a first-come, first-serve basis.

C. Selected camp and group sites are reservable in advance by calling 322-3770 or 1-800-322-3770.

D. Applications for reservation of skating rinks, meeting rooms, buildings, mooring docks, dry storage spaces and other sites not covered above, will be accepted by the respective park area beginning on the first business day of February for the next 12 months. Application forms and instructions are available at the park.

E. All unreserved mooring docks, dry storage spaces and camp picnic sites are available on a first-come, first-serve basis.

F. The park manager for any group reservation or special use permit may require a cleanup deposit.

G. Golf course reservations for groups of 20 or more and tournaments will be accepted for the calendar year beginning the first Monday of March. Reservations for up to two starting times (8 persons) may

be made for Saturday, Sunday and Monday, the preceding Monday; and for Tuesday through Friday, the preceding Saturday. Reservations will be taken by phone and in person during golf course hours.

H. One party will reserve no park facilities for more than 14 consecutive days in any 30-day period.

This Page Intentionally Left Blank

DIVISION OF PARKS & RECREATION
VISITATION AND COLLECTION REPORT
7-1-01 THRU 6-30-02 AS OF JUNE 30, 2002

DATE: 26-Aug-02

| PARK AREA | FY 2002 | | | COLLECTION | | % OF OPERATING EXPENDITURE PER REVENUE COLLECTION |
|------------------------|------------------|----------------------|----------------|-------------------------|---------------------|--|
| | VISITATION | REVENUE COLLECTNS | PER VISITOR | FY 2002 EXPENDITURES | COST PER VISITOR | |
| NORTHEAST REGION | | 300 | | 395,057 | | |
| BEAR LAKE | 311,059 | 651,644 | 2.09 | 527,977 | 1.70 | 123% |
| DEER CREEK | 235,269 | 271,026 | 1.15 | 368,046 | 1.56 | 74% |
| EAST CANYON | 106,349 | 85,331 | 0.80 | 290,026 | 2.73 | 29% |
| FLAMING GORGE | | | | 57,149 | | |
| HYRUM | 76,159 | 74,034 | 0.97 | 198,924 | 2.61 | 37% |
| JORDANELLE | 177,936 | 556,673 | 3.13 | 674,939 | 3.79 | 82% |
| LOST CREEK | 18,839 | 59,881 | 3.18 | 41,694 | 2.21 | 144% |
| RAIL TO TRAILS | | | | 25,010 | | |
| ROCKPORT | 92,293 | 91,584 | 0.99 | 266,097 | 2.88 | 34% |
| STARVATION | 90,175 | 77,637 | 0.86 | 255,102 | 2.83 | 30% |
| STEINAKER-RED FLEET | 72,241 | 60,512 | 0.84 | 256,895 | 3.56 | 24% |
| UTAH FIELD HOUSE | 65,963 | 110,334 | 1.67 | 265,239 | 4.02 | 42% |
| NORTHWEST REGION | | | | 451,044 | | |
| ANTELOPE ISL & BUFFALO | 290,222 | 698,556 | 2.41 | 1,067,111 | 3.68 | 65% |
| CAMP FLOYD-STAGECOACH | 11,795 | 3,535 | 0.30 | 88,340 | 7.49 | 4% |
| FORT BUENAVENTURA | 21,108 | 26,412 | 1.25 | 109,658 | 5.20 | 24% |
| GREAT SALT LAKE | 145,771 | 295,199 | 2.03 | 273,868 | 1.88 | 108% |
| JORDAN RVR & GOLF CRS | 73,054 | 99,560 | 1.36 | 351,314 | 4.81 | 28% |
| PINEVIEW RESERVOIR | | 25,146 | | 111,583 | | 23% |
| THIS IS THE PLACE | | | | 800,000 | | |
| UTAH LAKE | 205,695 | 185,455 | 0.90 | 442,147 | 2.15 | 42% |
| WASATCH & GOLF CRS | 1,155,655 | 1,904,692 | 1.65 | 2,121,829 | 1.84 | 90% |
| WILLARD BAY | 297,228 | 440,982 | 1.48 | 382,987 | 1.29 | 115% |
| SOUTHEAST REGION | | | | 512,148 | | |
| DEAD HORSE POINT | 179,057 | 344,902 | 1.93 | 295,804 | 1.65 | 117% |
| EDGE OF THE CEDARS | 17,194 | 89,375 | 5.20 | 343,175 | 19.96 | 26% |
| GRN RVR-GLF CRS-GBLIN | 172,315 | 274,771 | 1.59 | 630,690 | 3.66 | 44% |
| HUNTINGTON-MILLSITE | 93,444 | 47,696 | 0.51 | 273,805 | 2.93 | 17% |
| PALISADE & GOLF CRS | 135,312 | 419,627 | 3.10 | 636,549 | 4.70 | 66% |
| SCOFIELD | 82,783 | 58,488 | 0.71 | 169,665 | 2.05 | 34% |
| SOUTHWEST REGION | | | | 529,062 | | |
| ANASAZI INDIAN VILLAGE | 30,032 | 90,918 | 3.03 | 178,856 | 5.96 | 51% |
| CORAL PINK SAND DUNES | 94,630 | 139,770 | 1.48 | 223,611 | 2.36 | 63% |
| ESCALANTE-KODACHROME | 110,866 | 178,457 | 1.61 | 311,053 | 2.81 | 57% |
| FREMONT INDIAN | 78,694 | 56,189 | 0.71 | 323,726 | 4.11 | 17% |
| GUNNISON BEND | | 1,500 | | 9,719 | | 15% |
| IRON MISSION | 18,543 | 25,809 | 1.39 | 181,282 | 9.78 | 14% |
| LAKE POWELL | | | | 267,766 | | |
| MINERSVILLE | 28,271 | 16,118 | 0.57 | 114,681 | 4.06 | 14% |
| OTTER CREEK | 60,540 | 59,539 | 0.98 | 184,772 | 3.05 | 32% |
| QUAIL CREEK | 709,825 | 112,847 | 0.16 | 218,378 | 0.31 | 52% |
| SNW CYN-GNLCK-MTN MDW | 532,950 | 183,925 | 0.35 | 309,861 | 0.58 | 59% |
| TERRITORIAL STATEHOUSE | 33,204 | 15,230 | 0.46 | 193,390 | 5.82 | 8% |
| YUBA STATE PARK | 116,270 | 133,744 | 1.15 | 330,579 | 2.84 | 40% |
| SUPERVISION | | (207) | | 636,806 | | |
| GOLF USER FEES | | 242,153 | | 247,362 | | |
| PARK GRANTS | | | | | | |
| EQUIPMENT PURCHASES | | | | 409,895 | | |
| HERITAGE PROGRAM | | 3,150 | | 110,554 | | |
| GENERAL SERVICES SHOP | | | | 378,668 | | |
| TOTAL | 5,940,741 | 8,212,495 | 1.38 | 17,843,891 | 3.00 | 46% |

(A) VISITATION FIGURES FOR UNDEVELOPED PARKS HAVE NOT BEEN INCLUDED.

(B) COST FIGURES REFLECT COST PER UNIT INCLUDING OFF PARK RESPONSIBILITIES.

UTAH DIVISION OF PARKS & RECREATION
 SCHEDULE OF PARK OPERATIONS
 FISCAL YEAR ENDING 6/30/02

| PARK AREA | BUDGET | | | REVENUE |
|-----------------------------|------------------|-------------------|-------------------|------------------|
| | VISITATION | WORK PROGRAM | EXPENDITURES | |
| NORTHEAST REGION | | 420,000 | 395,057 | 300 |
| BEAR LAKE | 311,059 | 510,100 | 527,977 | 651,644 |
| DEER CREEK | 235,269 | 380,200 | 367,735 | 271,026 |
| EAST CANYON | 106,349 | 293,700 | 290,026 | 85,331 |
| FLAMING GORGE | | 70,400 | 57,149 | |
| HYRUM | 76,159 | 198,400 | 198,924 | 74,034 |
| JORDANELLE | 177,936 | 703,300 | 660,667 | 556,673 |
| LOST CREEK | 18,839 | 60,000 | 41,694 | 59,881 |
| ROCKPORT | 92,293 | 287,600 | 266,097 | 91,584 |
| STARVATION | 90,175 | 264,200 | 255,102 | 77,637 |
| STEINAKER-RED FLEET | 72,241 | 260,700 | 256,895 | 60,512 |
| UT FIELDHSE OF NATURL HSTRY | 65,963 | 273,700 | 258,002 | 110,334 |
| | | | | |
| NORTHWEST REGION | | 468,100 | 451,044 | |
| ANTELOPE ISLAND | 290,222 | 853,500 | 811,544 | 545,900 |
| ANTELOPE ISLAND BUFFALO | | 304,500 | 254,442 | 152,656 |
| CAMP FLOYD-STAGECOACH | 11,795 | 91,700 | 88,340 | 3,535 |
| FORT BUENAVENTURA | 21,108 | 105,500 | 101,416 | 26,412 |
| GREAT SALT LAKE | 145,771 | 288,600 | 273,868 | 295,199 |
| JORDAN RIVER | 73,054 | 283,200 | 250,344 | 26,849 |
| JORDAN RIVER GOLF COURSE | | 124,500 | 100,970 | 72,712 |
| PINEVIEW RESERVOIR | | 113,600 | 111,583 | 25,146 |
| UTAH LAKE | 205,695 | 430,600 | 442,147 | 185,455 |
| WASATCH MTN SLDR HLLW GLF | | 35,000 | 31,967 | |
| WASATCH MOUNTAIN | 1,155,655 | 687,600 | 654,709 | 178,086 |
| WASATCH MTN GOLF COURSE | | 1,383,200 | 1,432,304 | 1,726,606 |
| WILLARD BAY | 297,228 | 395,100 | 382,987 | 440,982 |
| | | | | |
| SOUTHEAST REGION | | 518,500 | 512,148 | |
| DEAD HORSE POINT | 179,057 | 306,200 | 295,804 | 344,902 |
| EDGE OF THE CEDARS | 17,194 | 336,700 | 319,373 | 89,375 |
| GREEN RIVER/GOBLIN VALLEY | 172,315 | 341,700 | 336,056 | 180,657 |
| GREEN RIVER GOLF COURSE | | 307,900 | 294,634 | 94,115 |
| HUNTINGTON-MILLSITE | 93,444 | 278,900 | 273,805 | 47,696 |
| PALISADE | 135,312 | 232,600 | 229,781 | 94,286 |
| PALISADE GOLF COURSE | | 410,900 | 406,768 | 325,342 |
| SCOFIELD | 82,783 | 181,600 | 169,665 | 58,488 |
| | | | | |
| SOUTHWEST REGION | | 538,400 | 529,062 | |
| ANASAZI INDIAN VILLAGE | 30,032 | 172,600 | 171,339 | 90,918 |
| CORAL PINK SAND DUNES | 94,630 | 231,900 | 223,611 | 139,770 |
| ESCALANTE-KODACHROME | 110,866 | 315,100 | 311,053 | 178,457 |
| FREMONT INDIAN | 78,694 | 323,300 | 314,668 | 56,189 |
| GUNLOCK | 87,525 | 63,100 | 62,179 | 783 |
| GUNNISON BEND | | 9,800 | 9,719 | 1,500 |
| IRON MISSION | 18,543 | 173,500 | 162,963 | 25,809 |
| LAKE POWELL | | 285,600 | 267,766 | |
| MINERSVILLE | 28,271 | 107,600 | 114,681 | 16,118 |
| OTTER CREEK/PIUTE | 60,540 | 181,600 | 184,754 | 59,539 |
| QUAIL CREEK | 709,825 | 223,100 | 218,378 | 112,847 |
| SNOW CANYON/MTN MEADOW | 445,425 | 267,800 | 246,965 | 183,142 |
| TERRITRIAL STATEHOUSE | 33,204 | 198,900 | 190,525 | 15,230 |
| YUBA STATE PARK | | 257,700 | 258,804 | 76,285 |
| YUBA BLM BEACHES | 116,270 | 56,300 | 54,442 | 57,459 |
| TOTAL | 5,940,741 | 15,608,300 | 15,121,932 | 7,967,400 |

EXPENDITURES FOR RAILS TO TRAILS AND THIS IS THE PLACE HAVE NOT BEEN INCLUDED

DIVISION OF PARKS & RECREATION
STATISTICS

23-Aug-02

| STATISTIC DESCRIPTION | FY 1994 | FY 1995 | FY 1996 | FY 1997 | FY 1998 | FY 1999 | FY 2000 | FY 2001 | FY 2002 | FY 2003 EST |
|---------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|
| PARK VISITATION | 7,104,000 | 6,737,825 | 7,089,614 | 7,127,315 | 6,876,579 | 6,933,018 | 6,737,083 | 6,295,779 | 5,940,741 | 5,900,000 |
| PARK REVENUE | 4,563,077 | 4,557,778 | 5,645,386 | 6,565,382 | 6,613,397 | 7,574,762 | 7,848,752 | 7,929,195 | 8,212,496 | 8,392,900 |
| TOTAL NUMBER OF PARKS | 40 | 41 | 41 | 41 | 41 | 41 | 41 | 41 | 41 | 39 |
| AGENCY OPERATING EXPENS | 15,494,765 | 15,975,557 | 17,126,173 | 18,602,319 | 19,940,951 | 20,928,654 | 22,295,819 | 22,328,457 | 22,484,189 | 23,209,500 |
| FIELD OPERATING EXPENSE | 13,771,510 | 12,450,804 | 13,775,301 | 14,931,225 | 14,960,798 | 16,398,632 | 16,945,694 | 17,272,195 | 17,843,891 | 16,813,900 |
| TOTAL FIELD F.T.E. | 253.21 | 261.21 | 274.88 | 295.95 | 317.47 | 299.34 | 283.35 | 287.80 | 296.67 | 282.75 |
| TOTAL AGENCY F.T.E. | 324.66 | 326.16 | 337.83 | 350.40 | 382.57 | 364.69 | 366.53 | 378.34 | 367.84 | 349.00 |
| TOTAL GENERAL FUND APPR | 7,012,000 | 7,312,800 | 7,717,900 | 8,251,500 | 9,052,800 | 9,067,800 | 9,301,100 | 9,601,600 | 9,450,699 | 8,575,800 |
| TOTAL FEDERAL FUNDS APP | 570,800 | 703,700 | 417,700 | 485,800 | 601,500 | 499,887 | 875,585 | 645,704 | 400,288 | 913,600 |
| TOTAL RESTRICTED FUND | 3,126,000 | 3,342,100 | 3,431,200 | 3,523,700 | 3,657,100 | 4,095,600 | 4,183,300 | 4,354,200 | 4,478,400 | 5,234,900 |
| TOTAL DEDICATED CREDITS | 3,812,600 | 4,148,700 | 4,642,400 | 5,624,500 | 5,852,800 | 7,459,976 | 7,974,435 | 7,978,705 | 8,233,199 | 8,485,200 |
| TOTAL APPROPRIATION | 14,521,400 | 15,507,300 | 16,209,200 | 17,885,500 | 19,164,200 | 20,769,000 | 21,119,900 | 22,636,700 | 23,448,700 | 23,209,500 |
| COST PER VISITOR | 1.70 | 1.80 | 1.90 | 2.07 | 2.18 | 2.37 | 2.52 | 2.61 | 3.00 | 2.85 |
| REVENUE PER VISITOR | 0.63 | 0.68 | 0.80 | 0.92 | 0.96 | 1.09 | 1.17 | 1.26 | 1.38 | 1.42 |
| PERCENT OF RETURN | 37% | 38% | 42% | 45% | 44% | 46% | 46% | 46% | 46% | 50% |
| VISITORS PER FIELD F.T.E. | 28,100 | 25,800 | 25,800 | 24,100 | 21,100 | 23,200 | 23,800 | 21,900 | 20,000 | 20,900 |
| VISITORS PER F.T.E. | 21,900 | 20,700 | 21,000 | 20,300 | 18,000 | 19,000 | 18,400 | 16,641 | 16,200 | 16,900 |
| AVRG REVENUE PER PARK | 114,100 | 111,200 | 137,700 | 160,100 | 161,300 | 184,800 | 191,400 | 193,400 | 200,300 | 215,200 |
| AVRG VISITATN PER PARK | 177,600 | 164,300 | 172,900 | 173,800 | 167,700 | 169,100 | 164,300 | 153,600 | 144,900 | 151,300 |

Office of the
Legislative Fiscal Analyst

FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Natural Resources

Utah Department of Natural Resources
Parks and Recreation Capital Budget

Contents:

- 1.0 Summary
- 2.0 Issues
- 3.0 Programs
- 4.0 Additional Information

This Page Intentionally Left Blank

1.0 Summary: Parks and Recreation - Capital Budget

This line item separates appropriations and expenditures for park capital facilities from operating budgets. Two types of expenditures are made through the capital budget:

- Capital improvements to parks. Only small renovation projects costing less than \$100,000 are carried out through this budget. Larger projects compete for DFCM funds with other capital needs statewide.
- Funds passed through or matching grants to other agencies for capital development.

The capital budget does not have any Personal Services costs.

| | Analyst FY 2004 Base | Analyst FY 2004 Changes | Analyst FY 2004 Total |
|-------------------------------------|-------------------------------------|--|--------------------------------------|
| Financing | | | |
| General Fund | 914,200 | | 914,200 |
| Federal Funds | 2,400,000 | | 2,400,000 |
| Dedicated Credits Revenue | 175,000 | | 175,000 |
| GFR - Boating | 350,000 | | 350,000 |
| GFR - Off-highway Vehicle | 175,000 | | 175,000 |
| Total | \$4,014,200 | \$0 | \$4,014,200 |
| Programs | | | |
| Facilities Acquisition and Developm | 114,200 | | 114,200 |
| Riverway Enhancement Grants | 375,000 | | 375,000 |
| Trail Grants | 475,000 | | 475,000 |
| National Recreation Trails | 50,000 | | 50,000 |
| Donated Capital Projects | 25,000 | | 25,000 |
| Region Roads and Renovation | 100,000 | | 100,000 |
| Boat Access Grants | 700,000 | | 700,000 |
| Off-highway Vehicle Grants | 175,000 | | 175,000 |
| Miscellaneous Nonlapsing | 2,000,000 | | 2,000,000 |
| Total | \$4,014,200 | \$0 | \$4,014,200 |
| FTE/Other | | | |

2.0 Issues: Parks and Recreation - Capital Budget

2.1 Previous Budget Reductions

During the 2002 General Session and subsequent special sessions, the Legislature made the following ongoing General Fund adjustments:

| | |
|--|-------------------------|
| FY 2003 Beginning Base: | <u>\$1,114,800</u> |
| Riverway Enhancement Grants | (50,000) |
| Trails Grants | (50,000) |
| Transfer from capital to operating (Sand Hollow) | (60,000) |
| Across-the-board cuts (sixth special session) | <u>(40,600)</u> |
| FY 2004 Beginning Base | <u>\$914,200</u> |

2.2 Bear River Bird Refuge Settlement

Last session the Legislature passed two bills regarding the settlement of land ownership issues in the Bear River Migratory Bird Refuge. In HJR 27 the Legislature authorized the terms of the settlement; in HB 162 the Legislature created two restricted funds into which federal settlement monies would be deposited and outlined terms for their expenditure. However, Congress did not pass its settlement legislation before adjourning last year. It is expected that Congress will revisit the issue this year, but even if/when the legislation passes, it will probably be several years before any money arrives to the state.

This affects Parks and Recreation capital budget because \$700,000 from the newly created GFR – Trails and Streams account was appropriated to make up for a one-time FY 2003 elimination of all General Funds to the Riverway and Trails Grants programs. Therefore there was no funding in these grant programs in FY 2003, other than nonlapsing funds that carried forward.

2.3 Bulge in Capital Projects

In spite of recent cutbacks in the division's budget, there are currently almost \$30 million worth of capital projects underway. Highlights include a 36 hole golf course at Soldier Hollow (\$12M revenue bond), a new Field House of Natural History Museum in Vernal (\$6M from DFCM and private donations), upgrades at Bureau of Reclamation Parks (\$4.3M federal funds), and various projects funded with a \$5M one-time FY 2001 General Fund appropriation.

3.0 Programs: Parks and Recreation - Capital Budget

3.1 Facilities Acquisition and Development

Recommendation

The Analyst recommends a total budget of \$114,200 from General Funds and Dedicated Credits.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------------|------------------|--------------------|------------------|----------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 164,800 | 64,200 | 64,200 | |
| General Fund, One-time | 80,100 | | | |
| Federal Funds | 165,800 | | | |
| Dedicated Credits Revenue | 69,000 | 50,000 | 50,000 | |
| GFR - Boating | | 483,400 | | (483,400) |
| GFR - Off-highway Vehicle | | 350,000 | | (350,000) |
| Transfers | | 359,600 | | (359,600) |
| Beginning Nonlapsing | 2,427,600 | 2,269,300 | | (2,269,300) |
| Closing Nonlapsing | (2,269,300) | | | |
| Total | \$638,000 | \$3,576,500 | \$114,200 | (\$3,462,300) |
| Expenditures | | | | |
| Current Expense | 203,000 | 2,720,600 | 114,200 | (2,606,400) |
| DP Current Expense | 3,100 | 3,100 | | (3,100) |
| Capital Outlay | 75,500 | 852,800 | | (852,800) |
| Other Charges/Pass Thru | 356,400 | | | |
| Total | \$638,000 | \$3,576,500 | \$114,200 | (\$3,462,300) |
| FTE/Other | | | | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

This program provides the capital funding for land acquisition and facility development for renovation of park infrastructure. Only small renovation projects of less than \$100,000 are included here. These are projects that are too small for recognition in DFCM priorities and are of an emergency nature.

This program also provides for the acquisition and new development of property where funds can be matched with federal or other sources. There are often opportunities to accept these other funds when matching funds are available. These are usually smaller development projects or small parcels of land for boundary corrections and small in-holdings within larger parks.

**Intent
Language**

The Analyst recommends **keeping** the following intent language from S.B. 1, 2002 General Session:

It is the intent of the Legislature that the Division of Parks and Recreation - Capital Budget be nonlapsing.

It is the intent of the Legislature that no portion of a golf course or other improvements to be constructed at Soldier Hollow shall infringe upon space designated for winter or summer biathlon or cross-country events including the safety zones necessary for the safe operation of the biathlon rifle range.

**Previous Building
Block Report**

The 2002 Legislature appropriated one-time funds in the amount of \$483,400 from the restricted boating account, and \$350,000 from the restricted Off-Highway Vehicle account, for initial costs of setting up boating and OHV programs at the new Sand Hollow reservoir (near St. George). These funds, combined with \$1.5 million from Washington County Water Conservancy District, will be used to build an administrative building, maintenance facilities, a 50 unit campground, entrance facilities, launching facilities, and boat trailer parking.

3.2 Ten Million Dollar Capital Improvement Program

Recommendation

The Analyst does not recommend any additional funding for this program. All funding in the program is nonlapsing carry-forward.

| | 2002 Actual | 2003 Estimated* | 2004 Analyst | Est/Analyst Difference |
|-------------------------|--------------------|--------------------|-----------------|---------------------------|
| Financing | | | | |
| Transfers | | 50,200 | | (50,200) |
| Beginning Nonlapsing | 4,693,700 | 618,100 | | (618,100) |
| Closing Nonlapsing | (618,100) | | | |
| Total | \$4,075,600 | \$668,300 | \$0 | (\$668,300) |
| Expenditures | | | | |
| Current Expense | 1,158,500 | 668,300 | | (668,300) |
| Capital Outlay | 44,100 | | | |
| Other Charges/Pass Thru | 2,873,000 | | | |
| Total | \$4,075,600 | \$668,300 | \$0 | (\$668,300) |
| FTE/Other | | | | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

This program provides capital funding from a one-time General Fund appropriation of \$5 million made by the 2001 Legislature. The program was created to plainly track how the funds are being used.

Previous Building Block Report

The 2001 Legislature appropriated FY 2001 Supplemental General Funds in the amount of \$10 million for overall capital improvement needs. Due to revenue shortfalls, the Governor withheld \$5 million. The division has spent \$2,618,050 and has projects in progress totaling \$2,381,950.

| <u>Completed Projects</u> | | <u>Under Construction/Final Design</u> | |
|------------------------------|--------------------|--|--------------------|
| Anasazi-Ruin Stabilization | \$28,000 | Coral Pink-Office Improvement | \$77,250 |
| Bear Lake Campground Pave | 99,000 | Great Salt Lake Marina Bldg | 98,400 |
| Fremont-Museum Storage | 15,000 | Jordanelle-Beach Area Improv | 216,050 |
| Great Salt Lake-Harbor Renov | 950,000 | Palisade-Clubhouse Improv | 274,850 |
| Green River-Restroom Improv | 42,900 | Territorial-Bldg/ADA Improv | 225,500 |
| Iron Mission-Improvements | 256,000 | Wasatch Mtn-Facility/Trails | 200,000 |
| Lake Powell-Parking Lot Pave | 180,000 | Wasatch Mtn-VC Remodel | 290,000 |
| Palisade-Restroom Improv | 30,000 | Willard Bay-BOR Match | 999,900 |
| Starvation-Radon Mitigation | 11,500 | Total In Progress | \$2,381,950 |
| Utah Lake-VC/Marina Improv | 980,650 | | |
| Wasatch Mtn-Water System | 25,000 | | |
| Total Completed | \$2,618,050 | | |

3.3 Riverway Enhancement Grants

Recommendation The Analyst recommends a total budget of \$375,000, all from the General Fund. This is \$50,000 less than the budget prior to FY 2002, due to ongoing reductions made in FY 2002.

| | 2002 | 2003 | 2004 | Est/Analyst |
|--------------------------|------------------|--------------------|------------------|----------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 375,000 | 375,000 | 375,000 | |
| General Fund, One-time | | (375,000) | | 375,000 |
| GFR - Trails and Streams | | 300,000 | | (300,000) |
| Beginning Nonlapsing | 1,158,800 | 1,154,100 | | (1,154,100) |
| Closing Nonlapsing | (1,154,100) | | | |
| Total | <u>\$379,700</u> | <u>\$1,454,100</u> | <u>\$375,000</u> | <u>(\$1,079,100)</u> |
| Expenditures | | | | |
| Other Charges/Pass Thru | 379,700 | 1,454,100 | 375,000 | (1,079,100) |
| Total | <u>\$379,700</u> | <u>\$1,454,100</u> | <u>\$375,000</u> | <u>(\$1,079,100)</u> |
| FTE/Other | | | | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose This program provides state capital matching funds for grants to local governments and state agencies for acquisition and development of trails, trail heads, and flood control projects along Utah's rivers and streams. (See UCA 63-11-16.5, 17.5, 17.7, and 17.8).

Performance Measures The following list shows matching grants to which funds are obligated:

| <u>Sponsor</u> | <u>Project</u> | <u>Obligated Balance</u> |
|-------------------|------------------------------|--------------------------|
| Layton City | Kay's Creek Trail | \$30,000 |
| Lehi City | North Dry Creek Trail | \$26,200 |
| Logan City | Logan River Trail | \$40,000 |
| Moab City | Mill Creek Trail | \$95,000 |
| Morgan City | Weber River Walkway | \$16,000 |
| Ogden City | Ogden/Weber River Parkway | \$30,500 |
| Roosevelt City | Cottonwood Creek Enhancement | \$20,000 |
| Salt Lake County | Jordan River Parkway Trail | \$237,500 |
| Salt Lake City | Parley's Creek Improvements | \$70,000 |
| Salt Lake City | Jordan River Parkway Trail | \$100,000 |
| Smithfield City | Summit Creek Heritage Park | \$34,000 |
| South Jordan City | Jordan River Parkway Trail | \$50,000 |
| | Total Obligated | <u><u>\$749,200</u></u> |

Payments made in FY2003 as of December 31: \$404,900

3.4 Trails Grants

Recommendation

The Analyst recommends a total budget of \$475,000, all from the General Fund. This is \$50,000 less than the budget prior to FY 2002, due to ongoing reductions made in FY 2002.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------------|------------------|--------------------|------------------|----------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 435,500 | 475,000 | 475,000 | |
| General Fund, One-time | 39,500 | (475,000) | | 475,000 |
| Dedicated Credits Revenue | 3,700 | | | |
| GFR - Trails and Streams | | 400,000 | | (400,000) |
| Beginning Nonlapsing | 1,239,000 | 1,340,500 | | (1,340,500) |
| Closing Nonlapsing | (1,340,500) | | | |
| Total | \$377,200 | \$1,740,500 | \$475,000 | (\$1,265,500) |
| Expenditures | | | | |
| Current Expense | 1,800 | | | |
| Capital Outlay | 11,700 | | | |
| Other Charges/Pass Thru | 363,700 | 1,740,500 | 475,000 | (1,265,500) |
| Total | \$377,200 | \$1,740,500 | \$475,000 | (\$1,265,500) |
| FTE/Other | | | | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

This program provides capital funding as a match for federal and local government dollars for the acquisition and development of non-motorized recreation trails, and trail crossings (UCA 63-11a-501, 63-11a-503). Linear parks and trail development are increasingly popular recreation activities in the nation. This program helps meet the need by providing other government agencies assistance in development without obligation on the state's part to operate or maintain facilities.

Intent Language

The Analyst recommends **discontinuing** the following intent language from S.B. 1, 2002 General Session:

It is the intent of the Legislature that \$100,000 of the Trails Grants budget be dedicated to the Bonneville Shoreline Trail pursuant to UCA 63-11A-504, if applications and matching funds are available from local governments.

The Analyst also recommends **discontinuing** the following intent language from H.B. 3, 2002 General Session:

It is the intent of the Legislature that \$65,000 of the \$100,000 dedicated to the Bonneville Shoreline Trail by intent language in Item 207 [206 in the enrolled copy], S.B. 1, be used for planning and engineering of the trail, with priority given to the Sandy/Southeast County segment.

All Trail and Riverway Enhancement grant money was reduced from the Parks – Capital Budget during FY 2003. Neither of the two intent statements above was relevant.

**Performance
Measures**

The following list shows matching grants to which funds are obligated:

| <u>Sponsor</u> | <u>Project</u> | <u>Obligated Balance</u> |
|----------------------|-------------------------------------|--------------------------|
| Hurricane City | Three Rivers Trail Link | \$90,000 |
| Manti Lasal Nat Frst | Forest Service Projects | \$16,160 |
| Oakley City | Oakley Community Trail | \$10,330 |
| Utah State Parks | Soldier Hollow Trails | \$25,000 |
| Arches National Prk | Delicate Arch Trail Restoration | \$100,000 |
| Davis County | Farmington Canyon Bridge | \$8,000 |
| Escalante Ranger | GWT East End Reconstruction | \$5,174 |
| Layton City | Kay Creek Trail Head | \$40,000 |
| Lindon City | Timp Lake Trail | \$12,020 |
| Logan City | BonShor Trail Green to Logan | \$46,500 |
| Manti LaSal Nat Frst | Huntington Canyon Trail System | \$10,350 |
| Moab City | Mill Creek Parkway | \$15,000 |
| Oakley City | Oakley Community Trail | \$10,000 |
| Ogden Ranger Dist | Pineview Trail System | \$12,500 |
| Pleasant Grove | Grove Creek Canyon | \$17,000 |
| Salt Lake/Utah Co | Provo/Jrdn Rvr Prkwy Trail | \$16,500 |
| Utah State Parks | Soldier Hollow Pedestrian Trail | \$57,876 |
| Vernal Ranger Dist | Whiterocks Cave Trail Bridge | \$10,500 |
| Beaver Ranger Dist | Sleeping Giant Upper Bullion | \$10,830 |
| Escalante Ranger | Stump Springs/Henderson Cyn | \$5,422 |
| Loa Ranger Dist | Lake Creek Trailhead | \$3,750 |
| Logan Ranger Dist | Dry Canyon | \$10,269 |
| Manti LaSal Nat Frst | Manti LaSal Nat Frst Trail | \$15,000 |
| Moab City | Pack Creek Trails Cantilever Bridge | \$26,638 |
| Ogden Ranger Dist | Wheeler Creek Trails | \$15,000 |
| Payson City | Peteetmeet Creek Trail | \$19,531 |
| Provo City | Indian Road Equestrian Trail | \$50,000 |
| Salt Lake City | Jordan River Parkway | \$100,000 |
| St. George BLM | Washington Co Red Cliffs Trail | \$100,000 |
| Escalante Ranger | Under the Point | \$13,826 |
| Kamas Ranger Dist | Highline Trail | \$10,000 |
| Orem City | Bonneville Shoreline Trail | \$31,750 |
| Pleasant Grove | Dry Canyon Trailhead | \$15,592 |
| Pleasant Grove | Dry Canyon Trail | \$5,720 |
| Powell Ranger Dist | Grand View Trail | \$15,131 |
| Provo City | Bonneville Shoreline Trail | \$25,000 |
| Moab Ranger Dist | Beaver Willow Trail | \$5,000 |
| Spanish Fork | Three Forks Trailhead | \$10,000 |
| West Haven | Riverparkway Trail | \$48,000 |
| | Total Obligated | \$1,039,369 |

Payments made in FY2003 as of December 31:

\$200,500

3.5 National Recreational Trails

Recommendation The Analyst recommends a budget of \$50,000, entirely from federal funds.

| | 2002 | 2003 | 2004 | Est/Analyst |
|-------------------------|------------------|-----------------|-----------------|-------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| Federal Funds | 388,100 | 50,000 | 50,000 | |
| Beginning Nonlapsing | 2,100 | | | |
| Total | <u>\$390,200</u> | <u>\$50,000</u> | <u>\$50,000</u> | <u>\$0</u> |
| Expenditures | | | | |
| Other Charges/Pass Thru | 390,200 | 50,000 | 50,000 | |
| Total | <u>\$390,200</u> | <u>\$50,000</u> | <u>\$50,000</u> | <u>\$0</u> |
| FTE/Other | | | | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose This program is funded through the U.S. Department of Transportation. The money is to be used for creation of OHV and non-motorized trails. The division acts as an intermediary by passing the funds through to qualifying public entities. None of the funds are used to build or maintain trails owned by the division.

3.6 Donated Capital Projects

Recommendation The Analyst recommends a total budget of \$25,000 funded entirely from Dedicated Credits.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------------|-----------------|------------------|-----------------|--------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| Dedicated Credits Revenue | 27,100 | 25,000 | 25,000 | (25,000) |
| Beginning Nonlapsing | 123,400 | 114,800 | | (114,800) |
| Closing Nonlapsing | (114,800) | | | |
| Total | <u>\$35,700</u> | <u>\$139,800</u> | <u>\$25,000</u> | <u>(\$139,800)</u> |
| Expenditures | | | | |
| Current Expense | 34,300 | 139,800 | 25,000 | (139,800) |
| DP Current Expense | 1,400 | | | |
| Total | <u>\$35,700</u> | <u>\$139,800</u> | <u>\$25,000</u> | <u>(\$139,800)</u> |
| FTE/Other | | | | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose This program accounts for donations to the division for specific parks and projects within those parks (UCA 63-11-17(7) and 63-11a-502). Visitors and special interest groups contribute toward special projects that otherwise may not receive funding.

3.7 Region Roads and Renovation

Recommendation

The Analyst recommends a budget of \$100,000 funded entirely from dedicated credits.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---|------------------|------------------|------------------|--------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| Dedicated Credits Revenue | 100,000 | 100,000 | 100,000 | |
| Transfers | 2,700 | | | |
| Beginning Nonlapsing | 343,500 | 154,000 | | (154,000) |
| Closing Nonlapsing | (154,000) | | | |
| Total | <u>\$292,200</u> | <u>\$254,000</u> | <u>\$100,000</u> | <u>(\$154,000)</u> |
| Expenditures | | | | |
| In-State Travel | 4,600 | | | |
| Current Expense | 267,000 | 254,000 | 100,000 | (154,000) |
| Other Charges/Pass Thru | 20,600 | | | |
| Total | <u>\$292,200</u> | <u>\$254,000</u> | <u>\$100,000</u> | <u>(\$154,000)</u> |
| FTE/Other | | | | |
| *General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency | | | | |

Purpose

This program accounts for nonlapsing balances rolled forward from previous years for park interior road construction. This money is used to pay DFCM for miscellaneous projects.

3.8 Boating Access Grants

Recommendation

The Analyst recommends a total budget of \$700,000. Federal funds come from the U.S. Department of Transportation's Wallop-Breaux fund, which is a 50/50 matching program with the State for improved motorboat access to sport fishing.

| | 2002 | 2003 | 2004 | Est/Analyst |
|-------------------------|--------------------|--------------------|------------------|----------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| Federal Funds | 51,100 | 350,000 | 350,000 | |
| GFR - Boating | 1,550,000 | 350,000 | 350,000 | |
| Transfers | 71,400 | | | |
| Beginning Nonlapsing | 2,353,300 | 2,882,200 | | (2,882,200) |
| Closing Nonlapsing | (2,882,200) | | | |
| Total | <u>\$1,143,600</u> | <u>\$3,582,200</u> | <u>\$700,000</u> | <u>(\$2,882,200)</u> |
| Expenditures | | | | |
| Personal Services | 364,300 | | | |
| Current Expense | | 377,100 | 261,300 | (115,800) |
| Capital Outlay | 289,600 | 289,600 | 289,600 | |
| Other Charges/Pass Thru | 489,700 | 2,915,500 | 149,100 | (2,766,400) |
| Total | <u>\$1,143,600</u> | <u>\$3,582,200</u> | <u>\$700,000</u> | <u>(\$2,882,200)</u> |
| FTE/Other | | | | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

This program provides state capital matching funds for federal Wallop-Breaux dollars used in the development of boating access sites throughout the state. With limited boating areas in the state, this program seeks to maximize the use of all available areas for boating and fishing access.

3.9 Off-Highway Vehicle Trail Grants

Recommendation

The Analyst recommends a total budget of \$175,000, entirely from the restricted Off-Highway Vehicle account.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------------|------------------|--------------------|------------------|----------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| GFR - Off-highway Vehicle | 175,000 | 175,000 | 175,000 | |
| Beginning Nonlapsing | 1,155,200 | 1,193,600 | | (1,193,600) |
| Closing Nonlapsing | (1,193,600) | | | |
| Total | <u>\$136,600</u> | <u>\$1,368,600</u> | <u>\$175,000</u> | <u>(\$1,193,600)</u> |
| Expenditures | | | | |
| Current Expense | 17,100 | 293,500 | | (293,500) |
| Other Charges/Pass Thru | 119,500 | 1,075,100 | 175,000 | (900,100) |
| Total | <u>\$136,600</u> | <u>\$1,368,600</u> | <u>\$175,000</u> | <u>(\$1,193,600)</u> |
| FTE/Other | | | | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

This program provides for matching grants with federal agencies and local governments in the acquisition of land and development of OHV riding areas (see UCA 41-22-19). Although Utah has a vast amount of public land, there are few areas, especially in the Wasatch Front, where people can ride their OHVs in a legal, managed area. This program helps to provide access to areas where this popular form of recreation can be done and can be managed.

3.10 Miscellaneous Nonlapsing Projects

Recommendation

The Analyst does not recommend an appropriation for this program. Information is provided for committee oversight. Federal dollars come from the Land and Water Conservation Fund. The state may use up to 25% of these funds and will probably match them with restricted funds for use at Sand Hollow. The rest are passed through to local governments with qualifying projects.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------------|------------------|--------------------|--------------------|--------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 39,500 | | | |
| Federal Funds | 395,300 | 2,000,000 | 2,000,000 | |
| Dedicated Credits Revenue | 191,600 | | | |
| Transfers | 369,400 | (409,900) | | 409,900 |
| Beginning Nonlapsing | 622,600 | 1,071,500 | | (1,071,500) |
| Closing Nonlapsing | (1,071,500) | | | |
| Total | <u>\$546,900</u> | <u>\$2,661,600</u> | <u>\$2,000,000</u> | <u>(\$661,600)</u> |
| Expenditures | | | | |
| Current Expense | 15,400 | 153,700 | | (153,700) |
| Capital Outlay | 7,500 | 507,900 | | (507,900) |
| Other Charges/Pass Thru | 524,000 | 2,000,000 | 2,000,000 | |
| Total | <u>\$546,900</u> | <u>\$2,661,600</u> | <u>\$2,000,000</u> | <u>(\$661,600)</u> |
| FTE/Other | | | | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

This program accounts for nonlapsing balances rolled forward from previous years for projects such ADA developments within various parks. Prior-year funds have been contracted and will be expended when projects are completed.

4.0 Additional Information: Parks and Recreation - Capital Budget

4.1 Funding History

| | 2000 | 2001 | 2002 | 2003 | 2004 |
|-------------------------------------|--------------------|--------------------|--------------------|---------------------|--------------------|
| Financing | Actual | Actual | Actual | Estimated* | Analyst |
| General Fund | 1,065,000 | 1,054,800 | 1,014,800 | 914,200 | 914,200 |
| General Fund, One-time | 425,000 | 5,000,000 | 119,600 | (850,000) | |
| Federal Funds | 351,200 | 205,900 | 1,000,300 | 2,400,000 | 2,400,000 |
| Dedicated Credits Revenue | 611,900 | 253,500 | 391,400 | 175,000 | 175,000 |
| GFR - Boating | 1,725,000 | 350,000 | 1,550,000 | 833,400 | 350,000 |
| GFR - Off-highway Vehicle | 675,000 | 175,000 | 175,000 | 525,000 | 175,000 |
| GFR - Trails and Streams | | | | 700,000 | |
| Olympic Special Revenue | | 700,000 | | | |
| Transfers | 1,093,500 | 2,057,600 | 443,500 | (100) | |
| Beginning Nonlapsing | 7,978,000 | 9,659,800 | 14,119,200 | 10,798,100 | |
| Closing Nonlapsing | (9,659,800) | (14,119,200) | (10,798,100) | | |
| Total | \$4,264,800 | \$5,337,400 | \$8,015,700 | \$15,495,600 | \$4,014,200 |
| Programs | | | | | |
| Facilities Acquisition and Developm | 961,200 | 1,055,100 | 638,000 | 3,576,500 | 114,200 |
| Ten Million Park Renovation | | 306,300 | 4,075,600 | 668,300 | |
| Riverway Enhancement Grants | 560,500 | 349,200 | 379,700 | 1,454,100 | 375,000 |
| Trail Grants | 456,100 | 753,000 | 377,200 | 1,740,500 | 475,000 |
| National Recreation Trails | 160,900 | 34,800 | 390,200 | 50,000 | 50,000 |
| Donated Capital Projects | 133,600 | 108,400 | 35,700 | 139,800 | 25,000 |
| Region Roads and Renovation | 62,000 | (127,500) | 292,200 | 254,000 | 100,000 |
| Boat Access Grants | 759,900 | 558,900 | 1,143,600 | 3,582,200 | 700,000 |
| Off-highway Vehicle Grants | 91,900 | 229,300 | 136,600 | 1,368,600 | 175,000 |
| Miscellaneous Nonlapsing | 1,078,700 | 2,069,900 | 546,900 | 2,661,600 | 2,000,000 |
| Total | \$4,264,800 | \$5,337,400 | \$8,015,700 | \$15,495,600 | \$4,014,200 |
| Expenditures | | | | | |
| Personal Services | | | 364,300 | | |
| In-State Travel | 3,000 | 1,900 | 4,600 | | |
| Out of State Travel | | 300 | | | |
| Current Expense | 931,500 | 467,500 | 1,697,100 | 4,607,000 | 500,500 |
| DP Current Expense | 3,100 | 2,800 | 4,500 | 3,100 | |
| Capital Outlay | 2,743,800 | 2,599,900 | 428,400 | 1,650,300 | 289,600 |
| Other Charges/Pass Thru | 583,400 | 2,265,000 | 5,516,800 | 9,235,200 | 3,224,100 |
| Total | \$4,264,800 | \$5,337,400 | \$8,015,700 | \$15,495,600 | \$4,014,200 |
| FTE/Other | | | | | |

*General and school funds as revised by Supplemental Bills I-V, 2002 Gen and Spec Sessions. Others as estimated by agency.

4.2 Federal Funds

| | | | FY 2002 Actual | FY 2003 Estimated | FY 2004 Analyst |
|-----------------------------|-----------------------------------|-------------|---------------------------|------------------------------|----------------------------|
| Program: | Facilities Acquis and Devel | Federal | 14,000 | | |
| Fed Agency: | Various | State Match | | | |
| Purpose: | Statwide Trail Initiative | Total | 14,000 | 0 | 0 |
| Program: | Facilities Acquis and Devel | Federal | 10,000 | | |
| Fed Agency: | DOT - Federal Highway Admin | State Match | | | |
| Purpose: | Pass-Thru to Other Gov't Agencies | Total | 10,000 | 0 | 0 |
| Program: | Facilities Acquis and Devel | Federal | 447,900 | 2,000,000 | 2,000,000 |
| Fed Agency: | National Park Service | State Match | | | |
| Purpose: | Land and Water Conserv Fund | Total | 447,900 | 2,000,000 | 2,000,000 |
| Program: | Facilities Acquis and Devel | Federal | 14,700 | | |
| Fed Agency: | Bureau of Reclamation | State Match | | | |
| Purpose: | Cooperative Agreements | Total | 14,700 | 0 | 0 |
| Program: | Facilities Acquis and Devel | Federal | 74,500 | | |
| Fed Agency: | Various | State Match | | | |
| Purpose: | Miscellaneous Projects | Total | 74,500 | 0 | 0 |
| Program: | National Recreation Trails | Federal | 388,100 | 50,000 | 50,000 |
| Fed Agency: | DOT - Federal Highway Admin | State Match | | | |
| Purpose: | Statewide Trail Initiative | Total | 388,100 | 50,000 | 50,000 |
| Program: | Boating Access Grants | Federal | 12,800 | | |
| Fed Agency: | Interior - Federal Water Safety | State Match | | | |
| Purpose: | Improved Water Safety | Total | 12,800 | 0 | 0 |
| Program: | Boating Access Grants | Federal | 38,300 | 350,000 | 350,000 |
| Fed Agency: | Bureau of Reclamation | State Match | | | |
| Purpose: | Improved Motorboat Access | Total | 38,300 | 350,000 | 350,000 |
| Federal Total | | | 1,000,300 | 2,400,000 | 2,400,000 |
| State Matching Total | | | 0 | 0 | 0 |
| Total | | | \$1,000,300 | \$2,400,000 | \$2,400,000 |

This Page Intentionally Left Blank

Office of the
Legislative Fiscal Analyst

FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Natural Resources

Utah Department of Natural Resources
Water Rights

Contents:

- 1.0 Summary
- 2.0 Issues
- 3.0 Programs
- 4.0 Additional Information

This Page Intentionally Left Blank

1.0 Summary: Water Rights

The Division of Water Rights is the only division in the Department of Natural Resources that does not have a board. Directed and administered by the State Engineer, the division is responsible for the general administrative supervision of the waters of the state and the measurement, appropriation, apportionment, and distribution of those waters. As part of its duties it oversees dam safety, stream channel alterations and water well drilling.

As a regulatory agency, the division is funded almost entirely with General Funds. There are two minor exceptions:

- UCA 59-12-103(5) requires that \$175,000 (one percent of the \$17.5M cap on the 1/16 percent sales tax earmarked for water projects) be used as Dedicated Credits for water rights adjudication. This amount is up from the \$100,000 required by statute prior to FY 2004. Since the money comes from the sales tax, it is practically General Fund money.
- The division collects assessments on the river systems to pay the salaries of the Water Commissioners. Because the division acts solely as a collection agent, and doesn't use any of the funds, the funds are not included in this analysis or in the appropriations act.

| | Analyst FY 2004 Base | Analyst FY 2004 Changes | Analyst FY 2004 Total |
|---------------------------|----------------------------|-------------------------------|-----------------------------|
| Financing | | | |
| General Fund | 5,620,700 | (7,400) | 5,613,300 |
| Dedicated Credits Revenue | 325,000 | | 325,000 |
| Total | \$5,945,700 | (\$7,400) | \$5,938,300 |
| Programs | | | |
| Administration | 544,000 | (7,400) | 536,600 |
| Appropriation | 778,500 | | 778,500 |
| Dam Safety | 583,900 | | 583,900 |
| Adjudication | 704,500 | | 704,500 |
| Cooperative Studies | 350,000 | | 350,000 |
| Technical Services | 484,700 | | 484,700 |
| Advertising | 150,000 | | 150,000 |
| Area Offices | 2,350,100 | | 2,350,100 |
| Total | \$5,945,700 | (\$7,400) | \$5,938,300 |
| FTE/Other | | | |
| Total FTE | 90 | | 90 |

2.0 Issues: Water Rights

2.1 Previous Budget Reductions

During the 2002 General Session and subsequent special sessions, the Legislature made the following ongoing General Fund adjustments:

| | |
|---|---------------------------|
| FY 2003 Beginning Base: | <u>\$6,051,400</u> |
| ISF rate changes | (2,700) |
| Retirement rate/extra working day adjustments | 46,200 |
| Insurance benefit adjustments | 61,100 |
| Internal spending cuts | (135,800) |
| H.B. 340 (allowed keeping fee revenue) | (150,000) |
| Across-the-board cuts (sixth special session) | <u>(249,500)</u> |
| FY 2004 Beginning Base | <u>\$5,620,700</u> |

2.2 Information Technology / Retirement Rate Savings

The FY 2004 beginning base has been reduced by mandated statewide information technology savings and by reductions to statewide retirement rates. The portion of savings applicable to this line item is shown below.

| | |
|--------------------------------------|---------------------------|
| IT/Retirement Savings | <u>(\$7,400)</u> |
| New FY 2004 General Fund Base | <u>\$5,613,300</u> |

2.3 Price Office Rent

The rent for office space occupied by the division in Price was increased by \$10,000 per year beginning July 1, 2002. DFCM negotiated this lease agreement. The Governor recommended this increase in his budget recommendations. The Analyst recommends this increase in case additional funds become available.

2.4 Ongoing Salary Increases

The 2002 Legislature appropriated \$100,000 to address salary inequities within the Department of Natural Resources. However, due to budget difficulties, the Legislature later made that funding one-time in nature. Step increases have been given to the affected employees, and the division has requested that \$100,000 be appropriated on an ongoing basis.

3.0 Programs: Water Rights

3.1 Administration

Recommendation

The Analyst recommends a budget of \$536,600. Personal Services comprise 70 percent of the recommended budget.

| | 2002 | 2003 | 2004 | Est/Analyst |
|------------------------|------------------|------------------|------------------|------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 541,900 | 423,500 | 536,600 | 113,100 |
| General Fund, One-time | (38,600) | 100,000 | | (100,000) |
| Beginning Nonlapsing | | 22,200 | | (22,200) |
| Closing Nonlapsing | (22,200) | | | |
| Total | \$481,100 | \$545,700 | \$536,600 | (\$9,100) |
| Expenditures | | | | |
| Personal Services | 272,500 | 376,000 | 377,300 | 1,300 |
| In-State Travel | 1,200 | 1,200 | 1,200 | |
| Out of State Travel | 1,200 | 1,200 | 1,200 | |
| Current Expense | 197,200 | 159,300 | 148,900 | (10,400) |
| DP Current Expense | 9,000 | 8,000 | 8,000 | |
| Total | \$481,100 | \$545,700 | \$536,600 | (\$9,100) |
| FTE/Other | | | | |
| Total FTE | 6 | 7 | 7 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Ongoing Salary Increases

The 2002 Legislature appropriated \$100,000 to address salary inequities within the Department of Natural Resources. However, due to budget difficulties, the Legislature later made that funding one-time in nature. Step increases have been given to the affected employees, and the division has requested that \$100,000 be appropriated on an ongoing basis.

Purpose

The State Engineer is the director of the division and is responsible for water administration and management of all activities within the division. The State Engineer acts in a quasi-judicial capacity. Any decision of the State Engineer may be challenged in court. Included among the responsibilities of this section are setting policy, budget and accounting, personnel issues, public information, legislation and overall office management.

3.2 Appropriations

Recommendation

The Analyst recommends a budget of \$778,500. The nonlapsing funds that carried forward from FY 2002 to FY 2003 are used for electronic record keeping. All files have been scanned and labeled. Files are available to the public over the Internet. Personal Services comprise 96 percent of the recommended budget.

| | 2002 | 2003 | 2004 | Est/Analyst |
|------------------------|------------------|------------------|------------------|-------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 693,900 | 755,000 | 778,500 | 23,500 |
| General Fund, One-time | (300) | 30,000 | | (30,000) |
| Beginning Nonlapsing | 4,900 | 4,900 | | (4,900) |
| Closing Nonlapsing | (4,900) | | | |
| Total | \$693,600 | \$789,900 | \$778,500 | (\$11,400) |
| Expenditures | | | | |
| Personal Services | 644,500 | 752,000 | 743,900 | (8,100) |
| In-State Travel | 3,300 | 3,300 | 3,300 | |
| Current Expense | 24,100 | 13,700 | 10,400 | (3,300) |
| DP Current Expense | 21,700 | 20,900 | 20,900 | |
| Total | \$693,600 | \$789,900 | \$778,500 | (\$11,400) |
| FTE/Other | | | | |
| Total FTE | 16 | 19 | 19 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

This program's major responsibility is to ensure the viability of the water appropriation process. The program allocates and regulates surface and ground water throughout the state. Unappropriated water may be allocated, and existing water rights may be transferred. The section processes all applications, which includes receipt, advertising, protests, conducting hearings, and recommending approval or disapproval of the applications. This program also processes proof of appropriation and issues the certificates of appropriation. All water right files are of public record and are maintained in a central file.

3.3 Dam Safety

Recommendation

The Analyst recommends a budget of \$583,900. Personal Services comprise 94 percent of the recommended budget.

| | 2002 | 2003 | 2004 | Est/Analyst |
|------------------------|------------------|------------------|------------------|-------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 556,700 | 594,300 | 583,900 | (10,400) |
| General Fund, One-time | (300) | | | |
| Total | \$556,400 | \$594,300 | \$583,900 | (\$10,400) |
| Expenditures | | | | |
| Personal Services | 504,600 | 547,600 | 547,200 | (400) |
| In-State Travel | 8,900 | 8,700 | 8,700 | |
| Out of State Travel | 700 | 700 | 700 | |
| Current Expense | 28,200 | 26,300 | 16,300 | (10,000) |
| DP Current Expense | 14,000 | 11,000 | 11,000 | |
| Total | \$556,400 | \$594,300 | \$583,900 | (\$10,400) |
| FTE/Other | | | | |
| Total FTE | 8 | 8 | 8 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

In 1977 there were several major dam failures in the United States. The Corps of Engineers was mandated by Congress to inventory all dams in the nation and inspect dams that, if they failed, would cause significant loss of property and lives. The State of Utah did its own inventory under contract with the Corps. After the contract ended, the Legislature authorized four FTEs and the Dam Safety program was begun.

The program assures the safety of dams by regulating their construction, repair and long-term maintenance. Plans and specifications are approved, and some 350-400 high-and moderate-hazard dams are inspected annually. This section, in cooperation with the Corps of Engineers, also handles stream channel alteration and gold dredging permits.

The Analyst recommends **keeping** the following intent language from S.B. 1, 2002 General Session:

It is the intent of the Legislature that prior-year federal funds in the Dam Safety program be nonlapsing.

The Federal Emergency Management Agency funded the updating and preservation of the state's dam safety records. The work was accomplished with existing staff. The Analyst recommends the funds be classified as nonlapsing so work can be completed in FY 2004 if needed.

3.4 Adjudication

Recommendation

The Analyst recommends a total budget of \$704,500. UCA 59-12-103(5) transfers "Dedicated Credits" of \$175,000 (1% of \$17,500,000) generated through the 1/16 percent sales and use tax, to this program. Dedicated Credits must be used before any General Funds are used. Personal Services comprise 96 percent of the recommended budget.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------------|------------------|------------------|------------------|-----------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 555,800 | 531,200 | 529,500 | (1,700) |
| General Fund, One-time | (300) | | | |
| Dedicated Credits Revenue | 100,000 | 75,000 | 175,000 | 100,000 |
| Total | \$655,500 | \$606,200 | \$704,500 | \$98,300 |
| Expenditures | | | | |
| Personal Services | 613,700 | 570,900 | 673,300 | 102,400 |
| In-State Travel | 4,500 | 4,300 | 4,300 | |
| Out of State Travel | 1,600 | 1,500 | 1,500 | |
| Current Expense | 20,100 | 15,800 | 11,700 | (4,100) |
| DP Current Expense | 15,600 | 13,700 | 13,700 | |
| Total | \$655,500 | \$606,200 | \$704,500 | \$98,300 |
| FTE/Other | | | | |
| Total FTE | 12 | 10 | 10 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

This program ensures that the waters of the state are distributed to their rightful owners at the appropriate time and in correct quantities. Users' claims are processed into "Proposed Determination of Water Rights" books, and submitted to the District Court for issuance of an interlocutory decree. Due to the process, a large backlog exists. Once a ruling is made, the program ensures they are pursued.

The division has a paralegal and works with four attorneys in the Attorney General's Office. The Distribution section in this program oversees 35 water distribution systems in the state with 55 commissioners and deputy commissioners. River commissioners are appointed by the State Engineer to physically monitor and control the delivery of water.

This section also licenses and oversees all water well drillers' activities.

3.5 Cooperative Studies

Recommendation

The Analyst recommends a budget of \$350,000. Funding for this program has dropped significantly over the past two years as a result of budget reductions. Pass-through expenditures go to the U.S. Geological Survey.

| | 2002 | 2003 | 2004 | Est/Analyst |
|-------------------------|------------------|-------------------|------------------|-------------------|
| Financing | Actual | Estimated* | Analyst | Difference |
| General Fund | 627,600 | 442,900 | 350,000 | (92,900) |
| General Fund, One-time | (69,000) | | | |
| Total | \$558,600 | \$442,900 | \$350,000 | (\$92,900) |
| Expenditures | | | | |
| Personal Services | 25,600 | 48,500 | 48,700 | 200 |
| In-State Travel | 300 | 300 | 300 | |
| Current Expense | 600 | 400 | | (400) |
| DP Current Expense | 1,300 | 1,300 | 1,300 | |
| Other Charges/Pass Thru | 530,800 | 392,400 | 299,700 | (92,700) |
| Total | \$558,600 | \$442,900 | \$350,000 | (\$92,900) |
| FTE/Other | | | | |
| Total FTE | 1 | 1 | 1 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The purpose of this program is to perform studies to better define the water resources of the state considering both water quality and quantity. Water measurements are taken to determine stream flow and reservoir levels and are used to distribute water. Also, in conjunction with the United States Geological Survey (USGS), data is gathered and technical information is published. There are matching funds from the USGS for this program. This information is used by many state, county, and local agencies.

3.6 Technical Services

Recommendation

The Analyst recommends a budget of \$484,700. Personal Services comprise 94 percent of the recommended budget.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------|------------------|------------------|------------------|-------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 574,700 | 499,300 | 484,700 | (14,600) |
| Total | <u>\$574,700</u> | <u>\$499,300</u> | <u>\$484,700</u> | <u>(\$14,600)</u> |
| Expenditures | | | | |
| Personal Services | 488,100 | 475,700 | 455,000 | (20,700) |
| In-State Travel | 800 | 800 | 800 | |
| Out of State Travel | 2,300 | 2,400 | 2,400 | |
| Current Expense | 10,900 | 10,200 | 8,200 | (2,000) |
| DP Current Expense | 72,600 | 10,200 | 18,300 | 8,100 |
| Total | <u>\$574,700</u> | <u>\$499,300</u> | <u>\$484,700</u> | <u>(\$14,600)</u> |
| FTE/Other | | | | |
| Total FTE | 9 | 7 | 7 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

This program collects and analyzes water resource data for both surface and ground water sources to adequately define the extent and character of the resource. They also maintain the division's databases as well as the computer programming function.

3.7 Advertising

Recommendation

The Analyst recommends a budget of \$150,000. This is an increase of \$30,000 over prior year base budgets, but funding is now from Dedicated Credits as opposed to General Funds.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------------|------------------|------------------|------------------|----------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 136,600 | (5,100) | | 5,100 |
| Dedicated Credits Revenue | | 150,000 | 150,000 | |
| Total | \$136,600 | \$144,900 | \$150,000 | \$5,100 |
| Expenditures | | | | |
| Current Expense | 136,600 | 144,900 | 150,000 | 5,100 |
| Total | \$136,600 | \$144,900 | \$150,000 | \$5,100 |
| FTE/Other | | | | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

Applications to appropriate or to change the use of water must be advertised in a local newspaper to give notice to neighboring water users. This program accounts for advertising expenditures.

House Bill 42 in the 2003 General Session would reduce notification requirements that must be published in a newspaper, and should result in budgetary savings after some initial set-up costs.

Previous Building Block Report

The 2002 Legislature passed House Bill 340, which allowed the division to keep its fee revenue (estimated at \$150,000 per year) that formerly went to the General Fund, and decreased the division's General Fund base by \$150,000. This program is now funded entirely with Dedicated Credits.

3.8 Regional Offices

Recommendation

The Analyst recommends a budget of \$2,350,100. Personal Services comprise 95 percent of the recommended budget.

| | 2002 Actual | 2003 Estimated* | 2004 Analyst | Est/Analyst Difference |
|------------------------|--------------------|--------------------|--------------------|---------------------------|
| Financing | | | | |
| General Fund | 2,228,400 | 2,379,600 | 2,350,100 | (29,500) |
| General Fund, One-time | (15,500) | | | |
| Total | <u>\$2,212,900</u> | <u>\$2,379,600</u> | <u>\$2,350,100</u> | <u>(29,500)</u> |
| Expenditures | | | | |
| Personal Services | 1,967,900 | 2,136,300 | 2,241,900 | 105,600 |
| In-State Travel | 5,700 | 5,700 | 5,700 | |
| Current Expense | 170,800 | 169,900 | 34,800 | (135,100) |
| DP Current Expense | 68,500 | 67,700 | 67,700 | |
| Total | <u>\$2,212,900</u> | <u>\$2,379,600</u> | <u>\$2,350,100</u> | <u>(\$29,500)</u> |
| FTE/Other | | | | |
| Total FTE | 36 | 38 | 38 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Building Block: Price Office Rent

The rent for office space occupied by the division in Price was increased by \$10,000 per year beginning July 1, 2002. DFCM negotiated this lease agreement. The Governor recommended this increase in his budget recommendations. The Analyst recommends this increase in case additional funds become available.

Purpose

For the convenience of its clients and to reduce travel costs, the division operates seven regional offices in six locations. Two (Utah Lake and Weber River areas) are housed in Salt Lake City. Outlying offices of approximately five people each are located in Logan, Price, Richfield, Vernal and Cedar City. Each regional office offers the same services available to customers as the Salt Lake City head office.

4.0 Additional Information: Water Rights

4.1 Funding History

| | 2000 | 2001 | 2002 | 2003 | 2004 |
|---------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | Actual | Actual | Actual | Estimated* | Analyst |
| Financing | | | | | |
| General Fund | 5,591,900 | 5,752,300 | 5,915,600 | 5,620,700 | 5,613,300 |
| General Fund, One-time | | 30,000 | (124,000) | 130,000 | |
| Federal Funds | | 11,500 | | | |
| Dedicated Credits Revenue | 780,000 | 100,000 | 100,000 | 225,000 | 325,000 |
| Beginning Nonlapsing | 57,900 | 41,800 | 4,900 | 27,100 | |
| Closing Nonlapsing | (41,800) | (4,900) | (27,100) | | |
| Total | \$6,388,000 | \$5,930,700 | \$5,869,400 | \$6,002,800 | \$5,938,300 |
| Programs | | | | | |
| Administration | 554,700 | 521,300 | 481,100 | 545,700 | 536,600 |
| Appropriation | 665,500 | 704,300 | 693,600 | 789,900 | 778,500 |
| Dam Safety | 517,000 | 562,200 | 556,400 | 594,300 | 583,900 |
| Adjudication | 624,200 | 630,300 | 655,500 | 606,200 | 704,500 |
| Cooperative Studies | 559,900 | 563,200 | 558,600 | 442,900 | 350,000 |
| Technical Services | 568,100 | 627,100 | 574,700 | 499,300 | 484,700 |
| Advertising | 114,000 | 136,300 | 136,600 | 144,900 | 150,000 |
| Area Offices | 2,104,600 | 2,170,200 | 2,212,900 | 2,379,600 | 2,350,100 |
| River Systems | 680,000 | | | | |
| Geothermal | | 15,800 | | | |
| Total | \$6,388,000 | \$5,930,700 | \$5,869,400 | \$6,002,800 | \$5,938,300 |
| Expenditures | | | | | |
| Personal Services | 5,069,600 | 4,520,600 | 4,516,900 | 4,907,000 | 5,087,300 |
| In-State Travel | 35,700 | 28,800 | 24,700 | 24,300 | 24,300 |
| Out of State Travel | 6,700 | 5,100 | 5,800 | 5,800 | 5,800 |
| Current Expense | 547,600 | 566,200 | 588,500 | 540,500 | 380,300 |
| DP Current Expense | 194,300 | 245,600 | 202,700 | 132,800 | 140,900 |
| DP Capital Outlay | 5,800 | 23,800 | | | |
| Capital Outlay | 12,500 | 24,800 | | | |
| Other Charges/Pass Thru | 515,800 | 515,800 | 530,800 | 392,400 | 299,700 |
| Total | \$6,388,000 | \$5,930,700 | \$5,869,400 | \$6,002,800 | \$5,938,300 |
| FTE/Other | | | | | |
| Total FTE | 86 | 86 | 88 | 90 | 90 |

*General and school funds as revised by Supplemental Bills I-V, 2002 Gen and Spec Sessions. Others as estimated by agency.

4.3 Water Rights Fees

In accordance with Section 63-34-5, the following fees are proposed for the services of the Division of Water Rights for FY 2004.

| | FY 2003 Current | FY 2004 Proposed | Difference | FY 2004 Units | Revenue Change |
|---|--------------------|---------------------|------------|------------------|-------------------|
| 1. For examining and filing applications and temporary applications to appropriate water, applications for temporary and permanent change, applications for exchange, applications for an extension of time in which to resume use of water, applications to appropriate or make permanent or temporary change for use outside the state, claims to water based on diligence, a groundwater recovery permit, and for re-publication of notice to water users after amendment of application, the State Engineer shall collect fees based upon the following schedule: | | | | | |
| a. For a quantity of water of 0.1 second-foot or less | 75.00 | 75.00 | | | |
| b. For a quantity of water more than 0.1 second-foot but not exceeding 0.5 second-foot | 100.00 | 100.00 | | | |
| c. For a quantity of water more than 0.5 second-foot but not exceeding 1.0 second-foot | 125.00 | 125.00 | | | |
| d. For a quantity of water more than 1.0 second-foot but not exceeding 2.0 second-foot | 150.00 | 150.00 | | | |
| e. For a quantity of water more than 2.0 second-foot but not exceeding 3.0 second-foot | 175.00 | 175.00 | | | |
| f. For a quantity of water more than 3.0 second-foot but not exceeding 4.0 second-foot | 200.00 | 200.00 | | | |
| g. For each additional second-foot, or fraction thereof, up to but not exceeding 23.0 second-foot | 15.00 | 15.00 | | | |

| | FY 2003 Current | FY 2004 Proposed | Difference | FY 2004 Units | Revenue Change |
|--|--------------------|---------------------|------------|------------------|-------------------|
| h. For applications in excess of 23.0 second-foot | 500.00 | 500.00 | | | |
| i. For a volume of water of 20 acre-feet or less | 75.00 | 75.00 | | | |
| j. For a volume of water of 20 acre-feet, but not exceeding 100 acre-feet | 100.00 | 100.00 | | | |
| k. For a volume of water over 100 acre-feet, but not exceeding 500 acre-feet | 125.00 | 125.00 | | | |
| l. For a volume of water over 500 acre-feet, but not exceeding 1,000 acre feet | 150.00 | 150.00 | | | |
| m. For a volume of water over 1,000 acre-feet, but not exceeding 1,500 acre-feet | 175.00 | 175.00 | | | |
| n. For a volume of water over 1,500 acre-feet, but not exceeding 2,000 acre-feet | 200.00 | 200.00 | | | |
| o. For each additional 500 acre- feet, or part thereof, but not exceeding 11,500 acre-feet | 15.00 | 15.00 | | | |
| p. For applications in excess of 11,500 acre-feet | 500.00 | 500.00 | | | |
| q. For any application that proposes to appropriate by both direct flow and storage, there shall be charged the fee for quantity or volume, whichever is greater, but not both. | | | | | |

| | FY 2003 Current | FY 2004 Proposed | Difference | FY 2004 Units | Revenue Change |
|---|----------------------------|-----------------------------|-------------------|--------------------------|---------------------------|
| 2. For a well driller permit | | | | | |
| Initial | 50.00 | 50.00 | | | |
| Renewal (annual) | 25.00 | 25.00 | | | |
| Late renewal (annual) | 50.00 | 50.00 | | | |
| 3. For filing a request for an extension of time in which to submit proof of appropriation less than 14 years after the date of approval of the application | 25.00 | 25.00 | | | |
| 4. For filing a request for an extension of time in which to submit proof of appropriation 14 years or more after the date of approval of the application | 75.00 | 75.00 | | | |
| 5. For each certification of copies | 4.00 | 4.00 | | | |
| 6. A reasonable charge for preparing copies of any and all documents | | | | | |
| 7. Application to segregate a water right | 25.00 | 25.00 | | | |
| 8. Application to inject water | 2,500.00 | 2,500.00 | | | |
| 9. Diligence claim investigation fee | 200.00 | 200.00 | | | |
| 10. Report of Water Right Conveyance | 25.00 | 25.00 | | | |
| 11. Drill Rig Operator Registration | | | | | |
| Initial | 50.00 | 50.00 | | | |
| Renewal (annual) | 25.00 | 25.00 | | | |
| Late Renewal (annual) | 50.00 | 50.00 | | | |

Office of the
Legislative Fiscal Analyst

FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Natural Resources

Utah Department of Natural Resources
Water Resources - Operating Budget

Contents:

- 1.0 Summary
- 2.0 Issues
- 3.0 Programs
- 4.0 Additional Information

This Page Intentionally Left Blank

1.0 Summary: Water Resources - Operating Budget

The Division of Water Resources is considered to be the water resource authority for the state, assuring the orderly planning, development and protection of Utah's water. It does this through conservation, planning and financial assistance programs.

A particular challenge for the division is maintaining the availability of water for an expanding population. It is projected that Utah's population will increase from 2.3 million in 2002 to 3.8 million in 2030, an increase of over 60%. According to recent estimates, water infrastructure will require more than \$5.3 billion in improvements over the next 20 years. The need is highlighted by the current drought and its impact on the economy, the environment, and the way of life.

The operating budget is funded primarily from the General Fund and transfers from the Conservation and Development (C&D) Fund. Transfers of \$1,868,900 from the C&D fund to the Operating Budget are used to pay the engineering and other operating costs of the Construction and the Cities Water Administration Programs, and to contribute toward the Water Conservation/Education program.

Protecting threatened and endangered fish is key if the state is to continue developing river waters, particularly on the Colorado River. States, water users and power users have recently been cooperating with the federal government in stabilizing endangered fish populations in order to have full access to their apportioned waters.

| | Analyst FY 2004 Base | Analyst FY 2004 Changes | Analyst FY 2004 Total |
|------------------------------|-------------------------------------|--|--------------------------------------|
| Financing | | | |
| General Fund | 2,431,100 | (4,400) | 2,426,700 |
| Federal Funds | 10,000 | | 10,000 |
| Dedicated Credits Revenue | 24,000 | | 24,000 |
| Water Resources C&D | 1,868,900 | | 1,868,900 |
| Water Res Construction | 150,000 | | 150,000 |
| Beginning Nonlapsing | 25,000 | | 25,000 |
| Closing Nonlapsing | (10,900) | | (10,900) |
| Total | \$4,498,100 | (\$4,400) | \$4,493,700 |
| Programs | | | |
| Administration | 393,600 | (4,400) | 389,200 |
| Board | 33,200 | | 33,200 |
| Interstate Streams | 256,700 | | 256,700 |
| Planning | 1,737,100 | | 1,737,100 |
| Cloudseeding | 150,000 | | 150,000 |
| City Loans Administration | 110,600 | | 110,600 |
| Construction | 1,596,900 | | 1,596,900 |
| Water Conservation/Education | 209,500 | | 209,500 |
| West Desert Ops | 10,500 | | 10,500 |
| Total | \$4,498,100 | (\$4,400) | \$4,493,700 |
| FTE/Other | | | |
| Total FTE | 52 | | 52 |

2.0 Issues: Water Resources – Operating Budget

2.1 Previous Budget Reductions

During the 2002 General Session and subsequent special sessions, the Legislature made the following ongoing General Fund adjustments:

| | |
|---|---------------------------|
| FY 2003 Beginning Base: | <u>\$2,689,800</u> |
| ISF rate changes | (900) |
| Retirement rate/extra working day adjustments | 22,900 |
| Insurance benefit adjustments | 20,900 |
| Internal spending cuts | (78,900) |
| Reduce Cities Loan Administration | (47,100) |
| Reduce Conservation/Education | (67,700) |
| Across-the-board cuts (sixth special session) | <u>(107,900)</u> |
| FY 2004 Beginning Base | <u>\$2,431,100</u> |

2.2 Information Technology / Retirement Rate Savings

The FY 2004 beginning base has been reduced by mandated statewide information technology savings and by reductions to statewide retirement rates. The portion of savings applicable to this line item is shown below.

| | |
|--------------------------------------|---------------------------|
| IT/Retirement Savings | <u>(\$4,400)</u> |
| New FY 2004 General Fund Base | <u>\$2,426,700</u> |

2.3 Availability of Colorado River Water

Water from the Colorado and Bear Rivers is probably the most readily available for future population growth. A complex interstate compact dictates the allocation of Colorado River water, but recent events in California have put into question their use of surplus water from upper basin states. The Analyst recommends the division brief the committee on recent events and their expected impact on Utah.

3.0 Programs: Water Resources - Operating Budget

3.1 Administration

Recommendation

The Analyst recommends a budget of \$389,200. Personal Services comprise 95 percent of the recommended budget.

| | 2002 | 2003 | 2004 | Est/Analyst |
|------------------------|------------------|------------------|------------------|------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 427,800 | 391,500 | 389,200 | (2,300) |
| General Fund, One-time | (37,700) | | | |
| Lapsing Balance | (200) | | | |
| Total | <u>\$389,900</u> | <u>\$391,500</u> | <u>\$389,200</u> | <u>(\$2,300)</u> |
| Expenditures | | | | |
| Personal Services | 348,300 | 350,100 | 370,600 | 20,500 |
| In-State Travel | 3,900 | 3,900 | 3,900 | |
| Out of State Travel | 3,700 | 3,700 | 3,700 | |
| Current Expense | 17,900 | 18,600 | (4,200) | (22,800) |
| DP Current Expense | 16,100 | 15,200 | 15,200 | |
| Total | <u>\$389,900</u> | <u>\$391,500</u> | <u>\$389,200</u> | <u>(\$2,300)</u> |
| FTE/Other | | | | |
| Total FTE | 7 | 7 | 7 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

Administration provides leadership and support to the other programs in the division. This program also includes budget, accounting, and public information functions.

3.2 Board

Recommendation

The Analyst recommends a budget of \$33,200 for the board's travel and per diem costs.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------|-----------------|-----------------|-----------------|----------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 34,700 | 33,500 | 33,200 | (300) |
| Total | <u>\$34,700</u> | <u>\$33,500</u> | <u>\$33,200</u> | <u>(\$300)</u> |
| Expenditures | | | | |
| Personal Services | 11,300 | 11,300 | 11,300 | |
| In-State Travel | 16,100 | 14,800 | 16,100 | 1,300 |
| Current Expense | 7,300 | 7,400 | 5,800 | (1,600) |
| Total | <u>\$34,700</u> | <u>\$33,500</u> | <u>\$33,200</u> | <u>(\$300)</u> |
| FTE/Other | | | | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

Created under UCA 73-10-1.5, the board is the policy-making body of the division. It oversees comprehensive water planning, protection of rights to interstate waters, and management of water resource project construction programs.

3.3 Interstate Streams

Recommendation

The Analyst recommends a budget of \$256,700. Pass-through expenditures go to the organizations listed below.

| | 2002 | 2003 | 2004 | Est/Analyst |
|-------------------------|------------------|------------------|------------------|----------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 255,700 | 257,100 | 256,700 | (400) |
| Total | <u>\$255,700</u> | <u>\$257,100</u> | <u>\$256,700</u> | <u>(\$400)</u> |
| Expenditures | | | | |
| Personal Services | 89,800 | 91,400 | 91,600 | 200 |
| In-State Travel | 700 | 700 | 700 | |
| Out of State Travel | 14,100 | 14,100 | 14,100 | |
| Current Expense | 3,200 | 3,200 | 3,200 | |
| DP Current Expense | 1,500 | 1,500 | 1,500 | |
| Other Charges/Pass Thru | 146,400 | 146,200 | 145,600 | (600) |
| Total | <u>\$255,700</u> | <u>\$257,100</u> | <u>\$256,700</u> | <u>(\$400)</u> |
| FTE/Other | | | | |
| Total FTE | 1 | 1 | 1 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

Because control of much of Utah's water resources is affected by actions of other states and federal agencies, active participation in selected interstate and state/federal bodies is essential to protect Utah's interests. The division director serves as Utah's Interstate Streams Commissioner and represents the state on the following organizations:

- Upper Colorado River Commission
- Bear River Commission
- Western States Water Council
- Colorado River Basin Salinity Control Forum and Advisory Council
- Glen Canyon Adaptive Management Work Group
- Colorado River Management Group

Utah is entitled to about 1.4 million acre-feet per year of Colorado River water, but is currently using a little less than 1 million. California is exceeding its allotment because of surpluses in states like Utah. But in the next fifty years, Utah is expected to need its full allotment.

The program accounts for dues to those organizations, per diem for commission members, and for one person to monitor and prepare for meetings and negotiations.

3.4 Planning

Recommendation

The Analyst recommends a budget of \$1,737,100, entirely from the General Fund. Pass-through expenditures go to the Natural Resources Conservation Service for snow data, and the U.S. Geological Survey (Streams) for gauging data. Personal Services comprise 80 percent of the recommended budget.

| | 2002 | 2003 | 2004 | Est/Analyst |
|-------------------------|--------------------|--------------------|--------------------|------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 1,792,400 | 1,738,500 | 1,737,100 | (1,400) |
| General Fund, One-time | (600) | | | |
| Beginning Nonlapsing | 200 | | | |
| Total | \$1,792,000 | \$1,738,500 | \$1,737,100 | (\$1,400) |
| Expenditures | | | | |
| Personal Services | 1,313,800 | 1,374,700 | 1,394,000 | 19,300 |
| In-State Travel | 9,000 | 9,000 | 9,000 | |
| Out of State Travel | 1,600 | 1,600 | 1,600 | |
| Current Expense | 71,800 | 88,400 | 74,100 | (14,300) |
| DP Current Expense | 71,800 | 69,700 | 69,700 | |
| Other Charges/Pass Thru | 324,000 | 195,100 | 188,700 | (6,400) |
| Total | \$1,792,000 | \$1,738,500 | \$1,737,100 | (\$1,400) |
| FTE/Other | | | | |
| Total FTE | 19 | 19 | 19 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The division is responsible to plan for and encourage the best use of the state's water resources to serve the physical, economic, environmental, and social needs of the people of Utah. This program helps coordinate water resources planning between various governmental agencies; maintains programs with various agencies to obtain streamflow, climatological, SNOTEL and water quality data; develops river basin models for state planning purposes and operational models for specific project feasibility studies.

This program maintains the State Water Plan (completed in 1990) and eleven detailed basin plans covering the state. The plans describe water development opportunities and problems, and make recommendations for the future.

Cooperative studies are performed with the U.S. Geological Survey and the federal Natural Resource Conservation Service on a 50/50 basis. These studies provide data for the state water plan.

3.5 Cloud Seeding

Recommendation

The Analyst recommends a budget of \$150,000. Funding comes entirely from the Revolving Construction Fund and is expended entirely on contractual services.

| | 2002 | 2003 | 2004 | Est/Analyst |
|------------------------|------------------|------------------|------------------|-------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| Water Res Construction | 150,000 | 150,000 | 150,000 | |
| Lapsing Balance | (10,400) | | | |
| Total | <u>\$139,600</u> | <u>\$150,000</u> | <u>\$150,000</u> | <u>\$0</u> |
| Expenditures | | | | |
| Current Expense | 139,600 | 150,000 | 150,000 | |
| Total | <u>\$139,600</u> | <u>\$150,000</u> | <u>\$150,000</u> | <u>\$0</u> |
| FTE/Other | | | | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

Weather modification is considered a feasible means of augmenting the natural water supply. Utah enacted weather modification legislation in 1973, and an operational cloud seeding program started in 1976. The field program, which usually extends from November to April, is funded jointly by the state and local water interests. Statistical analysis of the cloud seeding program since 1976 has shown an average increase in precipitation of eight percent to twenty percent

Technological advances and added reservoir storage capacity make conditions favorable for future of this program.

3.6 City Loans Administration

Recommendation

The Analyst recommends a total budget of \$110,600. As a result of budget reductions, there are no longer any General Funds in this program. All funding comes from the Revolving Conservation and Development (C&D) Fund.

| | 2002 Actual | 2003 Estimated* | 2004 Analyst | Est/Analyst Difference |
|---------------------|-----------------|--------------------|------------------|---------------------------|
| Financing | | | | |
| General Fund | 42,200 | | | |
| Water Resources C&D | 57,000 | 110,200 | 110,600 | 400 |
| Total | \$99,200 | \$110,200 | \$110,600 | \$400 |
| Expenditures | | | | |
| Personal Services | 95,900 | 106,900 | 107,300 | 400 |
| Current Expense | 1,800 | 1,800 | 1,800 | |
| DP Current Expense | 1,500 | 1,500 | 1,500 | |
| Total | \$99,200 | \$110,200 | \$110,600 | \$400 |
| FTE/Other | | | | |
| Total FTE | 2 | 2 | 2 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

This program was authorized in 1975 by the Legislature (UCA 73-10-22) to administer the Cities Water Fund to help communities finance their water infrastructure needs.

3.7 Construction

Recommendation

The Analyst recommends a total budget of \$1,596,900, funded entirely by a transfer from the Water Conservation and Development Fund.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------|--------------------|--------------------|--------------------|----------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| Water Resources C&D | 1,706,200 | 1,590,300 | 1,596,900 | 6,600 |
| Lapsing Balance | (146,900) | | | |
| Total | <u>\$1,559,300</u> | <u>\$1,590,300</u> | <u>\$1,596,900</u> | <u>\$6,600</u> |
| Expenditures | | | | |
| Personal Services | 1,352,500 | 1,397,100 | 1,409,800 | 12,700 |
| In-State Travel | 9,300 | 9,300 | 9,300 | |
| Out of State Travel | 600 | 600 | 600 | |
| Current Expense | 131,300 | 129,500 | 123,400 | (6,100) |
| DP Current Expense | 54,800 | 53,800 | 53,800 | |
| Capital Outlay | 10,800 | | | |
| Total | <u>\$1,559,300</u> | <u>\$1,590,300</u> | <u>\$1,596,900</u> | <u>\$6,600</u> |
| FTE/Other | | | | |
| Total FTE | 20 | 21 | 21 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

This program provides the technical assistance for managing the three revolving construction fund programs (to be discussed further in the division's capital budget analysis). Engineers and geologists do investigations of applications, manage construction, and ensure safety.

3.8 Water Conservation/Education

Recommendation

The Analyst recommends a total budget of \$209,500. After budget cuts in FY 2002 there are no longer any General Funds in this program.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------------|------------------|------------------|------------------|--------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 53,900 | | | |
| Federal Funds | 24,700 | 10,000 | 10,000 | |
| Dedicated Credits Revenue | 24,100 | 300,000 | 24,000 | (276,000) |
| Water Resources C&D | 73,500 | 162,600 | 161,400 | (1,200) |
| Beginning Nonlapsing | 63,900 | 74,800 | 25,000 | (49,800) |
| Closing Nonlapsing | (74,800) | (25,000) | (10,900) | 14,100 |
| Total | \$165,300 | \$522,400 | \$209,500 | (\$312,900) |
| Expenditures | | | | |
| Personal Services | 74,200 | 112,500 | 113,900 | 1,400 |
| In-State Travel | 2,600 | 2,600 | 2,600 | |
| Out of State Travel | 200 | 200 | 200 | |
| Current Expense | 79,000 | 402,300 | 89,000 | (313,300) |
| DP Current Expense | 9,300 | 4,800 | 3,800 | (1,000) |
| Total | \$165,300 | \$522,400 | \$209,500 | (\$312,900) |
| FTE/Other | | | | |
| Total FTE | 2 | 2 | 2 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

Utah is near the top of the nation in per capita water consumption. Statute (73-10-32) requires water conservation planning by the division. Water conservation and education are essential in order to reduce future water demands. Water conservancy districts and retailers must submit water conservation plans, and the division must provide technical support, then evaluate, make recommendations, and submit the plans to the Board of Water Resources. Most conservancy districts have chosen education as the primary tool for conservation.

3.9 Bear River/Wasatch Front

Recommendation

The Analyst does not recommend an appropriation for this program. Prior year nonlapsing funds should all be expended by the end of FY 2003.

| | 2002 | 2003 | 2004 | Est/Analyst |
|----------------------|-----------------|-----------------|------------|-------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| Beginning Nonlapsing | 101,200 | 11,200 | | (11,200) |
| Closing Nonlapsing | (11,200) | | | |
| Total | <u>\$90,000</u> | <u>\$11,200</u> | <u>\$0</u> | <u>(\$11,200)</u> |
| Expenditures | | | | |
| Current Expense | 90,000 | 11,200 | | (11,200) |
| Total | <u>\$90,000</u> | <u>\$11,200</u> | <u>\$0</u> | <u>(\$11,200)</u> |
| FTE/Other | | | | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

This program was authorized by the Legislature in 1991 through UCA 73-26. The program finances investigations into developing the waters of the Bear River. The principal work so far has been water quality and quantity data collection and participation in a number of public meetings.

The division has determined the cost of developing the Bear River and conveying it to Willard Bay. The Weber Basin WCD and the Jordan Valley WCD are moving ahead to build a pipeline from Willard Bay to deliver up to 100,000 acre feet to Davis, Weber, and Salt Lake Counties by 2015. (An acre-foot of water is approximately 326,000 gallons.)

Intent Language

The Analyst recommends **discontinuing** the intent language from S.B. 1, 2002 General Session:

It is the intent of the Legislature that the appropriation to the Bear River/Wasatch Front program be nonlapsing.

3.10 West Desert Operation

Recommendation

The Analyst recommends a budget of \$10,500, entirely from the General Fund. There are no Personal Services in the program.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------|----------------|-----------------|-----------------|-------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 4,200 | 10,500 | 10,500 | |
| Total | <u>\$4,200</u> | <u>\$10,500</u> | <u>\$10,500</u> | <u>\$0</u> |
| Expenditures | | | | |
| Current Expense | 4,200 | 10,500 | 10,500 | |
| Total | <u>\$4,200</u> | <u>\$10,500</u> | <u>\$10,500</u> | <u>\$0</u> |
| FTE/Other | | | | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

This program funds the maintenance on the West Desert pumping plant, as required by UCA 73-23-3. The pumps are part of a \$60 million Great Salt Lake flood control project begun in 1986. The pumps can lower the peak level of the lake about one foot per year. The division is maintaining the pumping facility through contracts with consultants and regular inspection by agency staff so they will be ready for operation if needed.

4.0 Additional Information: Water Resources - Operating Budget

4.1 Funding History

| | 2000 | 2001 | 2002 | 2003 | 2004 |
|--------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Financing | Actual | Actual | Actual | Estimated* | Analyst |
| General Fund | 2,577,800 | 2,638,900 | 2,610,900 | 2,431,100 | 2,426,700 |
| General Fund, One-time | | | (38,300) | | |
| Federal Funds | 2,200 | | 24,700 | 10,000 | 10,000 |
| Dedicated Credits Revenue | 23,200 | 26,500 | 24,100 | 300,000 | 24,000 |
| Water Resources C&D | 4,711,000 | 4,775,100 | 1,836,700 | 1,863,100 | 1,868,900 |
| Water Res Construction | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 |
| Beginning Nonlapsing | 398,300 | 275,500 | 165,300 | 86,000 | 25,000 |
| Closing Nonlapsing | (275,500) | (165,300) | (86,000) | (25,000) | (10,900) |
| Lapsing Balance | (109,800) | (72,800) | (157,500) | | |
| Total | \$7,477,200 | \$7,627,900 | \$4,529,900 | \$4,815,200 | \$4,493,700 |
| Programs | | | | | |
| Administration | 387,700 | 429,500 | 389,900 | 391,500 | 389,200 |
| Board | 33,300 | 31,600 | 34,700 | 33,500 | 33,200 |
| Interstate Streams | 247,100 | 252,800 | 255,700 | 257,100 | 256,700 |
| Planning | 1,796,500 | 1,820,600 | 1,792,000 | 1,738,500 | 1,737,100 |
| Cloudseeding | 128,500 | 149,600 | 139,600 | 150,000 | 150,000 |
| City Loans Administration | 108,100 | 93,700 | 99,200 | 110,200 | 110,600 |
| Construction | 1,487,300 | 1,540,000 | 1,559,300 | 1,590,300 | 1,596,900 |
| Water Conservation/Education | 133,200 | 169,600 | 165,300 | 522,400 | 209,500 |
| Bear River/Wasatch Front | 129,000 | 133,000 | 90,000 | 11,200 | |
| West Desert Ops | 15,800 | 3,700 | 4,200 | 10,500 | 10,500 |
| C.U.P. Mitigation | 3,000,000 | 3,000,000 | | | |
| Cooperative Water Conservation | 10,700 | 3,800 | | | |
| Total | \$7,477,200 | \$7,627,900 | \$4,529,900 | \$4,815,200 | \$4,493,700 |
| Expenditures | | | | | |
| Personal Services | 3,246,700 | 3,263,100 | 3,285,800 | 3,444,000 | 3,498,500 |
| In-State Travel | 54,200 | 45,100 | 41,600 | 40,300 | 41,600 |
| Out of State Travel | 24,800 | 27,500 | 20,200 | 20,200 | 20,200 |
| Current Expense | 595,300 | 706,100 | 546,100 | 822,900 | 453,600 |
| DP Current Expense | 153,900 | 180,900 | 155,000 | 146,500 | 145,500 |
| DP Capital Outlay | 19,600 | 8,700 | | | |
| Capital Outlay | | | 10,800 | | |
| Other Charges/Pass Thru | 3,382,700 | 3,396,500 | 470,400 | 341,300 | 334,300 |
| Total | \$7,477,200 | \$7,627,900 | \$4,529,900 | \$4,815,200 | \$4,493,700 |
| FTE/Other | | | | | |
| Total FTE | 52 | 51 | 51 | 52 | 52 |

*General and school funds as revised by Supplemental Bills I-V, 2002 Gen and Spec Sessions. Others as estimated by agency.

4.2 Federal Funds

| | | | FY 2001 | FY 2002 | FY 2003 |
|--------------------------|------------------------------|-------------|-----------------|------------------|-----------------|
| | | | Actual | Estimated | Analyst |
| Program: | Water Conservation/Education | Federal | 24,700 | 10,000 | 10,000 |
| Fed Agency: | Bureau of Reclamation | State Match | | | |
| Purpose: | Education & Conservation | Total | 24,700 | 10,000 | 10,000 |
| Federal Total | | | 24,700 | 10,000 | 10,000 |
| State Match Total | | | 0 | 0 | 0 |
| Total | | | \$24,700 | \$10,000 | \$10,000 |

This Page Intentionally Left Blank

Office of the
Legislative Fiscal Analyst

FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Natural Resources

Utah Department of Natural Resources
Water Development Revolving Loan Funds

Contents:

- 1.0 Summary of Water Resources Revolving Loan Funds
- 1.1 Summary – Cities Water Loan Fund
- 1.2 Summary – Revolving Construction Fund
- 1.3 Summary – Construction and Development Fund

1.0 Summary: Water Development Revolving Loan Funds

Given that Utah has the second lowest annual precipitation of any state, residents throughout history have been compelled to adjust to limited water resources or develop more water. As the demand for water has grown, the Legislature has established various loan funds to provide funding for water development.

Five state boards currently direct the various loan programs. These are the Water Resources Board, the Water Quality Board, the Drinking Water Board, the Permanent Community Impact Board, and the Soil Conservation Commission. It has been estimated that these state funding sources have been funding approximately 20% of the state's water and wastewater development needs. The Natural Resources Appropriations Subcommittee oversees the Water Resources Board and the Soil Conservation Commission.

The Board of Water Resources manages three loan funds:

- The **Cities Water Loan Fund**, established in 1974
- The **Revolving Construction Fund**, established in 1947, and
- The **Conservation and Development Fund**, established in 1978

Beginning in FY 1998, legislation directed a portion of revenues from a 1/16% sales tax to be deposited in the Conservation and Development Fund. This has generated an average of approximately \$8.5 million per year for various projects, including CUP mitigation (requirement ended in FY 2001 but was supplanted by a new requirement for species protection), dam safety mandates, engineering and planning, and actual water development projects. More information on the use of the sales tax money can be found the Conservation and Development Fund section.

Debate between the executive and legislative branches of government has created scrutiny of the state's current methods of funding water development. A Task Force on Alternative Revenue Sources was created to study other options. The task force reported their findings in November 2002. Their report recommends maintaining the current system and emphasizes that more funding will be needed. The task force also found that the state loan funds should develop clear and consistent criteria for making loans only to those entities that are not otherwise worthy of credit in the private sector.

The Water Resources Board has a goal to reduce water consumption in Utah by 25% by the year 2050. If this can be accomplished, it would provide the same benefit as development of 400,000 acre feet of water per year, over a billion dollars' worth of savings. All of the state water boards require water conservation plans as a condition of financing.

1.1 Summary: Water Resources - Cities Water Loan Fund

The Legislature has recognized that the development, protection and maintenance of adequate and safe culinary water supplies is vital to the quality of life in the state, and that there is a need to assist cities, towns, and other municipalities in providing an adequate and safe water supply.

The energy crisis of the 1970s brought rapid growth to many Utah counties. To help local leaders expand and upgrade culinary water systems, the 1974 Legislature created the Cities Water Loan Fund. The Fund provides financing to help construct culinary water systems for cities, towns, improvement districts and special service districts. Today all funding comes from loan repayments with low interest. The State Treasurer invests any funds not loaned out, with interest accruing to the account.

No new state money is appropriated into this revolving loan fund. Monies already in a loan fund do not require an additional appropriation before they can be used. Therefore, unless the Legislature takes other action, the financing information shown below will not appear in the Appropriations Act. The information is provided for purposes of committee oversight.

As stated earlier, other state boards provide funding for water projects. For example, the Permanent Community Impact Board (PCIB) also makes some loans and grants available to governmental agencies. Funds come from mineral lease royalties. In FY 2002, the PCIB granted \$3,045,600 and loaned \$2,735,900 for water projects in cities and counties affected by mineral developments.

It is estimated that **\$1,644,300** will be repaid to the Cities Water Loan Fund in FY 2004. This will be the fund's only revenue source.

3.1 Programs: Water Resources - Cities Water Loan Fund

3.1.1 Cities Water Loan Fund

Recommendation No new state money is recommended for appropriation into this fund.

**Anticipated
Financing Not
Appropriated**

| | 2002 | 2003 | 2004 | Est/Analyst |
|-------------------------|--------------------|--------------------|--------------------|--------------------|
| | Actual | Estimated | Analyst | Difference |
| Financing | | | | |
| Repayments | 1,683,200 | 1,613,200 | 1,644,300 | 31,100 |
| Beginning Nonlapsing | 116,100 | 684,300 | | (684,300) |
| Closing Nonlapsing | (684,300) | | | |
| Total | <u>\$1,115,000</u> | <u>\$2,297,500</u> | <u>\$1,644,300</u> | <u>(\$653,200)</u> |
| Expenditures | | | | |
| Other Charges/Pass Thru | 1,115,000 | 2,297,500 | 1,644,300 | (653,200) |
| Total | <u>\$1,115,000</u> | <u>\$2,297,500</u> | <u>\$1,644,300</u> | <u>(\$653,200)</u> |

Purpose

This fund helps finance improved or new culinary water systems for municipalities and districts. Generally the Board of Water Resources buys general obligation or revenue bonds from the municipality.

| <u>Project Name</u> | <u>FY 2002 Funded</u> | <u>FY 2003 Contracted</u> | <u>FY 2003 Committed</u> | <u>FY 2003 Authorized</u> |
|------------------------------|---------------------------|-------------------------------|------------------------------|-------------------------------|
| North Salt Lake | 440,000 | | | |
| Pleasant Grove City | 150,000 | | | |
| Spanish Fork City | 125,000 | | | |
| Alpine Cove Water SSD | | 460,600 | | |
| Metro Water Dist of Pl Grove | | 12,000 | | |
| Roy Water Conserv Dist | | 19,000 | | |
| Centerville City | | 16,000 | | |
| Hanna Water & Sewer | | | 1,371,000 | |
| Trenton Town | | | | 1,304,000 |
| Totals | <u>\$715,000</u> | <u>\$507,600</u> | <u>\$1,371,000</u> | <u>\$1,304,000</u> |

4.1 Additional Information: Water Resources - Cities Water Loan Fund

4.1.1 Funding History – Not Appropriated

| | 2000 | 2001 | 2002 | 2003 | 2004 |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Financing | Actual | Actual | Actual | Estimated | Analyst |
| Repayments | 2,371,700 | 2,912,100 | 1,683,200 | 1,613,200 | 1,644,300 |
| Beginning Nonlapsing | 472,200 | 183,900 | 116,100 | 684,300 | |
| Closing Nonlapsing | (183,900) | (116,100) | (684,300) | | |
| Total | \$2,660,000 | \$2,979,900 | \$1,115,000 | \$2,297,500 | \$1,644,300 |
| Programs | | | | | |
| Cities Water Loan Fund | 2,660,000 | 2,979,900 | 1,115,000 | 2,297,500 | 1,644,300 |
| Total | \$2,660,000 | \$2,979,900 | \$1,115,000 | \$2,297,500 | \$1,644,300 |
| Expenditures | | | | | |
| Current Expense | | 162,000 | | | |
| Other Charges/Pass Thru | 2,660,000 | 2,817,900 | 1,115,000 | 2,297,500 | 1,644,300 |
| Total | \$2,660,000 | \$2,979,900 | \$1,115,000 | \$2,297,500 | \$1,644,300 |

1.2 Summary: Water Resources - Revolving Construction Fund

Established in UCA 73-10-8, the Revolving Construction Fund helps finance irrigation projects, wells, rural culinary water systems, and dam safety. Funding comes to the account from:

- Repayments with low interest.
- Revenue from the 500,000 acres of land (currently 47,176 acres) selected for the establishment of reservoirs at the time of statehood.
- Charges assessed to water users.
- Interest from investments with the State Treasurer.
- Other appropriations made by the Legislature. \$3,800,000 is transferred annually from the Conservation and Development Fund for grants for state-mandated dam safety improvements.

| | Analyst FY 2004 Base | Analyst FY 2004 Changes | Analyst FY 2004 Total |
|---------------------|----------------------------|-------------------------------|-----------------------------|
| Financing | | | |
| General Fund | 539,100 | | 539,100 |
| Water Resources C&D | 3,800,000 | | 3,800,000 |
| Total | \$4,339,100 | \$0 | \$4,339,100 |
| Programs | | | |
| Construction Fund | 4,339,100 | | 4,339,100 |
| Total | \$4,339,100 | \$0 | \$4,339,100 |
| FTE/Other | | | |

In addition to the financing shown above, it is estimated that **\$3,026,600** will be repaid to the Revolving Construction Fund in FY 2004.

2.2 Issues: Water Resources - Revolving Construction Fund

2.2.1 Previous Budget Reductions

During the 2002 General Session and subsequent special sessions, the Legislature made the following ongoing General Fund adjustments:

| | |
|---|-------------------------|
| FY 2003 Beginning Base: | <u>\$563,000</u> |
| Across-the-board cuts (sixth special session) | <u>(23,900)</u> |
| FY 2004 Beginning Base | <u>\$539,100</u> |

3.2 Programs: Water Resources - Revolving Construction Fund

3.2.1 Revolving Construction Fund

Recommendation

The Analyst recommends \$539,100 General Funds and a transfer of \$3,800,000 from the Conservation and Development Fund. Monies already in a loan fund do not require an additional appropriation before they can be used. Therefore, unless the Legislature takes other action, the Appropriations Act will show General Fund and C&D financing only. All financing information is provided here for purposes of committee oversight.

| | 2002 Actual | 2003 Estimated* | 2004 Analyst | Est/Analyst Difference |
|-------------------------|--------------------|--------------------|--------------------|---------------------------|
| Financing | | | | |
| General Fund | 563,000 | 539,100 | 539,100 | |
| Water Resources C&D | 3,800,000 | 1,785,000 | 3,800,000 | 2,015,000 |
| Total | <u>\$4,363,000</u> | <u>\$2,324,100</u> | <u>\$4,339,100</u> | <u>\$2,015,000</u> |
| Expenditures | | | | |
| Other Charges/Pass Thru | 4,363,000 | 2,324,100 | 4,339,100 | 2,015,000 |
| Total | <u>\$4,363,000</u> | <u>\$2,324,100</u> | <u>\$4,339,100</u> | <u>\$2,015,000</u> |
| FTE/Other | | | | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

**Anticipated
Financing Not
Appropriated**

The information below is provided for purposes of committee oversight.

| | 2002 Actual | 2003 Estimated | 2004 Analyst | Est/Analyst Difference |
|-------------------------|--------------------|--------------------|--------------------|---------------------------|
| Financing | | | | |
| Repayments | 3,071,400 | 2,960,600 | 3,026,600 | 66,000 |
| Beginning Nonlapsing | 3,242,600 | 3,319,400 | | (3,319,400) |
| Closing Nonlapsing | (3,319,400) | | | |
| Total | <u>\$2,994,600</u> | <u>\$6,280,000</u> | <u>\$3,026,600</u> | <u>(\$3,253,400)</u> |
| Expenditures | | | | |
| Other Charges/Pass Thru | 2,994,600 | 6,280,000 | 3,026,600 | (3,253,400) |
| Total | <u>\$2,994,600</u> | <u>\$6,280,000</u> | <u>\$3,026,600</u> | <u>(\$3,253,400)</u> |

Purpose

The Revolving Construction Fund was created by the 1947 Legislature to help finance projects the board determines will conserve the water resources of the state for the best interests of the citizens. Funds may pay for construction, engineering, investigation, and inspection of water projects. These projects have developed approximately 937,000 acre-feet of water for use on most of the irrigated farmland in the state.

Project sponsors receiving financial assistance enter into installment purchase contracts with the board, deeding water rights and irrigation facilities as security.

Current projects and their associated funding:

| <u>Project Name</u> | <u>FY 2002 Funded</u> | <u>FY 2003 Contracted</u> | <u>FY 2003 Committed</u> | <u>FY 2003 Authorized</u> |
|-----------------------------|---------------------------|-------------------------------|------------------------------|-------------------------------|
| Red Creek Irr Co | 42,500 | | | |
| Ferron Canal & Reservoir Co | 850,000 | | | |
| Green River Canal Co | 35,000 | | | |
| Mona Irr Co | 326,000 | | | |
| Deseret Irr Co | 200,000 | | | |
| Leamington Irr Co | 68,000 | | | |
| Scipio Irr Co | 570,000 | | | |
| Herriman Pipeline & Devel | 637,000 | | | |
| Devil's Pass Water Co | 327,000 | | | |
| Chalk Creek Narrows Irr Co | 750,000 | | | |
| Summit Water Dist Co | 1,000,000 | | | |
| Callao Irr Co | 184,000 | | | |
| Grantsville Irr Co | 288,000 | | | |
| Torrey Irr Co | 30,000 | | | |
| Redmond Lake Irr Co | | 61,000 | | |
| Brady Ditch Irr Co | | 60,000 | | |
| East Bench Irr Co | | 445,000 | | |
| Parowan West Fields Irr Co | | | 15,200 | |
| Deseret Irr Co | | | 88,000 | |
| Fremont Waterworks Co | | | 150,000 | |
| Callao Irr Co | | | 32,000 | |
| East Bench Canal Co | | | 210,000 | |
| Beaver Bench Irr Co | | | | 280,000 |
| Croydon Pipeline Co | | | | 35,000 |
| North Canyon Irr Co | | | | 315,000 |
| Marion Waterworks Co | | | | 320,000 |
| Deseret Irr Co | | | | 432,000 |
| Fountain Green Irr Co | | | | 212,000 |
| Porcupine Highline Canal Co | | | | 85,000 |
| Wolf Creek WCD | | | | 611,000 |
| Total Construction | 5,307,500 | 566,000 | 495,200 | 2,290,000 |
| <u>Dam Safety Grants</u> | | | | |
| Piute Res & Irr Co | 490,000 | | | |
| Piute Res & Irr Co | | 2,752,500 | | |
| Piute Res & Irr Co | | 197,500 | | |
| Consol Sevier Bridge Res Co | | 650,000 | | |
| Contracts for studies | | 79,000 | | |
| Kays Creek Irr Co | | | 4,000 | |
| Consol Sevier Bridge Res Co | | | 3,850,000 | |
| San Juan WCD | | | 2,020,000 | |
| Commitments for studies | | | 161,000 | |
| Total Dam Safety | 490,000 | 3,679,000 | 6,035,000 | 0 |

4.2 Additional Information: Water Resources - Revolving Construction Fund

4.2.1 Funding History

| | 2000 | 2001 | 2002 | 2003 | 2004 |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | Actual | Actual | Actual | Estimated* | Analyst |
| Financing | | | | | |
| General Fund | 563,000 | 563,000 | 563,000 | 539,100 | 539,100 |
| Water Resources C&D | 3,800,000 | 3,800,000 | 3,800,000 | 1,785,000 | 3,800,000 |
| Total | \$4,363,000 | \$4,363,000 | \$4,363,000 | \$2,324,100 | \$4,339,100 |
| Programs | | | | | |
| Construction Fund | 4,363,000 | 4,363,000 | 4,363,000 | 2,324,100 | 4,339,100 |
| Total | \$4,363,000 | \$4,363,000 | \$4,363,000 | \$2,324,100 | \$4,339,100 |
| Expenditures | | | | | |
| Current Expense | 471,600 | 606,000 | | | |
| Other Charges/Pass Thru | 3,891,400 | 3,757,000 | 4,363,000 | 2,324,100 | 4,339,100 |
| Total | \$4,363,000 | \$4,363,000 | \$4,363,000 | \$2,324,100 | \$4,339,100 |
| FTE/Other | | | | | |

*General and school funds as revised by Supplemental Bills I-V, 2002 Gen and Spec Sessions. Others as estimated by agency.

4.2.2 Funding History – Not Appropriated

| | 2000 | 2001 | 2002 | 2003 | 2004 |
|-------------------------|--------------------|------------------|--------------------|--------------------|--------------------|
| | Actual | Actual | Actual | Estimated | Analyst |
| Financing | | | | | |
| Repayments | 3,112,300 | 3,419,300 | 3,071,400 | 2,960,600 | 3,026,600 |
| Beginning Nonlapsing | 4,869,800 | 441,000 | 3,242,600 | 3,319,400 | |
| Closing Nonlapsing | (441,000) | (3,242,600) | (3,319,400) | | |
| Total | \$7,541,100 | \$617,700 | \$2,994,600 | \$6,280,000 | \$3,026,600 |
| Programs | | | | | |
| Construction Fund | 7,541,100 | 617,700 | 2,994,600 | 6,280,000 | 3,026,600 |
| Total | \$7,541,100 | \$617,700 | \$2,994,600 | \$6,280,000 | \$3,026,600 |
| Expenditures | | | | | |
| Other Charges/Pass Thru | 7,541,100 | 617,700 | 2,994,600 | 6,280,000 | 3,026,600 |
| Total | \$7,541,100 | \$617,700 | \$2,994,600 | \$6,280,000 | \$3,026,600 |

This Page Intentionally Left Blank

1.3 Summary: Water Resources - Conservation and Development Fund

Established in UCA 73-10-24, the Conservation and Development (C&D) Fund was created in 1978 when the federal government sharply reduced its funding of western water projects. The C&D Fund generally helps sponsors finance multipurpose dams and large water systems.

Monies come to the account from:

- Appropriations made by the Legislature. Approximately \$1.1 million in General Funds has been appropriated annually in the past.
- Designated sales tax revenue. UCA 52-12-103(5) earmarks revenue from a 1/16 percent sales tax rate for water projects. Update this section for HB 6004. After the Species Protection (\$2.3 million) ARDL (\$500,000) and Water Rights Adjudication (\$100,000) receive their portions, 50 percent of what remains is deposited into the C&D Fund. (The other 50 percent goes to the Department of Environmental Quality.)
- Repayments with interest.
- Interest from investments with the State Treasurer.

Some of the money from this fund is transferred out to other programs in Water Resources, including \$1,868,900 to the operating budget and \$3,800,000 (FY 2004) to the Construction Fund for dam safety grants. The total amount of funds available will depend on sales tax collections and possible holdbacks to the General Fund.

The following chart shows a history of General Fund and sales tax revenue to the Division of Water Resources, as well as transfers from the Conservation and Development Fund.

| General Fund Appropriations to Water Resources | | | | | | | | | | | |
|--|--------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|--------------|--------------|---------------------|
| (\$ in Millions) | | | | | | | | | | | |
| | <u>FY93</u> | <u>FY94</u> | <u>FY95</u> | <u>FY96</u> | <u>FY97</u> | <u>FY98</u> | <u>FY99</u> | <u>FY00</u> | <u>FY01</u> | <u>FY02</u> | <u>Est FY03</u> |
| Operations | \$2.2 | \$2.2 | \$5.3 | \$5.4 | \$5.4 | \$2.5 | \$2.5 | \$2.6 | \$2.6 | \$2.6 | \$2.5 |
| Cities Water | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Construction | 0.3 | 0.2 | 1.3 | 0.0 | 3.2 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 |
| Conserv & Devel | 2.1 | 0.4 | 0.6 | 2.5 | 2.3 | 1.1 | 1.1 | 1.1 | 1.1 | 1.0 | 1.0 |
| Total | \$4.6 | \$2.8 | \$7.2 | \$7.9 | \$10.9 | \$4.2 | \$4.2 | \$4.3 | \$4.3 | \$4.2 | \$4.1 |
| Sales Tax Disbursed to Conserv & Devel Fund | | | | | | | | | | | |
| Conserv & Devel | | | | | | 8.8 | 8.6 | 8.2 | 8.9 | 7.5 | 1.8 |
| Transfers from Conserv & Devel Fund to Other Programs | | | | | | | | | | | |
| To Operations | 0.7 | 0.8 | 2.0 | 2.0 | 1.0 | 1.1 | 1.6 | 1.7 | 1.8 | 1.8 | 1.9 |
| To CUP Mitigation | | | | | | 3.0 | 3.0 | 3.0 | 3.0 | | |
| To Dam Safety | | | | | | 3.8 | 3.8 | 3.8 | 3.8 | 3.8 | 1.8 |
| Total | \$0.7 | \$0.8 | \$2.0 | \$2.0 | \$1.0 | \$7.9 | \$8.4 | \$8.5 | \$8.6 | \$5.6 | \$3.7 |

| | Analyst FY 2004 Base | Analyst FY 2004 Changes | Analyst FY 2004 Total |
|---------------------------------|-------------------------------------|--|--------------------------------------|
| Financing | | | |
| General Fund | 1,043,200 | | 1,043,200 |
| Total | <u>\$1,043,200</u> | \$0 | <u>\$1,043,200</u> |
| Programs | | | |
| Conservation and Development Fu | 1,043,200 | | 1,043,200 |
| Total | <u>\$1,043,200</u> | \$0 | <u>\$1,043,200</u> |
| FTE/Other | | | |

In addition to the financing shown above, it is estimated that **\$10,482,000** will be repaid to the Revolving Construction Fund in FY 2004.

2.3 Issues: Water Resources - Conservation and Development Fund

2.3.1 Previous Budget Reductions

During the 2002 General Session and subsequent special sessions, the Legislature made the following ongoing General Fund adjustments:

| | |
|---|---------------------------|
| FY 2003 Beginning Base: | <u>\$1,089,500</u> |
| Across-the-board cuts (sixth special session) | <u>(46,300)</u> |
| FY 2004 Beginning Base | <u>\$1,043,200</u> |

3.3 Programs: Water Resources - Conservation and Development Fund

3.3.1 Conservation and Development Fund

Recommendation

The Analyst recommends \$1,043,200 General Funds. The sales tax transfer is in statute and will be handled by the Tax Commission. Other monies shown below are already in the loan fund and do not require an additional appropriation before they can be used. Therefore, unless the Legislature takes other action, the Appropriations Act will show General Fund financing only.

| | 2002 | 2003 | 2004 | Est/Analyst |
|-------------------------|--------------------|--------------------|--------------------|-------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 1,089,500 | 1,043,200 | 1,043,200 | |
| General Fund, One-time | (50,000) | | | |
| Total | <u>\$1,039,500</u> | <u>\$1,043,200</u> | <u>\$1,043,200</u> | <u>\$0</u> |
| Expenditures | | | | |
| Other Charges/Pass Thru | 1,039,500 | 1,043,200 | 1,043,200 | |
| Total | <u>\$1,039,500</u> | <u>\$1,043,200</u> | <u>\$1,043,200</u> | <u>\$0</u> |
| FTE/Other | | | | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Anticipated Financing Not Appropriated

The information below is provided for committee oversight.

| | 2002 | 2003 | 2004 | Est/Analyst |
|-------------------------|---------------------|---------------------|---------------------|----------------------|
| | Actual | Estimated | Analyst | Difference |
| Financing | | | | |
| Designated Sales Tax | 7,485,500 | 1,785,000 | 7,175,000 | 5,390,000 |
| Transfers | (5,636,700) | (3,648,100) | (5,668,900) | (2,020,800) |
| Repayments | 10,812,400 | 10,100,300 | 10,482,000 | 381,700 |
| Beginning Nonlapsing | 6,065,700 | 6,548,500 | 632,400 | (5,916,100) |
| Closing Nonlapsing | (6,548,500) | (632,400) | | 632,400 |
| Total | <u>\$12,178,400</u> | <u>\$14,153,300</u> | <u>\$12,620,500</u> | <u>(\$1,532,800)</u> |
| Expenditures | | | | |
| Current Expense | 313,200 | 98,000 | 62,500 | (35,500) |
| Other Charges/Pass Thru | 11,865,200 | 14,055,300 | 12,558,000 | (1,497,300) |
| Total | <u>\$12,178,400</u> | <u>\$14,153,300</u> | <u>\$12,620,500</u> | <u>(\$1,532,800)</u> |

Purpose

The Conservation and Development Fund helps finance multipurpose dams and large water systems. Funding is secured by purchase agreements between the Board and sponsors or by board purchase of general obligation or revenue bonds. Interest rates vary from 0 percent to 7 percent depending on ability to pay.

The table on the following page shows the status of approved projects and their associated funding.

| <u>Project Name</u> | <u>FY 2002 Funded</u> | <u>FY 2003 Contracted</u> | <u>FY 2003 Committed</u> | <u>FY 2003 Authorized</u> |
|------------------------------|---------------------------|-------------------------------|------------------------------|-------------------------------|
| Nibley City | 125,000 | | | |
| River Heights City | 839,000 | | | |
| Wellsville-Mendon Cons D | 192,000 | | | |
| Davis & Weber Canal Co | 2,425,000 | | | |
| Weber Basin WCD | 531,000 | | | |
| Ferron Canal & Reserv Co | 1,150,000 | | | |
| Morgan Secondary | 2,790,000 | | | |
| Summit Water Dist Co | 2,000,000 | | | |
| Tooele City (Bond Ins Grant) | 80,000 | | | |
| Alpine City (Bone Ins Grant) | 75,000 | | | |
| Nordic Mountain Water, Inc | 293,000 | | | |
| Willard City | 425,000 | | | |
| Price City | | | 2,885,000 | |
| Washington Co WCD | | | 75,000 | |
| Weber Basin WCD | | | 150,000 | |
| Jordan Valley WCD | | | 150,000 | |
| Midway Irr Co | | | 2,414,000 | |
| Uintah WCD (Red Wash) | | | | 1,940,000 |
| Strawberry Highline Canal Co | | | | 3,187,000 |
| Kanab Irr Co | | | | 62,000 |
| Center Ck Culinary Water Co | | | | 450,000 |
| Uintah WCD (Island Ditch) | | | | 720,000 |
| Mountain Regional Water | | | | 1,675,000 |
| Town of Brian Head | | | | 1,700,000 |
| Magna Water Co & Impr Dis | | | | 700,000 |
| New Santa Clara Field Canal | | | | 930,000 |
| Johnson Water Dist | | | | 659,000 |
| Ephraim Irr Co | | | | 1,155,000 |
| Centerville City | | | | 1,142,000 |
| Elsinore Town | | | | 514,000 |
| Tooele County | | | | 700,000 |
| Gunnison City | | | | 477,000 |
| Taylor-West Weber WID | | | | 825,000 |
| Totals | 10,925,000 | 0 | 5,674,000 | 16,836,000 |

Note: In addition to the projects shown in all of the Water Resources Capital Budget, the Board of Water Resources has applications pending totaling \$113,391,000.

4.3 Additional Information: Water Resources - Conservation and Development Fund

4.3.1 Funding History

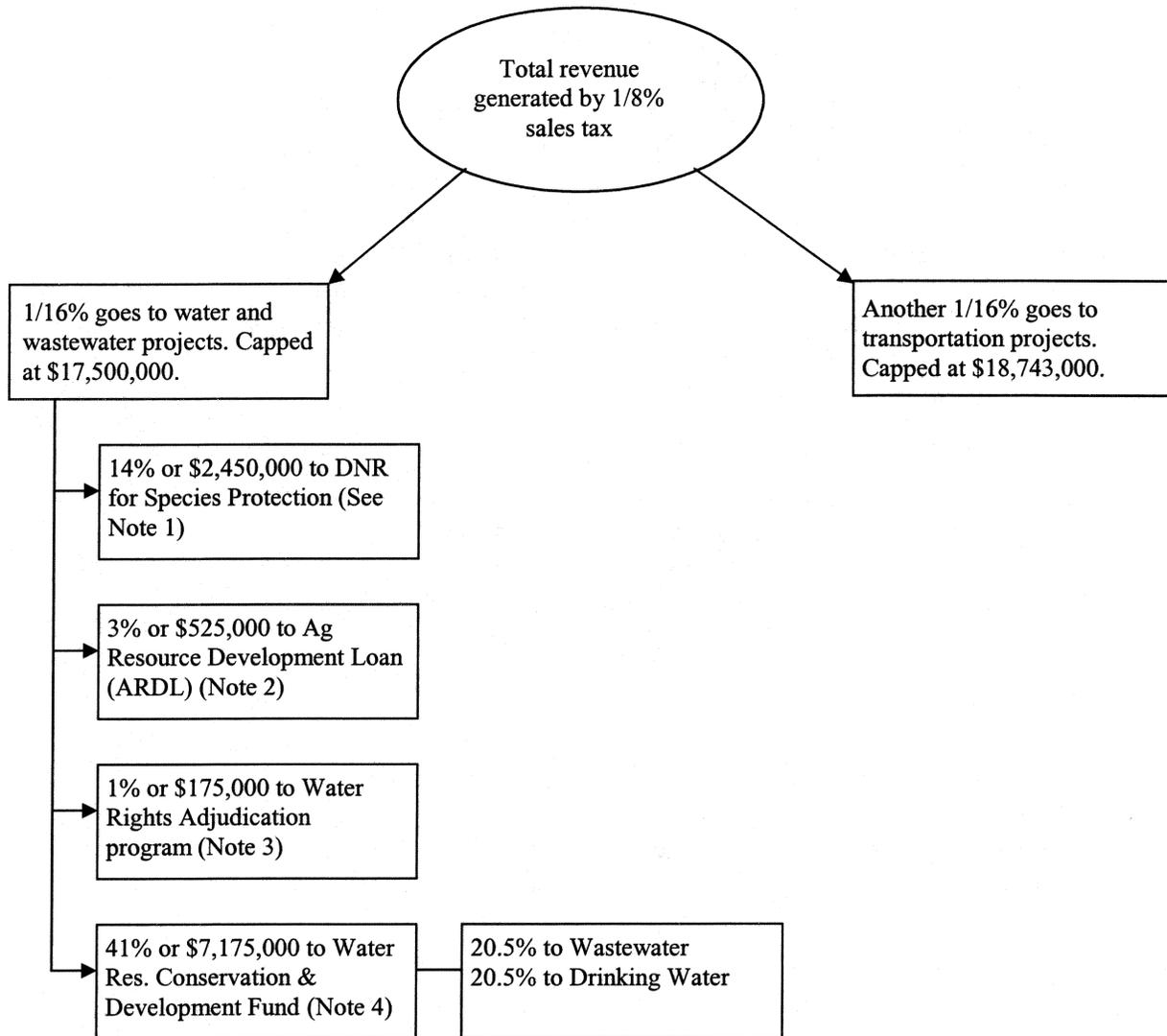
| | 2000 | 2001 | 2002 | 2003 | 2004 |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Financing | Actual | Actual | Actual | Estimated* | Analyst |
| General Fund | 1,089,500 | 1,089,500 | 1,089,500 | 1,043,200 | 1,043,200 |
| General Fund, One-time | | | (50,000) | | |
| Total | \$1,089,500 | \$1,089,500 | \$1,039,500 | \$1,043,200 | \$1,043,200 |
| Programs | | | | | |
| Conservation and Development Fund | 1,089,500 | 1,089,500 | 1,039,500 | 1,043,200 | 1,043,200 |
| Total | \$1,089,500 | \$1,089,500 | \$1,039,500 | \$1,043,200 | \$1,043,200 |
| Expenditures | | | | | |
| Other Charges/Pass Thru | 1,089,500 | 1,089,500 | 1,039,500 | 1,043,200 | 1,043,200 |
| Total | \$1,089,500 | \$1,089,500 | \$1,039,500 | \$1,043,200 | \$1,043,200 |
| FTE/Other | | | | | |

*General and school funds as revised by Supplemental Bills I-V, 2002 Gen and Spec Sessions. Others as estimated by agency.

4.3.2 Funding History – Not Appropriated

| | 2000 | 2001 | 2002 | 2003 | 2004 |
|-------------------------|---------------------|--------------------|---------------------|---------------------|---------------------|
| Financing | Actual | Actual | Actual | Estimated | Analyst |
| Designated Sales Tax | 8,193,500 | 8,940,300 | 7,485,500 | 1,785,000 | 7,175,000 |
| Transfers | (8,422,600) | (8,502,700) | (5,636,700) | (3,648,100) | (5,668,900) |
| Repayments | 9,103,400 | 10,467,400 | 10,812,400 | 10,100,300 | 10,482,000 |
| Beginning Nonlapsing | 11,961,200 | 3,665,100 | 6,065,700 | 6,548,500 | 632,400 |
| Closing Nonlapsing | (3,665,100) | (6,065,700) | (6,548,500) | (632,400) | |
| Total | \$17,170,400 | \$8,504,400 | \$12,178,400 | \$14,153,300 | \$12,620,500 |
| Programs | | | | | |
| Conserv & Devel Fund | 17,170,400 | 8,504,400 | 12,178,400 | 14,153,300 | 12,620,500 |
| Total | \$17,170,400 | \$8,504,400 | \$12,178,400 | \$14,153,300 | \$12,620,500 |
| Expenditures | | | | | |
| Current Expense | 582,400 | 484,800 | 313,200 | 98,000 | 62,500 |
| Other Charges/Pass Thru | 16,588,000 | 8,019,600 | 11,865,200 | 14,055,300 | 12,558,000 |
| Total | \$17,170,400 | \$8,504,400 | \$12,178,400 | \$14,153,300 | \$12,620,500 |

4.3.3 Distribution of 1/16% sales tax (see HB 6004 2002 Sixth Special Session)



Note 1: Species Protection Program

Prior to H.B. 6004, H.B. 275 (2000 General Session) authorized \$2.3 million to be distributed to DNR’s Species Protection program. Prior to H.B. 275, \$3 million of the funding distributed to Water Resources was passed through to the federal government for Central Utah Project (CUP) mitigation. The final CUP payment was made in FY 2001; the new payment for Species Protection began in FY 2002.

Note 2: Agriculture Resource Development Loan (ARDL) Fund

The ARDL was established as a revolving loan fund. House Bill 393, which passed during the 1996 legislative session, authorized \$500,000 to be added annually from the 1/16% sales tax revenue. This provides an automatic growth mechanism to the fund. Other funding sources include loan repayments and interest. Low interest loans may be made to farmers and ranchers for rangeland improvement, watershed protection, flood prevention, soil and water conservation, and

energy efficient farming projects. Senate Bill 200 (2002 General Session) reduced the FY 2003 distribution by \$310,000 (one time).

Note 3: Division of Water Rights' Adjudication Program

Statute requires that \$175,000 per year from the 1/16% sales tax go as dedicated credits to the Division of Water Rights to cover legal costs of water rights adjudication. In addition, the Adjudication program has been receiving an annual appropriation of approximately \$500,000 from the General Fund.

The Division of Water Rights has another connection to the 1/16% sales tax. The State Engineer oversees the Dam Safety program, which regulates the construction, repair, and long-term maintenance of dams. Some 350 dams are inspected annually. When the State Engineer requires a safety improvement, sales tax revenue may be used by the Board of Water Resources to finance the improvement. Approximately \$3.8M of the sales taxes that go to the Water Resources C&D fund each year are granted for this purpose.

Note 4: Water Resources Conservation and Development Fund

Forty-one percent of the sales tax revenue goes to the Conservation and Development (C&D) Fund administered by the Board of Water Resources. The C&D Fund helps finance large multipurpose dams and water systems. The Board of Water Resources also administers two other loan funds: the Revolving Construction Fund (which includes dam safety) and the Cities Water Fund.

Aside from construction, other statutory uses of the sales tax money include:

- Dam safety improvements. \$3.8 million has been transferred annually to the Revolving Construction Fund for grants to finance state-mandated dam safety improvements.
- Operating costs. Approximately \$1,500,000 per year is transferred to the Water Resources operating budget to investigate applications and manage construction.

Office of the
Legislative Fiscal Analyst

FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Natural Resources

Utah Department of Natural Resources
Wildlife Resources - Operating Budget

Contents:

- 1.0 Summary
- 2.0 Issues
- 3.0 Programs
- 4.0 Additional Information

This Page Intentionally Left Blank

1.0 Summary: Wildlife Resources - Operating Budget

In UCA 23-13-3 the Legislature declared that all wildlife within the state, not held by private ownership, is managed by the state. The Division of Wildlife Resources is the wildlife authority for the state under the broad policymaking authority of the Wildlife Board. There are five Regional Advisory Councils (RACs) that gather information and give input to the board.

The division manages all the fish and wildlife species, regulates hunting, fishing and trapping, and conducts nonconsumptive activities. The division employs staff in five regional offices in Ogden, Springville, Vernal, Price, Cedar City, and Salt Lake City.

Approximately seven percent of the division's operating budget comes from the General Fund. The remainder of the division's operating revenue comes from the following sources:

- GFR - Wildlife Resources Account. Funds approximately 65 percent of the division's operations. Revenue comes from sales of licenses, permits, tags, certificates of registration, sales or rental of property, fines and forfeitures, and interest.
- GFR - Wildlife Habitat Account. Pays approximately six percent of the division's operations. Revenue comes from a portion of the sales price of licenses, permits, tags, etc. This account must be used for habitat improvement projects across the state.
- Federal funds. Approximately twenty percent of the division's budget comes from this source. Two federal programs--the Sportfish Restoration Act and Wildlife Restoration Act--contribute on a 75 percent federal / 25 percent state matching basis. Most of these federal dollars are generated by excise taxes on wholesale manufacturers of sporting goods. In accepting federal funds, the state has agreed to meet certain conditions imposed by the U.S. Fish and Wildlife Service.

The division also has two small accounts. The GFR - Wildlife Heritage Account receives funding from sales of Heritage Certificates and is used for nonconsumptive purposes. About 800 certificates have been sold since 1994 and the fund only contains \$5,600. Due to the smallness of the fund, the division is not asking for any appropriations from it.

The GFR - Wildlife Resources Trust Account maintains the revenue from lifetime license sales. The 1999 Legislature approved a transfer of this money from the Operating budget to the Capital budget.

The following table shows account balances in the restricted funds:

Year-End Restricted Fund Balances

| | GFR-WL Resources | GFR-WL Habitat | Lifetime Licenses | Heritage Account | Hatchery Improve |
|-------------|---------------------|-------------------|----------------------|---------------------|---------------------|
| FY 1994 | 4,716,700 | 369,600 | 2,350,700 | 90 | 0 |
| FY 1995 | 3,035,000 | 381,600 | 2,420,300 | 1,200 | 0 |
| FY 1996 | 7,405,000 | 881,100 | 1,278,700 | 2,700 | 0 |
| FY 1997 | 10,261,500 | 927,300 | 1,229,900 | 2,900 | 0 |
| FY 1998 | 9,497,400 | 105,900 | 1,231,400 | 1,600 | 0 |
| FY 1999 | 7,538,800 | 51,500 | 1,233,400 | 1,900 | 422,800 |
| FY 2000 | 8,340,800 | 140,200 | 1,233,800 | 2,300 | 408,400 |
| FY 2001 | 7,567,300 | 262,400 | 1,233,800 | 3,600 | 864,700 |
| FY 2002 | 6,821,100 | 247,700 | 1,233,800 | 5,600 | 1,097,800 |
| FY 2003 Est | 6,100,300 | 250,000 | 1,233,800 | 5,600 | 900,000 |

Since its peak in FY 1997 the most important account—the GFR – Wildlife Resources Account—is trending downward. Still, an account balance of \$6 million after two difficult fiscal years is not an unenviable position.

| | Analyst FY 2004 Base | Analyst FY 2004 Changes | Analyst FY 2004 Total |
|---------------------------|----------------------------|-------------------------------|-----------------------------|
| Financing | | | |
| General Fund | 2,708,400 | (18,100) | 2,690,300 |
| Federal Funds | 8,096,900 | | 8,096,900 |
| Dedicated Credits Revenue | 105,200 | | 105,200 |
| GFR - Wildlife Habitat | 2,385,100 | | 2,385,100 |
| GFR - Wildlife Resources | 23,265,100 | | 23,265,100 |
| Total | \$36,560,700 | (\$18,100) | \$36,542,600 |
| Programs | | | |
| Director's Office | 1,728,500 | (18,100) | 1,710,400 |
| Administrative Services | 5,574,600 | | 5,574,600 |
| Conservation Outreach | 1,822,200 | | 1,822,200 |
| Law Enforcement | 6,435,500 | | 6,435,500 |
| Habitat Council | 2,385,100 | | 2,385,100 |
| Habitat Section | 3,291,900 | | 3,291,900 |
| Wildlife Section | 6,816,000 | | 6,816,000 |
| Aquatic Section | 8,506,900 | | 8,506,900 |
| Total | \$36,560,700 | (\$18,100) | \$36,542,600 |
| FTE/Other | | | |
| Total FTE | 410 | | 410 |

2.0 Issues: Wildlife Resources - Operating Budget

2.1 Previous Budget Reductions

During the 2002 General Session and subsequent special sessions, the Legislature made the following ongoing General Fund adjustments:

| | |
|---|---------------------------|
| FY 2003 Beginning Base: | <u>\$3,118,200</u> |
| ISF rate changes | (8,100) |
| Retirement rate/extra working day adjustments | 8,300 |
| Insurance benefit adjustments | 26,800 |
| Position eliminations | (150,200) |
| Internal spending cuts | (74,900) |
| Reduce compensation increase | (50,000) |
| Across-the-board cuts (sixth special session) | <u>(161,700)</u> |
| FY 2004 Beginning Base | <u>\$2,708,400</u> |

2.2 Information Technology / Retirement Rate Savings

The FY 2004 beginning base has been reduced by mandated statewide information technology savings and by reductions to statewide retirement rates. The portion of savings applicable to this line item is shown below.

| | |
|--------------------------------------|---------------------------|
| IT/Retirement Savings | <u>(\$18,100)</u> |
| New FY 2004 General Fund Base | <u>\$2,690,300</u> |

2.3 Fishery Improvements

The 2001 Legislature appropriated one-time General Funds in the amount of \$300,000 to establish a Blue Ribbon Fisheries program across the state. Then the 2002 Legislature approved a \$2 increase to the price of most fishing licenses and directed that \$500,000 of the new revenues be spent on the Blue Ribbon Fisheries program and \$250,000 on the Community Fisheries program. The Analyst recommends the division report on its progress in developing the two programs and report on how the funds have been spent.

2.4 Performance Measures

This will be the third year of collecting performance measure data for the division. Prior to the 2001 General Session the division was chosen as a “pilot” agency for performance-based budgeting. The purpose was to gauge whether performance measures would provide committee members better information, thus improving committee hearings, in the short amount of time available. The Analyst attempted to pick a few measures that reveal whether the division is achieving its core outcomes. It is hoped that the quality and utility of the selected measures will continue to improve over time, and that they will help the division and the Legislature in making budgetary decisions. The Analyst welcomes input from committee members on the performance measures selected.

Performance Based Budgeting should not be expected to be a formulaic system of automated budgeting. Good performance measures generally raise more questions than they provide simple answers. Some practitioners prefer to use the phrase “Performance Influenced Budgeting.” In fact, the Process Committee chose to refer to it this way. The political system of making choices in an environment of competing demands will not be replaced. The advantage of PBB is that legislators are provided better information.

3.0 Programs: Wildlife Resources - Operating Budget

3.1 Director's Office

Recommendation

The Analyst recommends a total budget of \$1,710,400. Personal Services comprise 64 percent of the recommended budget.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------------|--------------------|--------------------|--------------------|-------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 226,000 | 343,200 | 309,100 | (34,100) |
| General Fund, One-time | (1,200) | | | |
| Federal Funds | 85,900 | 30,000 | 30,000 | |
| Dedicated Credits Revenue | 3,000 | | | |
| GFR - Wildlife Resources | 3,307,600 | 1,367,600 | 1,371,300 | 3,700 |
| Lapsing Balance | (1,921,000) | | | |
| Total | \$1,700,300 | \$1,740,800 | \$1,710,400 | (\$30,400) |
| Expenditures | | | | |
| Personal Services | 1,031,000 | 1,097,300 | 1,097,400 | 100 |
| In-State Travel | 84,800 | 53,800 | 53,800 | |
| Out of State Travel | 18,900 | 24,400 | 24,400 | |
| Current Expense | 346,600 | 350,000 | 319,500 | (30,500) |
| DP Current Expense | 15,000 | 15,300 | 15,300 | |
| Capital Outlay | 3,900 | | | |
| Other Charges/Pass Thru | 200,100 | 200,000 | 200,000 | |
| Total | \$1,700,300 | \$1,740,800 | \$1,710,400 | (\$30,400) |
| FTE/Other | | | | |
| Total FTE | 15 | 16 | 16 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The Director's Office is responsible for the management of the division. It has the responsibility for strategic, programmatic and operational direction, coordination of regional activities, organizational structure, budgets, personnel needs and rules. It is also responsible for interaction with the Legislature, Department of Natural Resources, Wildlife Board, Regional Advisory Councils, the media, constituency groups, other government agencies, private institutions and governing bodies.

Performance Measures

1. Overall customer satisfaction, as measured in independent surveys.

The division contracted with Utah State University to conduct a study of "Utah Residents' Views of Selected Wildlife Management Issues." The Report, completed in 1999, surveyed both consumptive and non-consumptive members of the public in many areas. When surveyed about overall satisfaction with DWR Management, the following results were established.

On a scale of 1-10, with 10 being the best, what is your overall satisfaction with UDWR Management? Of 1,529 people surveyed with interests categorized as follows:

| <u>Group</u> | <u>Satisfaction level</u> |
|------------------------|---|
| Hunters | 5.05 (active in wildlife activities) |
| Anglers | 5.59 (active in wildlife activities) |
| Non-Consumptive | 5.67 (active in wildlife activities) |
| High Interest Citizens | 6.07 (non-participative in wildlife activities) |
| Low Interest Citizens | 4.86 (non-participative in wildlife activities) |

This complete report surveyed dozens of other wildlife related attitudes and was over 200 pages in total, for a cost of about \$50,000. Because of the cost and time to complete the survey the division has planned to perform this survey in five-year increments.

2. Overall employee satisfaction, as measured in independent surveys.

The division contracted with Utah State University to conduct a study of "Managers Attitudes, Beliefs and Ideas within the DWR." The report, completed in April 2000, surveyed employees and allowed them to respond anonymously in order to promote an open forum for disclosure of ideas and employee opinions. When surveyed about overall satisfaction with DWR Management, the following results were established.

"On a scale of 1-10, with 10 being the best, what is your overall job satisfaction with UDWR?" Of 74 employees surveyed the median response was 6.0.

3.2 Administrative Services

Recommendation The Analyst recommends a total budget of \$5,574,600. Personal Services comprise 43 percent of the recommended budget.

| | 2002 | 2003 | 2004 | Est/Analyst |
|--------------------------|--------------------|--------------------|--------------------|-------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 1,500 | 236,800 | 223,000 | (13,800) |
| General Fund, One-time | (1,500) | | | |
| Federal Funds | 80,200 | 82,200 | 82,200 | |
| GFR - Wildlife Resources | 4,930,800 | 5,266,800 | 5,269,400 | 2,600 |
| Total | \$5,011,000 | \$5,585,800 | \$5,574,600 | (\$11,200) |
| Expenditures | | | | |
| Personal Services | 2,244,400 | 2,405,700 | 2,413,400 | 7,700 |
| In-State Travel | 15,900 | 19,400 | 23,900 | 4,500 |
| Out of State Travel | 5,100 | 6,800 | 6,800 | |
| Current Expense | 2,383,800 | 2,747,500 | 2,727,600 | (19,900) |
| DP Current Expense | 361,800 | 406,400 | 402,900 | (3,500) |
| Total | \$5,011,000 | \$5,585,800 | \$5,574,600 | (\$11,200) |
| FTE/Other | | | | |
| Total FTE | 47 | 50 | 50 | |

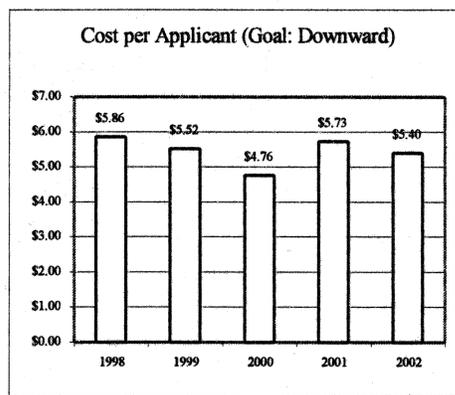
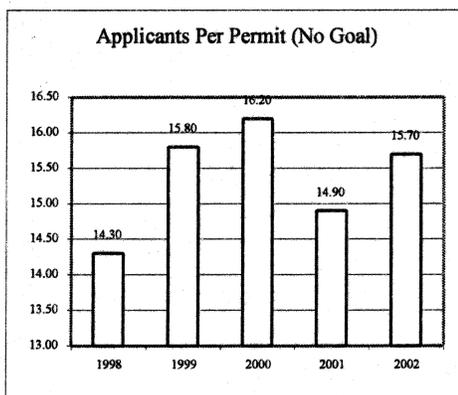
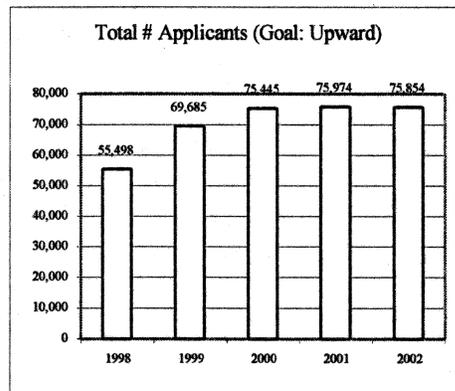
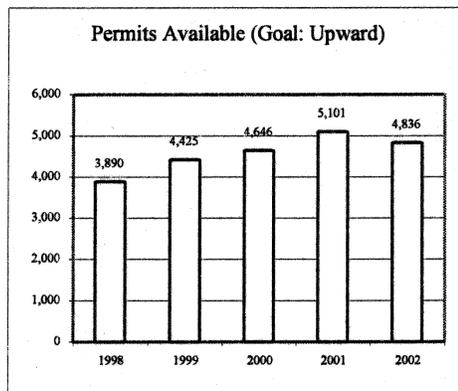
*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The Administrative Services program provides support services for the division. All financial activities are managed through the Fiscal Management program. This includes Federal Aid programs, revenue collection and budgeting, and contracts and agreements. The Licensing area of Public Services issues and reconciles all hunting and fishing licenses with the regions and retail outlets.

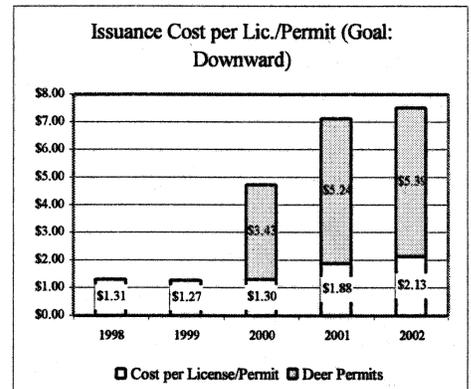
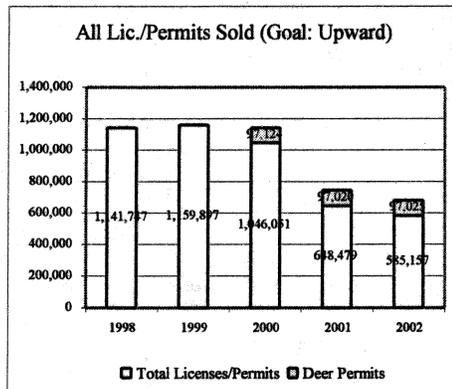
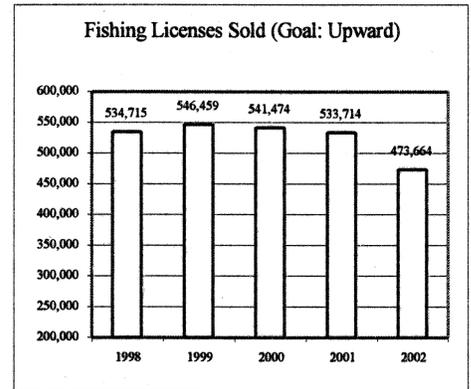
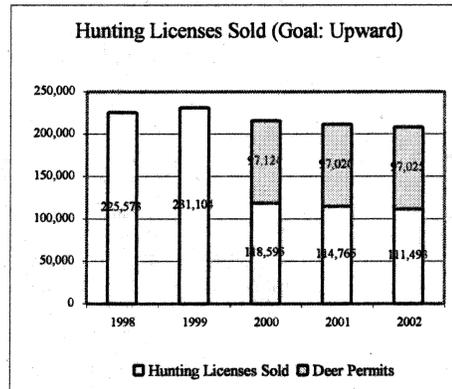
Performance Measures

1. Number of applications for available limited entry hunting permits (bucks and bulls) and average total cost to issue a permit (excludes general season deer permits).



Assessment: This performance measure indicates how well the division is advertising its special, non-traditional hunting opportunities. It also indicates the public's interest in these opportunities. Some growth in the numbers can be attributed to natural population growth. Nevertheless, public awareness of these hunting opportunities appears to be leveling off after increasing in 1998-2000. In 2002 the number of permits available decreased slightly, thus increasing the number of applicants per permit, and driving down the cost per applicant. This means a slightly smaller percentage of applicants are getting permits than in 2001.

2. Total Number of Licenses/Permits Processed and cost per License/Permit (excludes draw permits)



Note: License data is collected on a calendar year basis. Costs include documents, labor, outside data input, and agent commissions. Deer permits include cost of contractor to perform the draw, but DWR staff costs are in the other license costs. Ending quantities for 2002 licenses are estimates.

Assessment: This measure indicates how many members of the public are accessing division services, and the efficiency with which this program is delivering licenses. In 2000, the division began selling general season deer permits through a contractual draw. These permits are shown separately in the above graphs. While hunting licenses sold have remained relatively steady, fishing licenses sold are declining. The total number of licenses/permits sold in 2001 declined by approximately 380,000 due to elimination of the Habitat Authorization requirement (S.B. 248).

Nevertheless, the cost per license issued, both internally and by draw, increased in 2002. The Analyst recommends the division discuss reasons for these cost increases.

3.3 Conservation Outreach

Recommendation

The Analyst recommends a total budget of \$1,822,200. Personal Services comprise 65 percent of the recommended budget.

| | 2002 Actual | 2003 Estimated* | 2004 Analyst | Est/Analyst Difference |
|---------------------------|--------------------|--------------------|--------------------|---------------------------|
| Financing | | | | |
| General Fund | 154,300 | 171,100 | 171,800 | 700 |
| Federal Funds | 105,500 | 83,700 | 83,800 | 100 |
| Dedicated Credits Revenue | 36,700 | 63,000 | 63,000 | |
| GFR - Wildlife Resources | 1,402,800 | 1,500,100 | 1,503,600 | 3,500 |
| Total | \$1,699,300 | \$1,817,900 | \$1,822,200 | \$4,300 |
| Expenditures | | | | |
| Personal Services | 1,064,000 | 1,175,000 | 1,178,600 | 3,600 |
| In-State Travel | 14,700 | 11,800 | 11,800 | |
| Out of State Travel | 3,200 | 7,700 | 7,700 | |
| Current Expense | 587,600 | 597,700 | 598,400 | 700 |
| DP Current Expense | 29,800 | 19,700 | 19,700 | |
| DP Capital Outlay | | 5,000 | 5,000 | |
| Other Charges/Pass Thru | | 1,000 | 1,000 | |
| Total | \$1,699,300 | \$1,817,900 | \$1,822,200 | \$4,300 |
| FTE/Other | | | | |
| Total FTE | 25 | 25 | 25 | |

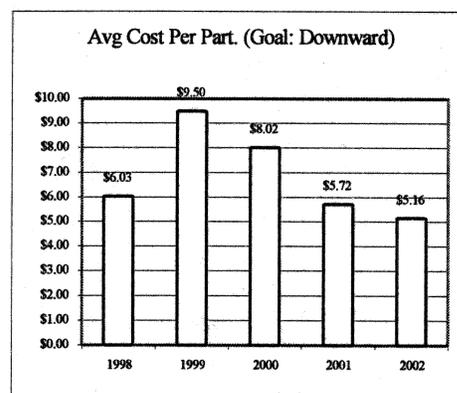
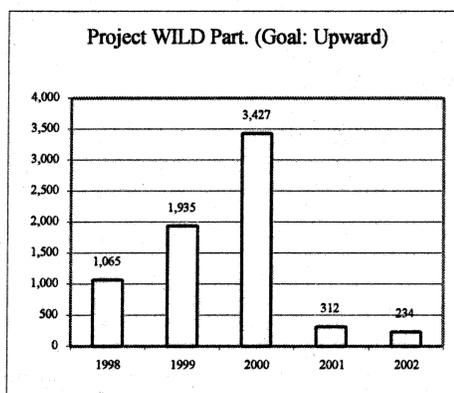
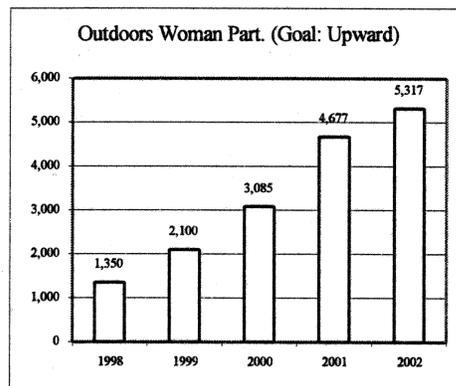
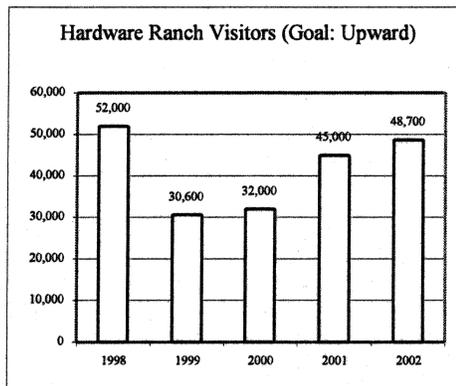
*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

Conservation Outreach is the division's arm for providing conservation services and awareness to the public. Programs include Project WILD, Discover Utah Wildlife, Hardware Ranch, Becoming an Outdoors Woman, Aquatic Education, watchable wildlife, nature tourism, nature festivals, and various other public displays.

Performance Measures

1. Total number of participants and cost per participant for division sponsored outreach programs.



Assessment: The benefit of this program is its ability to deliver wildlife awareness to the public. There are more activities in the program than captured in this performance measure, but it is hoped the performance measure provides a snapshot of program activities.

Results are mixed, but generally show the division's outreach programs are increasing their exposure. Visits to Hardware Ranch are largely dependent on snow levels, since visitors want to enjoy a sleigh ride and see herds of elk. There are fewer opportunities to participate in these activities during low snow years, hence the decline in 1999 and 2000. However, Hardware Ranch's primary mission is its critical winter feeding program, not its public outreach program. "Becoming an Outdoors Woman" is a fee-based program to teach women outdoors skills, and appears to be rapidly gaining in popularity. Project Wild is a program to educate school children about wildlife. The medium of a classroom limits the number of people that can be reached. As almost all costs are fixed and independent of the number of visitors, increasing visitor numbers (especially at Hardware Ranch) force the cost per visitor lower. Other division outreach efforts (radio, TV) are difficult to measure.

3.4 Law Enforcement

Recommendation

The Analyst recommends a total budget of \$6,435,500. Personal Services comprise 79 percent of the recommended budget.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------------|--------------------|--------------------|--------------------|-------------------|
| Financing | Actual | Estimated* | Analyst | Difference |
| General Fund | 847,300 | 634,900 | 633,600 | (1,300) |
| General Fund, One-time | (1,700) | | | |
| Federal Funds | 284,700 | 448,900 | 449,700 | 800 |
| Dedicated Credits Revenue | 76,700 | | | |
| GFR - Wildlife Resources | 5,150,000 | 5,334,200 | 5,352,200 | 18,000 |
| Total | \$6,357,000 | \$6,418,000 | \$6,435,500 | \$17,500 |
| Expenditures | | | | |
| Personal Services | 4,959,800 | 5,043,100 | 5,058,500 | 15,400 |
| In-State Travel | 30,300 | 31,600 | 34,800 | 3,200 |
| Out of State Travel | 5,000 | 11,200 | 11,200 | |
| Current Expense | 1,315,500 | 1,291,400 | 1,290,300 | (1,100) |
| DP Current Expense | 29,500 | 17,700 | 17,700 | |
| Capital Outlay | 14,400 | 23,000 | 23,000 | |
| Other Charges/Pass Thru | 2,500 | | | |
| Total | \$6,357,000 | \$6,418,000 | \$6,435,500 | \$17,500 |
| FTE/Other | | | | |
| Total FTE | 80 | 85 | 85 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

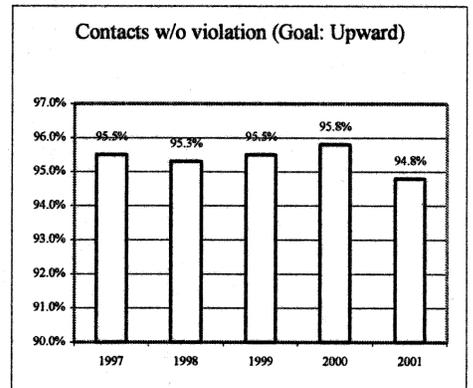
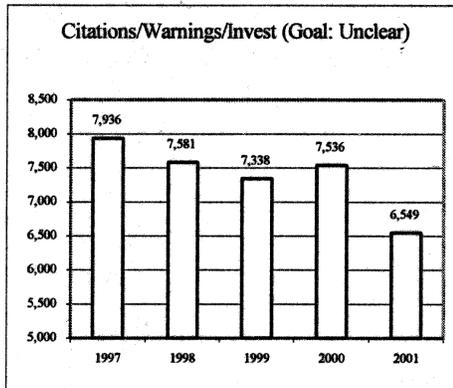
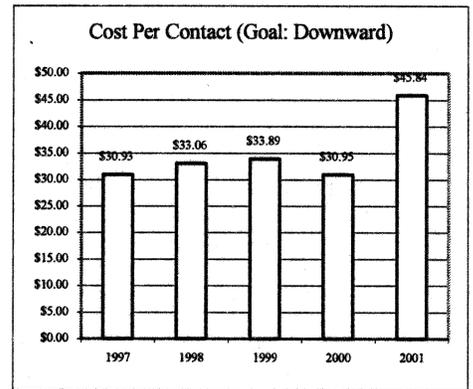
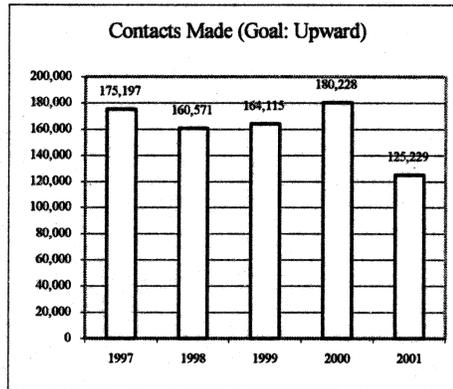
Purpose

The primary responsibility of this section is to favorably control human interaction with wildlife resources by enforcing state wildlife laws and, through voluntary compliance, seeking protection of resources and orderly use of resources. Officers in the law enforcement section have all the powers of law enforcement officers throughout the state. Law Enforcement employs approximately 72 officers.

Hunter Education teaches safe handling of firearms, respect for wildlife, furbearer education, and ethical hunting practices. Using federal Pittman-Robertson Act funds, the division operates the Lee Kay Center in Salt Lake County and the Cache Valley Center in Logan. \$1 from each hunting license sold goes to fund Hunter Education.

Performance Measures

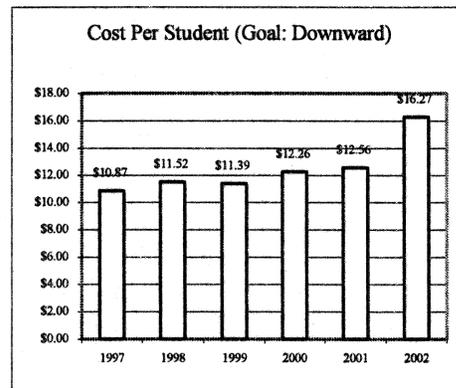
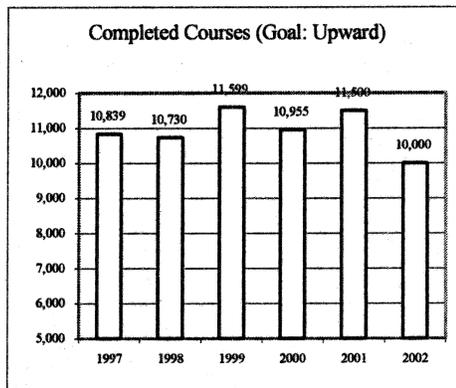
1. Number of contacts, cost per contact, and percent of contacts that did not result in a violation.



Note: Division Conservation Officers are directed to spend up to 20 percent of their time on other duties such as deprecation and landowner assistance, thereby inflating the cost per contact. Calendar Year 2002 numbers have not been collected yet.

Assessment: The number of public contacts has declined, most markedly in 2001. The Analyst believes public contacts are an important deterrent as well as an opportunity for customer service. The division has provided two reasons for the reduction in contact numbers. First, budgetary constraints have prevented them from filling vacant positions. Second, a greater emphasis on investigations has diverted manpower from maintaining the previous level of public contacts. The Analyst suggests the committee request more information regarding this decline.

2. Number of students completing hunter safety courses, and total average cost per student



Note: Calendar year 2002 numbers are estimates, as final numbers are still coming in from instructors.

Assessment: The number of students completing hunter safety courses averages about 11,000 per year. The decline in 2002 may be a normal cyclical drop, but will need to be watched to see if it is part of a downward trend. The lower number of students completing training pushed the cost per student up in 2002.

3.5 Habitat Council

Recommendation

The Analyst recommends a total budget of \$2,385,100, entirely from the restricted Habitat account and nonlapsing funds. Almost all of this money will go directly to habitat improvement projects.

| | 2002 Actual | 2003 Estimated* | 2004 Analyst | Est/Analyst Difference |
|-------------------------|--------------------|--------------------|--------------------|---------------------------|
| Financing | | | | |
| General Fund | 100 | | | |
| General Fund, One-time | (100) | | | |
| Federal Funds | 29,600 | | | |
| GFR - Wildlife Habitat | 2,383,100 | 2,385,100 | 2,385,100 | |
| Beginning Nonlapsing | 660,000 | 500,000 | | (500,000) |
| Closing Nonlapsing | (500,000) | | | |
| Lapsing Balance | (331,700) | | | |
| Total | \$2,241,000 | \$2,885,100 | \$2,385,100 | (\$500,000) |
| Expenditures | | | | |
| Personal Services | 371,300 | 295,800 | 296,900 | 1,100 |
| In-State Travel | 7,700 | 7,700 | 7,700 | |
| Current Expense | 1,565,100 | 1,832,200 | 1,656,100 | (176,100) |
| DP Current Expense | 600 | 600 | 600 | |
| Capital Outlay | 222,300 | 674,800 | 349,800 | (325,000) |
| Other Charges/Pass Thru | 74,000 | 74,000 | 74,000 | |
| Total | \$2,241,000 | \$2,885,100 | \$2,385,100 | (\$500,000) |
| FTE/Other | | | | |
| Total FTE | 12 | 11 | 11 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The Habitat Council is statutorily required to advise the Director on habitat issues and recommend uses of monies in the General Fund restricted – Wildlife Habitat Account. The Habitat Council reviews all habitat and sportsmen access project proposals.

**Intent
Language**

The Analyst recommends **maintaining** the following intent language from S.B. 1, 2002 General Session:

It is the intent of the Legislature that appropriations from the General Fund Restricted – Wildlife Habitat Account be nonlapsing.

It is the intent of the Legislature that the Division of Wildlife Resources spend a minimum of \$70,000 from the General Fund Restricted - Wildlife Habitat Account for purposes stated in UCA 23-19-43(5)(a)(i) (control of predators).

Performance Measures

1. Number of acres protected/managed by the division and the average cost per acre.

| | <u>2000</u> | <u>2001</u> | <u>2002</u> |
|---------------------------------|-------------|-------------|-------------|
| Acres Owned Fee Simple | 413,252 | 419,619 | 419,113 |
| Acres of Conservation Easements | 10,680 | 13,983 | 16,450 |
| Average Cost/Acre to Manage | \$2.23 | \$2.16 | \$2.84 |
| Payments in Lieu of Taxes | \$211,500 | \$239,182 | \$259,849 |

Assessment: Data prior to FY 2000 is not available. The number of acres owned declined slightly in 2002, but acres of conservation easements increased by 18 percent compared to 2001. Acres of conservation easements should continue to grow as funds appropriated in FY 2002 are used to purchase former trust lands. There are many costs and factors involved in owning land, and all costs cannot be segregated through the current accounting structure. The costs above, however, do represent most costs.

2. Completed Projects

| | <u>Amount</u> | <u>Description</u> |
|--|---------------|------------------------------|
| Statewide | | |
| Habitat administration | \$103,400 | Program administration |
| Waterfowl contingency | 6,300 | Waterfowl projects at WMAs |
| *School Trust Land access | 221,000 | Annual sportsman access fee |
| *Predator control | 87,900 | Upland game management |
| Access to Wildlife Lands | 12,600 | Division publication |
| Subtotal | \$431,200 | |
| Northern Region | | |
| WMA maintenance projects | \$24,300 | Fences, signs, weed control |
| Ogden Bay WMA | | |
| Upland development | 4,300 | Habitat improvements |
| Wetland habitat technician | 600 | WMA maintenance activities |
| Farmington Bay WMA | | |
| Habitat technician | 8,200 | WMA maintenance activities |
| Carp control | 2,900 | Rotenone treatment |
| Public, Salt Ck, Locomotive Springs WMAs | | |
| Habitat technician | 13,100 | WMA maintenance activities |
| Compton Knoll Development | 20,900 | Wildlife viewing area |
| Water Control Structures | 8,400 | Water level management |
| Curtis Creek restoration | 41,400 | Stream restoration project |
| Kaysville Pond | 369,200 | Community fishery |
| Blacksmith Fork 2 nd Dam | 80,000 | Dredging |
| Weber River restoration-Morgan | 60,500 | Stream restoration |
| Harold Crane WMA access | 26,500 | Sportsman access acquisition |
| Subtotal | \$660,300 | |

Northeastern Region

| | | |
|-------------------------------|-----------|------------------------------|
| WMA maintenance projects | \$75,500 | Fences, signs, weed control |
| Browns Park WMA maintenance | 15,200 | WMA maintenance activities |
| Currant Creek WMA road maint. | 16,600 | Road maintenance and closure |
| Subtotal | \$107,300 | |

Central Region

| | | |
|-------------------------------------|-----------|--------------------------------------|
| WMA maintenance projects | \$44,700 | Fences, signs, roads, weed control |
| Sanpete County habitat leases | 17,800 | Pheasant habitat on private lands |
| Lakeside/Grassy Mtn guzzlers | 18,700 | Water development for wildlife |
| Regional guzzler maintenance | 900 | Material for guzzler repair |
| Mill Race sportsman access | 7,800 | Boat ramp and parking expansion |
| Yuba Res. habitat improvements | | |
| Fish habitat structures | 8,000 | Artificial structures and Xmas trees |
| Spawning habitat development | 8,600 | Shoreline berms |
| Timpanogos wetland project | 30,500 | Wetland enhancement design |
| Thistle Creek – material stockpile | 21,400 | Root wads salvaged locally |
| Strawberry River enhancement (ph 1) | 20,200 | Root wads and rocks stockpiled |
| Thistle Creek restoration | 73,500 | Stream restoration project |
| Subtotal | \$252,100 | |

Southern Region

| | | |
|--|-----------|--|
| WMA maintenance projects | \$83,400 | Fences, signs, roads, weed control |
| Clear Lake, Topaz, Bicknell, Redmond WMAs | | |
| Habitat technician | 11,300 | WMA maintenance activities |
| Culverts | 2,800 | Replaced old culverts |
| Farming contract | 1,500 | Irrigation expenses |
| Pahvant WMA | | |
| Shelterbelts | 2,500 | Shelterbelt planted for wildlife |
| WMA maintenance projects | 9,800 | Fences, signs, roads, weed control |
| Blackrock guzzlers | 37,700 | Water developments |
| Panguitch prescribed burn (ph 1) | 10,000 | Fireline construction (juniper remove) |
| Roller Mill habitat improvement | 13,100 | Sagebrush thinning, seeding |
| Native cutthroat trout migration barrier | 3,900 | Pine Creek and Twitchell Creek |
| Black Canyon WMA (Ph 2) | 115,100 | Stream restoration |
| Minersville Reservoir Dam Maint | 20,300 | Cooperative maintenance project |
| Skyline Drive fishing pond | 54,700 | Community fishery in St George |
| East Clark Bench water development | 4,800 | Clean and repair ponds |
| West desert antelope guzzlers | 18,600 | Water developments for wildlife |
| Bighorn sheep water development | 5,000 | Clean and repair ponds |
| Gates Lake | 5,000 | Acquired reservoir for fishery |
| Wahweap Creek stabilization | 55,300 | Stabilize bank, protect hatchery |
| Sevier River riparian enhancement | 300 | Coop. project with Garfield County |
| Subtotal | \$455,100 | |

| Southeastern Region | | |
|--------------------------------------|------------------|---------------------------------------|
| WMA maintenance projects | \$46,800 | Fences, signs, roads, weed control |
| Habitat biologist position | 26,000 | Carried out reg. habitat dev. program |
| Desert Lake WMA | | |
| Seasonal personnel | 1,800 | WMA maintenance activities |
| Purple loosestrife control | 3,900 | Weed control |
| Regional guzzler maintenance | 5,100 | Material for guzzler repairs |
| Horse Creek habitat improvement | 6,400 | Co-op project with BLM |
| South Mesa lake enhancement (ph 1) | 18,700 | Dredging |
| Right Fork White River restor (ph 2) | 27,200 | Stream restoration |
| Gigliotti Pond | 168,800 | Community Fishery |
| Ferron Reservoir | 10,000 | Engineering for dam maintenance |
| Gunnison Sage Grouse cons easement | 5,800 | Appraisal and closing costs |
| Bighorn sheep guzzlers | 4,000 | Two guzzlers for Range Ck. herd |
| Scofield Reservoir angler access | 2,500 | Completion of FY 2001 project |
| Subtotal | \$327,000 | |
| Total | 2,233,000 | |

3.6 Habitat Section

Recommendation

The Analyst recommends a total budget of \$3,291,900. Personal Services comprise 65 percent of the recommended budget.

| | 2002 | 2003 | 2004 | Est/Analyst |
|--------------------------|--------------------|--------------------|--------------------|------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 238,300 | 304,500 | 295,000 | (9,500) |
| General Fund, One-time | (100) | | | |
| Federal Funds | 549,700 | 632,400 | 633,900 | 1,500 |
| GFR - Wildlife Resources | 2,117,900 | 2,358,100 | 2,363,000 | 4,900 |
| Total | \$2,905,800 | \$3,295,000 | \$3,291,900 | (\$3,100) |
| Expenditures | | | | |
| Personal Services | 1,826,900 | 2,139,300 | 2,146,100 | 6,800 |
| In-State Travel | 18,700 | 22,800 | 22,800 | |
| Out of State Travel | 6,300 | 10,900 | 10,900 | |
| Current Expense | 765,300 | 829,200 | 819,300 | (9,900) |
| DP Current Expense | 26,900 | 27,800 | 27,800 | |
| DP Capital Outlay | 250,700 | | | |
| Capital Outlay | | 250,000 | 250,000 | |
| Other Charges/Pass Thru | 11,000 | 15,000 | 15,000 | |
| Total | \$2,905,800 | \$3,295,000 | \$3,291,900 | (\$3,100) |
| FTE/Other | | | | |
| Total FTE | 40 | 43 | 43 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The Habitat Section focuses on analyzing resource development impacts, acquiring and managing fish and wildlife habitat, staffing the Habitat Council process, developing and maintaining a central database on fish, wildlife and plants, administering the division's GIS program, and running the range inventory program and Great Basin Research Center. The remainder of the section coordinates regional planning efforts and serves as liaison with federal conservation programs.

The section seeks to conserve open space, both in urban areas and in rural areas where family-owned farms and ranches are at risk of being lost. Staff is identifying high value wildlife areas in the state to help landowners, decision makers, and others in addressing issues posed by open space management. The Habitat Section is also responsible for the lands owned by the division.

Performance Measures

The performance of this section is indicated with the same measures as listed under the Habitat Council.

3.7 Wildlife Section

Recommendation

The Analyst recommends a total budget of \$6,816,000. Personal Services comprise 54 percent of the recommended budget.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------------|--------------------|--------------------|--------------------|--------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 1,152,600 | 814,400 | 808,100 | (6,300) |
| General Fund, One-time | (67,900) | | | |
| Federal Funds | 2,420,400 | 2,765,300 | 2,768,700 | 3,400 |
| Dedicated Credits Revenue | | 25,700 | 25,700 | |
| GFR - Wildlife Resources | 2,369,700 | 3,204,300 | 3,213,500 | 9,200 |
| Beginning Nonlapsing | 551,200 | 363,200 | | (363,200) |
| Closing Nonlapsing | (363,200) | | | |
| Total | \$6,062,800 | \$7,172,900 | \$6,816,000 | (\$356,900) |
| Expenditures | | | | |
| Personal Services | 3,366,200 | 3,695,900 | 3,708,500 | 12,600 |
| In-State Travel | 58,600 | 56,500 | 56,500 | |
| Out of State Travel | 15,800 | 23,100 | 23,100 | |
| Current Expense | 1,961,400 | 2,361,100 | 2,211,100 | (150,000) |
| DP Current Expense | 38,500 | 20,900 | 20,900 | |
| Capital Outlay | 3,000 | | | |
| Other Charges/Pass Thru | 619,300 | 1,015,400 | 795,900 | (219,500) |
| Total | \$6,062,800 | \$7,172,900 | \$6,816,000 | (\$356,900) |
| FTE/Other | | | | |
| Total FTE | 68 | 69 | 69 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The Wildlife Section is responsible for the terrestrial wildlife management programs in the division. It manages and conserves over 350 species of wildlife including non-game birds and small mammals, threatened and endangered species, upland game species, furbearers, cougar, bear, big game and waterfowl. The section also addresses the needs of sportsmen, private landowners and the general public through falconry, Dedicated Hunter, Cooperative Wildlife Management Units, and depredation management programs.

Regional wildlife biologists implement strategies to achieve wildlife goals and objectives planned by program coordinators and detailed in species management plans such as those enacted for deer and elk. Biologists conduct surveys and closely monitor wildlife populations and habitat conditions throughout the state. They make recommendations to the Wildlife Board for the prudent harvest of game species and the conservation of native wildlife.

Efforts are made to assist private landowners affected by wildlife, both positively (Cooperative Wildlife Management Units) and negatively (depredation).

Intent Language

The Analyst recommends **maintaining** the following intent language from S.B. 1, 2002 General Session:

UCA 23-24-1 states that no more than half of the compensation may come from the GFR – Wildlife Resources Account

The Legislature intends that up to \$500,000 of this budget may be used for big game depredation expenditures. The Legislature also intends that half of these funds shall be from the General Fund Restricted – Wildlife Resources Account and half from the General Fund. This funding shall be nonlapsing.

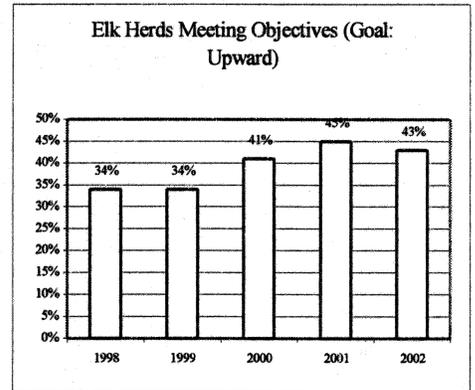
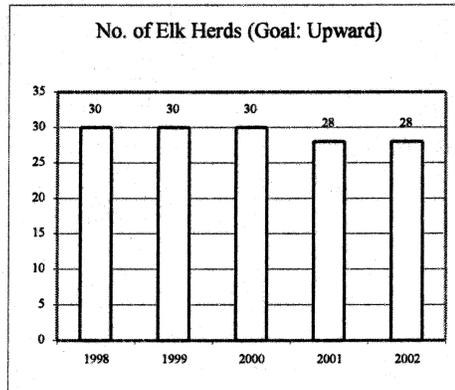
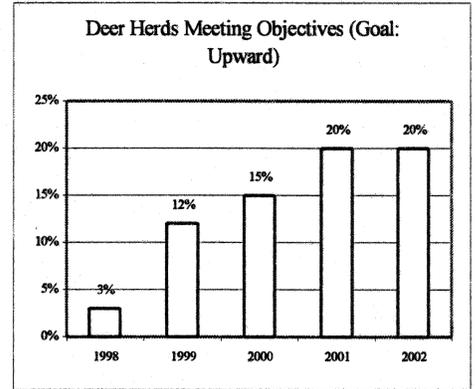
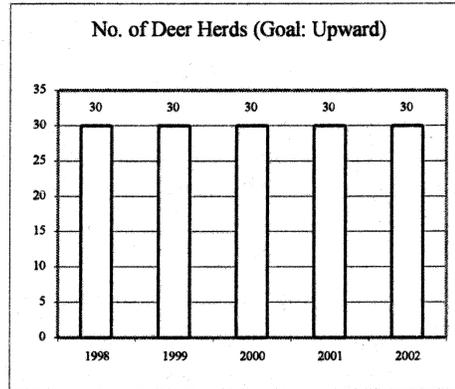
It is the intent of the Legislature that the Division of Wildlife Resources emphasize as much as possible the revenue-generating activities within its mission.

It is the intent of the Legislature that the Division of Wildlife Resources transfer \$200,000 General Funds to the Department of Agriculture and Food. It is further the intent of the Legislature that \$100,000 of this transfer be used to match funds from local governments in the Predatory Animal Control Program, and \$100,000 be used to supplement the amount required by UCA 4-23-9(2)(a).

It is the intent of the Legislature that the division spend a minimum of \$265,000 to improve deer herds according to management plan objectives.

Performance Measures

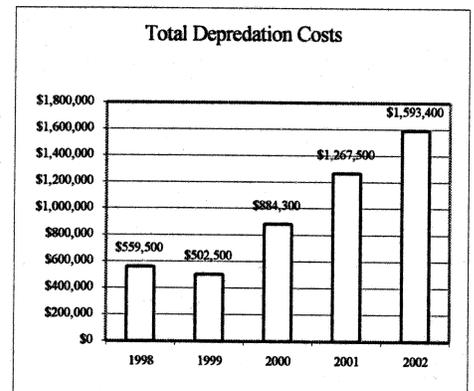
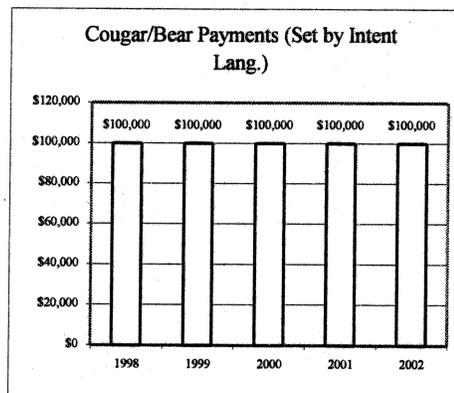
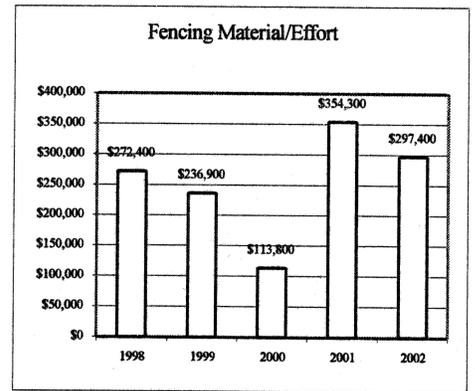
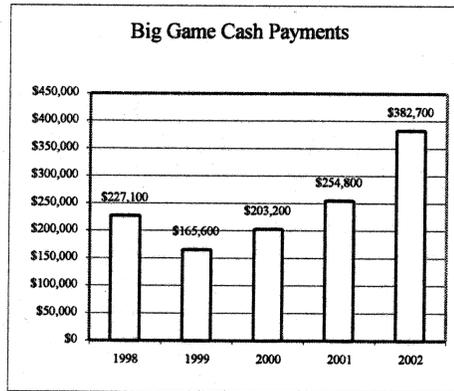
1. Number of harvestable species meeting statewide management plan objectives.



Note: Deer herds are modeled from harvest data for population estimates, and elk have physical counts taken.

Assessment: The division has spent considerable time and effort developing management plans for deer and elk herds. While certain factors outside the division's control can greatly impact herds (e.g. weather, development in critical habitat areas), the division's actions are not without effect. Biological studies, acquisition of conservation easements, and predator control—all division functions—impact herd size. Throughout the last five years improvements have been made in deer and elk herds, though progress has flattened or declined slightly in 2002.

2. Total depreciation expenditures from big game, cougar, and bear.



Note: Revenues available in FY 2003 are \$500,000 new + \$363,200 carry forward = \$863,200.

Assessment: After years of generally declining expenditures (due primarily to mild winters), depredation outlays increased in 2001 and further in 2002. Increasing expenditures may be an indication of harsher winters, changes in landowner expectations, development pressure, or other factors. The harsh winter of 1993 resulted in depredation payments of approximately \$2.5 million.

3.8 Aquatic Section

Recommendation

The Analyst recommends a total budget of \$8,506,900. Personal Services comprise 63 percent of the recommended budget.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------------|--------------------|--------------------|--------------------|-----------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 341,000 | 203,500 | 249,700 | 46,200 |
| General Fund, One-time | (500) | | | |
| Federal Funds | 3,632,400 | 4,041,400 | 4,048,600 | 7,200 |
| Dedicated Credits Revenue | 44,800 | 16,500 | 16,500 | |
| GFR - Wildlife Resources | 3,175,000 | 4,183,000 | 4,192,100 | 9,100 |
| Total | \$7,192,700 | \$8,444,400 | \$8,506,900 | \$62,500 |
| Expenditures | | | | |
| Personal Services | 4,852,100 | 5,383,200 | 5,400,700 | 17,500 |
| In-State Travel | 40,700 | 60,800 | 60,800 | |
| Out of State Travel | 10,900 | 22,500 | 22,500 | |
| Current Expense | 1,550,500 | 1,898,200 | 1,944,300 | 46,100 |
| DP Current Expense | 55,600 | 38,300 | 38,300 | |
| Capital Outlay | 128,300 | 370,900 | 369,800 | (1,100) |
| Other Charges/Pass Thru | 554,600 | 670,500 | 670,500 | |
| Total | \$7,192,700 | \$8,444,400 | \$8,506,900 | \$62,500 |
| FTE/Other | | | | |
| Total FTE | 103 | 112 | 112 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The Aquatic Section conserves and manages fish, amphibians, reptiles, and crustaceans (e.g., brine shrimp and crayfish) in the state. Aquatic Section personnel monitor population and habitat trends, and conduct studies necessary to make management decisions. Recommendations are formulated and presented to the Wildlife Board for regulating recreational and commercial fishing and collection, possession, and importation of aquatic wildlife. The Aquatic Section now manages the Aquatic Education function.

State fish hatcheries

The state hatchery system produces and distributes about 8,000,000 fish per year. Most of these are planted as fingerlings while about 1,600,000 are catchable sized fish. More than 24,000,000 eggs are taken from hatchery and wild stocks. These numbers should increase as the renovated hatcheries in Kamas and Fountain Green come on line. Most eggs are supplied to state hatcheries, although some are sent to other states and federal hatcheries in exchange for other kinds of fish and eggs needed but not otherwise available in Utah.

Native Species program

The Native Species program manages native aquatic wildlife, including fish, amphibians, reptiles, mollusks, and brine shrimp. This program provides conservation, protection, and enhancement efforts to ensure the continued existence of native species while providing recreational and aesthetic values to the public.

Intent Language

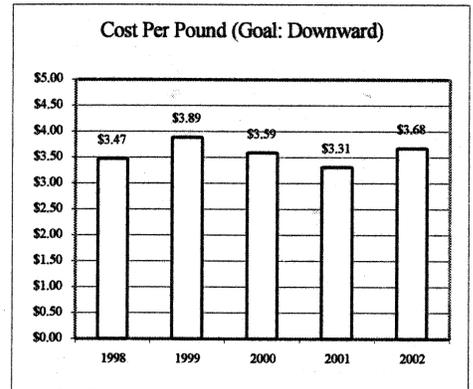
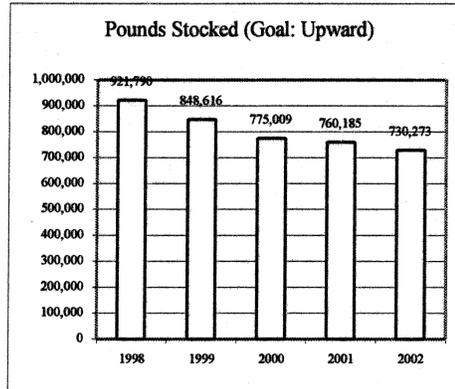
The Analyst recommends **maintaining** the following intent language from S.B. 1, 2002 General Session:

It is the intent of the Legislature that up to \$500,000 in revenues from the 2003 \$2 fishing/combination license increase be spent on the Olympic/Blue Ribbon Fisheries Program. These funds shall be nonlapsing.

It is the intent of the Legislature that up to \$250,000 in revenues from the 2003 \$2 fishing/combination license increase be spent on the Community Fisheries Program. These funds shall be nonlapsing.

Performance Measures

1. Number of pounds of fish stocked and cost per pound of fish stocked.



Assessment: Results indicate that the number of pounds of fish stocked is declining, thus increasing the cost per pound. In 2000, whirling disease was discovered at Midway Hatchery, leading to its closure. Although Kamas Hatchery, which was closed for reconstruction from 1998 until late 2000, has resumed production, the increased fish output there cannot compensate for the loss of Midway. Furthermore, Midway Hatchery had the cheapest per-pound average in the system, so its closure increased per pound costs across the division.

The Analyst recommends the division address the ongoing decline in pounds of fish stocked and efforts to bring it back up.

4.0 Additional Information: Wildlife Resources - Operating Budget

4.1 Funding History

| | 2000 | 2001 | 2002 | 2003 | 2004 |
|---------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Financing | Actual | Actual | Actual | Estimated* | Analyst |
| General Fund | 2,439,700 | 2,502,200 | 2,961,100 | 2,708,400 | 2,690,300 |
| General Fund, One-time | | 1,800 | (73,000) | | |
| Federal Funds | 6,386,000 | 6,752,200 | 7,188,400 | 8,083,900 | 8,096,900 |
| Dedicated Credits Revenue | 98,000 | 115,100 | 161,200 | 105,200 | 105,200 |
| GFR - Wildlife Habitat | 2,371,900 | 2,378,200 | 2,383,100 | 2,385,100 | 2,385,100 |
| GFR - Wildlife Resources | 21,316,400 | 22,489,100 | 22,453,800 | 23,214,100 | 23,265,100 |
| Beginning Nonlapsing | 700,900 | 1,066,400 | 1,211,200 | 863,200 | |
| Closing Nonlapsing | (1,066,400) | (1,211,200) | (863,200) | | |
| Lapsing Balance | (1,407,900) | (1,828,100) | (2,252,700) | | |
| Total | \$30,838,600 | \$32,265,700 | \$33,169,900 | \$37,359,900 | \$36,542,600 |
| Programs | | | | | |
| Director's Office | 1,366,200 | 1,628,300 | 1,700,300 | 1,740,800 | 1,710,400 |
| Administrative Services | 4,323,800 | 4,991,700 | 5,011,000 | 5,585,800 | 5,574,600 |
| Conservation Outreach | 1,555,600 | 1,702,600 | 1,699,300 | 1,817,900 | 1,822,200 |
| Law Enforcement | 6,118,500 | 6,096,800 | 6,357,000 | 6,418,000 | 6,435,500 |
| Habitat Council | 2,056,400 | 1,927,400 | 2,241,000 | 2,885,100 | 2,385,100 |
| Habitat Section | 2,584,000 | 2,568,400 | 2,905,800 | 3,295,000 | 3,291,900 |
| Wildlife Section | 5,366,600 | 5,845,700 | 6,062,800 | 7,172,900 | 6,816,000 |
| Aquatic Section | 7,467,500 | 7,504,800 | 7,192,700 | 8,444,400 | 8,506,900 |
| Total | \$30,838,600 | \$32,265,700 | \$33,169,900 | \$37,359,900 | \$36,542,600 |
| Expenditures | | | | | |
| Personal Services | 19,255,700 | 19,694,300 | 19,715,700 | 21,235,300 | 21,300,100 |
| In-State Travel | 204,200 | 206,600 | 271,400 | 264,400 | 272,100 |
| Out of State Travel | 102,600 | 87,800 | 65,200 | 106,600 | 106,600 |
| Current Expense | 8,207,600 | 9,370,700 | 10,475,800 | 11,907,300 | 11,566,600 |
| DP Current Expense | 612,500 | 630,400 | 557,700 | 546,700 | 543,200 |
| DP Capital Outlay | 25,400 | 5,500 | 250,700 | 5,000 | 5,000 |
| Capital Outlay | 1,129,800 | 736,500 | 371,900 | 1,318,700 | 992,600 |
| Other Charges/Pass Thru | 1,300,800 | 1,533,900 | 1,461,500 | 1,975,900 | 1,756,400 |
| Total | \$30,838,600 | \$32,265,700 | \$33,169,900 | \$37,359,900 | \$36,542,600 |
| FTE/Other | | | | | |
| Total FTE | 408 | 408 | 390 | 410 | 410 |

*General and school funds as revised by Supplemental Bills I-V, 2002 Gen and Spec Sessions. Others as estimated by agency.

4.2 Federal Funds

| | | | FY 2002 Actual | FY 2003 Estimated | FY 2004 Analyst |
|-------------|------------------------------|-----------------------------|---------------------------|------------------------------|----------------------------|
| Program: | Wildlife Resources | Federal | 3,441,500 | 3,626,300 | 3,631,700 |
| Fed Agency: | Wildlife Restoration Act | State Match | 1,147,200 | 1,208,800 | 1,210,600 |
| Purpose: | Restore Wildlife | Total | 4,588,700 | 4,835,100 | 4,842,300 |
| Program: | Wildlife Resources | Federal | 3,746,900 | 3,864,500 | 3,872,100 |
| Fed Agency: | Sportfish Restoration Act | State Match | 936,700 | 966,100 | 968,000 |
| Purpose: | Restore Sportfish | Total | 4,683,600 | 4,830,600 | 4,840,100 |
| Program: | Wildlife Resources | Federal | | 593,100 | 593,100 |
| Fed Agency: | U.S. Fish & Wildlife Service | State Match | | 197,700 | 197,700 |
| Purpose: | State Wildlife Grants | Total | 0 | 790,800 | 790,800 |
| | | Federal Total | 7,188,400 | 8,083,900 | 8,096,900 |
| | | State Matching Total | 2,083,900 | 2,372,600 | 2,376,300 |
| | | Total | 9,272,300 | 10,456,500 | 10,473,200 |

| | <u>FY 2003</u> <u>Current</u> | <u>FY 2004</u> <u>Proposed</u> | <u>Difference</u> | <u>FY 2004</u> <u>Units</u> | <u>Revenue</u> <u>Change</u> |
|--|----------------------------------|-----------------------------------|-------------------|--------------------------------|---------------------------------|
| 4.3 Wildlife Fees | | | | | |
| In accordance with Section 63-34-5, the following fees are proposed for the services of the Division of Wildlife Resources in FY 2004. (Note: Fees would become effective on January 1, 2004.) | | | | | |
| Fishing Licenses | | | | | |
| Resident Fishing under 65 (Season) | 26.00 | 26.00 | | | |
| Resident Fishing 65+(Season) | 21.00 | 21.00 | | | |
| Resident Fishing, 1-Day (14+) | 8.00 | 8.00 | | | |
| Resident Fishing, 7-Day (Any age) | 16.00 | 16.00 | | | |
| Nonresident Fishing Season | | | | | |
| (Any age) | 70.00 | 70.00 | | | |
| Nonresident Fishing, 1-Day | | | | | |
| (Any age) | 12.00 | 12.00 | | | |
| Nonresident Fishing, 7-Day | | | | | |
| (Any age) | 32.00 | 32.00 | | | |
| Resident Fishing (Disabled) | 0.00 | 0.00 | | | |
| Resident Fishing (Mentally Retarded) | 0.00 | 0.00 | | | |
| Two-Pole Fishing License | 15.00 | 15.00 | | | |
| Set-Line Fishing License | 15.00 | 15.00 | | | |
| Game Licenses | | | | | |
| Resident Small Game (12-13) | 11.00 | 11.00 | | | |
| Resident Small Game (14+) | 17.00 | 17.00 | | | |
| Resident Combination (12+) | 34.00 | 34.00 | | | |
| Resident Dedicated Hunter, 2 Yr. (14-17) | 70.00 | 70.00 | | | |
| Resident Dedicated Hunter, 3 Yr. (14-17) | 105.00 | 105.00 | | | |
| Resident Dedicated Hunter, 2 Yr. (18+) | 120.00 | 120.00 | | | |
| Resident Dedicated Hunter, 3 Yr. (18+) | 180.00 | 180.00 | | | |
| Lifetime License Dedicated | | | | | |
| Hunter, 2 Yr (14-17) | 25.00 | 25.00 | | | |
| Lifetime License Dedicated | | | | | |
| Hunter, 3 Yr (14-17) | 37.50 | 37.50 | | | |
| Lifetime License Dedicated | | | | | |
| Hunter, 2 Yr (18+) | 50.00 | 50.00 | | | |
| Lifetime License Dedicated | | | | | |
| Hunter, 3 Yr (18+) | 75.00 | 75.00 | | | |
| Nonresident Small Game (12+) | 45.00 | 45.00 | | | |

| | <u>FY 2003</u> <u>Current</u> | <u>FY 2004</u> <u>Proposed</u> | <u>Difference</u> | <u>FY 2004</u> <u>Units</u> | <u>Revenue</u> <u>Change</u> |
|--|----------------------------------|-----------------------------------|-------------------|--------------------------------|---------------------------------|
| Nonresident Dedicated Hunter, 2 Yr. (14-17) | 416.00 | 416.00 | | | |
| Nonresident Dedicated Hunter, 3 Yr. (14-17) | 634.00 | 634.00 | | | |
| Nonresident Dedicated Hunter, 2 Yr. (18+) | 566.00 | 566.00 | | | |
| Nonresident Dedicated Hunter, 3 Yr. (18+) | 867.00 | 867.00 | | | |
| Resident/Nonresident Dedicated Hunter | | | | | |
| Hourly Labor Buyout Rate | 18.75 | 18.75 | | | |
| Nonresident Falconry Meet | 15.00 | 15.00 | | | |
| Heritage Certificate | | | | | |
| Juvenile (Under 12) | 10.00 | 10.00 | | | |
| Adult (12+) | 20.00 | 20.00 | | | |
| General Season Permits | | | | | |
| Resident General Season Deer | 35.00 | 35.00 | | | |
| Resident Antlerless Deer | 20.00 | 20.00 | | | |
| Resident Two-Doe Antlerless | 35.00 | 35.00 | | | |
| Resident Extended Hunt Archery | | | | | |
| Auxiliary Deer Permit – with valid deer license | N/A | 20.00 | 20.00 | 200 | 4,000.00 |
| Resident Depredation-Antlerless | 20.00 | 20.00 | | | |
| Resident Landowner Mitigation | | | | | |
| Deer-Antlerless | 25.00 | 20.00 | (5.00) | 200 | (1,000.00) |
| Elk-Antlerless | 60.00 | 60.00 | | | |
| Pronghorn-Doe | 25.00 | 20.00 | (5.00) | 20 | (100.00) |
| Nonresident Landowner Mitigation | | | | | |
| Deer-Antlerless | N/A | 83.00 | 83.00 | 20 | 1,660.00 |
| Elk-Antlerless | N/A | 208.00 | 208.00 | 10 | 2,080.00 |
| Pronghorn | N/A | 135.00 | 135.00 | 2 | 270.00 |
| Nonresident General Season Deer | 208.00 | 208.00 | | | |
| Nonresident Extended Hunt Archery | | | | | |
| Auxiliary Deer Permit – with valid deer license | N/A | 20.00 | 20.00 | 8 | 160.00 |
| Nonresident Depredation-Antlerless | 83.00 | 83.00 | | | |
| Nonresident Antlerless | 83.00 | 83.00 | | | |
| Nonresident Two-Doe Antlerless | 161.00 | 161.00 | | | |

| | <u>FY 2003 Current</u> | <u>FY 2004 Proposed</u> | <u>Difference</u> | <u>FY 2004 Units</u> | <u>Revenue Change</u> |
|---|----------------------------|-----------------------------|-------------------|--------------------------|---------------------------|
| Stamps | | | | | |
| Wyoming Flaming Gorge | 10.00 | 10.00 | | | |
| Arizona Lake Powell | 8.00 | 8.00 | | | |
| Resident 1-Day Extension | 6.00 | 6.00 | | | |
| Nonresident 1-Day Extension | 9.00 | 9.00 | | | |
| Limited Entry Game Permits | | | | | |
| Deer | | | | | |
| Resident Limited Entry | 48.00 | 48.00 | | | |
| Resident High County Buck | 43.00 | 43.00 | | | |
| Resident Premium Limited Entry | 133.00 | 133.00 | | | |
| Resident CWMU Buck | 35.00 | 35.00 | | | |
| Resident CWMU Limited Entry | 48.00 | 48.00 | | | |
| Resident CWMU Premium Limited Entry | 133.00 | 133.00 | | | |
| Resident CWMU Antlerless | 20.00 | 20.00 | | | |
| Resident CWMU Two-Doe Antlerless | 35.00 | 35.00 | | | |
| Nonresident Limited Entry | 408.00 | 408.00 | | | |
| Nonresident High Country Buck | 258.00 | 258.00 | | | |
| Nonresident Premium Limited Entry | 508.00 | 508.00 | | | |
| Nonresident CWMU Buck | 208.00 | 208.00 | | | |
| Nonresident CWMU Limited Entry | 408.00 | 408.00 | | | |
| Nonresident CWMU Premium Limited Entry | 508.00 | 508.00 | | | |
| Nonresident CWMU Antlerless | 83.00 | 83.00 | | | |
| Nonresident CWMU Two-Doe Antlerless | 161.00 | 161.00 | | | |
| Elk | | | | | |
| Resident Archery | 60.00 | 60.00 | | | |
| Resident General Bull | 60.00 | 60.00 | | | |
| Resident Limited Entry Bull | 180.00 | 180.00 | | | |
| Resident Antlerless | 60.00 | 60.00 | | | |
| Resident Control | 20.00 | 20.00 | | | |
| Resident Depredation | 60.00 | 60.00 | | | |
| Resident Depredation-Bull Elk-with current year unused bull permit | N/A | 120.00 | 120.00 | 15 | 1,800.00 |

| | <u>FY 2003</u> <u>Current</u> | <u>FY 2004</u> <u>Proposed</u> | <u>Difference</u> | <u>FY 2004</u> <u>Units</u> | <u>Revenue</u> <u>Change</u> |
|--|----------------------------------|-----------------------------------|-------------------|--------------------------------|---------------------------------|
| Resident Depredation-Bull Elk-without | | | | | |
| current year unused bull permit | N/A | 180.00 | 180.00 | 10 | 1,800.00 |
| Resident Muzzleloader Hunter | | | | | |
| Choice | 60.00 | 60.00 | | | |
| Resident Limited Entry Archery/ | | | | | |
| Muzzleloader Bull Aux Permit | 20.00 | 20.00 | | | |
| Resident CWMU Any Bull | 180.00 | 180.00 | | | |
| Resident CWMU Spike Bull | 60.00 | 60.00 | | | |
| Resident CWMU Antlerless | 60.00 | 60.00 | | | |
| Nonresident Archery | 333.00 | 333.00 | | | |
| Nonresident General Bull | 333.00 | 333.00 | | | |
| Nonresident Limited Entry Bull | 483.00 | 483.00 | | | |
| Nonresident Antlerless | 208.00 | 208.00 | | | |
| Nonresident Control | 83.00 | 83.00 | | | |
| Nonres Depredation-Antlerless | 208.00 | 208.00 | | | |
| Nonresident Muzzleloader | | | | | |
| Hunter Choice | 333.00 | 333.00 | | | |
| Nonresident Archery/Muzzle- | | | | | |
| loader Bull Aux | 20.00 | 20.00 | | | |
| Nonresident CWMU Any Bull | 483.00 | 483.00 | | | |
| Nonresident CWMU Spike Bull | 333.00 | 333.00 | | | |
| Nonresident CWMU Antlerless | 208.00 | 208.00 | | | |
| Pronghorn | | | | | |
| Resident Limited Buck | 50.00 | 50.00 | | | |
| Resident Limited Doe | 20.00 | 20.00 | | | |
| Resident CWMU Buck | 50.00 | 50.00 | | | |
| Resident CWMU Doe | 20.00 | 20.00 | | | |
| Resident Depredation Doe | 15.00 | 20.00 | 5.00 | 10 | 50.00 |
| Resident Archery Buck | 50.00 | 50.00 | | | |
| Nonresident Limited Buck | 233.00 | 233.00 | | | |
| Nonresident Limited Doe | 135.00 | 135.00 | | | |
| Nonresident Archery Buck | 233.00 | 233.00 | | | |
| Nonresident Depredation Doe | 135.00 | 135.00 | | | |
| Nonresident CWMU Buck | 233.00 | 233.00 | | | |
| Nonresident CWMU Doe | 135.00 | 135.00 | | | |
| Moose | | | | | |
| Resident Bull | 308.00 | 308.00 | | | |

Legislative Fiscal Analyst

| | <u>FY 2003</u> <u>Current</u> | <u>FY 2004</u> <u>Proposed</u> | <u>Difference</u> | <u>FY 2004</u> <u>Units</u> | <u>Revenue</u> <u>Change</u> |
|-----------------------------|----------------------------------|-----------------------------------|-------------------|--------------------------------|---------------------------------|
| Resident Antlerless | 208.00 | 208.00 | | | |
| Resident CWMU Bull | 308.00 | 308.00 | | | |
| Resident CWMU Antlerless | 208.00 | 208.00 | | | |
| Nonresident Bull | 1,008.00 | 1,008.00 | | | |
| Nonresident Antlerless | 708.00 | 708.00 | | | |
| Nonresident CWMU Bull | 1,008.00 | 1,008.00 | | | |
| Nonresident CWMU Antlerless | 708.00 | 708.00 | | | |
| Bison | | | | | |
| Resident | 408.00 | 408.00 | | | |
| Resident Antelope Island | 1,105.00 | 1,105.00 | | | |
| Nonresident | 1,008.00 | 1,008.00 | | | |
| Nonresident Antelope Island | 2,605.00 | 2,605.00 | | | |
| Bighorn Sheep | | | | | |
| Resident Desert | 508.00 | 508.00 | | | |
| Resident Rocky Mountain | 508.00 | 508.00 | | | |
| Nonresident Desert | 1,008.00 | 1,008.00 | | | |
| Nonresident Rocky Mountain | 1,008.00 | 1,008.00 | | | |
| Goats | | | | | |
| Resident Rocky Mountain | 408.00 | 408.00 | | | |
| Nonresident Rocky Mountain | 1,008.00 | 1,008.00 | | | |
| Cougar / Bear | | | | | |
| Resident Cougar | 58.00 | 58.00 | | | |
| Resident Bear | 83.00 | 83.00 | | | |
| Resident Bear Archery | 83.00 | 83.00 | | | |
| Resident Cougar Pursuit | 30.00 | 30.00 | | | |
| Resident Bear Pursuit | 30.00 | 30.00 | | | |
| Nonresident Cougar Pursuit | 30.00 | 30.00 | | | |
| Nonresident Bear Pursuit | 30.00 | 30.00 | | | |
| Cougar or Bear Damage | 30.00 | 30.00 | | | |
| Nonresident Cougar | 258.00 | 258.00 | | | |
| Nonresident Bear | 308.00 | 308.00 | | | |
| Muskrats | | | | | |
| Over 1000 anticipated | 155.00 | 155.00 | | | |
| 500 - 1000 anticipated | 105.00 | 105.00 | | | |
| 100 - 500 anticipated | 55.00 | 55.00 | | | |
| Less than 100 anticipated | 30.00 | 0.00 | | | |
| Wild Turkey | | | | | |

| | <u>FY 2003</u> <u>Current</u> | <u>FY 2004</u> <u>Proposed</u> | <u>Difference</u> | <u>FY 2004</u> <u>Units</u> | <u>Revenue</u> <u>Change</u> |
|---|----------------------------------|-----------------------------------|-------------------|--------------------------------|---------------------------------|
| Resident Limited Entry | 30.00 | 30.00 | | | |
| Nonresident Limited Entry | 55.00 | 55.00 | | | |
| Sportsman Permits | | | | | |
| Resident Bull Moose | 308.00 | 308.00 | | | |
| Resident Hunter's Choice Bison | 408.00 | 408.00 | | | |
| Resident Desert Bighorn Ram | 508.00 | 508.00 | | | |
| Resident Bull Elk | 180.00 | 180.00 | | | |
| Resident Buck Deer | 133.00 | 133.00 | | | |
| Resident Buck Pronghorn | 50.00 | 50.00 | | | |
| Other Fees | | | | | |
| Falconry Permits | | | | | |
| Resident Capture - Apprentice Class | 30.00 | 30.00 | | | |
| Resident Capture - General Class | 50.00 | 50.00 | | | |
| Resident Capture - Master Class | 50.00 | 50.00 | | | |
| Nonresident Capture - General Class | 115.00 | 115.00 | | | |
| Nonresident Capture - Master Class | 115.00 | 115.00 | | | |
| Handling Fees (includes licenses and CORs) | | | | | |
| (Handling Fees may be assessed exchanges) | | | | | |
| | 5.00 | 5.00 | | | |
| Bird Bands | 0.25 | 0.25 | | | |
| Furbearer/Trap Registration | | | | | |
| Resident Furbearer (Any Age) | 29.00 | 29.00 | | | |
| Nonresident Furbearer (Any Age) | 154.00 | 154.00 | | | |
| Resident Bobcat Temporary Possession | 5.00 | 5.00 | | | |
| Nonresident Bobcat Temporary Possession | 5.00 | 5.00 | | | |
| Resident Trap Registration | 5.00 | 5.00 | | | |
| Nonresident Trap Registration | 5.00 | 5.00 | | | |
| Duplicate Licenses, Permits and Tags | | | | | |
| Duplicates are one-half the original price or \$5.00 whichever is less. | | | | | |
| No duplicate bobcat temporary possession tags are issued. | | | | | |

| | <u>FY 2003 Current</u> | <u>FY 2004 Proposed</u> | <u>Difference</u> | <u>FY 2004 Units</u> | <u>Revenue Change</u> |
|--|----------------------------|-----------------------------|-------------------|--------------------------|---------------------------|
| Hunter education cards | 10.00 | 10.00 | | | |
| Furharvester Education cards | 10.00 | 10.00 | | | |
| Wood Products on Division Land | | | | | |
| Firewood (2 cords) | 10.00 | 10.00 | | | |
| Christmas Tree | 5.00 | 5.00 | | | |
| Ornamentals | | | | | |
| Conifers (per tree) | 5.00 | 5.00 | | | |
| Deciduous (per tree) | 3.00 | 3.00 | | | |
| Posts (Max. \$50 per permit) | 0.40 | 0.40 | | | |
| Hunter Education Fees | | | | | |
| Hunter Education Training | 6.00 | 6.00 | | | |
| Hunter Education Home Study | 6.00 | 6.00 | | | |
| Furharvester Education Training | 6.00 | 6.00 | | | |
| Bowhunter Education Class | N/A | 6.00 | 6.00 | 500 | 3,000.00 |
| Long Distance Verification | 2.00 | 2.00 | | | |
| Becoming an Outdoors Woman (Special Needs Rates Available) | 150.00 | 150.00 | | | |
| Hunter Education Range Fees | | | | | |
| Adult | 4.00 | 4.00 | | | |
| Youth (15 and Under) | 2.00 | 2.00 | | | |
| Spotting Scope Rental | 2.00 | 2.00 | | | |
| Trap, Skeet or Riverside Skeet (per round) | N/A | 3.50 | 3.50 | 800 | 2,800.00 |
| Five Stand – Multi Station Birds | N/A | 5.00 | 5.00 | 300 | 1,500.00 |
| Ten Punch Pass-Adult-Cache Valley Admission or Trap/Skeet Round | N/A | 30.00 | 30.00 | 100 | 3,000.00 |
| Ten Punch Pass-Lee Kay-Admission | N/A | 30.00 | 30.00 | 100 | 3,000.00 |
| Ten Punch Pass-Cache Valley/Lee Kay-Admission Only | N/A | 15.00 | 15.00 | 25 | 375.00 |
| Sportsmen Club Meetings | 20.00 | 20.00 | | | |
| Reproduction of Records | | | | | |
| Self Service (per copy) | 0.10 | 0.10 | | | |
| Staff Service (per copy) | 0.25 | 0.25 | | | |
| GIS Personnel Time (per hour) | 35.00 | 50.00 | 15.00 | 10 | 150.00 |
| GIS Processing (per-hour) | 40.00 | 55.00 | 15.00 | 10 | 150.00 |
| DP Programming Time (per hour) | 40.00 | 75.00 | 35.00 | 10 | 350.00 |
| DP Production (per hour) | 20.00 | 55.00 | 35.00 | 10 | 350.00 |

| | <u>FY 2003 Current</u> | <u>FY 2004 Proposed</u> | <u>Difference</u> | <u>FY 2004 Units</u> | <u>Revenue Change</u> |
|--|----------------------------|-----------------------------|-------------------|--------------------------|---------------------------|
| Application Fee for License Agency | 20.00 | 20.00 | | | |
| Other Services to be reimbursed at actual time and materials | | | | | |
| Postage | current rate | current rate | | | |
| Return Check Charge | 20.00 | 20.00 | | | |
| Easement and Leases Schedule | | | | | |
| Application Fees (Nonrefundable): | | | | | |
| Leases | 50.00 | 50.00 | | | |
| Easements, Including: | | | | | |
| Rights-of-way | 50.00 | 50.00 | | | |
| Rights-of-entry | 50.00 | 50.00 | | | |
| Amendment to lease, easement, | | | | | |
| right-of-way, right-of-entry | 25.00 | 25.00 | | | |
| Certified document | 5.00 | 5.00 | | | |
| Research on leases or title records/hr | 50.00 | 50.00 | | | |

Rights-of-Way

Leases and Easements – Resulting in long term uses of habitat

Fees shall be determined on a case-by-case basis by the division, using the estimated fair market value of the property, or other legislatively established fees, whichever is greater, plus the costs of administering the lease, right-of-way, or easement. Fair market value shall be determined by customary market valuation practices.

Special Use Permits (for non-depleting land uses no more than one year)

Fees of no less than \$500 in cash, or pre-approved in-kind services, shall be assessed on a case-by-case basis by the division, using the estimated fair market value of the property, plus the estimated costs of administering the special use permit. Fair market value shall be determined by customary practices which may include: an assessment of comparable values for similar properties, comparable fees for similar land uses, or fee schedules. If more than one fee

| | <u>FY 2003 Current</u> | <u>FY 2004 Proposed</u> | <u>Difference</u> | <u>FY 2004 Units</u> | <u>Revenue Change</u> |
|---|----------------------------|-----------------------------|-------------------|--------------------------|---------------------------|
| <u>determination applies, the highest fee will be selected.</u> | | | | | |
| Width of Easement | | | | | |
| 0' - 30' Initial | 12.00 | 12.00 | | | |
| 0' - 30' Renewal | 8.00 | 8.00 | | | |
| 31' - 60' Initial | 18.00 | 18.00 | | | |
| 31' - 60' Renewal | 12.00 | 12.00 | | | |
| 61' - 100' Initial | 24.00 | 24.00 | | | |
| 61' - 100' Renewal | 16.00 | 16.00 | | | |
| 101' - 200' Initial | 30.00 | 30.00 | | | |
| 101' - 200' Renewal | 20.00 | 20.00 | | | |
| 201' - 300' Initial | 40.00 | 40.00 | | | |
| 201' - 300' Renewal | 28.00 | 28.00 | | | |
| > 300' Initial | 50.00 | 50.00 | | | |
| > 300' Renewal | 34.00 | 34.00 | | | |
| Outside Diameter of Pipe | | | | | |
| < 2.0" Initial | 6.00 | 6.00 | | | |
| < 2.0" Renewal | 4.00 | 4.00 | | | |
| 2.0" - 13" Initial | 12.00 | 12.00 | | | |
| 2.0" - 13" Renewal | 8.00 | 8.00 | | | |
| 13.1" - 25" Initial | 18.00 | 18.00 | | | |
| 13.1" - 25" Renewal | 12.00 | 12.00 | | | |
| 25.1" - 37" Initial | 24.00 | 24.00 | | | |
| 25.1" - 37" Renewal | 16.00 | 16.00 | | | |
| > 37" Initial | 48.00 | 48.00 | | | |
| > 37" Renewal | 32.00 | 32.00 | | | |
| Roads, canals | | | | | |
| 1' - 33' New | 18.00 | 18.00 | | | |
| 1' - 33' Existing | 12.00 | 12.00 | | | |
| 33.1' - 66' New | 24.00 | 24.00 | | | |
| 33.1' - 66' Existing | 18.00 | 18.00 | | | |
| Certificates of Registration | | | | | |
| Initial Fee - Personal Use | 50.00 | 50.00 | | | |
| Initial Fee - Commercial | 100.00 | 100.00 | | | |
| Amendment | 10.00 | 10.00 | | | |
| Renewal | 20.00 | 20.00 | | | |
| Late fee for failure to renew | | | | | |

| | <u>FY 2003</u> <u>Current</u> | <u>FY 2004</u> <u>Proposed</u> | <u>Difference</u> | <u>FY 2004</u> <u>Units</u> | <u>Revenue</u> <u>Change</u> |
|--|----------------------------------|-----------------------------------|----------------------------------|--------------------------------|---------------------------------|
| COR when due (greater of) | 10.00 | | Greater of \$10.00 or 20% of fee | | |
| Required Inspections | 25.00 | 25.00 | | | |
| Failure to submit required annual | | | | | |
| Activity Report when due | 10.00 | 10.00 | | | |
| Request for species reclassification | 200.00 | 200.00 | | | |
| Request for Variance | 200.00 | 200.00 | | | |
| Exceptions: | | | | | |
| Commercial Fishing and Dealing Commercially | | | | | |
| in Aquatic Wildlife | | | | | |
| Dealer in Live / Dead Bait | 75.00 | 75.00 | | | |
| Helper Cards Live / Dead Bait | 15.00 | 15.00 | | | |
| Commercial Seiner | 1,000.00 | 1,000.00 | | | |
| Helper Cards Commercial Seiner | 100.00 | 100.00 | | | |
| Commercial Brine Shrimper | 10,000.00 | 10,000.00 | | | |
| Helper Cards Commercial | | | | | |
| Brine Shrimper | 1,500.00 | 1,500.00 | | | |
| Upland Game Coop Wildlife Mgt Units | | | | | |
| New Application Fee | 250.00 | 250.00 | | | |
| Annual CWMU Fee | 150.00 | 150.00 | | | |
| Big Game Coop Wildlife Mgt Units | | | | | |
| New Application | 250.00 | 250.00 | | | |
| Renewal | 150.00 | 150.00 | | | |
| Falconry | | | | | |
| COR – One Year | 15.00 | 15.00 | | | |
| COR – Two Year | 30.00 | 30.00 | | | |
| COR – Three Year | 45.00 | 45.00 | | | |
| Commercial Hunting Areas | | | | | |
| New Application | 150.00 | 150.00 | | | |
| Renewal Application | 150.00 | 150.00 | | | |

Office of the
Legislative Fiscal Analyst

FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Natural Resources

Utah Department of Natural Resources
Wildlife Resources - Cooperative Environmental Studies

Contents:

1.0 Summary

3.0 Programs

4.0 Additional Information

This Page Intentionally Left Blank

1.0 Summary: Wildlife Resources - Cooperative Environmental Studies

This line item accounts for spending on studies done in cooperation with federal or local agencies. The agencies supply the funding and Wildlife Resources provides field teams to conduct the studies. Therefore, FTEs can fluctuate up or down depending on the number of projects. The division is using this program to account for CUP Projects.

The Legislature appropriates these funds, but receipt of the funds is dependent upon the non-state agencies. The division can only spend what funding it receives.

| | Analyst FY 2004 Base | Analyst FY 2004 Changes | Analyst FY 2004 Total |
|---------------------------------|-------------------------------------|--|--------------------------------------|
| Financing | | | |
| Federal Funds | 3,090,200 | | 3,090,200 |
| Dedicated Credits Revenue | 507,400 | | 507,400 |
| Total | <u>\$3,597,600</u> | \$0 | <u>\$3,597,600</u> |
| Programs | | | |
| Cooperative Environmental Study | 3,597,600 | | 3,597,600 |
| Total | <u>\$3,597,600</u> | \$0 | <u>\$3,597,600</u> |
| FTE/Other | | | |
| Total FTE | 47 | | 47 |

3.0 Programs: Wildlife Resources - Cooperative Environmental Studies

3.1 Cooperative Environmental Studies

Recommendation The Analyst recommends a budget of \$3,597,600, funded from federal funds and Dedicated Credits paid by cities and counties.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------------|--------------------|--------------------|--------------------|----------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| Federal Funds | 4,004,300 | 3,089,100 | 3,090,200 | 1,100 |
| Dedicated Credits Revenue | 1,562,700 | 507,400 | 507,400 | |
| Total | \$5,567,000 | \$3,596,500 | \$3,597,600 | \$1,100 |
| Expenditures | | | | |
| Personal Services | 1,838,100 | 1,598,800 | 1,604,200 | 5,400 |
| In-State Travel | 36,300 | 20,700 | 20,700 | |
| Out of State Travel | 10,500 | 11,200 | 11,200 | |
| Current Expense | 957,500 | 639,300 | 639,300 | |
| DP Current Expense | 31,100 | 22,200 | 22,200 | |
| Capital Outlay | 799,300 | 234,800 | 230,500 | (4,300) |
| Other Charges/Pass Thru | 1,894,200 | 1,069,500 | 1,069,500 | |
| Total | \$5,567,000 | \$3,596,500 | \$3,597,600 | \$1,100 |
| FTE/Other | | | | |
| Total FTE | 52 | 47 | 47 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose This line item accounts for spending on studies done in cooperation with non-state agencies. The agencies supply the funding and Wildlife Resources provides field teams to conduct the studies.

In FY 2002 studies were done for the following partners:

- | | |
|---------------------------------|------------------------------------|
| Asso Biodiversity Info | Private Fuel Storage |
| Bureau of Land Management | Provo City |
| Bridgerland Travel Region | Questar Pipeline Company |
| Bureau of Reclamation | U of Nevada-Reno |
| Central Ut. Water Conserv Dist | UFNAW |
| Dept of the Interior | University of Nevada-Reno |
| Dr. WC Swanson Family Found | US Fish & Wildlife Service |
| Dugway Proving Grounds | US Forest Service |
| Governors Planing and Budget | Ut Dept of Agriculture |
| Great Salt Lake Mineral Corp | Ut Div. Forest, Fire & State Lands |
| Hatt's Ranch | Ut Rec. Mitigation & Conser. Com |
| Hill Air Force Base | Utah DNR |
| J.M. Huber Corp | Utah Division of Water Quality |
| Nat. Fish & Wildlife Foundation | Utah State University |
| National Park Service | Washington County |
| Nature Conservancy | Wild Turkey Habitat Council |
| Nature Serve | Zion National Park |

Intent Language

The Analyst recommends **maintaining** the following intent language from S.B. 1, 2002 General Session:

It is the intent of the Legislature that the appropriation to the Cooperative Environmental Studies program be nonlapsing.

4.0 Additional Information: Wildlife Resources - Cooperative Environmental Studies

4.1 Funding History

| | 2000 | 2001 | 2002 | 2003 | 2004 |
|----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Financing | Actual | Actual | Actual | Estimated* | Analyst |
| Federal Funds | 2,898,100 | 2,101,500 | 4,004,300 | 3,089,100 | 3,090,200 |
| Dedicated Credits Revenue | 497,700 | 467,600 | 1,562,700 | 507,400 | 507,400 |
| Total | \$3,395,800 | \$2,569,100 | \$5,567,000 | \$3,596,500 | \$3,597,600 |
| Programs | | | | | |
| Cooperative Enviro Studies | 3,395,800 | 2,569,100 | 5,567,000 | 3,596,500 | 3,597,600 |
| Total | \$3,395,800 | \$2,569,100 | \$5,567,000 | \$3,596,500 | \$3,597,600 |
| Expenditures | | | | | |
| Personal Services | 1,507,600 | 1,606,000 | 1,838,100 | 1,598,800 | 1,604,200 |
| In-State Travel | 23,800 | 29,200 | 36,300 | 20,700 | 20,700 |
| Out of State Travel | 13,800 | 14,500 | 10,500 | 11,200 | 11,200 |
| Current Expense | 547,800 | 521,900 | 957,500 | 639,300 | 639,300 |
| DP Current Expense | 41,000 | 29,700 | 31,100 | 22,200 | 22,200 |
| Capital Outlay | 141,500 | 219,100 | 799,300 | 234,800 | 230,500 |
| Other Charges/Pass Thru | 1,120,300 | 148,700 | 1,894,200 | 1,069,500 | 1,069,500 |
| Total | \$3,395,800 | \$2,569,100 | \$5,567,000 | \$3,596,500 | \$3,597,600 |
| FTE/Other | | | | | |
| Total FTE | 48 | 52 | 52 | 47 | 47 |

*General and school funds as revised by Supplemental Bills I-V, 2002 Gen and Spec Sessions. Others as estimated by agency.

4.2 Federal Funds

| | | | FY 2000 | FY 2001 | FY 2002 |
|-------------|---------------------|-----------------------------|------------------|------------------|------------------|
| | | | Actual | Estimated | Analyst |
| Program: | Cooperative Studies | Federal | 4,004,300 | 3,089,100 | 3,090,200 |
| Fed Agency: | Various | State Match | | | |
| Purpose: | Misc. Projects | Total | 4,004,300 | 3,089,100 | 3,090,200 |
| | | Federal Total | 4,004,300 | 3,089,100 | 3,090,200 |
| | | State Matching Total | 0 | 0 | 0 |
| | | Total | 4,004,300 | 3,089,100 | 3,090,200 |

This Page Intentionally Left Blank

Office of the
Legislative Fiscal Analyst

FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Natural Resources

Utah Department of Natural Resources
Wildlife Resources - Contributed Research

Contents:

- 1.0 Summary
- 3.0 Programs
- 4.0 Additional Information

This Page Intentionally Left Blank

1.0 Summary: Wildlife Resources - Contributed Research

This line item accounts for public contributions to improve wildlife. It does not include contributions from the non-game check-off, which are included in the regular budget.

| | Analyst FY 2004 Base | Analyst FY 2004 Changes | Analyst FY 2004 Total |
|---------------------------|-------------------------------------|--|--------------------------------------|
| Financing | | | |
| Dedicated Credits Revenue | 336,700 | | 336,700 |
| Total | \$336,700 | \$0 | \$336,700 |
| Programs | | | |
| Contributed Research | 336,700 | | 336,700 |
| Total | \$336,700 | \$0 | \$336,700 |
| FTE/Other | | | |

3.0 Programs: Wildlife Resources - Contributed Research

3.1 Contributed Research

Recommendation

The Analyst recommends a budget of \$336,700, from Dedicated Credits paid by non-state agencies.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------------|------------------|------------------|------------------|-------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| Dedicated Credits Revenue | 634,400 | 336,700 | 336,700 | |
| Total | \$634,400 | \$336,700 | \$336,700 | \$0 |
| Expenditures | | | | |
| Personal Services | 38,100 | | | |
| In-State Travel | 400 | 400 | 400 | |
| Out of State Travel | 8,000 | 7,900 | 7,900 | |
| Current Expense | 445,800 | 262,300 | 262,300 | |
| DP Current Expense | 5,200 | 5,200 | 5,200 | |
| Capital Outlay | 136,900 | 60,900 | 60,900 | |
| Total | \$634,400 | \$336,700 | \$336,700 | \$0 |
| FTE/Other | | | | |
| Total FTE | | 1 | | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

This line item accounts for public contributions to improve wildlife.

Intent Language

The Analyst recommends **maintaining** the following intent language from S.B.1, 2002 General Session:

It is the intent of the Legislature that the appropriation to the Contributed Research program be nonlapsing.

Projects funded in FY 2002:

| <u>Description</u> | <u>Amount</u> |
|---------------------------------------|-------------------|
| Conservation Permits-Elk | \$227,422 |
| Conservation Permits-Deer | 129,755 |
| Misc Projects Less than \$10,000 Each | 63,459 |
| Conservation Permits-Big Horn Sheep | 52,834 |
| Big Game Enhancement | 48,122 |
| Conservation Permits-Wild Turkey | 48,037 |
| Conservation Permits-Moose | 19,924 |
| Help Stop Poaching | 17,581 |
| Lee Kay Improvements | 14,048 |
| Big Horn Sheep Lungworm Interaction | 13,226 |
| Total | \$ 634,407 |

4.0 Additional Information: Wildlife Resources - Contributed Research

4.1 Funding History

| | 2000 | 2001 | 2002 | 2003 | 2004 |
|---------------------------|------------------|------------------|------------------|------------------|------------------|
| | Actual | Actual | Actual | Estimated* | Analyst |
| Financing | | | | | |
| Federal Funds | 35,500 | 32,400 | | | |
| Dedicated Credits Revenue | 275,600 | 312,300 | 634,400 | 336,700 | 336,700 |
| Total | \$311,100 | \$344,700 | \$634,400 | \$336,700 | \$336,700 |
| Programs | | | | | |
| Contributed Research | * 311,100 | 344,700 | 634,400 | 336,700 | 336,700 |
| Total | \$311,100 | \$344,700 | \$634,400 | \$336,700 | \$336,700 |
| Expenditures | | | | | |
| Personal Services | 45,200 | 30,100 | 38,100 | | |
| In-State Travel | 1,700 | | 400 | 400 | 400 |
| Out of State Travel | 6,900 | 7,700 | 8,000 | 7,900 | 7,900 |
| Current Expense | 246,400 | 280,000 | 445,800 | 262,300 | 262,300 |
| DP Current Expense | 1,800 | | 5,200 | 5,200 | 5,200 |
| Capital Outlay | | 24,900 | 136,900 | 60,900 | 60,900 |
| Other Charges/Pass Thru | 9,100 | 2,000 | | | |
| Total | \$311,100 | \$344,700 | \$634,400 | \$336,700 | \$336,700 |
| FTE/Other | | | | | |
| Total FTE | | | 1 | | |

*General and school funds as revised by Supplemental Bills I-V, 2002 Gen and Spec Sessions. Others as estimated by agency.

This Page Intentionally Left Blank

Office of the
Legislative Fiscal Analyst

FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Natural Resources

Utah Department of Natural Resources
Wildlife Resources - Predator Control

Contents:

- 1.0 Summary
- 2.0 Issues
- 3.0 Programs
- 4.0 Additional Information

This Page Intentionally Left Blank

1.0 Summary: Wildlife Resources - Predator Control

UCA 4-23-9(2)(a) requires the Division of Wildlife Resources in its annual budget request to include a request for General Funds equal to 25 percent of the amount of fees and contributions deposited in the Agricultural and Wildlife Damage Prevention Account during the previous fiscal year. The FY 2004 requirement is \$76,700, but the base budget for this program is currently \$66,400. See Section 2.0 for more information.

These funds are transferred to the Department of Agriculture and Food.

| | Analyst FY 2004 Base | Analyst FY 2004 Changes | Analyst FY 2004 Total |
|------------------|-------------------------------------|--|--------------------------------------|
| Financing | | | |
| General Fund | 66,400 | | 66,400 |
| Transfers | (66,400) | | (66,400) |
| Total | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| Programs | | | |
| Predator Control | | | |
| Total | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| FTE/Other | | | |

2.0 Issues: Wildlife Resources - Predator Control

2.1 Previous Budget Reductions

During the 2002 General Session and subsequent special sessions, the Legislature made the following ongoing General Fund adjustments:

| | |
|-----------------------------------|------------------------|
| FY 2003 Beginning Base: | <u>\$69,200</u> |
| Transfer to Reimbursement program | <u>(2,800)</u> |
| FY 2004 Beginning Base | <u>\$66,400</u> |

2.2 Insufficient Funding for Required Transfer

UCA 4-23-9 requires the division to contribute 25 percent of the amount of fees deposited in the Agricultural and Wildlife Damage Prevention Account during the previous fiscal year. The required amount for FY 2004 is \$76,700, or \$10,300 more than is currently in the base for this line item. The Analyst recommends funding the additional \$10,300 if funds become available.

3.0 Programs: Wildlife Resources - Predator Control

3.1 Predator Control

Recommendation The Analyst recommends the base of \$66,400.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------|------------|------------|------------|-------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 69,200 | 66,400 | 66,400 | |
| Transfers | (69,200) | (66,400) | (66,400) | |
| Total | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| Expenditures | | | | |
| Total | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| FTE/Other | | | | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Insufficient Funding UCA 4-23-9 requires the division to contribute 25 percent of the amount of fees deposited in the Agricultural and Wildlife Damage Prevention Account during the previous fiscal year. The required amount for FY 2004 is \$76,700, or \$10,300 more than is currently in the base for this line item. The Analyst recommends funding the additional \$10,300 if funds become available.

Purpose This program accounts for Wildlife Resources' statutorily required share of Agriculture's Predator Control program.

4.0 Additional Information: Wildlife Resources - Predator Control

4.1 Funding History

| | 2000 | 2001 | 2002 | 2003 | 2004 |
|---------------------|---------------|---------------|---------------|-------------------|----------------|
| | Actual | Actual | Actual | Estimated* | Analyst |
| Financing | | | | | |
| General Fund | 94,500 | 65,300 | 69,200 | 66,400 | 66,400 |
| Transfers | (94,500) | (65,300) | (69,200) | (66,400) | (66,400) |
| Total | \$0 | \$0 | \$0 | \$0 | \$0 |
| Programs | | | | | |
| Predator Control | | | | | |
| Total | \$0 | \$0 | \$0 | \$0 | \$0 |
| Expenditures | | | | | |
| Total | \$0 | \$0 | \$0 | \$0 | \$0 |
| FTE/Other | | | | | |

*General and school funds as revised by Supplemental Bills I-V, 2002 Gen and Spec Sessions. Others as estimated by agency.

Office of the
Legislative Fiscal Analyst

FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Natural Resources

Utah Department of Natural Resources
Wildlife Resources - Reimbursement

Contents:

- 1.0 Summary
- 2.0 Issues
- 3.0 Programs
- 4.0 Additional Information

This Page Intentionally Left Blank

1.0 Summary: Wildlife Resources - Reimbursement

UCA 23-19-39 requires the Division of Wildlife Resources to request General Funds from the Legislature, to reimburse the Wildlife Resources Restricted Account, a sum equal to the fees that were lost by the mandated issuance of free hunting and fishing licenses to:

- Those 65 years of age or older
- Residents of the State Developmental Center, State Hospital, a veteran's hospital or nursing home, a mental health center, and certain other institutions
- The blind, paraplegic, mentally retarded, permanently disabled, and terminally ill
- Children in custody of the state
- Youth in custody of the Division of Youth Corrections.

| | Analyst FY 2004 Base | Analyst FY 2004 Changes | Analyst FY 2004 Total |
|------------------------------------|----------------------------|-------------------------------|-----------------------------|
| Financing | | | |
| General Fund | 68,000 | | 68,000 |
| Total | <u>68,000</u> | \$0 | <u>68,000</u> |
| Programs | | | |
| General Fund Restricted - Wildlife | 68,000 | | 68,000 |
| Total | <u>68,000</u> | \$0 | <u>68,000</u> |
| FTE/Other | | | |

2.0 Issues: Wildlife Resources - Reimbursement

2.1 Previous Budget Reductions

During the 2002 General Session and subsequent special sessions, the Legislature made the following ongoing General Fund adjustments:

| | |
|--------------------------------|------------------------|
| FY 2003 Beginning Base: | <u>\$255,200</u> |
| Transfer from Predator Control | 2,800 |
| Reimbursement reductions | <u>(190,000)</u> |
| FY 2004 Beginning Base | <u>\$68,000</u> |

2.2 Additional Funds Requested

The amount of funds necessary to cover the price of free or subsidized licenses issued in the last fiscal year is \$277,100. Due to General Fund cuts last year, the base budget for this line item is now \$68,000. The division has requested an increase of \$100,000 to help make up the difference, but the Analyst is unable to recommend this increase at this time.

3.0 Programs: Wildlife Resources - Reimbursement

3.1 Reimbursement

Recommendation

The Analyst recommends General Funds in the amount of \$68,000 for this program. General Funds reimburse the division's restricted account.

| | 2002 | 2003 | 2004 | Est/Analyst |
|-------------------------|------------------|-----------------|-----------------|-------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 172,200 | 68,000 | 68,000 | |
| Total | <u>\$172,200</u> | <u>\$68,000</u> | <u>\$68,000</u> | <u>\$0</u> |
| Expenditures | | | | |
| Other Charges/Pass Thru | 172,200 | 68,000 | 68,000 | |
| Total | <u>\$172,200</u> | <u>\$68,000</u> | <u>\$68,000</u> | <u>\$0</u> |
| FTE/Other | | | | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Additional Funds Requested

The amount of funds necessary to cover the price of free or subsidized licenses issued in the last fiscal year is \$277,100. Due to General Fund cuts last year, the base budget for this line item is now \$68,000. The division has requested an increase of \$100,000 to help make up the difference, but the Analyst is unable to recommend this increase at this time.

Purpose

This line item accounts for hunting and fishing subsidies given by the state to defined categories of citizens.

4.0 Additional Information: Wildlife Resources - Reimbursement

4.1 Funding History

| | 2000 | 2001 | 2002 | 2003 | 2004 |
|-----------------------------------|---------------|---------------|------------------|-------------------|-----------------|
| | Actual | Actual | Actual | Estimated* | Analyst |
| Financing | | | | | |
| General Fund | 200,300 | 200,100 | 172,200 | 68,000 | 68,000 |
| GFR - Wildlife Resources | (200,300) | (200,100) | | | |
| Total | \$0 | \$0 | \$172,200 | \$68,000 | \$68,000 |
| Programs | | | | | |
| General Fund Restricted - Wildlif | | | 172,200 | 68,000 | 68,000 |
| Total | \$0 | \$0 | \$172,200 | \$68,000 | \$68,000 |
| Expenditures | | | | | |
| Other Charges/Pass Thru | | | 172,200 | 68,000 | 68,000 |
| Total | \$0 | \$0 | \$172,200 | \$68,000 | \$68,000 |
| FTE/Other | | | | | |

*General and school funds as revised by Supplemental Bills I-V, 2002 Gen and Spec Sessions. Others as estimated by agency.

Office of the
Legislative Fiscal Analyst

FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Natural Resources

Utah Department of Natural Resources
Wildlife Resources - Capital Budget

Contents:

- 1.0 Summary
- 3.0 Programs
- 4.0 Additional Information

This Page Intentionally Left Blank

1.0 Summary: Wildlife Resources - Capital Budget

Large structural projects or habitat improvements are included in the Wildlife Resources - Capital Budget.

An important financing source in the Capital Budget is the GFR - State Fish Hatchery Maintenance Account. \$2 of each fishing license fee or combination license fee is deposited into the account. Money appropriated from the account is used for major repairs or replacements of facilities and equipment at state fish hatcheries.

The GFR - Wildlife Resources Trust Account maintains the revenue from lifetime license sales. The current account balance is approximately \$1,233,000. No appropriation is recommended from this account.

| | Analyst FY 2004 Base | Analyst FY 2004 Changes | Analyst FY 2004 Total |
|------------------------------|-------------------------------------|--|--------------------------------------|
| Financing | | | |
| General Fund | 800,000 | | 800,000 |
| Federal Funds | 1,311,000 | | 1,311,000 |
| GFR - State Fish Hatch Maint | 1,000,000 | | 1,000,000 |
| GFR - Wildlife Resources | 205,000 | | 205,000 |
| Total | \$3,316,000 | \$0 | \$3,316,000 |
| Programs | | | |
| Fisheries | 3,316,000 | | 3,316,000 |
| Total | \$3,316,000 | \$0 | \$3,316,000 |
| FTE/Other | | | |

3.0 Programs: Wildlife Resources - Capital Budget

3.1 Information and Education

Recommendation The Analyst recommends no appropriation.

| | 2002 Actual | 2003 Estimated* | 2004 Analyst | Est/Analyst Difference |
|-------------------------|-----------------|--------------------|-----------------|---------------------------|
| Financing | | | | |
| Federal Funds | 31,400 | | | |
| Total | <u>\$31,400</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| Expenditures | | | | |
| Other Charges/Pass Thru | 31,400 | | | |
| Total | <u>\$31,400</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| FTE/Other | | | | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The Division of Wildlife Resources encourages local communities throughout the state to support the Hunter Education Program. They provide seed money to develop new facilities or renovate existing ranges for hunter education training and public use. Local funds are matched by federal grants.

In FY 2003, federal funds were granted to improve shooting ranges in the state.

3.2 Fisheries

Recommendation

The Analyst recommends an appropriation of \$3,316,000. The General Fund appropriation was authorized by the 1997 Legislature for hatchery renovation and is used to match federal funds. A large amount of federal funds were granted in FY 2002 for protection of endangered species.

| | 2002 | 2003 | 2004 | Est/Analyst |
|------------------------------|--------------------|--------------------|--------------------|----------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund | 800,000 | 800,000 | 800,000 | |
| General Fund, One-time | 300,000 | | | |
| Federal Funds | 7,565,400 | 1,311,000 | 1,311,000 | |
| Dedicated Credits Revenue | 430,500 | | | |
| GFR - State Fish Hatch Maint | 1,000,000 | 1,000,000 | 1,000,000 | |
| GFR - Wildlife Resources | 205,000 | 205,000 | 205,000 | |
| Beginning Nonlapsing | 1,864,800 | 2,020,000 | | (2,020,000) |
| Closing Nonlapsing | (2,020,000) | | | |
| Lapsing Balance | (479,600) | | | |
| Total | \$9,666,100 | \$5,336,000 | \$3,316,000 | (\$2,020,000) |
| Expenditures | | | | |
| Personal Services | 300 | | | |
| Current Expense | 502,700 | 502,800 | 502,800 | |
| DP Current Expense | 23,000 | 23,000 | 23,000 | |
| Capital Outlay | 8,302,400 | 3,972,500 | 1,952,500 | (2,020,000) |
| Other Charges/Pass Thru | 837,700 | 837,700 | 837,700 | |
| Total | \$9,666,100 | \$5,336,000 | \$3,316,000 | (\$2,020,000) |
| FTE/Other | | | | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

Expenditures from this program are used to improve fisheries access, enhance motorboat access and facilities, improve fish hatcheries, and enlarge fish habitat.

The division operates nine hatcheries in Bicknell, Hatch, Fountain Green, Mantua, Glenwood, Kamas, Springville, Loa, and Whiterocks. The Utah Reclamation Mitigation and Conservation Commission (URMCC) has committed funds to rebuild or repair the most dilapidated facilities on a 75 percent URMCC/25 percent state funds basis. For the past several years the Legislature has appropriated \$800,000 General Funds per year to the division for this purpose. Several hatcheries have been completed, with Midway scheduled to begin soon.

Intent Language

The Analyst recommends **maintaining** the following intent language from S.B. 1, 2002 General Session:

It is the intent of the Legislature that the Division of Wildlife Resources - Capital Budget be nonlapsing.

3.3 Game Management

Recommendation

The Analyst recommends no appropriation. The only funds currently in this program are nonlapsing funds from a FY 2002 one-time appropriation to buy conservation easements.

| | 2002 | 2003 | 2004 | Est/Analyst |
|------------------------|--------------------|------------------|------------|--------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| General Fund, One-time | 981,700 | | | |
| Beginning Nonlapsing | 1,628,700 | 658,700 | | (658,700) |
| Closing Nonlapsing | (658,700) | | | |
| Total | <u>\$1,951,700</u> | <u>\$658,700</u> | <u>\$0</u> | <u>(\$658,700)</u> |
| Expenditures | | | | |
| Capital Outlay | 1,951,700 | 658,700 | | (658,700) |
| Total | <u>\$1,951,700</u> | <u>\$658,700</u> | <u>\$0</u> | <u>(\$658,700)</u> |
| FTE/Other | | | | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

This program preserves game habitat by purchasing land or easements.

As parcels are identified for acquisition they are submitted for review to:

- House and Senate standing committees.
- Senator and Representative of the identified area.
- County Commission of the identified area.
- Association of Counties of the identified area.
- Resource Development Coordinating Committee.

The 2001 Legislature appropriated one-time General Funds in the amount of \$1 million for the acquisition of conservation easements for big game habitat on land previously owned by the School and Institutional Trust Lands Administration. The division had \$18,300 held back in the Governor's original FY 2002 holdbacks. The current balance of \$658,700 is being considered for conservation easements on land near Moab. The Analyst recommends the division report on the details of this purchase to the subcommittee.

**Intent
Language**

The Analyst recommends **continuing** intent language for funds that carry over into FY 2004.

It is the intent of the Legislature that the Wildlife Board use the FY 2002 one-time General Fund appropriation of \$1 million for the acquisition of conservation easements for big game habitat on land disposed of after July 1, 2001, by the School and Institutional Trust Lands Administration. It is further the intent of the Legislature that the ownership of the real property shall be in a property tax paying, private party or parties, with the Division of Wildlife Resources owning the conservation easements for big game habitat in that real property as provided in Utah Code Ann. Sec. 57-18-4. This appropriation is nonlapsing.

4.0 Additional Information: Wildlife Resources - Capital Budget

4.1 Funding History

| | 2000 | 2001 | 2002 | 2003 | 2004 |
|------------------------------|--------------------|--------------------|---------------------|--------------------|--------------------|
| | Actual | Actual | Actual | Estimated* | Analyst |
| Financing | | | | | |
| General Fund | 800,000 | 800,000 | 800,000 | 800,000 | 800,000 |
| General Fund, One-time | | | 1,281,700 | | |
| Federal Funds | 1,543,600 | 3,316,700 | 7,596,800 | 1,311,000 | 1,311,000 |
| Dedicated Credits Revenue | | 1,640,200 | 430,500 | | |
| GFR - State Fish Hatch Maint | 1,000,000 | 998,200 | 1,000,000 | 1,000,000 | 1,000,000 |
| GFR - Wildlife Resources | 205,000 | 206,800 | 205,000 | 205,000 | 205,000 |
| Beginning Nonlapsing | 1,036,900 | 1,705,000 | 3,493,500 | 2,678,700 | |
| Closing Nonlapsing | (1,705,000) | (3,493,500) | (2,678,700) | | |
| Lapsing Balance | (205,700) | (646,400) | (479,600) | | |
| Total | \$2,674,800 | \$4,527,000 | \$11,649,200 | \$5,994,700 | \$3,316,000 |
| Programs | | | | | |
| Information and Education | 300 | 10,200 | 31,400 | | |
| Fisheries | 2,674,200 | 4,388,800 | 9,666,100 | 5,336,000 | 3,316,000 |
| Game Management | 300 | 128,000 | 1,951,700 | 658,700 | |
| Total | \$2,674,800 | \$4,527,000 | \$11,649,200 | \$5,994,700 | \$3,316,000 |
| Expenditures | | | | | |
| Personal Services | | 51,400 | 300 | | |
| Current Expense | 173,400 | 435,200 | 502,700 | 502,800 | 502,800 |
| DP Current Expense | | | 23,000 | 23,000 | 23,000 |
| Capital Outlay | 1,002,600 | 1,061,900 | 10,254,100 | 4,631,200 | 1,952,500 |
| Other Charges/Pass Thru | 1,498,800 | 2,978,500 | 869,100 | 837,700 | 837,700 |
| Total | \$2,674,800 | \$4,527,000 | \$11,649,200 | \$5,994,700 | \$3,316,000 |
| FTE/Other | | | | | |

*General and school funds as revised by Supplemental Bills I-V, 2002 Gen and Spec Sessions. Others as estimated by agency.

4.2 Federal Funds

| | | | FY 2000 | FY 2001 | FY 2002 |
|-------------|------------------------------|-----------------------------|------------------|------------------|------------------|
| | | | Actual | Estimated | Analyst |
| Program: | Wildlife Resources | Federal | 1,583,100 | 1,209,600 | 1,209,600 |
| Fed Agency: | Sportfish Restoration Act | State Match | 395,800 | 302,400 | 302,400 |
| Purpose: | Restore Sportfish | Total | 1,978,900 | 1,512,000 | 1,512,000 |
| Program: | Wildlife Resources | Federal | 6,013,700 | 101,400 | 101,400 |
| Fed Agency: | U.S. Fish & Wildlife Service | State Match | 2,004,567 | 11,300 | 11,300 |
| Purpose: | Endangered Species Act | Total | 8,018,267 | 112,700 | 112,700 |
| | | Federal Total | 7,596,800 | 1,311,000 | 1,311,000 |
| | | State Matching Total | 2,400,367 | 313,700 | 313,700 |
| | | Total | 9,997,167 | 1,624,700 | 1,624,700 |

Office of the
Legislative Fiscal Analyst

FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Natural Resources

School and Institutional Trust Lands Administration

Contents:

- 1.0 Summary
- 2.0 Issues
- 3.0 Programs
- 4.0 Additional Information

This Page Intentionally Left Blank

1.0 Summary: School and Institutional Trust Lands Administration (SITLA)

The state is divided into townships that are six miles square. Each of these township squares is divided into 36 sections, each being one mile square. Under the terms of the Enabling Act, as part of Congress' granting Utah statehood, the federal government awarded sections 2, 16, 32, and 36 in each thirty-six section township of Utah for the support of the common schools. The state was also given 1.6 million acres to fund higher and special education needs within the state.

It is important to understand that these lands are not like other state lands but are granted to the state in trust for the benefit of the various beneficiaries (primarily public education). State law says that "As trustee, the state must manage the lands and revenues generated from the lands in the most prudent and profitable manner possible, and not for any purpose inconsistent with the best interests of the trust beneficiaries... The beneficiaries do not include other governmental institutions or agencies, the public at large, or the general welfare of this state" (UCA 53C-1-102).

SITLA was established under UCA 53C-1-201 as a quasi-governmental independent state agency to manage all school and institutional trust lands and associated assets. A seven-member Board of Trustees establishes the agency's policies.

Administrative expenditures are funded from the various beneficiary land use revenues as allocated based on the beneficiary's pro-rata share of mineral, surface, and miscellaneous income.

Funding for SITLA operations is provided through the Land Grant Management Fund (an enterprise fund), which consists of:

- Revenues provided from trust land activities other than land sales. (Revenues from land sales go directly to the nonexpendable trust fund of the land's designated beneficiary).
- Revenues from other activities of the Administration.

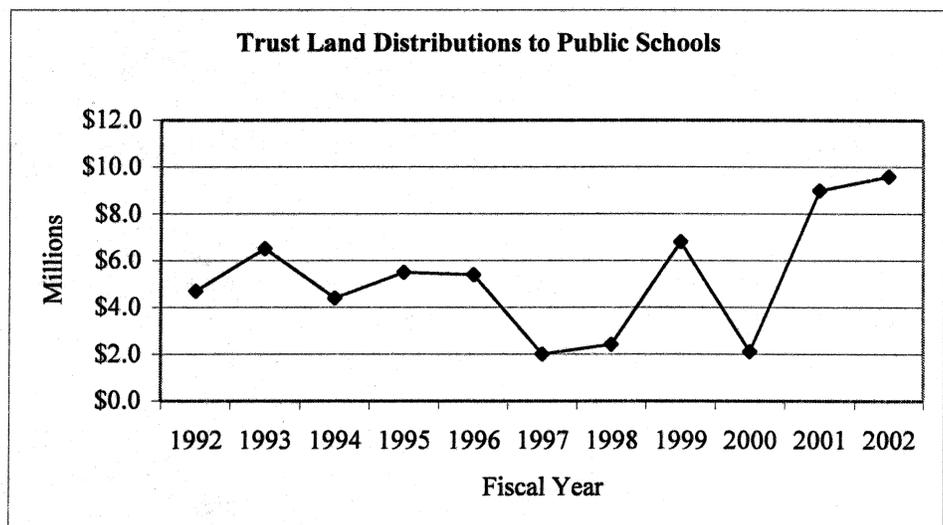
Land use revenues include licenses, permits fees, royalties, and lease revenues charged for the use of trust lands. In exchange for these revenues, SITLA allows the use of selected trust lands for activities such as grazing, logging, mineral extraction, and development.

Revenues that have not been appropriated for use by SITLA are distributed directly to the beneficiaries or the Permanent School Fund. Unexpended appropriations to SITLA are also distributed to the beneficiaries or to their trust funds.

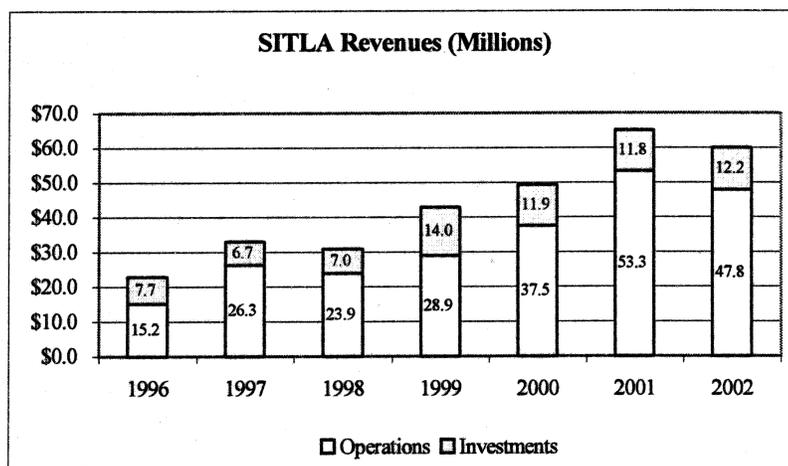
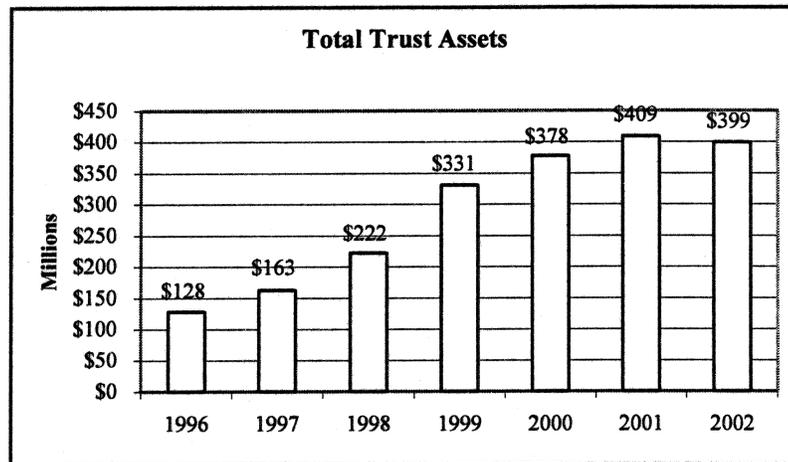
In 1999 SITLA traded 377,000 acres of trust lands isolated within federal lands for \$50 million cash, \$13 million in future coal revenue, coal and coalbed methane, and 139,000 acres of land or surface/mineral rights with readily developable commercial and mineral value. Since the trade was completed, the lands have produced approximately \$20 million dollars, and may produce up to \$10 million per year for the next twenty years.

Timber sales on trust lands have grown from \$51,000 in 1995 to \$383,000 last year. A positive market has stimulated SITLA to contract with the Division of Forestry, Fire and State Lands to administer timber sales.

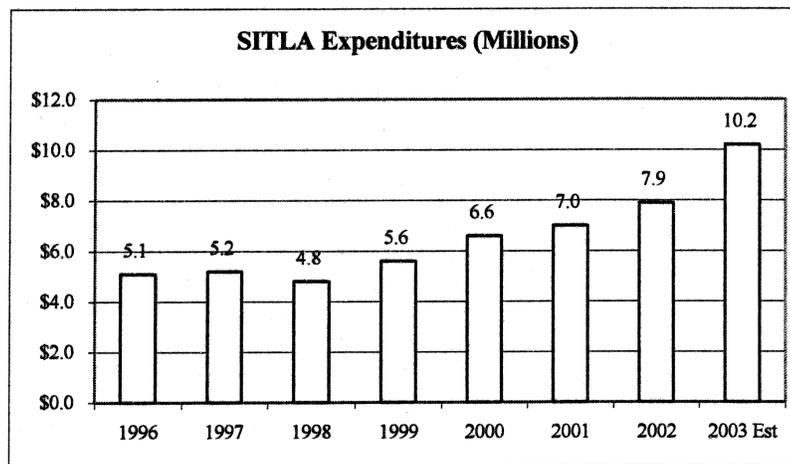
The State Treasurer handles SITLA's investments. Interest income from the Permanent School Fund is directly distributed to individual schools. Passage of Constitutional Amendment Number One (effective January 1, 2003), eliminated the requirement that a portion of interest earnings be held back as a protection against inflation, and clarified that stock dividends are part of the "interest" earnings that may be distributed.



Fiscal Year 2002 was the second year in a row the permanent fund had significant unrealized losses on its investments as a result of declines in the national securities markets (see CAFR, p. 20). However, in FY 2002 the permanent fund generated \$9.7 million of cash investment earnings for the Uniform School Fund that is earmarked for distribution to local school districts. The \$9.7 million distribution represented approximately 0.41% (compared to 0.38% in FY 2001) of the Public Education Budget. This percentage may grow if SITLA is able to reach its goal of \$1 billion in the Permanent School Fund. Yet the overall state budget for public education may also grow, thus diminishing growth in the percentage coming from Permanent Fund distributions.



Total revenues generated in FY 2002 were \$60 million. Of this amount, \$26.5 million came from mineral lease rentals/royalties, \$12.2 million came from investments, and \$10.7 million came from gains on sales of developed land.



At the time of statehood, Congress designated twelve beneficiaries of Utah trust lands. The following chart shows the beneficiaries, original surface grant, surface land sold since statehood, and current surface holdings.

TRUST LAND HOLDINGS

| Beneficiary | Original Grant | Sold Since Statehood | Current Holding |
|--------------------------|-----------------------|-----------------------------|------------------------|
| Public Schools | 5,855,217 | 2,522,636 | 3,332,581 |
| Reservoir Fund | 500,000 | 454,186 | 45,814 |
| Utah State University | 200,000 | 171,881 | 28,119 |
| University of Utah | 156,080 | 139,518 | 16,562 |
| School of Mines | 100,000 | 92,491 | 7,509 |
| Miners Hospital | 100,000 | 92,979 | 7,021 |
| Normal School | 100,000 | 93,593 | 6,407 |
| School for Deaf | 100,000 | 94,342 | 5,658 |
| Public Buildings | 64,000 | 60,444 | 3,556 |
| Utah State Hospital | 100,000 | 99,575 | 425 |
| School for Blind | 100,000 | 99,344 | 656 |
| Youth Development Center | 100,000 | 99,981 | 19 |
| Total | 7,475,297 | 4,020,970 | 3,454,327 |

Almost 97 percent of the current holding is for public schools.

Interest revenue from the Reservoir Fund is deposited in the Water Resources Construction Fund. The amount deposited in FY 2002 was \$333,900, up from \$274,900 in FY 2001.

| | Analyst FY 2004 Base | Analyst FY 2004 Changes | Analyst FY 2004 Total |
|-------------------------|-------------------------------------|--|--------------------------------------|
| Financing | | | |
| Land Grant Mgt Fund | 10,247,400 | | 10,247,400 |
| Total | <u>\$10,247,400</u> | <u>\$0</u> | <u>\$10,247,400</u> |
| Programs | | | |
| Board | 204,000 | | 204,000 |
| Director | 757,000 | | 757,000 |
| Public Relations | 191,100 | | 191,100 |
| Administration | 702,000 | | 702,000 |
| Accounting | 265,800 | | 265,800 |
| Royalty | 178,000 | | 178,000 |
| Minerals | 1,111,900 | | 1,111,900 |
| Surface | 1,221,100 | | 1,221,100 |
| Development - Operating | 1,118,700 | | 1,118,700 |
| Legal/Contracts | 401,100 | | 401,100 |
| Data Processing | 694,100 | | 694,100 |
| Forestry and Grazing | 402,600 | | 402,600 |
| Development - Capital | 3,000,000 | | 3,000,000 |
| Total | <u>\$10,247,400</u> | <u>\$0</u> | <u>\$10,247,400</u> |
| FTE/Other | | | |
| Total FTE | 62 | | 62 |

2.0 Issues: School and Institutional Trust Lands Administration

2.1 Fire Suppression

It is currently estimated that the state will need a supplemental appropriation of \$12.4 million to cover its share of fire suppression costs from the 2002 fire season. Half of those costs occurred on the Rattle Complex fire in the Book Cliffs, almost entirely on school trust lands. The Governor has recommended that SITLA pay \$6,070,000 out of the Land Grant Management Fund. The Analyst also recommends this course of action. However, there are some issues to consider:

- Revenues derived from lands in the Book Cliffs are much less than the cost of suppressing the fire. Had SITLA been consulted, they probably would have opted to let the fire burn itself out. They are essentially being asked to pay for a service they did not request.
- Two years ago the state owed \$5.1 million for fire suppression, but the federal government was unable to provide an auditable billing and therefore didn't charge the state. However, the Division of Forestry, Fire and State Lands says there is no chance of this happening again.
- The Divisions of Forestry, Fire and State Lands, Wildlife Resources and Parks and Recreation also own state land. If the state holds SITLA responsible for fires on its lands, it will need to treat all landowning agencies the same way.
- There may be legal and fiduciary issues involved with using trust funds for fire suppression.

If the Legislature decides to assess the \$6,070,000 to the Land Grant Management Fund, it will need to increase the appropriation from this fund so that SITLA can transfer the funds.

This issue will be discussed further when FY 2003 supplemental budgets are reviewed.

3.0 Programs: School and Institutional Trust Lands Administration

3.1 Board

Recommendation

The Analyst recommends a budget of \$204,000.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------|------------------|------------------|------------------|------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| Land Grant Mgt Fund | 177,700 | 205,000 | 204,000 | (1,000) |
| Total | <u>\$177,700</u> | <u>\$205,000</u> | <u>\$204,000</u> | <u>(\$1,000)</u> |
| Expenditures | | | | |
| Personal Services | 147,300 | 163,100 | 163,200 | 100 |
| In-State Travel | 2,900 | 4,300 | 4,300 | |
| Out of State Travel | 1,100 | 2,800 | 2,800 | |
| Current Expense | 26,400 | 34,800 | 33,700 | (1,100) |
| Total | <u>\$177,700</u> | <u>\$205,000</u> | <u>\$204,000</u> | <u>(\$1,000)</u> |
| FTE/Other | | | | |
| Total FTE | 1 | 1 | 1 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The seven-member Board of Trustees is created in Utah Code 53C-1-202. Their purpose as stated in section 53C-1-204 of the code is to "...establish policies for the management of the School and Institutional Trust Lands Administration."

The single largest expenditure in this program is the Board's incentive award package for senior staff, which totals \$150,000 in potential awards.

Utah law requires the policies to:

- be consistent with the Utah Enabling Act, the Utah Constitution, and state law;
- reflect undivided loyalty to the beneficiaries consistent with fiduciary duties;
- require the return of not less than fair market value for the use, sale, or exchange of school and institutional trust assets;
- seek to optimize trust land revenues and increase the value of trust land holdings consistent with the balancing of short and long-term interests, so that long-term benefits are not lost in an effort to maximize short-term gains;
- maintain the integrity of the trust and prevent the misapplication of its lands and its revenues; and
- have regard for and seek General Fund appropriation compensation for the general public's use of natural and cultural resources consistent with the duties of the administration as trustee for the beneficiaries.

3.2 Director

Recommendation

The Analyst recommends a budget of \$757,000. Personal Services comprise 60 percent of the recommended budget.

| | 2002 Actual | 2003 Estimated* | 2004 Analyst | Est/Analyst Difference |
|-------------------------|------------------|--------------------|------------------|---------------------------|
| Financing | | | | |
| Land Grant Mgt Fund | 706,500 | 744,800 | 757,000 | 12,200 |
| Total | <u>\$706,500</u> | <u>\$744,800</u> | <u>\$757,000</u> | <u>\$12,200</u> |
| Expenditures | | | | |
| Personal Services | 412,100 | 450,600 | 452,600 | 2,000 |
| In-State Travel | 7,300 | 10,500 | 11,000 | 500 |
| Out of State Travel | 52,500 | 7,000 | 11,300 | 4,300 |
| Current Expense | 209,600 | 276,700 | 282,100 | 5,400 |
| Other Charges/Pass Thru | 25,000 | | | |
| Total | <u>\$706,500</u> | <u>\$744,800</u> | <u>\$757,000</u> | <u>\$12,200</u> |
| FTE/Other | | | | |
| Total FTE | 4 | 5 | 5 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The Director of the School and Institutional Trust Lands Administration is required by statute to "...manage the School and Institutional Trust Lands Administration in fulfillment of its purpose." That purpose has been identified in UCA 53C-1-102 to "...manage the lands and revenues generated from the lands in the most prudent and profitable manner possible, and not for any purpose inconsistent with the best interest of the trust beneficiaries."

The office consists of the Director, the public affairs officer, and an office technician. Aside from personal services, the largest costs consist of consulting contracts.

Intent Language Report

The Analyst recommends the subcommittee hear a **report** from the agency on its progress in complying with the following intent language in S.B. 1, 2002 General Session:

It is the intent of the Legislature that the compensation package for employees of the School and Institutional Trust Lands Administration not exceed the legislatively approved compensation package for employees in other departments.

Prior Building Block Report

The 2002 Legislature approved a budget increase of \$120,000 for hiring an Associate Director, whose duties would be to coordinate exchanges, oversee block management, and other special projects. The position was filled, but is presently vacant pending a decision by the current director.

3.3 Administration

Recommendation

The Analyst recommends a budget of \$702,000.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------|------------------|-------------------|------------------|-------------------|
| Financing | Actual | Estimated* | Analyst | Difference |
| Land Grant Mgt Fund | 1,905,700 | 703,600 | 702,000 | (1,600) |
| Lapsing Balance | (1,156,200) | | | |
| Total | \$749,500 | \$703,600 | \$702,000 | (\$1,600) |
| Expenditures | | | | |
| Personal Services | 185,500 | 209,200 | 209,800 | 600 |
| In-State Travel | 500 | 3,100 | 3,100 | |
| Out of State Travel | | 2,100 | 2,100 | |
| Current Expense | 549,800 | 468,200 | 467,400 | (800) |
| DP Current Expense | 7,100 | 6,000 | 4,600 | (1,400) |
| Capital Outlay | 6,600 | 15,000 | 15,000 | |
| Total | \$749,500 | \$703,600 | \$702,000 | (\$1,600) |
| FTE/Other | | | | |
| Total FTE | 4 | 5 | 5 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

This program includes the department administrative assistant and the office staff that provide support for the rest of the agency. Costs for rent, office supplies, and insurance are paid out of this program. Staff in this program also supports the Board of Trustees.

Prior Building Block Report

The 2002 Legislature appropriated \$36,000 for rental increases at the agency's main Salt Lake City office. The agency moved onto some sixth-floor space (the main offices are on the fifth floor) in December of 2001.

3.4 Accounting

Recommendation

The Analyst recommends a budget of \$265,800.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------|------------------|------------------|------------------|----------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| Land Grant Mgt Fund | 263,100 | 264,400 | 265,800 | 1,400 |
| Total | <u>\$263,100</u> | <u>\$264,400</u> | <u>\$265,800</u> | <u>\$1,400</u> |
| Expenditures | | | | |
| Personal Services | 247,100 | 244,600 | 245,300 | 700 |
| In-State Travel | 900 | 500 | 500 | |
| Out of State Travel | | 900 | 900 | |
| Current Expense | 10,800 | 15,100 | 14,800 | (300) |
| DP Current Expense | 4,300 | 3,300 | 4,300 | 1,000 |
| Total | <u>\$263,100</u> | <u>\$264,400</u> | <u>\$265,800</u> | <u>\$1,400</u> |
| FTE/Other | | | | |
| Total FTE | 5 | 5 | 5 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

This program accounts for all revenue and expenditures of the agency from trust lands. It is responsible for developing and coordinating the budget and the review process before the Board of Trustees and other committees. Additional responsibilities include setting up, creating and maintaining financial data, payroll, coordinating investments with the State Treasurer, and managing the business system for the agency.

3.5 Royalty

Recommendation

The Analyst recommends a budget of \$178,000.

| | 2002 Actual | 2003 Estimated* | 2004 Analyst | Est/Analyst Difference |
|---------------------|------------------|--------------------|------------------|---------------------------|
| Financing | | | | |
| Land Grant Mgt Fund | 143,900 | 177,200 | 178,000 | 800 |
| Total | \$143,900 | \$177,200 | \$178,000 | \$800 |
| Expenditures | | | | |
| Personal Services | 140,400 | 148,400 | 149,400 | 1,000 |
| In-State Travel | 200 | 1,100 | 1,100 | |
| Out of State Travel | 900 | 7,800 | 7,700 | (100) |
| Current Expense | 1,500 | 18,800 | 18,700 | (100) |
| DP Current Expense | 900 | 1,100 | 1,100 | |
| Total | \$143,900 | \$177,200 | \$178,000 | \$800 |
| FTE/Other | | | | |
| Total FTE | 2 | 2 | 2 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

This program consists of two auditors who ensure compliance with lease terms, contracts, rules, and statutes. If inconsistencies are found, the program issues assessments, recommends solutions to the director and board, and works with the agency attorneys in collecting the assessments.

Prior Building Block Report

The Legislature approved an FY 2003 increase of \$18,500 for a contract auditor to gather audit data as needed in the Houston, Texas area. To date the funds have not been used, but may be needed later in FY 2003 and in FY 2004.

3.6 Minerals

Recommendation

The Analyst recommends a budget of \$1,111,900.

| | 2002 Actual | 2003 Estimated* | 2004 Analyst | Est/Analyst Difference |
|---------------------|------------------|--------------------|--------------------|---------------------------|
| Financing | | | | |
| Land Grant Mgt Fund | 783,800 | 1,111,700 | 1,111,900 | 200 |
| Total | \$783,800 | \$1,111,700 | \$1,111,900 | \$200 |
| Expenditures | | | | |
| Personal Services | 466,800 | 528,600 | 530,200 | 1,600 |
| In-State Travel | 6,000 | 6,100 | 6,100 | |
| Out of State Travel | 1,400 | 24,800 | 24,800 | |
| Current Expense | 305,800 | 548,500 | 546,000 | (2,500) |
| DP Current Expense | 3,800 | 3,700 | 4,800 | 1,100 |
| Total | \$783,800 | \$1,111,700 | \$1,111,900 | \$200 |
| FTE/Other | | | | |
| Total FTE | 7 | 8 | 8 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

This program manages and administers approximately 4.6 million acres of subsurface mineral rights held in trust lands. Mineral assets must be managed under strict fiduciary guidelines with focus on generating revenue today and protecting long term assets for the future. The program engages in marketing its mineral assets, enforcing existing contractual rights, leasing, and attracting industry to trust lands for exploration and development. This program generates approximately 55 percent of the non-interest revenue for the trust.

3.7 Surface

Recommendation

The Analyst recommends a budget of \$1,221,000.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------|------------------|--------------------|--------------------|-------------------|
| Financing | Actual | Estimated* | Analyst | Difference |
| Land Grant Mgt Fund | 961,400 | 1,220,300 | 1,221,100 | 800 |
| Total | \$961,400 | \$1,220,300 | \$1,221,100 | \$800 |
| Expenditures | | | | |
| Personal Services | 825,000 | 753,300 | 755,500 | 2,200 |
| In-State Travel | 31,700 | 23,100 | 23,100 | |
| Out of State Travel | 1,900 | 7,600 | 7,500 | (100) |
| Current Expense | 90,300 | 430,300 | 428,900 | (1,400) |
| DP Current Expense | 10,300 | 6,000 | 6,100 | 100 |
| Capital Outlay | 2,200 | | | |
| Total | \$961,400 | \$1,220,300 | \$1,221,100 | \$800 |
| FTE/Other | | | | |
| Total FTE | 14 | 12 | 12 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

This program administers the surface uses of the trust lands. Surface activities include leasing for such uses as telecommunications sites, industrial and commercial enterprises and residential purposes, as well as easements, permits, rights-of-way, and sales.

Intent Language Report

The Analyst recommends the subcommittee hear a **report** from the agency on its progress in complying with the following intent language in S.B. 1, 2002 General Session:

It is the intent of the Legislature that the School and Institutional Trust Lands Administration report on the development of management strategies and on the use of the \$250,000 appropriation for blocks of trust lands during fall 2002.

Previous Building Block Report

In the 2002 General Session the Legislature appropriated \$44,000 for an office technician to support the Block Management program. The position has been filled. The Block Management program was created with a \$250,000 appropriation in the 2001 General Session.

3.8 Development (Operating)

Recommendation The Analyst recommends a budget of \$1,118,700.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------|------------------|--------------------|--------------------|-------------------|
| Financing | Actual | Estimated* | Analyst | Difference |
| Land Grant Mgt Fund | 584,100 | 1,106,200 | 1,118,700 | 12,500 |
| Total | \$584,100 | \$1,106,200 | \$1,118,700 | \$12,500 |
| Expenditures | | | | |
| Personal Services | 500,200 | 634,100 | 636,200 | 2,100 |
| In-State Travel | 19,300 | 14,400 | 16,900 | 2,500 |
| Out of State Travel | 3,500 | 3,700 | 5,700 | 2,000 |
| Current Expense | 50,900 | 447,600 | 453,500 | 5,900 |
| DP Current Expense | 7,000 | 6,400 | 6,400 | |
| Capital Outlay | 3,200 | | | |
| Total | \$584,100 | \$1,106,200 | \$1,118,700 | \$12,500 |
| FTE/Other | | | | |
| Total FTE | 7 | 9 | 9 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The objective of this program is to identify and facilitate real estate development opportunities on trust land parcels. Development activities add value to the lands, maximizing the trust assets. The agency found that by developing land before sale it was able to significantly increase revenue to the beneficiaries.

The budget reflected here represents the cost of operating the Development program.

3.9 Legal

Recommendation

The Analyst recommends a budget of \$401,100.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------|------------------|------------------|------------------|--------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| Land Grant Mgt Fund | 322,800 | 400,300 | 401,100 | 800 |
| Total | <u>\$322,800</u> | <u>\$400,300</u> | <u>\$401,100</u> | <u>\$800</u> |
| Expenditures | | | | |
| Personal Services | 307,500 | 321,500 | 322,800 | 1,300 |
| In-State Travel | 1,000 | 4,300 | 4,300 | |
| Out of State Travel | 4,100 | 7,500 | 7,500 | |
| Current Expense | 8,300 | 65,800 | 65,300 | (500) |
| DP Current Expense | 1,900 | 1,200 | 1,200 | |
| Total | <u>\$322,800</u> | <u>\$400,300</u> | <u>\$401,100</u> | <u>\$800</u> |
| FTE/Other | | | | |
| Total FTE | 4 | 4 | 4 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

This program defends and prosecutes lawsuits and pursues administrative adjudication involving the agency, drafts and/or reviews regulations, and provides general legal advice to the agency. Although statute requires the agency to use representation from the Attorney General's office, the agency maintains a separate legal staff because of occasional conflicts of interest that arise with the Attorney General's office.

3.10 Data Processing

Recommendation

The Analyst recommends a budget of \$694,100. Aside from Personal Services, most of the money in this program is spent on computer equipment and supplies.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------|------------------|------------------|------------------|-------------------|
| | Actual | Estimated* | Analyst | Difference |
| Financing | | | | |
| Land Grant Mgt Fund | 818,100 | 720,400 | 694,100 | (26,300) |
| Total | \$818,100 | \$720,400 | \$694,100 | (\$26,300) |
| Expenditures | | | | |
| Personal Services | 437,600 | 467,200 | 468,600 | 1,400 |
| In-State Travel | 300 | 2,000 | 2,000 | |
| Out of State Travel | 300 | 2,700 | 2,700 | |
| Current Expense | 24,700 | 25,800 | 30,000 | 4,200 |
| DP Current Expense | 212,100 | 149,700 | 163,300 | 13,600 |
| DP Capital Outlay | 143,100 | 73,000 | 27,500 | (45,500) |
| Total | \$818,100 | \$720,400 | \$694,100 | (\$26,300) |
| FTE/Other | | | | |
| Total FTE | 6 | 7 | 7 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

This program is a support function. The agency depends heavily on the use of data processing to support its ability to maximize revenues. The program operates the agency's fiscal, budget, and Geographic Information System software.

Prior Building Block Report

The 2002 Legislature authorized an appropriation of \$60,000 to replace the agency's server and plotter. The plotter has been purchased for approximately \$20,000. The server, which will cost about \$40,000, is scheduled for purchase in February.

3.11 Forestry and Grazing

Recommendation

The Analyst recommends a budget of \$402,600. Approximately \$173,000 will be used to contract with the Division of Forestry, Fire and State Lands for improved timber harvesting practices.

| | 2002 | 2003 | 2004 | Est/Analyst |
|---------------------|------------------|-------------------|------------------|-------------------|
| Financing | Actual | Estimated* | Analyst | Difference |
| Land Grant Mgt Fund | 262,800 | 402,600 | 402,600 | |
| Total | \$262,800 | \$402,600 | \$402,600 | \$0 |
| Expenditures | | | | |
| Personal Services | 137,500 | 147,900 | 148,400 | 500 |
| In-State Travel | 4,100 | 5,000 | 5,000 | |
| Out of State Travel | 3,300 | 2,100 | 2,100 | |
| Current Expense | 112,700 | 213,300 | 212,800 | (500) |
| DP Current Expense | 400 | 300 | 300 | |
| Capital Outlay | 4,800 | 34,000 | 34,000 | |
| Total | \$262,800 | \$402,600 | \$402,600 | \$0 |
| FTE/Other | | | | |
| Total FTE | 3 | 3 | 3 | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

This program administers the renewable resources of approximately 3.5 million acres of trust land. Activities include issuing permits for grazing, harvesting small forest products, holding timber sales, and special use leases for agricultural products. This need is met by staff and contract labor that receive and process applications, inventory vegetation production for grazing, and inventory and mark timber for sales.

3.12 Development (Capital)

Recommendation

The Analyst recommends a budget of \$3,000,000. In all likelihood the full appropriation will not be expended.

| | 2002 Actual | 2003 Estimated* | 2004 Analyst | Est/Analyst Difference |
|---------------------|--------------------|--------------------|--------------------|---------------------------|
| Financing | | | | |
| Land Grant Mgt Fund | 2,019,300 | 3,000,000 | 3,000,000 | |
| Total | <u>\$2,019,300</u> | <u>\$3,000,000</u> | <u>\$3,000,000</u> | <u>\$0</u> |
| Expenditures | | | | |
| Current Expense | 161,100 | 760,000 | 760,000 | |
| Capital Outlay | 1,858,200 | 2,240,000 | 2,240,000 | |
| Total | <u>\$2,019,300</u> | <u>\$3,000,000</u> | <u>\$3,000,000</u> | <u>\$0</u> |
| FTE/Other | | | | |

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

Purpose

The objective of this program is to identify and facilitate real estate development opportunities on trust land parcels. Development activities add value to the lands, maximizing the trust assets. The agency found that by developing land before sale it was able to significantly increase revenue to the beneficiaries.

The budget reflected here represents the capital costs in the Development program.

Prior Building Block Report

The FY 2003 budget contained an increase of \$1,000,000 for capital projects, in case the right opportunity arose. Half the funding was intended for block management. To date, \$325,000 has been spent, mostly on re-seeding fire damaged areas in the Book Cliffs. Approximately 18,000 of the 40,000 acres have been re-seeded. The other half of the funding was anticipated for needs with the Mile Post 13 interchange project near St. George, but with recent budget cuts to the Department of Transportation, the project may be delayed.

4.0 Additional Information: School and Institutional Trust Lands Administration**4.1 Funding History**

| | 2000 | 2001 | 2002 | 2003 | 2004 |
|-------------------------|--------------------|--------------------|--------------------|---------------------|---------------------|
| Financing | Actual | Actual | Actual | Estimated* | Analyst |
| Land Grant Mgt Fund | 4,783,500 | 8,437,700 | 8,949,200 | 10,247,400 | 10,247,400 |
| Lapsing Balance | | (1,290,200) | (1,156,200) | | |
| Total | \$4,783,500 | \$7,147,500 | \$7,793,000 | \$10,247,400 | \$10,247,400 |
| Programs | | | | | |
| Board | 37,400 | 178,600 | 177,700 | 205,000 | 204,000 |
| Director | 406,500 | 533,700 | 706,500 | 744,800 | 757,000 |
| Public Relations | | | | 190,900 | 191,100 |
| Administration | 438,600 | 477,500 | 749,500 | 703,600 | 702,000 |
| Accounting | 280,800 | 276,400 | 263,100 | 264,400 | 265,800 |
| Royalty | 121,400 | 148,700 | 143,900 | 177,200 | 178,000 |
| Minerals | 589,300 | 548,500 | 783,800 | 1,111,700 | 1,111,900 |
| Surface | 905,000 | 985,000 | 961,400 | 1,220,300 | 1,221,100 |
| Development - Operating | 559,300 | 702,900 | 584,100 | 1,106,200 | 1,118,700 |
| Legal/Contracts | 337,500 | 412,000 | 322,800 | 400,300 | 401,100 |
| Data Processing | 873,000 | 841,200 | 818,100 | 720,400 | 694,100 |
| Forestry and Grazing | 296,800 | 345,100 | 262,800 | 402,600 | 402,600 |
| Development - Capital | (62,100) | 1,697,900 | 2,019,300 | 3,000,000 | 3,000,000 |
| Total | \$4,783,500 | \$7,147,500 | \$7,793,000 | \$10,247,400 | \$10,247,400 |
| Expenditures | | | | | |
| Personal Services | 3,115,200 | 3,474,400 | 3,807,000 | 4,194,100 | 4,208,000 |
| In-State Travel | 58,200 | 59,100 | 74,200 | 79,500 | 82,500 |
| Out of State Travel | 53,600 | 50,700 | 69,000 | 71,700 | 77,800 |
| Current Expense | 914,600 | 1,447,600 | 1,551,900 | 3,362,400 | 3,370,500 |
| DP Current Expense | 193,200 | 227,300 | 247,800 | 177,700 | 192,100 |
| DP Capital Outlay | 197,000 | 183,900 | 143,100 | 73,000 | 27,500 |
| Capital Outlay | 238,400 | 1,679,600 | 1,875,000 | 2,289,000 | 2,289,000 |
| Other Charges/Pass Thru | 13,300 | 24,900 | 25,000 | | |
| Total | \$4,783,500 | \$7,147,500 | \$7,793,000 | \$10,247,400 | \$10,247,400 |
| FTE/Other | | | | | |
| Total FTE | 55 | 56 | 56 | 62 | 62 |

*General and school funds as revised by Supplemental Bills I-V, 2002 Gen and Spec Sessions. Others as estimated by agency.

