

## Fiscal Highlights

### **Cost to Transfer UACD Employees to Agriculture - Ivan D. Djambov**

The purpose of this article is to provide background information about the Department of Agriculture and Food's hiring of 35 FTEs of the Utah Association of Conservation Districts (UACD) in FY 2016.

[A Performance Audit of the Governance of Conservation Districts](#) released in 2014 recommended changes in how the state manages the 38 Conservation Districts. Later that year, the Department of Agriculture and Food organized a two-day workshop to address the issues identified by the auditors. Participants included land owners, federal personnel, agency staff, conservation district personnel, legislators, and staff from the Legislature and Governor's offices.

The department leadership decided to no longer contract for conservation efforts through UACD, a nonprofit organization, but to hire the UACD staff, and use the department's Conservation Commission to manage them.

The 2015 Legislature passed S.B. 202, *Conservation Commission Employees*, mandating that if the department hired UACD employees, to set the initial wage of each new employee at the same rate as when they were employed by UACD.

In addition to the approximately \$1 million ongoing appropriation from the General Fund that was used to contract with UACD, the Legislature provided the following appropriations to the department to hire/transfer most of the UACD employees:

- \$882,000 from the General Fund (\$100,000 ongoing and \$782,000 one-time) for FY 2016, and
- \$500,000 from the Agricultural Resource Development Loan (ARDL) Fund (\$300,000 ongoing and \$200,000 one-time) for FY 2017.

### ***Why would the Legislature have to appropriate more money to hire the same employees to do the same work?***

In the initial discussions, it was presumed that the transfer of the 35 UACD FTEs to the department would be cost neutral, since the department already had ongoing funding for a contract with UACD for the services of these same employees. However, the ongoing funding was not sufficient mainly because ongoing commitments were made with one-time funding sources prior to the hiring:

1. The department, in an attempt to encourage UACD to reduce the large reserves of state funds accumulated over the years, used part of the funding from the UACD contract to start a Zone Coordinator pilot project (temporary by definition) and hired three FTEs (ongoing commitment).
2. UACD, using their financial reserves (one-time funding), gave significant compensation increases to much of its staff (ongoing commitment) prior to being transferred to the State. And S.B. 202 guaranteed that those hired by the state will keep the same salary. However, neither the audit nor the legislation required that the department hire all or any of the UACD employees.

The department has been in the process of hiring and training UACD staff since the start of FY 2016. Department leadership has reported that several of the newly-hired employees have already left their employment with the State for various reasons. It is anticipated that this transition will take some time and effort.