



SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION, OPERATIONS

NATURAL RESOURCES, AGRICULTURE, & ENVIRONMENTAL QUALITY APPROPRIATIONS SUBCOMMITTEE
STAFF: IVAN DJAMBOV & ANGELA OH

BUDGET BRIEF

SUMMARY

School and Institutional Trust Land Administration (SITLA) was established as a quasi-governmental independent state agency in 1994 to manage all school and institutional trust lands. A part of the generated revenue is used for SITLA’s capital and operating expenses, and the rest is distributed to the beneficiaries. All the funding for SITLA comes from the Land Grant Management restricted account.

For this line item, the Analyst recommends a one-time FY 2013 supplemental appropriation of \$450,000 for federal land exchange and attorney fees. For the FY 2014 base budget, the Analyst recommends a total appropriation of \$9,718,900, including a one-time increase of \$346,300 for a Temporary RS 2477 Resource Specialist and federal land exchange costs.

These recommendations are detailed below, as well as in the Budget Detail Table on page 3.

ISSUES AND RECOMMENDATIONS

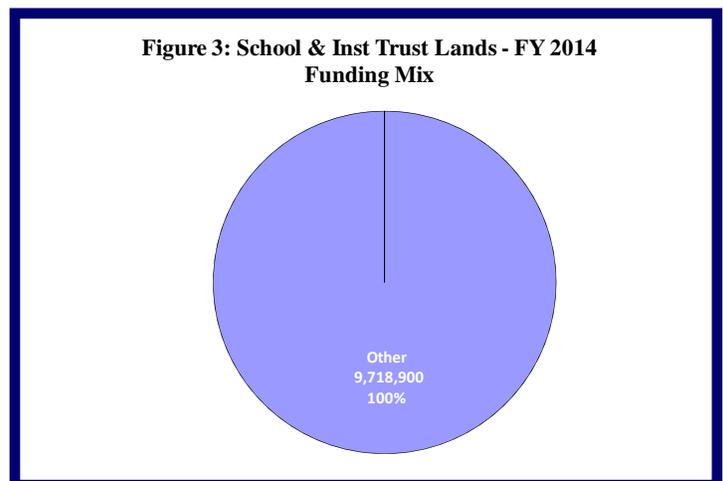
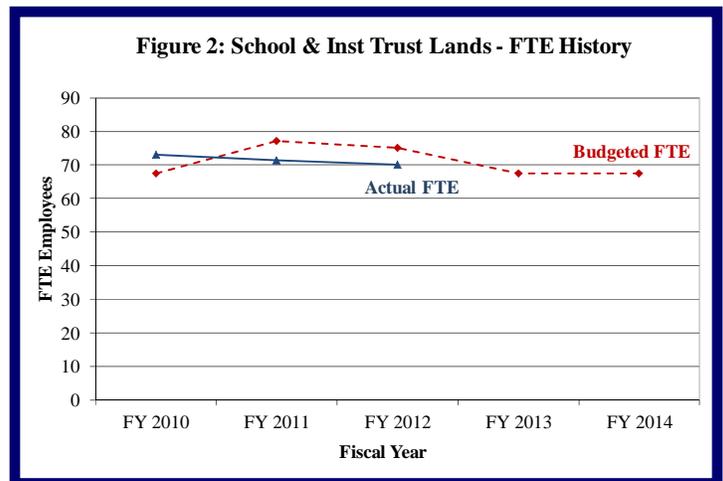
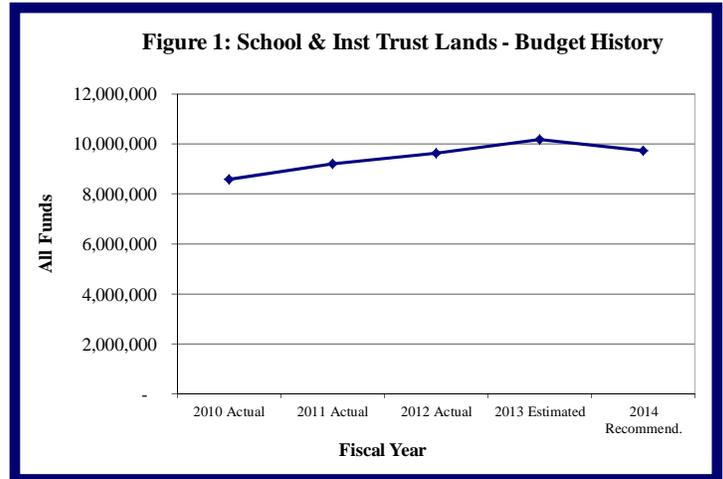
Attorney Fees for Pollution Remediation

SITLA was sued by Cook Associates, Inc. over termination of the company’s industrial lease on school trust lands in Utah County. The agency has obtained outside council for the court proceedings and has incurred additional expenses in FY 2013. SITLA is requesting a \$150,000 supplemental appropriation and the Analyst recommends the Legislature provide the funding.

Federal Land Exchange

The agency is continuing to work on the land exchange program, in which sensitive parcels of trust lands (that may be involved in wilderness study areas or national monuments) can be exchanged with the federal government. Their current focus is on the following two federal legislative initiatives:

- The Utah Recreational Land Exchange Act of



2009, which allows SITLA to exchange approximately 46,000 acres of trust lands (mostly in the Colorado River corridor) for BLM lands with high mineral values (in the Uintah Basin); and

- The proposed county land bills of several rural Utah counties patterned after the Washington County Lands Bill of 2009.

The Legislature has been appropriating for this purpose \$300,000 one-time funds each year since FY 2011. SITLA reported that in FY 2013 the federal government has begun the implementation of the 2009 legislation and SITLA had to respond accordingly as follows:

- Appraiser to begin valuing the 80,000 acres of land involved in the Recreation Land Exchange (SITLA's portion estimated: \$200,000),
- Hazardous materials inspections on 35,000 acres to be acquired from the federal government (estimated cost: \$50,000),
- Independent review appraiser to analyze the data presented in the original appraisal (estimated cost: \$50,000),
- Cadastral surveying to establish the property boundary between land SITLA will convey to the federal government and the land the agency will keep in Moab area (estimated cost: \$50,000),
- Cadastral surveying for the boundary of the land SITLA will be acquiring from the federal government as a consequence of the Hill Creek Exchange (estimated cost: \$60,000-\$90,000)
- Lobbyist in Washington DC (cost: \$120,000).

The agency is requesting for FY 2013 additional \$300,000 and for FY 2014 a one-time appropriation of \$300,000 for the federal land exchange, and the Analyst recommends the subcommittee fund these requests.

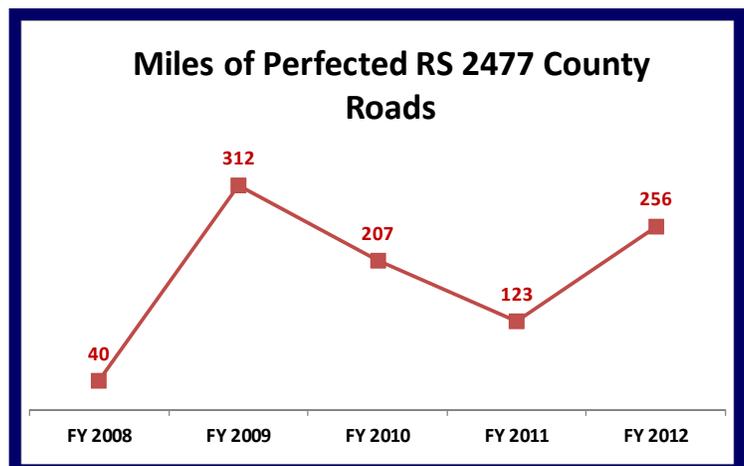
Temporary RS 2477 Resource Specialist

SITLA is working with the Public Lands Office to help counties resolve the US 2477 claims involving trust lands. The data must be analyzed and determinations made on each claim. SITLA is requesting a one-time appropriation of \$46,300 to continue to utilize the temporary Resource Specialist position funded with one-time funds since FY 2008. The Analyst recommends the Legislature fund this request

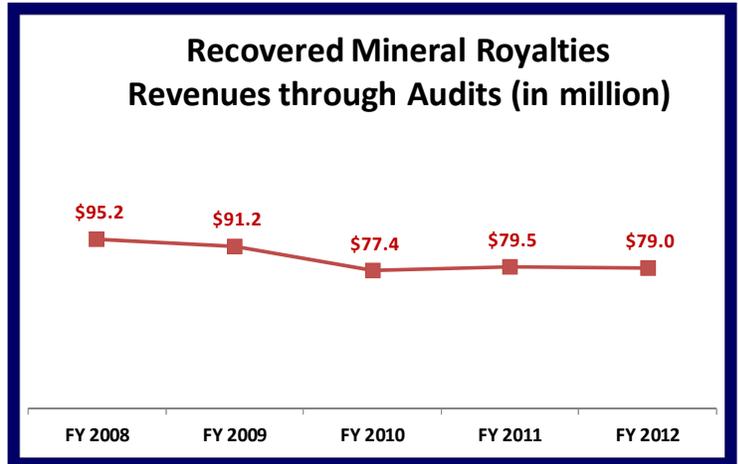
PERFORMANCE MEASURES

The following are the top measures chosen by SITLA management to gauge the success of its programs.

RS 2477: The first performance measure tracks the road miles analyzed and perfected as permanent easements or acknowledged by Disclaimer of Interest. The agency goal is to analyze and issue easements or Disclaimers of Interest on mileage of Class B county roads within 5 counties each year. No goal is set for the mileage per year because as this varies widely by county.



Audits: The second performance measure tracks the revenue recovered through auditing extraction companies operating on SITLA lands.



BUDGET DETAIL TABLE

School & Inst Trust Lands						
Sources of Finance	FY 2012 Actual	FY 2013 Appropriated	FY 2013 Changes	FY 2013 Revised	FY 2013 Changes	FY 2014* Recommended
Land Grant Management Fund	9,119,700	9,372,600	0	9,372,600	0	9,372,600
Land Grant Mgt Fund, One-time	721,300	346,300	450,000	796,300	(450,000)	346,300
Lapsing Balance	(214,100)	0	0	0	0	0
Total	\$9,626,900	\$9,718,900	\$450,000	\$10,168,900	(\$450,000)	\$9,718,900
Programs						
Board	92,100	88,500	0	88,500	0	88,500
Director	553,500	788,700	450,000	1,238,700	(450,000)	788,700
Public Relations	292,800	238,900	0	238,900	0	238,900
Administration	996,800	965,300	39,600	1,004,900	100	1,005,000
Accounting	349,200	391,000	0	391,000	0	391,000
Auditing	316,200	359,600	0	359,600	0	359,600
Oil and Gas	569,800	726,700	(9,900)	716,800	0	716,800
Mining	536,500	677,800	(10,000)	667,800	0	667,800
Surface	1,651,300	1,743,300	(9,900)	1,733,400	0	1,733,400
Development - Operating	1,675,600	1,469,400	(9,900)	1,459,500	0	1,459,500
Legal/Contracts	736,500	781,600	100	781,700	(100)	781,600
Data Processing	1,418,700	983,500	0	983,500	0	983,500
Grazing and Forestry	437,900	504,600	0	504,600	0	504,600
Total	\$9,626,900	\$9,718,900	\$450,000	\$10,168,900	(\$450,000)	\$9,718,900
Categories of Expenditure						
Personnel Services	6,423,100	6,777,700	296,363	7,074,063	(8,663)	7,065,400
In-state Travel	62,100	128,800	4,400	133,200	0	133,200
Out-of-state Travel	73,800	76,900	5,700	82,600	0	82,600
Current Expense	2,362,600	2,538,600	212,537	2,751,137	(441,337)	2,309,800
DP Current Expense	659,300	177,900	(50,000)	127,900	0	127,900
DP Capital Outlay	20,100	0	0	0	0	0
Capital Outlay	25,900	19,000	(19,000)	0	0	0
Total	\$9,626,900	\$9,718,900	\$450,000	\$10,168,900	(\$450,000)	\$9,718,900
Other Data						
Budgeted FTE	75	79	(12)	68	0	68
Actual FTE	70	0	0	0	0	0
Vehicles	19	18	0	18	0	18