

**MINUTES OF THE
NATURAL RESOURCES APPROPRIATIONS SUBCOMMITTEE
January 20, 2005
Room W130, State Capitol Complex**

MEMBERS PRESENT: Sen. Thomas Hatch, Co-Chair
Rep. Bradley T. Johnson, Co-Chair
Sen. Parley Hellewell
Sen. Ron Allen
Rep. Ben C. Ferry
Rep. Kerry W. Gibson
Rep. Rebecca Lockhart
Rep. John G. Mathis
Rep. Ronda R. Menlove
Rep. Michael E. Noel
Rep. Carl W. Duckworth
Rep. James R. Gowans

MEMBERS ABSENT: Sen. Beverly Evans

STAFF: Ivan Djambov, Fiscal Analyst
Cindy Hopkin, Committee Secretary

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

Representative Johnson called the meeting to order at 2:15 p.m.

MOTION: Representative Noel moved to approve the minutes of January 19, 2005. The motion passed unanimously with Sen. Beverly Evans, Sen. Ron Allen, Rep. Rebecca Lockhart, and Rep. Ronda Menlove absent for the vote.

Rep. Johnson advised the committee members to take their responsibility in the various appropriations committees very seriously. He expressed the committee's respect for the agencies, such as the Department of Agriculture for the great job they do, but reminded the committee members that they are the only people that represent the constituents, the tax payers. Rep. Johnson stressed the responsibility of the committee members to intercede in behalf of those constituents, to be involved and to spend time with the Fiscal Analyst in order to be prepared to understand the issues.

Senator Hatch presented a handout prepared by himself and Rep. Johnson which includes questions designed to stimulate discussion and to aid the committee members in their efforts to develop the 2006 budget recommendations.

Commissioner Leonard Blackham, introduced the Department of Agriculture and Food staff and then assisted by Director of Administrative Services, Renee Matsuura, and Deputy Director Kyle Stephens, presented the department's budget requests from the Budget Brief prepared by the Office of the Fiscal Analyst.

- DAF is requesting for FY 2005 a supplemental appropriation of \$175,000 from the General Fund for Regulatory Services.

- The federal grants received by DAF have increased from 17 grants in 1999 to 34 grants in 2004. The Department is requesting two new accounting staff, a financial analyst and an accounting tax technician, to track and report the expenses as well as being available to help the Department with other departmental responsibilities. This will require for FY 2006 an ongoing funding of \$90,700 from Federal Funds.

- During last General Session the Legislature provided \$40,000 ongoing and \$45,000 of one time funding for the marketing news reporter position. DAF is requesting for FY 2006 additional ongoing funds of \$35,000 from the General Fund for this position. The Governor recommends \$35,000 but the Analyst has recommended \$20,000.

- The Department is mandated to renew all livestock brands and produce a brand book every five years. In order to do this during FY 2006, the Department is requesting \$67,000 of one-time funding from the Livestock Band and Antitheft Restricted Fund.

- The Department is requesting for FY 2006 an ongoing funding increase of \$4,800 in order to update the contract rates for private veterinarians to use on an as needed basis to provide final carcass dispositions.

- DAF is requesting an ongoing increase of \$100,000 from General Fund for FY 2006 to provide technical assistance and local leadership in the state's conservation partnership.

In response to questions from the committee, Dr. Michael Marshall stated that the finished Diagnostic Lab received \$144,000 ongoing funding in 1994 for operation, cleaning, maintenance, and etc of the physical plants. Then in 1999, the USU physical plant needed to change the coolers, and change from gas chillers to electrical chillers and other maintenance and improvement issues. At that time the legislature approved \$182,000 of ongoing funds for this purpose. Now the DAF is requesting \$250,000 per year as ongoing funds, which is an additional \$68,000 per year for these physical plants.

The second issue regarding the Nephi Laboratory is that it is not Federally accredited. There is an organization called the American Association of Veterinary Laboratory Diagnosticians (AAVLD) which accredits individual laboratories on behalf of the Federal Government. This accreditation enables the lab to ship internationally as well as be involved in Federal Programs. Also, some states are not accepting interstate trade unless the laboratory work was done in an accredited laboratory.

Our lab is not Federally accredited. In order for the lab to become Federally accredited, the Department is requesting \$237,000 of ongoing funds for the personnel fees for four additional laboratory employees, a veterinary microbiologist, a masters degree chemist, a resident pathologist and a quality control specialist. The DAF already has \$102,000 from a Federal Grant through Public Safety, they have purchased the additional equipment necessary for accreditation. This additional \$237,000 will bring the lab up to standard so that the Department can apply for accreditation.

Another issue is the new program of national animal identification system which is a radio frequency tag in the ear of all livestock so that the DAF could track the entire lifetime movement history of an animal within 48 hours back to the farm of origin. It took 120 people 4 months to track 40 of 81 animals that came across the border from Canada with mad cow disease. The 40 were tracked back to the farm of origin and the other 41 they were unable to track because of the current system.

Commissioner Blackham presented information regarding the Department's insect control programs. The grasshopper and Mormon cricket total infested acreage is at the highest level it has been for the past several years.

The DAF provided a handout detailing their objective of protecting the food supply by retaining a competent workforce through adequate compensation.

Commissioner Blackham provided a handout with a suggested change to the intent language recommended by the Fiscal Analyst on page iii of the Budget Brief - Agriculture.

Lorin Moench Jr. of the Utah State Fair Board, assisted by Richard F. Abbott presented the Board's objectives for the Utah State Fair Park. One of the board's objectives is to generate ideas for income through tenants utilizing the grounds during non-fair time while retaining the usage for the State Fair's 11 days each year. He stated that there is no expected change in their budget.

They are hoping to improve the state fair with the help of the fair's new director. In 2004 there was a very successful exhibit, "Little Hands on the Farm". There were 45,000 visitors to that exhibit, including 20,000 children. This year is the 150th anniversary of the Utah State Fair. The Board plans to reduce the number of vendors and to make the fair more family friendly.

Since the Commissioner covered in his presentation all of the information in the Budget Brief-- Agriculture (as prepared by the office of the Fiscal Analyst); Ivan Djambov, Fiscal Analyst, asked for permission to present the committee with an overview of the hearing schedule of the Fiscal Year 2006 budget. In allocating funds to the Natural Resources agencies, the Appropriations Subcommittee may use funding from several sources to complete the full appropriation to each. Mr. Djambov listed the sources of funding available: General Funds, Federal Funds, Dedicated Credits, Restricted General Funds, Land Grant Management Funds and Other Funds.

MOTION: Senator Thomas Hatch moved to adjourn the meeting at 4:30 p.m. The motion passed unanimously with Sen. Evans and Sen. Allen absent for the vote.