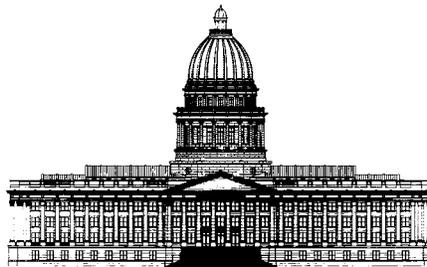

COMPENDIUM OF BUDGET INFORMATION
FOR THE
2007 GENERAL SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE FOR
NATURAL RESOURCES

OFFICE OF THE LEGISLATIVE FISCAL ANALYST
IVAN DJAMBOV
NOVEMBER 21, 2006

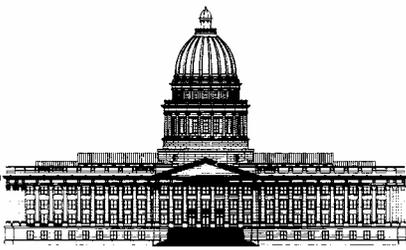
UTAH STATE LEGISLATURE
COMPENDIUM OF BUDGET INFORMATION
FOR THE
2007 GENERAL SESSION



JOHN E. MASSEY, DIRECTOR

OFFICE OF THE LEGISLATIVE FISCAL ANALYST
W310 STATE CAPITOL COMPLEX
SALT LAKE CITY, UTAH 84114-5310

801-538-1034
WWW.LE.UTAH.GOV



JOHN E. MASSEY
LEGISLATIVE FISCAL ANALYST

OFFICE OF THE LEGISLATIVE FISCAL ANALYST

W310 STATE CAPITOL COMPLEX • P.O. BOX 145310
SALT LAKE CITY, UTAH 84114-5310 • WWW.LE.STATE.UT.US/LFA
PHONE: (801) 538-1034 • FAX: (801) 538-1692

November 21, 2006

Members of the Natural Resources Appropriations Subcommittee
House Building
Utah State Capitol Complex
Salt Lake City, UT 84114

Dear Legislators:

Please find attached the third edition of the Utah Legislature's Compendium of Budget Information (COBI). COBI is one part of a three-pronged approach to staff budget analysis. It is designed as a reference document from which you may garner details on Utah state government activities within your subcommittee's jurisdiction. It includes program descriptions, references to statutory authority, accountability information, and, of course, budget data. COBI sets a baseline against which you can evaluate budgets proposed during the 2006 General Session.

Parts two and three of the Legislature's budget analysis – Budget Briefs and Issue Briefs – will be available throughout the 2007 General Session beginning in January. Both are succinct, decision oriented papers that build on COBI, presenting future budget options rather than COBI's *status quo*. Budget Briefs follow the structure of state government documenting proposals for current year supplemental and future year budget action. Issue Briefs cut across "silos" to discuss subjects that impact state appropriations independent of program structure.

Detail on past and current state appropriations as they relate to your subcommittee are included in the "2007 Appropriated" column of the budget tables herein. Utah's total budget, by funding source, subcommittee, and category of expenditure, is summarized in the table on the following page.

If I or my staff can assist you further regarding this document or any other budget matter, please do not hesitate to contact me at (801) 538-1034.

Sincerely,

John E. Massey
Legislative Fiscal Analyst

Budget History - State of Utah

	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	1,795,120,600	1,745,496,800	1,768,306,150	1,910,800,000	1,781,898,100
General Fund, One-time	28,962,750	(241,600)	117,058,700	121,540,040	398,634,200
Uniform School Fund	1,684,266,694	1,734,161,174	1,815,156,111	1,917,934,675	2,115,252,445
Uniform School Fund, One-time	10,436,000	5,891,000	34,800,900	43,725,000	44,375,000
Education Fund	4,908,000	112,000,000	200,520,900	235,260,900	548,663,800
Education Fund, One-time	1,935,100	(23,200,000)	52,073,500	19,496,600	53,882,000
Transportation Fund	389,538,000	391,891,100	437,416,000	421,112,200	350,269,200
Transportation Fund, One-time	0	0	277,100	126,371,900	74,200,000
Centennial Highway Fund	103,848,200	117,531,900	145,772,200	126,393,400	128,607,800
Centennial Highway Fund, One-time	0	1,796,800	0	0	0
General Fund Restricted	132,317,200	154,215,300	171,101,700	213,939,261	208,690,600
Uniform School Fund Restricted	78,400	72,000	90,700	14,306,100	15,176,100
Transportation Fund Restricted	27,573,800	29,813,200	30,720,100	37,215,500	38,781,500
Federal Funds	1,942,099,062	2,174,694,678	2,264,204,145	2,294,817,646	2,354,240,500
Dedicated Credits	774,058,339	614,539,399	730,196,287	654,136,650	693,383,100
Land Grant	771,000	804,700	1,040,435	1,807,732	1,058,500
Federal Mineral Lease	43,612,900	64,176,600	64,785,719	98,278,950	84,756,500
Restricted Revenue	9,606,100	2,944,000	273,700	17,930,800	0
Trust and Agency Funds	377,644,015	406,862,037	380,298,477	668,393,202	914,827,380
Transfers	310,161,147	312,446,922	314,413,473	350,828,925	322,837,300
Repayments/Reimbursements	12,260,800	15,206,500	11,107,200	11,816,900	31,263,900
Other Financing Sources	0	0	0	233,722	0
Pass-through	69,500	994,900	1,503,200	1,081,300	473,300
Beginning Balance	478,431,169	508,727,141	325,904,493	270,267,852	130,364,690
Closing Balance	(508,804,742)	(408,249,298)	(347,917,902)	(284,772,991)	(53,558,640)
Lapsing Balance	(88,457,656)	(56,071,454)	(20,646,900)	(23,958,400)	(1,893,200)
Total	\$7,530,436,379	\$7,906,503,799	\$8,498,456,388	\$9,248,957,863	\$10,236,184,075
Subcommittees					
Executive Offices & Criminal Justice	544,478,400	582,590,000	618,377,000	650,467,161	712,137,300
Capital Facilities & Administrative Services	401,792,500	283,219,900	466,535,900	400,525,000	499,105,600
Commerce & Workforce Services	356,939,100	370,080,100	381,785,400	374,734,600	453,898,800
Economic Development and Revenue	176,396,500	193,681,700	174,955,900	250,681,500	370,173,200
Health & Human Services	1,796,226,868	1,988,592,616	2,145,033,300	2,307,382,500	2,414,290,200
Higher Education	888,515,400	934,067,900	991,420,900	1,058,618,425	1,099,975,500
Natural Resources	176,375,400	165,264,800	166,619,200	191,088,600	204,865,400
Public Education	2,330,739,161	2,438,357,683	2,593,642,788	2,771,942,577	3,012,993,025
Transportation & Environmental Quality	844,949,400	935,857,900	945,086,000	1,227,356,000	1,450,643,500
Legislature	14,023,650	14,791,200	15,000,000	16,161,500	18,101,550
Total	\$7,530,436,379	\$7,906,503,799	\$8,498,456,388	\$9,248,957,863	\$10,236,184,075
Categories of Expenditure					
Personal Services	1,736,353,103	1,807,342,994	1,898,810,498	1,997,989,080	2,228,961,150
In-State Travel	14,134,072	14,500,846	15,669,609	17,335,576	14,024,500
Out of State Travel	4,523,469	4,889,409	5,479,600	5,828,400	5,746,100
Current Expense	1,004,437,498	854,645,604	955,825,491	960,742,005	1,232,024,400
DP Current Expense	77,976,393	82,210,862	84,165,900	87,515,600	111,994,800
DP Capital Outlay	178,527,153	12,440,919	12,629,500	14,617,900	13,038,700
Capital Outlay	62,331,514	483,846,765	318,051,916	553,655,321	444,070,300
Other Charges/Pass Thru	4,452,009,276	4,646,415,100	5,077,535,174	5,494,801,881	6,184,767,725
Cost of Goods Sold	(299,600)	(129,500)	(135,800)	(813,200)	881,800
Cost Accounts	4,600	(24,500)	0	6,600	38,000
Operating Transfers	182,600	144,300	172,900	157,000	98,000
Trust & Agency Disbursements	256,300	221,000	130,251,600	117,121,700	538,600
Total	\$7,530,436,378	\$7,906,503,799	\$8,498,456,388	\$9,248,957,863	\$10,236,184,075
Other Data					
Budgeted FTE	32,789.7	33,066.0	33,462.5	33,965.5	35,792.6
Authorized Capital Outlay	21,594,700	25,731,100	20,812,900	20,904,000	41,049,400
Retained Earnings	15,795,336	16,314,149	17,763,119	27,740,867	17,518,307
Vehicles	11,255	10,701	9,386	9,299	9,319

TABLE OF CONTENTS

TABLE OF CONTENTS **I**

INTRODUCTION..... **V**

CHAPTER 1 NATURAL RESOURCES APPROPRIATIONS SUBCOMMITTEE SUMMARY **1**

FUNDING REALLOCATION **4**

CHAPTER 2 DEPARTMENT OF NATURAL RESOURCES **5**

 DEPARTMENT OF NATURAL RESOURCES ADMINISTRATION..... 11

 DNR EXECUTIVE DIRECTOR’ OFFICE 13

 DNR ADMINISTRATIVE SERVICES 14

 DNR PUBLIC AFFAIRS 15

 BEAR LAKE REGIONAL COMMISSION..... 15

 LAW ENFORCEMENT 16

 PRIVATE PROPERTY OMBUDSMAN..... 17

 SPECIES PROTECTION LINE ITEM 18

 BUILDING OPERATIONS LINE ITEM 19

 DNR INTERNAL SERVICE FUNDS LINE ITEM..... 20

 WAREHOUSE INTERNAL SERVICE FUND..... 22

 MOTOR POOL INTERNAL SERVICE FUND..... 23

 DATA PROCESSING INTERNAL SERVICE FUND 24

CHAPTER 3 DIVISION OF FORESTRY, FIRE, AND STATE LANDS..... **25**

 DIVISION ADMINISTRATION 29

 FIRE MANAGEMENT 30

 FIRE SUPPRESSION 31

 LANDS MANAGEMENT 32

 FOREST MANAGEMENT 33

 PROGRAM DELIVERY 34

 LONE PEAK CONSERVATION CENTER 37

 PROJECT MANAGEMENT 39

CHAPTER 4 DIVISION OF OIL, GAS, AND MINING..... **41**

 OIL, GAS, AND MINING ADMINISTRATION 45

 BOARD OF OIL, GAS, AND MINING..... 46

 OIL AND GAS CONSERVATION PROGRAM 47

 MINERALS RECLAMATION PROGRAM 49

 COAL RECLAMATION PROGRAM 50

 ABANDONED MINE RECLAMATION PROGRAM..... 51

 MISCELLANEOUS NONLAPSING..... 52

CHAPTER 5 DIVISION OF WILDLIFE RESOURCES **53**

 WILDLIFE OPERATING LINE ITEM 56

 WILDLIFE DIRECTOR’S OFFICE 57

 ADMINISTRATIVE SERVICES PROGRAM..... 58

 CONSERVATION OUTREACH..... 59

 LAW ENFORCEMENT PROGRAM 60

 HABITAT COUNCIL..... 61

HABITAT SECTION	62
WILDLIFE SECTION	63
AQUATIC SECTION	64
PREDATOR CONTROL LINE ITEM.....	66
REIMBURSEMENT LINE ITEM.....	67
CONTRIBUTED RESEARCH LINE ITEM	68
COOPERATIVE ENVIRONMENTAL STUDIES LINE ITEM.....	69
RANGE CREEK LINE ITEM	70
WILDLIFE RESOURCES CAPITAL LINE ITEM	71
FISHERIES PROGRAM	71
GAME MANAGEMENT PROGRAM	73
CHAPTER 6 DIVISION OF PARKS AND RECREATION	75
PARKS AND RECREATION OPERATIONS LINE ITEM	78
EXECUTIVE MANAGEMENT	80
PARK OPERATIONS MANAGEMENT PROGRAM	81
PLANNING AND DESIGN.....	82
SUPPORT SERVICES PROGRAM	83
RECREATION SERVICES PROGRAM.....	84
PARK MANAGEMENT CONTRACTS PROGRAM	85
PARKS CAPITAL LINE ITEM.....	86
FACILITIES ACQUISITION AND DEVELOPMENT PROGRAM	90
CAPITAL IMPROVEMENT PROGRAM (KNOWN AS FIVE MILLION PARK RENOVATION)	91
NATIONAL RECREATIONAL TRAILS PROGRAM.....	93
DONATED CAPITAL PROJECTS PROGRAM.....	93
REGION ROADS AND RENOVATION PROGRAM	94
BOATING ACCESS GRANTS PROGRAM	94
OFF-HIGHWAY VEHICLE TRAIL GRANTS	95
MISCELLANEOUS NONLAPSING PROJECTS	96
CHAPTER 7 UTAH GEOLOGICAL SURVEY.....	97
UGS BOARD	100
UGS ADMINISTRATION.....	101
TECHNICAL SERVICES PROGRAM.....	102
GEOLOGIC HAZARDS PROGRAM	103
GEOLOGIC MAPPING PROGRAM.....	104
ENERGY AND MINERALS PROGRAM.....	105
GROUND WATER AND PALEONTOLOGY PROGRAM (ENVIRONMENTAL SCIENCES).....	107
STATE ENERGY PROGRAM	108
GEOLOGIC INFORMATION AND OUTREACH PROGRAM	109
CHAPTER 8 DIVISION OF WATER RESOURCES	111
WATER RESOURCES ADMINISTRATION	114
WATER RESOURCES BOARD	115
INTERSTATE STREAMS PROGRAM	116
PLANNING PROGRAM.....	117

CLOUD SEEDING PROGRAM	118
CONSTRUCTION PROGRAM.....	119
WATER CONSERVATION/EDUCATION PROGRAM	120
WEST DESERT OPERATION	121
COOPERATIVE WATER CONSERVATION	122
WATER RESOURCES CAPITAL LINE ITEM.....	123
REVOLVING CONSTRUCTION FUND.....	124
CITIES WATER LOAN FUND	126
WATER CONSERVATION AND DEVELOPMENT FUND	128
CHAPTER 9 DIVISION OF WATER RIGHTS	133
WATER RIGHTS ADMINISTRATION.....	136
APPLICATIONS AND RECORDS PROGRAM (APPROPRIATION).....	137
DAM SAFETY PROGRAM	137
FIELD SERVICES PROGRAM (ADJUDICATION).....	138
COOPERATIVE STUDIES PROGRAM.....	141
TECHNICAL SERVICES PROGRAM.....	142
ADVERTISING PROGRAM.....	143
WATER RIGHTS REGIONAL OFFICES	144
CHAPTER 10 DEPARTMENT OF AGRICULTURE AND FOOD.....	145
DAF ADMINISTRATION LINE ITEM	150
GENERAL ADMINISTRATION PROGRAM	151
MEAT INSPECTION PROGRAM	153
CHEMISTRY LABORATORY.....	154
ANIMAL HEALTH PROGRAM	157
PLANT INDUSTRY PROGRAM (AGRICULTURAL INSPECTIONS).....	159
REGULATORY SERVICES	161
SHEEP PROMOTION PROGRAM	164
AUCTION MARKET VETERINARIAN PROGRAM.....	165
BRAND INSPECTION PROGRAM	166
UTAH HORSE COMMISSION.....	168
AGRICULTURAL ENVIRONMENTAL QUALITY PROGRAM	169
GRAIN INSPECTION PROGRAM	171
INSECT INFESTATION PROGRAM.....	172
MARKETING AND DEVELOPMENT PROGRAM	173
BUILDING OPERATIONS LINE ITEM	174
PREDATORY ANIMAL CONTROL LINE ITEM	175
RESOURCE CONSERVATION LINE ITEM	177
RESOURCE CONSERVATION ADMINISTRATION.....	179
SOIL CONSERVATION COMMISSION	180
RESOURCE CONSERVATION (SOIL CONSERVATION DISTRICTS).....	181
AGRICULTURAL LOANS LINE ITEM	182
STATE FAIR CORPORATION LINE ITEM.....	186
CHAPTER 11 SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION (SITLA)	189
BOARD.....	197

DIRECTOR	198
ADMINISTRATION	199
ACCOUNTING	199
ROYALTY PROGRAM	200
MINERALS PROGRAM	201
SURFACE PROGRAM	202
LEGAL	202
DATA PROCESSING	203
PUBLIC RELATIONS	203
FORESTRY AND GRAZING	204
DEVELOPMENT – OPERATING	205
DEVELOPMENT – CAPITAL	206
CHAPTER 12 PUBLIC LANDS POLICY COORDINATION OFFICE	207
GLOSSARY	209
INDEX	212

INTRODUCTION

Format

Staff budget analysis consists of three parts:

- Compendium of Budget Information (COBI). The document you are currently reading, the COBI provides comprehensive information on state agencies, institutions, and programs. It is a resource for decision-makers desiring further detail or background information beyond the summary provided in a Budget or Issue Brief. It is useful for reviewing base budgets, but does not contain staff recommendations.
- Issue Briefs. These relatively short documents (no more than a few pages) discuss issues that transcend line items or perhaps even departments. For example, if the Legislative Fiscal Analyst wishes to present a concern with law enforcement, an Issue Brief may be the best format. The analyst will prepare Issue Briefs just prior to the 2007 General Session.
- Budget Briefs. Another relatively short document, the budget brief is used to present issues, recommendations, performance measures, and line item-level budget tables. The purpose of this document is to bring budgets to the forefront and to discuss the analyst's recommendations. The analyst will prepare Budget Briefs just prior to the 2007 General Session.

Process

The Office of the Legislative Fiscal Analyst (LFA) – a non-partisan office – serves both chambers of the Legislature by making independent budget recommendations, determining the fiscal impact of proposed legislation, and preparing appropriations bills. Appropriations subcommittees review LFA's recommendations, vote upon, and report to the Executive Appropriations Committee proposed budgets for programs within their respective jurisdictions. The Executive Appropriations Committee, and ultimately the Legislature as a whole, considers multiple appropriation acts that, in turn, determine the final annual budget for each program of state government.

Timing

Utah 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 follows "FY" designating the calendar year in which the second six months fall. The current fiscal year is FY 2007, which will end June 30, 2007. During the 2007 General Session, the Legislature can make supplemental changes to the already established budget for FY 2007. The next fiscal year, for which the Legislature is determining a new budget, is FY 2008. FY 2008 includes the period of time from July 1, 2007 to June 30, 2008.

Sources

In allocating resources for state government use, appropriations subcommittees may use funding from several sources. The following funding sources most commonly used by the subcommittees:

- General Fund
- School Funds
- Transportation Funds
- Federal Funds
- Dedicated Credits
- Restricted Funds
- Other Funds

A glossary of terms – included at the end of this document – defines these funding sources as well as other terms commonly used in Utah state budgeting.

CHAPTER 1 NATURAL RESOURCES APPROPRIATIONS SUBCOMMITTEE SUMMARY**Overview**

The Natural Resources Appropriations Subcommittee (NRAS) reviews and approves the budgets for the following agencies:

- Department of Natural Resources (DNR)
- Department of Agriculture and Food (DAF)
- School and Institutional Trust Lands Administration (SITLA)
- Public Lands Policy Coordinating Office

Funding Detail

The 2006 Legislature appropriated a FY 2007 subcommittee budget of \$204,865,400, which included a General Fund appropriation of \$59,372,000 (see Table 1). The total funding was distributed among the NRAS agencies as follows:

- DNR: 77 percent (\$158,364,700)
- DAF: 13 percent (\$26,227,800)
- SITLA: 9 percent (\$17,539,600)
- Public Lands: 1 percent (\$2,733,300)

In spite of the budget cuts, the overall NRAS budget has increased since FY 2003 by 16 percent (\$28,490,000). A contributing factor to the overall increase was the creation of the Public Lands Coordinating Office (adding \$2,733,300 to the overall budget). However, the budgets of each of the other three agencies have grown since FY 2003 as follows: the agency with the greatest percentage increase was SITLA, 88 percent (\$8,215,400), followed by the Department of Agriculture and Food, 26 percent (\$5,379,700), and DNR, 11 percent (\$15,361,600).

Budget History - Natural Resources					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	43,046,500	43,094,100	44,353,300	48,197,200	53,801,300
General Fund, One-time	11,195,000	980,100	3,574,300	7,450,500	5,570,700
Federal Funds	40,487,400	35,593,600	32,639,900	38,351,400	44,109,500
Dedicated Credits Revenue	20,614,700	14,763,100	14,982,700	16,503,400	13,432,100
Federal Mineral Lease	912,400	1,229,900	1,685,800	2,849,300	2,158,500
Restricted Revenue	0	0	268,300	333,300	0
GFR - Boating	3,993,100	3,693,800	3,716,500	3,887,200	4,068,900
GFR - Constitutional Defense	0	0	251,100	2,013,700	2,030,500
GFR - Horse Racing	50,000	50,000	50,000	50,000	50,000
GFR - Livestock Brand	700,500	751,300	816,700	931,000	916,000
GFR - Off-highway Vehicle	4,100,200	2,582,300	2,392,400	3,013,100	3,260,500
GFR - Oil & Gas Conservation Account	1,669,200	1,707,700	1,760,900	2,434,800	2,839,100
GFR - Sovereign Land Mgt	1,736,700	2,874,800	4,096,500	6,306,400	4,865,600
GFR - Species Protection	687,200	687,200	1,105,000	550,000	568,800
GFR - State Fish Hatch Maint	1,000,000	1,205,000	1,205,000	1,955,000	1,205,000
GFR - State Park Fees	0	8,101,500	9,447,900	9,940,400	10,424,700
GFR - Trails and Streams	700,000	0	0	0	0
GFR - Wildlife Damage Prev	527,500	540,200	554,700	582,900	611,700
GFR - Wildlife Habitat	1,889,900	2,325,500	1,738,100	1,323,200	2,121,800
GFR - Wildlife Resources	23,936,800	23,741,400	24,789,200	25,891,600	25,937,400
GFR - Wolf Depredation & Mgt	0	0	0	0	15,000
Agri Resource Development	463,300	527,300	629,400	296,100	629,400
Land Grant Mgt Fund	9,324,200	10,793,000	12,453,200	15,073,800	17,539,600
OGM Abandoned Mine Reclamation	0	0	0	75,000	0
Oil Overchg - Exxon	792,600	1,255,100	1,261,000	0	0
Oil Overchg - Stripper Well	318,000	398,400	411,300	0	0
Utah Rural Rehab Loan	18,000	18,000	18,000	18,000	18,000
Water Resources C&D	4,673,200	5,702,400	5,757,400	5,871,700	6,011,800
Water Res Construction	150,000	150,000	150,000	150,000	150,000
Transfers	9,080,700	6,665,500	2,411,100	4,808,000	1,774,700
Transfers - Fed Pass-thru	0	0	0	35,900	0
Transfers - Natural Resources	200,000	0	0	0	0
Pass-through	0	108,600	29,200	38,100	0
Beginning Nonlapsing	20,518,700	19,144,500	15,105,200	16,224,300	1,412,700
Closing Nonlapsing	(19,114,200)	(15,105,200)	(14,745,300)	(18,620,400)	(657,900)
Lapsing Balance	(7,296,200)	(8,314,300)	(6,289,600)	(5,446,300)	0
Total	\$176,375,400	\$165,264,800	\$166,619,200	\$191,088,600	\$204,865,400
Agencies					
Natural Resources	143,003,100	133,413,300	131,222,800	148,923,600	158,364,700
Public Lands Office	0	0	288,300	2,083,500	2,733,300
Agriculture	20,848,100	21,207,600	22,654,900	25,007,700	26,227,800
School & Institutional Trust Lands	9,324,200	10,643,900	12,453,200	15,073,800	17,539,600
Restricted Revenue - NRAS	3,200,000	0	0	0	0
Total	\$176,375,400	\$165,264,800	\$166,619,200	\$191,088,600	\$204,865,400
Categories of Expenditure					
Personal Services	74,832,100	77,930,100	83,281,500	89,449,200	100,536,900
In-State Travel	1,047,800	1,155,600	1,255,500	1,347,800	1,571,800
Out of State Travel	445,500	489,400	511,400	561,300	652,300
Current Expense	47,493,000	39,013,200	42,646,300	48,535,000	48,115,100
DP Current Expense	2,344,600	2,141,500	2,639,900	2,454,300	14,493,200
DP Capital Outlay	228,400	2,545,700	134,700	104,900	310,700
Capital Outlay	20,648,500	13,646,400	8,617,000	10,345,700	11,492,500
Other Charges/Pass Thru	29,335,500	28,317,300	27,483,900	38,283,800	27,654,900
Cost Accounts	0	(24,500)	0	6,600	38,000
Operating Transfers	0	50,100	49,000	0	0
Total	\$176,375,400	\$165,264,800	\$166,619,200	\$191,088,600	\$204,865,400
Other Data					
Budgeted FTE	1,438.7	1,498.4	1,540.9	1,569.0	1,584.5

Table 1

The two major funding sources for the NRAS budget have been General Funds and Restricted funds. On average, during the last five years, almost two-thirds of the funding for the agencies in the Natural Resources Appropriations Subcommittee has come from the General Fund and the Restricted Revenues (29 percent each). Figure 1 below presents a summary of the NRAS funding sources over time.

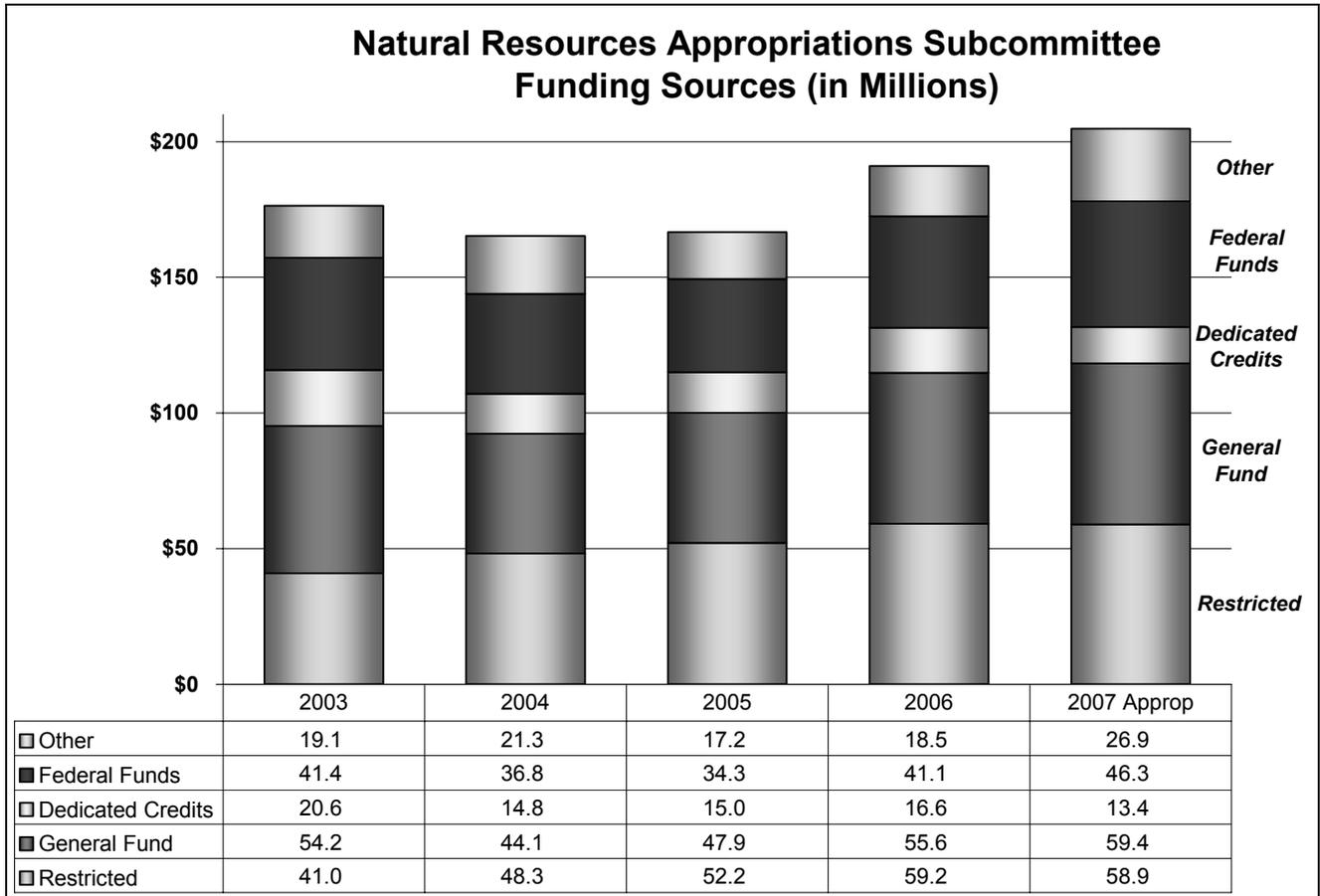


Figure 1

Funding Reallocation

The Subcommittee funded some program needs through reallocation of one-time General Funds from other programs. The net effect on the Subcommittee’s budget is zero (see the table below).

General Fund Reallocations		
Department of Agriculture	FY 2006	FY 2007
Utah's Own Promotion	400,000	
Conservation Districts operation		100,000
High School Rodeo		10,000
Horse Commission		10,000
Litigation in Kane County		50,000
Weed Control		10,000
Utah Soil Conservation Commission		25,000
Department of Natural Resources		
DWR - Berryman Institute		40,000
DWR - Predator Control		7,100
DWR - Wildlife Depredation		100,000
FFSL - Reseeding		1,000,000
FFSL - Training for Urban Interface Fire Suppression	20,000	
Green River Golf Course Cart Path Improvement		100,000
OHV Right-Of-Way Purchases		75,000
Water Resources - Stream Gages		78,000
Water Rights - Distribution Automation	250,000	105,000
UGS - Mineral Lease	(50,000)	(150,000)
Forestry, Fire and State Lands	(370,000)	(1,560,100)
Public Lands Office	(250,000)	
Total	<u><u>0</u></u>	<u><u>0</u></u>

Table 2

The reallocated one-time General Funds were taken from the base budgets of three agencies: Division of Forestry, Fire, and State Lands; the Utah Geological Survey, and the Public Lands Policy Coordinating Office. In the case of the first two agencies, the General Funds were replaced by restricted funds and there was no reduction in their total funding. The \$250,000 reallocated from the Public Lands Office, however, reduced the agency’s total budget for FY 2006.

CHAPTER 2 DEPARTMENT OF NATURAL RESOURCES**Overview**

The mission of the Department of Natural Resources (DNR) is: “To sustain and enhance the quality of life for people today and tomorrow through the coordinated and balanced stewardship of our natural resources.”

Currently, a major focus of the new Department administration is to protect, enhance and restore the watersheds in Utah, in order to provide for future clean water, recreation, forage, timber, and solitude.

DNR serves as an umbrella organization bringing together the following seven Divisions of state government that affect the state’s natural resources in diverse ways:

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

With the exception of two Divisions (the Division of Water Rights and the Division of Forestry, Fire and State Lands) each Division has a policy-making board. The Division of Forestry, Fire and State Lands has an advisory council. UCA 63-34-8 requires the Division directors to prepare, with the advice of their boards, a budget for the following fiscal year, which must be submitted to the Department director to aid in the preparation of the Departmental budget. The Department submits the package to the Governor for inclusion in the budget request to the Legislature.

Funding Detail

The 2006 Legislature appropriated to DNR for FY 2007 a total budget of \$158,364,700, which included a General Fund appropriation of \$45,210,100. Compared to FY 2006, this is a six percent increase in both total funding and in General Funds.

Approximately one half of the Department’s expenditures in FY 2006 were for employees’ salaries and benefits. These expenditures have increased since FY 2003 by 17 percent. This is due to increases in the number of full-time equivalents (FTE), Cost Of Living Adjustment (COLA) and Market Comparability Adjustments (MCA), as well as increases in healthcare costs funded by the Legislature. For that period, the average cost per FTE (salary and benefits) in DNR has increased by eight percent, from \$51,828 in FY 2003 to \$55,944 in FY 2006.

Budget History - Department of Natural Resources					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	33,557,800	33,007,200	33,849,400	35,576,200	40,239,200
General Fund, One-time	7,620,000	(332,200)	3,092,600	7,022,500	4,970,900
Federal Funds	37,216,600	31,909,800	28,867,900	33,362,600	39,068,700
Dedicated Credits Revenue	17,157,200	10,847,100	9,405,500	11,922,800	8,715,300
Federal Mineral Lease	912,400	1,229,900	1,685,800	2,849,300	2,158,500
GFR - Boating	3,993,100	3,693,800	3,716,500	3,887,200	4,068,900
GFR - Off-highway Vehicle	4,100,200	2,582,300	2,392,400	3,013,100	3,260,500
GFR - Oil & Gas Conservation Account	1,669,200	1,707,700	1,760,900	2,434,800	2,839,100
GFR - Sovereign Land Mgt	1,736,700	2,874,800	4,096,500	6,306,400	4,865,600
GFR - Species Protection	687,200	687,200	1,105,000	550,000	568,800
GFR - State Fish Hatch Maint	1,000,000	1,205,000	1,205,000	1,955,000	1,205,000
GFR - State Park Fees	0	8,101,500	9,447,900	9,940,400	10,424,700
GFR - Trails and Streams	700,000	0	0	0	0
GFR - Wildlife Habitat	1,889,900	2,325,500	1,738,100	1,323,200	2,121,800
GFR - Wildlife Resources	23,936,800	23,741,400	24,789,200	25,891,600	25,937,400
GFR - Wolf Depredation & Mgt	0	0	0	0	15,000
OGM Abandoned Mine Reclamation	0	0	0	75,000	0
Oil Overchg - Exxon	792,600	1,255,100	1,261,000	0	0
Oil Overchg - Stripper Well	318,000	398,400	411,300	0	0
Water Resources C&D	4,673,200	5,702,400	5,757,400	5,871,700	6,011,800
Water Res Construction	150,000	150,000	150,000	150,000	150,000
Transfers	7,777,800	4,971,500	1,669,800	3,159,200	999,500
Transfers - Natural Resources	(66,400)	0	0	0	0
Pass-through	0	100,000	0	0	0
Beginning Nonlapsing	17,231,000	17,150,800	12,190,000	11,676,800	829,000
Closing Nonlapsing	(17,150,900)	(12,190,000)	(11,676,800)	(13,968,600)	(85,000)
Lapsing Balance	(6,899,300)	(7,705,900)	(5,692,600)	(4,075,600)	0
Total	\$143,003,100	\$133,413,300	\$131,222,800	\$148,923,600	\$158,364,700
Line Items					
Administration	5,830,900	5,491,000	4,577,100	6,936,600	3,050,300
Species Protection	2,338,400	2,597,500	3,073,300	2,640,300	3,026,000
Building Operations	1,660,600	1,660,600	1,660,700	1,660,300	1,660,700
Range Creek	0	0	152,000	199,800	160,700
Watershed	0	0	0	0	2,000,000
Forestry, Fire and State Lands	21,632,300	14,897,300	15,317,600	19,744,900	16,459,100
Oil, Gas and Mining	7,068,700	6,488,600	6,686,300	7,445,100	8,876,100
Wildlife Resources	32,575,900	33,760,700	36,176,400	38,741,000	44,140,100
Predator Control	0	76,700	59,600	69,300	66,700
License Reimbursement	68,000	68,000	74,800	133,000	74,800
Contributed Research	829,000	1,394,200	687,100	822,700	355,600
Cooperative Agreements	5,625,700	5,814,800	6,474,700	11,100,500	5,248,800
Wildlife Resources Capital	13,336,600	6,524,100	2,518,900	2,555,600	13,775,300
Parks & Recreation	22,158,300	22,935,000	25,488,600	26,622,500	29,155,200
Parks & Recreation Capital	10,556,200	10,875,300	5,785,800	6,132,000	5,769,200
Utah Geological Survey	4,525,300	4,624,400	5,962,500	6,983,900	6,578,200
Water Resources	4,452,200	4,743,900	4,681,600	4,868,700	5,261,100
W Res Revolving Const	3,349,100	4,339,100	4,339,100	4,339,100	4,339,100
W Res Conserv & Develop	1,043,200	1,043,200	1,043,200	1,043,200	1,043,200
Water Rights	5,952,700	6,078,900	6,463,500	6,885,100	7,324,500
Total	\$143,003,100	\$133,413,300	\$131,222,800	\$148,923,600	\$158,364,700
Categories of Expenditure					
Personal Services	61,183,400	63,563,000	67,353,000	71,444,900	79,754,700
In-State Travel	723,300	808,500	865,400	861,300	956,900
Out of State Travel	313,300	368,900	348,500	356,400	377,800
Current Expense	42,089,200	34,938,400	37,663,300	40,326,000	41,401,400
DP Current Expense	1,609,600	1,438,900	1,999,200	1,601,100	13,761,300
DP Capital Outlay	50,300	2,420,000	68,000	80,200	10,700
Capital Outlay	19,006,900	9,099,400	3,565,200	5,683,100	2,816,200
Other Charges/Pass Thru	18,027,100	20,800,700	19,360,200	28,564,000	19,247,700
Cost Accounts	0	(24,500)	0	6,600	38,000
Total	\$143,003,100	\$133,413,300	\$131,222,800	\$148,923,600	\$158,364,700
Other Data					
Budgeted FTE	1,181	1,230	1,264	1,278	1,286

Table 3

DNR uses multiple sources of funding to accomplish its mission. The state General Fund and Federal funding constitute only about one half (approximately a quarter each) of the Department’s budget. Some of the other funding sources include revenues collected from licenses sold, fees for services and use of facilities, etc (see Figure 2).

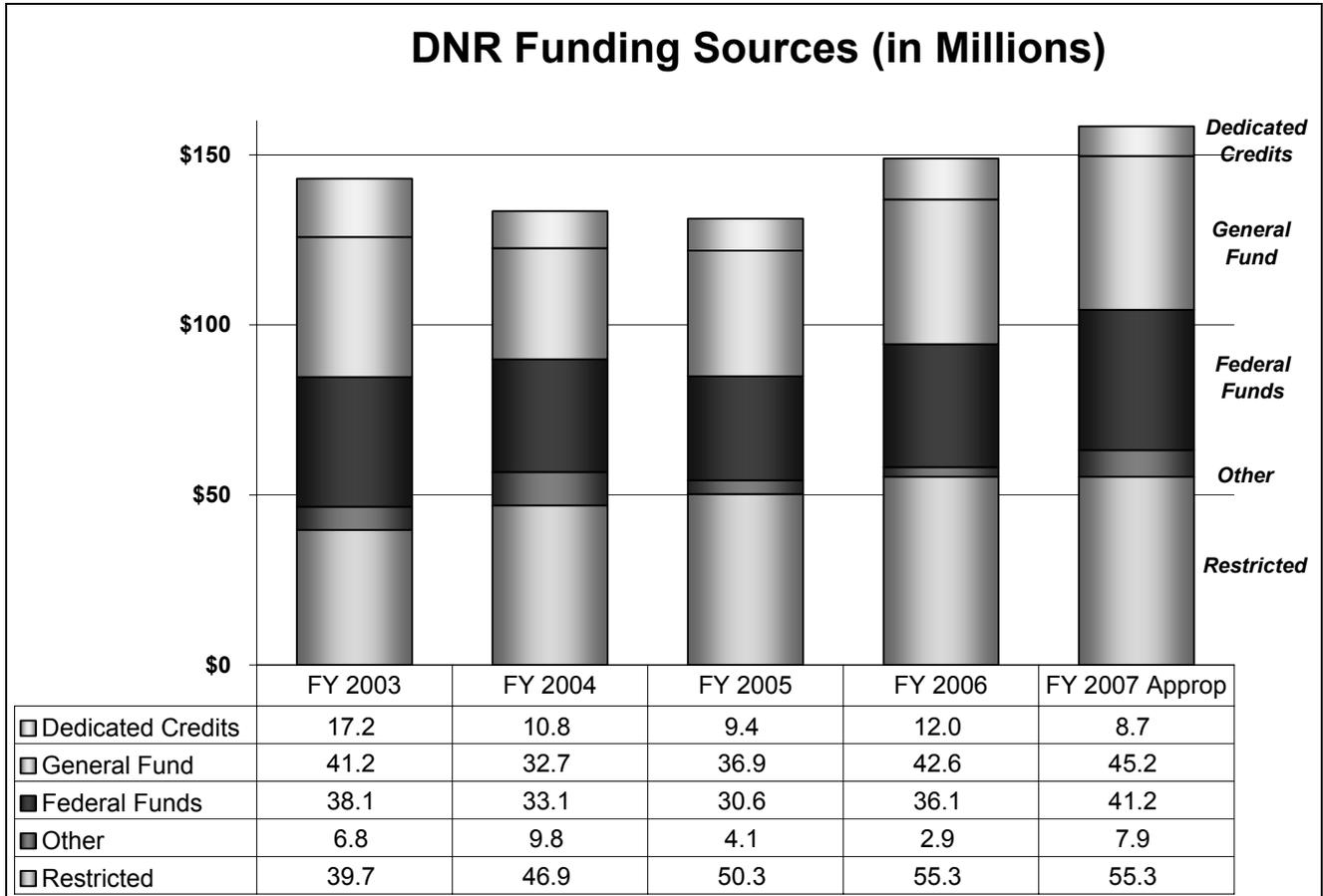


Figure 2

The programs in DNR receive funding from a variety of restricted accounts. The table below provides the 2006 year-end balances of the major restricted accounts used by DNR.

Summary of the Major Restricted Funds - Department of Natural Resources				
Fund/Account Name	Statutory Authority	Revenue Sources	Prescribed Uses	FY 2006 Balance
Wildlife Resources Account	UCA 23-14-13	fee revenues	administration of Wildlife Resources	\$ 6,975,000
Sovereign Land Management Account	UCA 65A-5-1	Revenue derived from sovereign lands	division expenses relating directly to management of state lands	3,521,200
Off Highway Vehicle Account	UCA 41-22-19	fee revenues	off-highway vehicle facilities; grants or matching funds; for administration.	2,138,700
Abandoned Mine Reclamation Fund	UCA 40-10-25	fees and collections	division	1,894,000
Wildlife Resource Trust Account	UCA 23-19-17.7	lifetime licenses fee revenues	enhancement of wildlife	1,711,200
Species Protection Account	UCA 63-34-14	brine shrimp tax, brine shrimp royalties	for studies; wetlands mitigation projects; Reclamation Mitigation and Conservation Account; Tax Commission.	1,005,600
State Park Fees Restricted Account	UCA 63-11-66	charges; sales or disposal of buffalo; civil damages	division	949,700
Oil and Gas Conservation Account	UCA 40-6-14.5	fee revenues	division	750,000
Boating Account	UCA 73-18-22	fee revenues	publicly owned boating facilities; boater education, division administration	609,700
Wildlife Habitat Account	UCA 23-19-43	fee revenues	wetlands; nonprofit conservation organizations; upland game projects	211,000
State Fish Hatchery Maintenance Account	UCA 23-15-14	fee revenues	by the division, for major repairs at fish hatcheries owned by the division	30,100
Wolf Depredation and Management Restricted Account	UCA 23-14-14.1	contributions	wolf management or payment for livestock depredation by wolves	21,800

Table 4

State Vehicle Report

Statute (UCA 63A-9-402) requires the Office of the Legislative Fiscal Analyst to submit information from the state-owned vehicle report to the appropriation subcommittee that has jurisdiction. The number of vehicles owned by DNR can fluctuate slightly depending on the time of year because of seasonal needs. As of October 23, 2006 the State Vehicle Report shows DNR with the following vehicles:

Number of Vehicles						
Department of Natural Resources						
Description	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06
Sedans	29	22	22	24	22	22
Motorcycles	3	2	0	0	0	0
<1 Ton 4x2 Trucks	39	35	33	32	29	22
1+ Ton 4x2 Trucks	81	85	95	88	82	91
4x2 Vans	17	17	16	16	17	14
<1 Ton 4x4 Trucks	418	390	416	418	440	465
1+ Ton 4x4 Trucks	58	52	53	53	61	52
4x4 SUVs	112	94	87	95	100	103
Total	757	697	722	726	751	769

Table 5

DEPARTMENT OF NATURAL RESOURCES ADMINISTRATION

Function 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, Species Protection, Watershed, Range Creek, and the Bear Lake Regional Commission.

Statutory Authority The following laws govern operation of DNR Administration:

- UCA 63-34-3 creates the Department of Natural Resources and lists the boards and Divisions within it.
- UCA 63-34-5 creates the DNR executive director position.
- UCA 63-34-5 (3)(a) allows the department to adopt a fee schedule that is fair and reasonable, and reflects the cost of service provided.

Funding Detail

Since the transfer of the Energy Office in 2006, the funding for the programs in this line item comes from the General Fund. Eighty percent of the total funding is used for employees' salaries and benefits.

Budget History - Natural Resources - Administration					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	3,338,800	3,359,500	3,397,900	3,020,800	3,058,400
General Fund, One-time	40,000	10,400	1,991,600	2,050,000	(8,100)
Federal Funds	1,184,800	1,378,900	827,500	0	0
Oil Overchg - Exxon	792,600	1,255,100	1,261,000	0	0
Oil Overchg - Stripper Well	318,000	398,400	411,300	0	0
Beginning Nonlapsing	177,100	20,400	111,300	2,174,800	0
Closing Nonlapsing	(20,400)	(111,300)	(2,174,800)	(306,700)	0
Lapsing Balance	0	(820,400)	(1,248,700)	(2,300)	0
Total	\$5,830,900	\$5,491,000	\$4,577,100	\$6,936,600	\$3,050,300
Programs					
Executive Director	924,700	914,500	977,100	822,600	813,800
Administrative Services	1,353,100	1,352,300	1,467,700	5,474,800	1,694,100
Utah Energy Office	2,916,100	2,597,600	1,543,700	0	0
Public Affairs	297,500	312,400	275,100	257,800	320,000
Bear Lake Commission	58,700	28,700	68,700	78,700	78,700
Law Enforcement	131,400	119,800	109,700	141,000	135,000
Ombudsman	149,400	165,700	135,100	161,700	8,700
Total	\$5,830,900	\$5,491,000	\$4,577,100	\$6,936,600	\$3,050,300
Categories of Expenditure					
Personal Services	3,294,800	3,338,300	3,229,400	2,291,800	2,445,100
In-State Travel	38,800	31,800	34,700	20,300	31,500
Out of State Travel	29,500	27,400	27,500	9,900	22,400
Current Expense	1,893,300	1,714,200	1,030,700	2,568,800	388,000
DP Current Expense	134,200	48,500	115,300	(32,900)	76,400
Capital Outlay	8,300	302,100	8,200	0	8,200
Other Charges/Pass Thru	432,000	28,700	131,300	2,078,700	78,700
Total	\$5,830,900	\$5,491,000	\$4,577,100	\$6,936,600	\$3,050,300
Other Data					
Budgeted FTE	49.2	47.6	43.2	28.1	31.0

Table 6

DNR EXECUTIVE DIRECTOR’ OFFICE

Function Under the direction of the Governor, the Executive Director's office provides leadership, direction, and policy for the seven operating Divisions at the Department of Natural Resources.

Funding Detail This program is funded entirely from the General Fund.

Budget History - Natural Resources - Administration - Executive Director					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	758,000	1,003,800	1,063,800	956,800	815,600
General Fund, One-time	40,000	1,600	(23,200)	0	(1,800)
Beginning Nonlapsing	147,100	20,400	111,300	174,800	0
Closing Nonlapsing	(20,400)	(111,300)	(174,800)	(306,700)	0
Lapsing Balance	0	0	0	(2,300)	0
Total	\$924,700	\$914,500	\$977,100	\$822,600	\$813,800
Categories of Expenditure					
Personal Services	424,400	695,000	766,100	524,400	582,100
In-State Travel	11,300	15,000	17,100	9,900	13,200
Out of State Travel	4,800	4,400	6,900	5,400	6,500
Current Expense	469,100	174,100	160,900	379,100	189,100
DP Current Expense	15,100	12,100	17,900	(96,200)	14,700
Capital Outlay	0	13,900	8,200	0	8,200
Total	\$924,700	\$914,500	\$977,100	\$822,600	\$813,800
Other Data					
Budgeted FTE	4.0	6.9	7.7	5.0	5.0

Table 7

DNR ADMINISTRATIVE SERVICES

Function The Administrative Services supports the office of the Executive Director and the seven Divisions in the areas of budgeting, accounting, 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.

Intent Language *It is the intent of the Legislature, that: (1) the \$2 Million appropriated to The Department of Natural Resources for This Is The Place Foundation, be released to the Foundation only after the Foundation meets the performance measures established by the Department of Natural Resources Administration; and (2) the \$2 Million funding is nonlapsing.*

It is the intent of the Legislature that funds appropriated to the Department of Natural Resources for watershed be nonlapsing.

Funding Detail The 2006 Legislature provided a supplemental General Fund appropriation of \$2 million to This Is The Place Foundation through DNR Administration. The funding was to help the Foundation overcome serious financial challenges.

The \$2 million in Beginning Non-Lapsing category in FY 2006 was appropriated by the 2005 Legislature as a supplemental appropriation for watershed in Utah. This funding was given non-lapsing authority, allowing the Department to carry forward the unused balances from one fiscal year to the next. DNR started using the \$2 million in FY 2006 by matching it with federal and private sources for the restoration of the sage steppe in Utah, which is critical to watersheds, wildlife, and livestock.

Budget History - Natural Resources - Administration - Administrative Services					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	1,353,100	1,347,300	1,457,400	1,474,800	1,698,700
General Fund, One-time	0	5,000	2,010,300	2,000,000	(4,600)
Beginning Nonlapsing	0	0	0	2,000,000	0
Closing Nonlapsing	0	0	(2,000,000)	0	0
Total	\$1,353,100	\$1,352,300	\$1,467,700	\$5,474,800	\$1,694,100
Categories of Expenditure					
Personal Services	1,186,100	1,218,500	1,294,100	1,301,300	1,475,400
In-State Travel	3,600	3,400	1,500	700	4,100
Out of State Travel	1,800	1,000	500	0	1,300
Current Expense	116,900	115,600	122,400	2,124,400	164,100
DP Current Expense	44,700	13,800	49,200	48,400	49,200
Other Charges/Pass Thru	0	0	0	2,000,000	0
Total	\$1,353,100	\$1,352,300	\$1,467,700	\$5,474,800	\$1,694,100
Other Data					
Budgeted FTE	19.4	19.6	19.5	18.0	20.0

Table 8

DNR PUBLIC AFFAIRS

Function 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, including acting as a liaison between the Legislature and DNR. This program also coordinates the “Take Pride in Utah” partnership.

Funding Detail This program is funded entirely from General Funds and 78 percent of the appropriated funding for FY 2006 is for employee’s salaries and benefits.

Budget History - Natural Resources - Administration - Public Affairs					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	297,500	311,200	273,000	257,800	320,800
General Fund, One-time	0	1,200	2,100	0	(800)
Total	\$297,500	\$312,400	\$275,100	\$257,800	\$320,000
Categories of Expenditure					
Personal Services	263,600	284,600	252,400	201,900	296,400
In-State Travel	2,200	1,400	1,100	1,000	1,200
Out of State Travel	1,100	3,500	2,500	800	2,800
Current Expense	13,700	19,500	10,300	45,200	10,800
DP Current Expense	16,900	3,400	8,800	8,900	8,800
Total	\$297,500	\$312,400	\$275,100	\$257,800	\$320,000
Other Data					
Budgeted FTE	3.8	4.0	3.7	2.9	4.0

Table 9

BEAR LAKE REGIONAL COMMISSION

Function In 1983, the Bear Lake Regional Commission, through funds provided by the Utah Department of Natural Resources (DNR), 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. The Legislature has funded this program from the DNR budget (at varying funding levels) ever since.

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

Funding Detail

For FY 2007 the Legislature increased the base budget for this program by appropriating additional \$50,000.

Budget History - Natural Resources - Administration - Bear Lake Commission					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	28,700	28,700	28,700	28,700	78,700
General Fund, One-time	0	0	40,000	50,000	0
Beginning Nonlapsing	30,000	0	0	0	0
Total	\$58,700	\$28,700	\$68,700	\$78,700	\$78,700
Categories of Expenditure					
Other Charges/Pass Thru	58,700	28,700	68,700	78,700	78,700
Total	\$58,700	\$28,700	\$68,700	\$78,700	\$78,700

Table 10

LAW ENFORCEMENT

Function

DNR has a large law enforcement presence, mainly through the Division of Wildlife Resources and Division of Parks and Recreation. 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.

Funding Detail

Budget History - Natural Resources - Administration - Law Enforcement					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	131,400	119,500	109,200	141,000	135,400
General Fund, One-time	0	300	500	0	(400)
Total	\$131,400	\$119,800	\$109,700	\$141,000	\$135,000
Categories of Expenditure					
Personal Services	106,200	97,100	89,400	112,900	115,500
In-State Travel	2,200	1,500	3,600	1,600	4,000
Out of State Travel	800	700	1,000	0	1,100
Current Expense	19,800	17,200	13,500	24,200	12,200
DP Current Expense	2,400	3,300	2,200	2,300	2,200
Total	\$131,400	\$119,800	\$109,700	\$141,000	\$135,000
Other Data					
Budgeted FTE	1.1	1.0	0.9	1.0	1.0

Table 11

PRIVATE PROPERTY OMBUDSMAN

Function The Ombudsman program was created by the 1997 Legislature in an effort to address citizen concerns about the way government actions 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.

Funding Detail This program consists of one attorney. The passage of S.B.268 during the 2006 General Session moved the Private Property Ombudsman’s office with its base funding to the Department of Commerce.

Budget History - Natural Resources - Administration - Ombudsman					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	149,400	165,200	134,600	161,700	9,200
General Fund, One-time	0	500	500	0	(500)
Total	\$149,400	\$165,700	\$135,100	\$161,700	\$8,700
Categories of Expenditure					
Personal Services	105,000	107,600	114,700	151,300	(24,300)
In-State Travel	8,400	7,200	9,000	7,100	9,000
Out of State Travel	3,700	8,900	10,600	3,700	10,700
Current Expense	27,100	41,500	(700)	(4,100)	11,800
DP Current Expense	5,200	500	1,500	3,700	1,500
Total	\$149,400	\$165,700	\$135,100	\$161,700	\$8,700
Other Data					
Budgeted FTE	1.0	1.1	1.0	1.2	1.0

Table 12

SPECIES PROTECTION LINE ITEM

Function The purpose of this program is to take action to prevent the listing of any plant or animal species and to pursue actions that will allow the delisting of threatened or endangered species in Utah.

Statutory Authority UCA 63-34-14 establishes and governs the operation of the Species Protection.

Intent Language *It is the intent of the Legislature that the Department of Natural Resources report to the Natural Resources, Agriculture, and Environment Interim Committee and to the Natural Resources Appropriations Subcommittee on or before their November, 2006 meeting, providing detailed information on how funds are expended for the Colorado River, June Sucker, and Virgin River plans, including detailed information on contracts issued, deliverables required, and deliverables accomplished.*

Funding Detail This program is funded through revenues from the brine shrimp royalty tax and dedicated sales tax revenues (UCA 59-12-103 directs 14 percent or \$2,450,000 of \$17,500,000 to this program).

Budget History - Natural Resources - Species Protection					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Dedicated Credits Revenue	1,950,000	2,450,000	2,450,000	2,450,000	2,457,200
GFR - Species Protection	687,200	687,200	1,105,000	550,000	568,800
Closing Nonlapsing	0	0	0	(359,700)	0
Lapsing Balance	(298,800)	(539,700)	(481,700)	0	0
Total	\$2,338,400	\$2,597,500	\$3,073,300	\$2,640,300	\$3,026,000
Categories of Expenditure					
Personal Services	154,000	153,800	154,600	248,700	266,100
In-State Travel	6,800	6,800	8,700	10,200	17,400
Out of State Travel	2,700	800	0	1,000	0
Current Expense	2,172,800	2,436,000	2,903,500	2,374,100	2,737,000
DP Current Expense	2,100	100	6,500	6,300	5,500
Total	\$2,338,400	\$2,597,500	\$3,073,300	\$2,640,300	\$3,026,000
Other Data					
Budgeted FTE	2.0	1.9	1.8	2.7	3.0

Table 13

BUILDING OPERATIONS LINE ITEM

Function 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.

Funding Detail The bond payment portion of this program is fixed. The remainder goes for maintenance, utilities, etc. mostly through DFCM.

Budget History - Natural Resources - Building Operations					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	1,660,700	1,660,700	1,660,700	1,660,700	1,660,700
Lapsing Balance	(100)	(100)	0	(400)	0
Total	\$1,660,600	\$1,660,600	\$1,660,700	\$1,660,300	\$1,660,700
Categories of Expenditure					
Current Expense	1,660,600	1,660,600	1,660,700	1,660,300	1,660,700
Total	\$1,660,600	\$1,660,600	\$1,660,700	\$1,660,300	\$1,660,700

Table 14

DNR INTERNAL SERVICE FUNDS LINE ITEM

Function The Internal Service Funds (ISFs) provide specific services to multiple agencies, allows for maximization of service and minimization of costs. 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.

Statutory Authority UCA 63-38-3.5 governs internal service funds. To guard against abuse, 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 the following three ISFs:

- Warehouse
- Motor Pool
- Data Processing

Funding Detail

Budget History - ISF - Natural Resources - ISF - DNR Internal Service Funds					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Dedicated Credits - Intragvt Rev	4,924,600	4,851,600	5,732,700	5,956,900	5,714,500
Sale of Fixed Assets	(43,600)	(14,500)	0	(34,300)	0
Total	\$4,881,000	\$4,837,100	\$5,732,700	\$5,922,600	\$5,714,500
Programs					
ISF - DNR Warehouse	606,900	627,200	760,500	771,100	710,000
ISF - DNR Motorpool	3,790,000	4,209,900	4,358,700	4,829,100	5,004,500
ISF - DNR Data Processing	484,100	0	613,500	322,400	0
Total	\$4,881,000	\$4,837,100	\$5,732,700	\$5,922,600	\$5,714,500
Categories of Expenditure					
Personal Services	521,400	537,800	572,000	613,000	381,500
In-State Travel	0	300	0	800	14,600
Current Expense	3,242,300	3,810,600	4,601,000	5,333,400	5,019,600
DP Current Expense	208,100	193,400	347,600	267,200	12,300
Other Charges/Pass Thru	31,300	12,800	12,400	11,300	12,100
Depreciation	695,900	483,200	295,700	233,500	179,700
Total	\$4,699,000	\$5,038,100	\$5,828,700	\$6,459,200	\$5,619,800
Profit/(Loss)	\$182,000	(\$201,000)	(\$96,000)	(\$536,600)	\$94,700
Other Data					
Budgeted FTE	10.2	10.7	10.2	15.0	11.0
Retained Earnings	(2,006,800)	(2,207,900)	(2,303,800)	(2,840,300)	(1,842,900)

Table 15

WAREHOUSE INTERNAL SERVICE FUND

Function 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. It also includes the Core Research Center used by the Utah Geological Survey. Other agencies, such as DFCM, purchase warehouse space from DNR.

Funding Detail

Budget History - ISF - Natural Resources - ISF - DNR Internal Service Funds - ISF - DNR Warehouse					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Dedicated Credits - Intragvt Rev	606,900	627,200	760,500	771,100	710,000
Total	\$606,900	\$627,200	\$760,500	\$771,100	\$710,000
Categories of Expenditure					
Personal Services	81,600	85,000	90,700	95,900	97,000
Current Expense	466,500	539,900	653,300	664,800	537,300
DP Current Expense	3,300	1,200	5,900	5,100	5,900
Other Charges/Pass Thru	2,100	3,300	4,600	3,700	4,600
Depreciation	46,600	40,100	40,100	40,100	40,100
Total	\$600,100	\$669,500	\$794,600	\$809,600	\$684,900
Profit/(Loss)	\$6,800	(\$42,300)	(\$34,100)	(\$38,500)	\$25,100
Other Data					
Budgeted FTE	2.0	2.0	2.0	2.0	2.0
Retained Earnings	119,400	77,100	43,000	4,500	100,300

Table 16

MOTOR POOL INTERNAL SERVICE FUND

Function

In FY 2000 DNR began leasing vehicle replacements and new vehicle additions through the Division of Fleet Operations in the Department of Administrative Services. Under a memorandum of understanding, DNR pays DFO a special rate to recover depreciation and administrative overhead. DNR continues to administer the maintenance, data entry, reservation system, and other aspects of the motor pool.

Funding Detail

Budget History - ISF - Natural Resources - ISF - DNR Internal Service Funds - ISF - DNR Motorpool					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Dedicated Credits - Intragvt Rev	3,833,600	4,224,400	4,358,700	4,863,400	5,004,500
Sale of Fixed Assets	(43,600)	(14,500)	0	(34,300)	0
Total	\$3,790,000	\$4,209,900	\$4,358,700	\$4,829,100	\$5,004,500
Categories of Expenditure					
Personal Services	183,200	192,200	203,300	241,300	284,500
In-State Travel	0	0	0	800	14,600
Current Expense	2,737,300	3,235,300	3,874,100	4,599,400	4,482,300
DP Current Expense	5,700	2,300	7,000	9,700	6,400
Other Charges/Pass Thru	27,300	7,900	6,500	6,300	7,500
Depreciation	621,900	435,700	255,600	193,400	139,600
Total	\$3,575,400	\$3,873,400	\$4,346,500	\$5,050,900	\$4,934,900
Profit/(Loss)	\$214,600	\$336,500	\$12,200	(\$221,800)	\$69,600
Other Data					
Budgeted FTE	4.2	4.5	4.2	5.0	5.0
Retained Earnings	(2,430,000)	(2,093,500)	(2,081,200)	(2,303,000)	(1,943,200)

Table 17

DATA PROCESSING INTERNAL SERVICE FUND

DNR’s Data Processing Internal Service Fund was transferred at the beginning of FY 2007 to the newly created Department of Technology Services.

Funding Detail

Budget History - ISF - Natural Resources - ISF - DNR Internal Service Funds - ISF - DNR Data Processing					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Dedicated Credits - Intragvt Rev	484,100	0	613,500	322,400	0
Total	\$484,100	\$0	\$613,500	\$322,400	\$0
Categories of Expenditure					
Personal Services	256,600	260,600	278,000	275,800	0
In-State Travel	0	300	0	0	0
Current Expense	38,500	35,400	73,600	69,100	0
DP Current Expense	199,100	189,900	334,700	252,400	0
Other Charges/Pass Thru	1,900	1,600	1,300	1,300	0
Depreciation	27,400	7,400	0	0	0
Total	\$523,500	\$495,200	\$687,600	\$598,600	\$0
Profit/(Loss)	(\$39,400)	(\$495,200)	(\$74,100)	(\$276,200)	\$0
Other Data					
Budgeted FTE	4.0	4.2	4.0	8.0	0.0
Retained Earnings	303,800	(191,500)	(265,600)	(541,800)	0

Table 18

CHAPTER 3 DIVISION OF FORESTRY, FIRE, AND STATE LANDS**Function**

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 guidance to the Division.

Currently the Division is putting special emphasis on the following areas:

- Providing wildland fire protection for non-federal, unincorporated lands commensurate with values at risk
- Providing technical assistance to landowners and communities in natural resource management by utilizing the principles of multiple-use, stewardship, and ecosystem management.

Division management has restructured in FY 2006 most of the Division's programs. The total number of programs has not been changed but staff and resources were reorganized. This restructuring does not affect the total expenditures of the Division but it does have an impact on the historical trends of the individual programs. The FY 2006 figures are based on the new structure. The FY 2007 Appropriated figures, however, come directly from the 2006 appropriations, which took place before the restructuring, and are not reflecting the changes. The adjusted FY 2007 figures will be updated during the 2007 General Session.

Statutory Authority

The following laws govern operation of the Division:

- UCA 65A-1-1 defines "sovereign lands."
- UCA 65A-1-4 defines Division's authority.
- UCA 65A-5-1 creates the restricted Sovereign Land Management Account.
- UCA 65A-8-8 requires the Division to abate fires on all state-owned lands, but owning agencies shall recognize the need and responsibility for sharing the costs and shall annually allocate funds to the Division in amounts determined to be proportionate to the costs of providing a basic level of fire protection.
- UCA 65A-9-1 makes the Division responsible for efficient management of range resources on lands it administers.
- UCA 65A-10-1 allows the Division to exchange, sell, or lease sovereign lands but only in quantities and purposes that serve the public interest and do not interfere with the public trust.
- UCA 65A-10-3 requires the Division to develop plans to resolve disputes over sovereign land boundaries.
- UCA 65A-10-8 requires a comprehensive plan for the Great Salt Lake.

Intent Language

It is the intent of the Legislature that the appropriation from the GFR – Sovereign Land Management Account be nonlapsing.

Funding Detail

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, and the year-end balance for FY 2006 was \$3,521,200.

General Fund

Since the 2003 General Sessions the Appropriations Subcommittee has replaced each year certain amounts of the Division's one-time General Funds with restricted funds and has been reallocating those General Funds to several programs in other agencies. Below is a summary of these amounts by year:

- General Session 2003: \$200,000
- General Session 2004: \$696,500
- General Session 2005: \$2,000,000
- General Session 2006: \$1,930,100

Of the \$1,930,100 General Funds reallocated during the 2006 General Session, the Subcommittee appropriated \$1,000,000 back to the Division for reseeded after fires and \$20,000 for training for urban interface fire suppression (see Table 2 on p. 4).

Federal Funds

A large sum of federal dollars are used for "Forest Legacy" projects (budgeted in the Forest Management Program) which consists of identifying and protecting environmentally important private forest lands that are threatened by conversion to non-forest uses. Most of these funds are used to purchase conservation easements. Other federal funds are used for forestry assistance to private landowners, forest health, and urban and community forestry.

Dedicated Credits

Division's Dedicated Credits come mostly from tree seedling sales and reimbursement for project labor—including firefighting—by the Lone Peak Conservation Center.

Wildland Fire Suppression Fund

The Division manages the 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 and the State must match the county's contributions. In FY 1998 the Legislature added \$1.5 million to the Division's General Fund base to match county payments. In FY 2003 there were insufficient monies in the fund to pay all obligations. To avoid prorating funds, the Legislature made a one-time appropriation of \$3.2 million directly to the fund (in addition to \$8.3 million to the Fire Suppression Program). In the 2006 General Session the Legislature passed S.B. 65, which allows counties to exempt certain lands and values from the calculation. Because of

this, the Division management anticipates a reduction in the amount of revenues coming into the fund. Currently all counties except Salt Lake and Weber participate in the program. Additional information about the fund:

- Also known as the “Insurance Fund”
- Capped at \$8M
- Eligible lands include forest, range, and watershed lands in unincorporated areas of counties, except federal or state lands
- Counties pay a premium based on acreage and taxable value of real property in unincorporated areas. The state matches their payments.

Only 38 percent of the Division’s expenditures in FY 2006 were for employees’ salaries and benefits. These expenditures have increased for the period FY 2003-2006 by 40 percent, while the total number of full-time equivalent (FTE) has increased by 60 percent. For that period, the average cost per FTE (salary and benefits) in the Division has decreased by 13 percent, from \$54,600 in FY 2003 to \$47,300 in FY 2006.

The amount for salaries is effected by the fire season and the number of overtime hours that may be required to fight large number of fires. The FTE increase was caused by the fact the Division lost the services of the “Flamingo” inmate fire crews provided by the Department of Corrections (which consisted of eighty seasonal fire fighters). This inmate crew did not count toward our FTE count. Since that loss, the Division has had to hire and gradually train eighty seasonal firefighters to replace the “Flamingo” crew; these firefighters are now included in the Division’s FTE count.

Additional Funding

The 2006 Legislature appropriated the following funding to the Division:

Wildland Fire Suppression

To cover fire suppression cost exceeding funds available in the Fire Suppression Program, the Legislature appropriated supplemental funding of \$4,000,000.

Saltair Sewer Replacement

The Legislature appropriated \$110,000 as a supplemental appropriation from the restricted fund for the repair of the Saltair Sewer system. This amount is in addition to the \$100,000 appropriated the previous year for the same purpose.

Mobile Structure Protection Units

A one-time appropriation of \$105,000 from the restricted fund was provided to the Division to develop two trailer-mounted Structure Protection Kits for deployment in wildland urban interface communities threatened by wildfire.

Recruitment Program

The Division has experience difficulty hiring qualified people to fill vacant professional positions. The Legislature appropriated \$62,000 (one-time) from the restricted fund to hire an intern from one of the local universities with forestry and fire programs.

Lands Maintenance Fund

The agency owns or has rights to various parcels of land which need repair and maintenance. To establish funding to address these needs, the 2006 Legislature appropriated \$50,000 one-time from the restricted account.

Budget History - Natural Resources - Forestry, Fire and State Lands					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	2,858,800	2,871,700	2,908,400	3,010,400	3,122,000
General Fund, One-time	8,300,000	(195,700)	336,300	2,155,000	(564,700)
Federal Funds	6,341,700	5,605,600	4,644,400	5,455,500	5,045,500
Dedicated Credits Revenue	3,524,000	4,115,600	3,174,400	4,952,500	3,522,500
GFR - Sovereign Land Mgt	1,736,700	2,874,800	4,096,500	6,306,400	4,865,600
Transfers	310,000	0	0	(262,500)	0
Beginning Nonlapsing	1,292,500	2,472,500	2,315,600	2,060,400	468,200
Closing Nonlapsing	(2,472,400)	(2,315,600)	(2,060,400)	(3,932,800)	0
Lapsing Balance	(259,000)	(531,600)	(97,600)	0	0
Total	\$21,632,300	\$14,897,300	\$15,317,600	\$19,744,900	\$16,459,100
Programs					
Division Administration	285,500	334,600	337,300	731,100	377,000
Fire Management	347,300	327,600	371,200	618,400	416,000
Fire Suppression	9,121,800	3,023,500	4,873,600	6,006,500	4,512,400
Lands Management	100,300	148,700	139,600	149,400	158,400
Forest Management	631,200	644,300	1,035,200	2,964,800	842,700
Program Delivery	1,181,400	1,290,800	1,353,700	4,176,800	2,121,300
Lone Peak Center	3,226,800	3,450,600	3,446,600	4,197,000	3,572,500
Project Management	6,738,000	5,677,200	3,760,400	900,900	4,458,800
Total	\$21,632,300	\$14,897,300	\$15,317,600	\$19,744,900	\$16,459,100
Categories of Expenditure					
Personal Services	5,383,400	6,180,000	6,341,100	7,535,200	7,212,000
In-State Travel	99,200	127,600	143,700	160,700	146,000
Out of State Travel	76,400	87,700	58,000	79,900	56,100
Current Expense	15,765,400	4,553,100	5,859,400	6,657,900	6,115,900
DP Current Expense	132,300	117,200	172,200	169,000	170,000
DP Capital Outlay	0	2,360,500	0	6,100	0
Capital Outlay	3,907,500	1,504,400	105,900	2,293,700	806,100
Other Charges/Pass Thru	(3,731,900)	(33,200)	2,637,300	2,842,400	1,953,000
Total	\$21,632,300	\$14,897,300	\$15,317,600	\$19,744,900	\$16,459,100
Other Data					
Budgeted FTE	98.6	138.0	141.6	159.3	133.0

Table 19

DIVISION ADMINISTRATION

Function

This program includes the administrative functions of the Director, Deputy Director, Administrative Assistant, and Public Affairs Officer (funds are passed through to the Division of Oil, Gas, and Mining for half the costs of a shared Public Affairs Officer).

The Division Administration maintains public records of the Division's actions and provides overall administration for implementation of policies established by the Executive Director, Governor, and the Legislature. This program also includes funding for the 12-member Forestry, Fire, and State Lands Advisory Council representing geographic and multiple-use interests.

The other main component in Division Administration is the administrative support staff whose functions include policy analysis, accounting, rulemaking, records management, and facilities. It also has the primary responsibility for the management of the Wildland Fire Suppression Fund.

Funding Detail

The increase in expenditures and FTEs in FY 2006 in this program is due to the Division restructuring. The new program includes the Administrative Support and Division Supplies sections. The FY 2007 Appropriated figures, however, come directly from the 2006 appropriations, which took place before the restructuring, and are not reflecting the changes. The adjusted FY 2007 figures will be updated during the 2007 General Session.

Budget History - Natural Resources - Forestry, Fire and State Lands - Division Administration					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	20,800	26,300	27,000	731,100	29,900
General Fund, One-time	0	100	200	0	(100)
GFR - Sovereign Land Mgt	264,900	308,200	315,000	0	347,200
Lapsing Balance	(200)	0	(4,900)	0	0
Total	\$285,500	\$334,600	\$337,300	\$731,100	\$377,000
Categories of Expenditure					
Personal Services	227,300	264,300	274,000	568,900	313,700
In-State Travel	2,500	5,600	3,000	5,000	2,900
Out of State Travel	2,100	2,600	3,400	3,500	3,400
Current Expense	28,200	34,700	29,000	122,700	29,000
DP Current Expense	200	200	400	31,000	500
Other Charges/Pass Thru	25,200	27,200	27,500	0	27,500
Total	\$285,500	\$334,600	\$337,300	\$731,100	\$377,000
Other Data					
Budgeted FTE	3.7	4.1	4.0	8.7	4.0

Table 20

FIRE MANAGEMENT

Function

The Fire Management program is responsible for fire prevention, mitigation, and fire suppression activities. The program includes Forestry Cost-Share Assistance, Fire Management, Fire Protection, Volunteer Fire Assistance, and Federal Excess Personal Property Management. Fire Management provides technical expertise and functional support to the Program Delivery (field) arm of the Division.

The Division cooperates with a variety of agencies, organizations, groups, and individuals to accomplish goals by taking advantage of those cooperators' expertise, infrastructure, and cost-share funding availability. Fire Management enters into cooperative agreements for purposes such as fire suppression coordination through the Eastern Great Basin Fire Coordination Center and five local interagency fire dispatch centers, and increasing firefighting capacity of rural Utah fire departments through matching financial and technical assistance.

Funding Detail

Also with this program, the increase in expenditures and FTEs in FY 2006 is due to the Division restructuring. The new program includes a portion of the Technical Assistance group and the funding comes from restricted and Federal Funds. The FY 2007 Appropriated figures, however, come directly from the 2006 appropriations, which took place before the restructuring, and are not reflecting the changes. The adjusted FY 2007 figures will be updated during the 2007 General Session.

Budget History - Natural Resources - Forestry, Fire and State Lands - Fire Management					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	125,100	122,800	129,500	0	142,600
General Fund, One-time	0	300	900	0	(300)
Federal Funds	0	0	0	133,600	0
GFR - Sovereign Land Mgt	251,900	215,200	242,800	484,800	273,700
Lapsing Balance	(29,700)	(10,700)	(2,000)	0	0
Total	\$347,300	\$327,600	\$371,200	\$618,400	\$416,000
Categories of Expenditure					
Personal Services	252,900	253,500	275,700	234,500	319,400
In-State Travel	1,000	2,100	1,600	5,200	1,700
Out of State Travel	0	0	200	7,200	200
Current Expense	33,900	29,000	39,000	282,400	40,100
DP Current Expense	59,500	28,200	54,700	3,200	54,600
Capital Outlay	0	14,800	0	12,700	0
Other Charges/Pass Thru	0	0	0	73,200	0
Total	\$347,300	\$327,600	\$371,200	\$618,400	\$416,000
Other Data					
Budgeted FTE	4.9	4.8	4.8	4.4	5.0

Table 21

FIRE SUPPRESSION

Function

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 (WFSF) 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.

Funding Detail

Dedicated Credits come from reimbursements for fire staff salaries. The increase in expenditures and FTEs in FY 2006 in this Program is also due to the Division restructuring. The FY 2007 Appropriated figures, however, come directly from the 2006 appropriations, which took place before the restructuring, and are not reflecting the changes. The adjusted FY 2007 figures will be updated during the 2007 General Session.

Budget History - Natural Resources - Forestry, Fire and State Lands - Fire Suppression					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	1,442,000	1,446,200	1,584,900	2,129,900	1,514,200
General Fund, One-time	8,300,000	(198,800)	326,400	2,155,000	(561,400)
Federal Funds	150,300	135,500	262,800	173,800	252,100
Dedicated Credits Revenue	386,500	297,800	418,600	376,200	515,500
GFR - Sovereign Land Mgt	112,300	513,700	1,301,000	1,692,500	2,792,000
Beginning Nonlapsing	450,000	1,719,300	979,900	1,563,500	0
Closing Nonlapsing	(1,719,300)	(890,200)	0	(2,084,400)	0
Total	\$9,121,800	\$3,023,500	\$4,873,600	\$6,006,500	\$4,512,400
Categories of Expenditure					
Personal Services	1,100,200	1,060,600	1,083,500	1,417,300	1,177,500
In-State Travel	16,400	15,400	15,300	24,700	16,200
Out of State Travel	10,800	9,200	5,900	11,400	5,700
Current Expense	13,089,000	2,060,700	2,656,900	3,665,600	3,213,500
DP Current Expense	300	5,500	3,500	4,100	3,500
Capital Outlay	0	0	0	12,700	0
Other Charges/Pass Thru	(5,094,900)	(127,900)	1,108,500	870,700	96,000
Total	\$9,121,800	\$3,023,500	\$4,873,600	\$6,006,500	\$4,512,400
Other Data					
Budgeted FTE	21.5	23.0	23.7	25.6	24.0

Table 22

LANDS MANAGEMENT

Function

The Lands Management program is similar to the old Planning and Technology program. This program oversees the administration, planning, and management of Sovereign Lands. Staff responsibilities include mineral and surface leasing, monitoring and collection of royalties, permitting, and easements. The program manager also coordinates rule making for the Division.

Lands Management also establishes standards and formats for information technology and Geographic Information System (GIS)-related applications used throughout the Division. The program facilitates the Division’s databases and guides inventory and cataloging of existing statewide natural resources data. Other duties include web page adoption, implementing new hardware and software, software training, and development of new e-government applications.

Funding Detail

The majority of this program budget is for Personal Services.

Budget History - Natural Resources - Forestry, Fire and State Lands - Lands Management					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	33,700	85,500	83,500	149,400	93,600
General Fund, One-time	0	200	600	0	(200)
GFR - Sovereign Land Mgt	126,500	63,000	54,000	0	65,000
Lapsing Balance	(59,900)	0	1,500	0	0
Total	\$100,300	\$148,700	\$139,600	\$149,400	\$158,400
Categories of Expenditure					
Personal Services	84,200	104,400	106,500	115,400	123,600
In-State Travel	700	1,000	2,200	1,700	2,600
Out of State Travel	500	2,200	2,400	1,100	2,400
Current Expense	8,700	8,200	5,000	11,900	5,200
DP Current Expense	6,200	23,900	26,000	19,300	27,100
DP Capital Outlay	0	10,700	0	0	0
Capital Outlay	0	(1,700)	0	0	0
Other Charges/Pass Thru	0	0	(2,500)	0	(2,500)
Total	\$100,300	\$148,700	\$139,600	\$149,400	\$158,400
Other Data					
Budgeted FTE	1.7	2.1	2.0	3.0	2.0

Table 23

FOREST MANAGEMENT

Function

The Forest Management program is comprised of the old Technical Assistance and Program Delivery Cooperators groups. The new program is responsible for development and administration of the Division’s conservation programs, which include: Forest Stewardship, Forest Health, Urban & Community Forestry, Forest Legacy (protecting private forests from being converted to non-forest uses), Forest Landowner Enhancement Program, Forest Water Quality Monitoring, Economic Action, Forest Industry Registration, Forest Practices Notification, Lone Peak State Forest Nursery, and the Lone Peak Conservation Camp.

Forest Management provides technical expertise and functional support to the Program Delivery (field) arm of the Division. It enters into cooperative agreements for coordinating volunteer tree planting projects through Tree Utah, a non-profit organization, and educating school children about trees through Arbor Day activities.

Funding Detail

The increase in expenditures and FTEs in FY 2006 is due to the Division restructuring. The majority of the new program is funded with federal dollars. The FY 2007 Appropriated figures, however, come directly from the 2006 appropriations, which took place before the restructuring, and are not reflecting the changes. The adjusted FY 2007 figures will be updated during the 2007 General Session.

Budget History - Natural Resources - Forestry, Fire and State Lands - Forest Management					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	446,000	482,000	493,100	0	546,400
General Fund, One-time	0	1,100	3,400	0	(1,100)
Federal Funds	160,000	217,800	398,200	2,730,700	262,500
Dedicated Credits Revenue	200	0	0	0	0
GFR - Sovereign Land Mgt	38,300	38,900	332,100	234,100	34,900
Beginning Nonlapsing	3,900	0	0	0	0
Closing Nonlapsing	0	(79,900)	(191,600)	0	0
Lapsing Balance	(17,200)	(15,600)	0	0	0
Total	\$631,200	\$644,300	\$1,035,200	\$2,964,800	\$842,700
Categories of Expenditure					
Personal Services	413,400	469,600	467,600	445,900	575,900
In-State Travel	10,100	7,400	8,600	13,500	8,500
Out of State Travel	12,000	10,400	10,500	8,700	8,900
Current Expense	194,000	150,900	538,700	151,900	242,900
DP Current Expense	1,400	5,400	9,800	2,600	6,500
Capital Outlay	0	0	0	2,182,900	0
Other Charges/Pass Thru	300	600	0	159,300	0
Total	\$631,200	\$644,300	\$1,035,200	\$2,964,800	\$842,700
Other Data					
Budgeted FTE	7.8	9.8	8.9	8.4	9.0

Table 24

PROGRAM DELIVERY

Function

As a result of the most recent Division restructuring, a portion of the old Program Delivery Cooperators was added to the Program Delivery. 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 land. 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 the 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 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.

Accountability

The Division is responsible for putting out all wildland fires on state and non-federal lands, but cooperates with federal partners in order to more effectively fight all wildland fires in Utah.

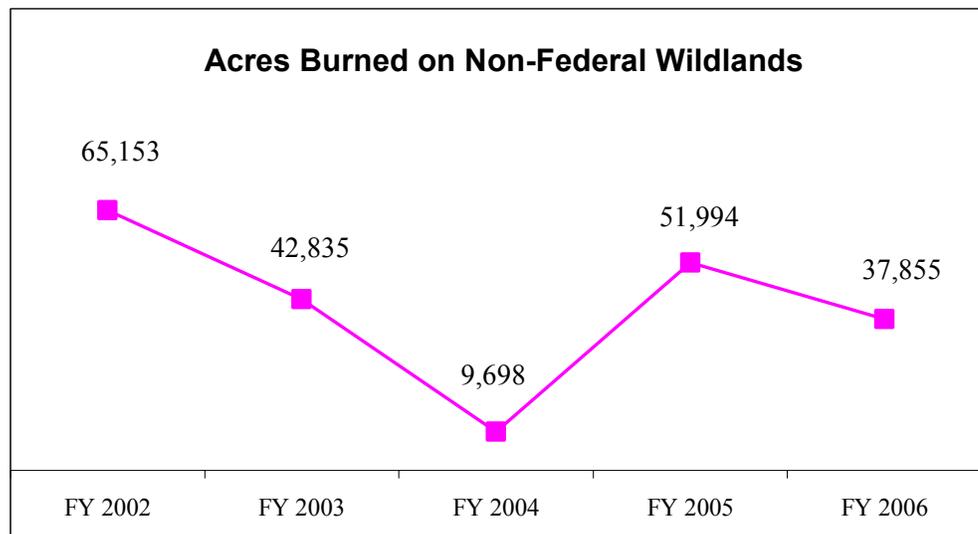


Figure 3

Measure: Number of acres burned on non-federal wildlands.

Goal: Suppress all wildland fires on state and non-federal lands.

Methodology: Estimate the number of acres burned on non-federal wildlands each year.

Measure Type: Output

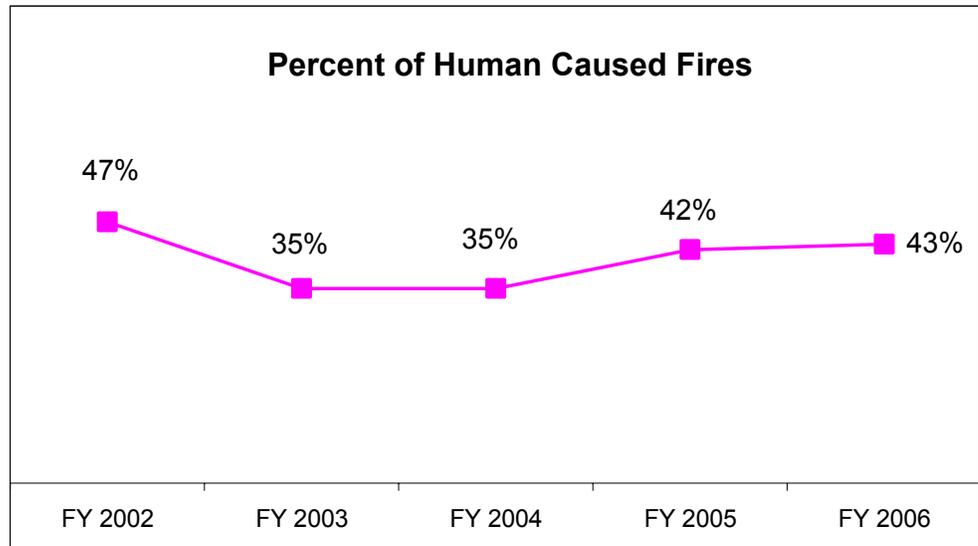


Figure 4

Measure: Calculate the percent of wildfires caused by humans

Goal: To prevent human caused wildfires

Methodology: Number of human-caused fires divided by total fires. The numbers are based on a calendar year and the figure for FY 2006 is only an estimate.

Measure Type: Output

This measure tracks the wildfires, particularly what percent of the total was caused by humans. Although the Division has no direct impact on the number of fires caused by humans, they can use this measure as an indicator on how effective their educational and preventative efforts have been.

Funding Detail

The increased expenditures and staff in FY 2006 is a result of the Division restructuring. A portion of the Program Delivery Cooperator section was added to this program. The Dedicated Credits come from reimbursement for fire staff salaries and expenses. The FY 2007 Appropriated figures, however, come directly from the 2006 appropriations, which took place before the restructuring, and are not reflecting the changes. The adjusted FY 2007 figures will be updated during the 2007 General Session.

Budget History - Natural Resources - Forestry, Fire and State Lands - Program Delivery					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	675,800	606,900	482,500	0	674,300
General Fund, One-time	0	1,300	4,000	0	(1,300)
Federal Funds	231,400	335,700	698,400	2,387,900	777,900
Dedicated Credits Revenue	32,000	43,400	32,700	310,600	24,100
GFR - Sovereign Land Mgt	243,800	314,100	321,300	1,478,300	535,100
Beginning Nonlapsing	0	0	0	0	111,200
Closing Nonlapsing	0	(10,600)	(185,200)	0	0
Lapsing Balance	(1,600)	0	0	0	0
Total	\$1,181,400	\$1,290,800	\$1,353,700	\$4,176,800	\$2,121,300
Categories of Expenditure					
Personal Services	730,600	778,300	870,500	1,295,200	1,245,700
In-State Travel	30,900	36,800	32,300	28,900	32,300
Out of State Travel	2,800	4,700	4,900	5,600	4,900
Current Expense	394,500	452,100	425,200	1,463,000	623,000
DP Current Expense	10,200	6,300	8,300	57,800	8,300
Capital Outlay	0	0	5,700	0	200,000
Other Charges/Pass Thru	12,400	12,600	6,800	1,326,300	7,100
Total	\$1,181,400	\$1,290,800	\$1,353,700	\$4,176,800	\$2,121,300
Other Data					
Budgeted FTE	15.1	17.8	18.5	26.2	23.0

Table 25

LONE PEAK CONSERVATION CENTER**Function**

The Center was established in 1989 and supports four distinct programs providing services (inmate labor, specialized fire crews, education) and supplies (plant material) to multiple private, state and federal customers. The nursery grows and distributes over ninety species of native and adapted plants. It is expanding seedling availability to include fire tolerant seedlings.

Five fire-engine teams are staffed with seasonal employees to add mobility and fire management services. These engine strike teams need to be self-supporting each year. In addition, the Division hosts three fire suppression hand crews. One program hires 20 firefighters from the Utah Fire and Rescue Academy. Students sign up for an internship and complete the required training at the academy. The Division organizes the 20 students as a fire crew and has successfully made it self-supporting.

A partnership with the U.S. Forest Service (USFS) created an Interagency Hotshot Crew (IHC) of State employees. A USFS agreement covers 75 percent of the cost. The program also performs various fuel reduction activities throughout the year to reduce the threat of future wildfires. Another ten-person crew is dedicated to hazardous fuels mitigation projects and is self supporting.

Funding Detail

This program's change in the funding mix and the increase in FTEs in FY 2006 were due to the Division restructuring. The Dedicated Credits come from tree seedling sales and reimbursement for project labor, especially firefighting. The FY 2007 Appropriated figures, however, come directly from the 2006 appropriations, which took place before the restructuring, and are not reflecting the changes. The adjusted FY 2007 figures will be updated during the 2007 General Session.

Budget History - Natural Resources - Forestry, Fire and State Lands - Lone Peak Center					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	101,600	102,000	107,900	0	121,000
General Fund, One-time	0	100	800	0	(300)
Federal Funds	58,000	151,500	0	29,500	31,500
Dedicated Credits Revenue	2,944,500	3,328,700	2,723,100	4,265,400	2,664,800
GFR - Sovereign Land Mgt	0	472,000	481,800	164,600	398,500
Transfers	0	0	0	(262,500)	0
Beginning Nonlapsing	838,600	715,900	1,319,600	0	357,000
Closing Nonlapsing	(715,900)	(1,319,600)	(1,186,600)	0	0
Total	\$3,226,800	\$3,450,600	\$3,446,600	\$4,197,000	\$3,572,500
Categories of Expenditure					
Personal Services	2,082,900	2,568,200	2,572,100	3,313,200	2,902,900
In-State Travel	28,600	39,000	61,400	78,000	61,300
Out of State Travel	34,700	50,200	20,000	41,500	19,700
Current Expense	647,500	639,000	770,900	700,800	567,000
DP Current Expense	10,300	22,600	15,800	47,700	15,800
DP Capital Outlay	0	0	0	6,100	0
Capital Outlay	416,100	77,300	8,600	9,700	5,000
Other Charges/Pass Thru	6,700	54,300	(2,200)	0	800
Total	\$3,226,800	\$3,450,600	\$3,446,600	\$4,197,000	\$3,572,500
Other Data					
Budgeted FTE	36.3	65.6	67.5	79.7	55.0

Table 26

PROJECT MANAGEMENT

Function Project Management is a new program set up to track legislatively approved funds for special projects from the Division’s restricted account. Some of the restricted funds recently approved and set aside are for the Utah Lake Special Master (who is helping settle the Utah Lake Boundary Dispute), the Bear Lake Comprehensive Management Plan, Bear River Migratory Bird Refuge Dispute, and the Saltair Sewer Replacement..

Funding Detail Also with this program, the change in the funding mix and expenditures for this program in 2006 is due to the Division restructuring. Restricted funds for special projects account for the requested funds in this program. The FY 2007 Appropriated figures, however, come directly from the 2006 appropriations, which took place before the restructuring, and are not reflecting the changes. The adjusted FY 2007 figures will be updated during the 2007 General Session.

Budget History - Natural Resources - Forestry, Fire and State Lands - Project Management					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	13,800	0	0	0	0
Federal Funds	5,742,000	4,765,100	3,285,000	0	3,721,500
Dedicated Credits Revenue	160,800	445,700	0	300	318,100
GFR - Sovereign Land Mgt	699,000	949,700	1,048,500	2,252,100	419,200
Transfers	310,000	0	0	0	0
Beginning Nonlapsing	0	37,300	16,100	496,900	0
Closing Nonlapsing	(37,200)	(15,300)	(497,000)	(1,848,400)	0
Lapsing Balance	(150,400)	(505,300)	(92,200)	0	0
Total	\$6,738,000	\$5,677,200	\$3,760,400	\$900,900	\$4,458,800
Categories of Expenditure					
Personal Services	491,900	681,100	691,200	144,800	553,300
In-State Travel	9,000	20,300	19,300	3,700	20,500
Out of State Travel	13,500	8,400	10,700	900	10,900
Current Expense	1,369,600	1,178,500	1,394,700	259,600	1,395,200
DP Current Expense	44,200	25,100	53,700	3,300	53,700
DP Capital Outlay	0	2,349,800	0	0	0
Capital Outlay	3,491,400	1,414,000	91,600	75,700	601,100
Other Charges/Pass Thru	1,318,400	0	1,499,200	412,900	1,824,100
Total	\$6,738,000	\$5,677,200	\$3,760,400	\$900,900	\$4,458,800
Other Data					
Budgeted FTE	7.6	10.8	12.2	3.4	11.0

Table 27

CHAPTER 4 DIVISION OF OIL, GAS, AND MINING**Function**

The mission of the Division of Oil, Gas and Mining (OGM) is to monitor and facilitate exploration for development of coal, oil, gas and other mineral resources, and to achieve the successful reclamation of lands affected by those activities, in a manner which encourages responsible development, protects correlative rights, prevents waste and protects human health and safety, the environment, and the interest of the State of Utah and its citizens.

OGM is created under the authority of UCA 40-6-15. The Division regulates exploration for and development of Utah's oil, gas, coal and other mineral resources. When exploration and developmental activities are completed, the Division ensures that oil and gas wells are properly abandoned and mining sites are satisfactorily reclaimed.

The Division's staff tries to maintain a balance between environment and industrial development. 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 and reclamation of abandoned mine sites. The Coal Reclamation program is a reimbursable grant program, with the Department of the Interior providing 78 percent of the program's funding while the state supplies 22 percent. Utah also has primacy from the U.S. Environmental Protection Agency (EPA) for regulation of Class II injection wells used for oilfield waste disposal and enhanced oil recovery projects. The Division's Oil and Gas program receives this grant money for its Underground Injection Control (UIC) responsibilities, with the EPA providing the federal funds that amount to only about 2.5% of the program's budget.

Some of the Division's current focus is on the following issues:

- Ensure the manpower and resources needed to keep pace with the growing energy and minerals sectors of the economy
- Provide electronic system for submission of applications and permits
- Provide educational outreach to increase public understanding on energy issues

Statutory Authority

The following laws govern operation of the Division:

- UCA 40-6-4 creates the Board of Oil, Gas and
- UCA 40-6-10 requires the board and Division to comply with the Administrative Procedures Act in their adjudicative proceedings.
- UCA 40-6-14 levies a fee of .002 of the value at the well of oil and gas. Proceeds are deposited in the restricted Oil and Gas Conservation

Account created in UCA 40-6-14.5. The balance at the end of the fiscal year is capped at \$750,000.

- UCA 40-6-16 enumerates the Division's duties, which include:
 - Develop and implement an inspection program
 - Publish a monthly production report
 - Publish a monthly gas processing plant report
 - Review evidence submitted to the board
 - Require adequate assurance of approved water rights
 - Notify the county executive where drilling will take place

- UCA 40-6-19 creates the Bond and Surety Forfeiture Trust Fund and requires monies collected by the Division as a result of bond or surety failures to be deposited in the fund. The Division must use the fund to accomplish the purposes for which the surety was established.

- UCA 40-8-7 gives the board and Division broad authority to regulate all non-coal mining operations in the state.

- UCA 40-8-14 requires the Division to determine a surety amount and receive the surety payment prior to allowing mining operations.

- UCA 40-10-6 establishes the authority for the board and Division to specifically regulate coal mining and reclamation.

- UCA 40-10-25.1 creates the restricted special revenue fund known as the "Abandoned Mine Reclamation Fund" and allows the Division to expend monies from the fund to accomplish the purposes of the program. Funds must be appropriated except in emergency situations.

Funding Detail

The Division relies upon four funding sources:

- Federal Funds – approximately 47 percent of the budget
- GFR – Oil and Gas Conservation – approximately 32 percent
- General Funds – approximately 18 percent
- Dedicated Credits from permit fees – approximately 3 percent

Over 70 percent of the Division's expenditures in FY 2006 were for employees' salaries and benefits. These expenditures have increased since FY 2003 by 18 percent. This is due to increases in the number of full-time equivalents (FTE), Cost Of Living Adjustment (COLA) and Market Comparability Adjustments (MCA), as well as increases in healthcare costs funded by the Legislature. For that period, the average cost per FTE (salary and benefits) in the Division has increased by 14 percent, from \$62,874 in FY 2003 to \$71,745 in FY 2006.

The increase in minerals' exploration and development has impacted the Division's ability to apply the rules, to monitor compliance, and keep the records. The 2006 Legislature has appropriated new funding to the Division as follows:

Oil & Gas Biologists

To help with the increased demands, the 2006 Legislature appropriated a supplemental appropriation of \$70,000 and an ongoing appropriation of \$280,000 from the GFR - Oil and Gas Conservation Account for two biologists, who will work with the oil and gas industry to speed up the permitting and drilling, as well as protect the habitat through cooperative efforts.

Electronic Permitting System

The Legislature appropriated supplemental funding of \$50,000 and a one-time FY 2007 appropriation of \$100,000 from the restricted fund for the research and development of adequate electronic permitting system.

Minerals Workload Expansion

The Legislature appropriated \$150,000 to enhance the ability of the Minerals Regulatory Program to review and approve applications, monitor for safety, and enforce the bonding requirement for reclamation.

Budget History - Natural Resources - Oil, Gas and Mining					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	1,278,100	1,257,100	1,281,300	1,372,700	1,611,000
General Fund, One-time	0	3,600	57,600	(75,000)	(3,800)
Federal Funds	4,111,300	3,306,900	3,442,200	3,425,000	4,183,600
Dedicated Credits Revenue	197,500	175,900	191,000	211,600	246,200
GFR - Oil & Gas Conservation Account	1,669,200	1,707,700	1,760,900	2,434,800	2,839,100
OGM Abandoned Mine Reclamation	0	0	0	75,000	0
Transfers	0	0	0	0	0
Beginning Nonlapsing	498,400	493,700	358,300	405,000	0
Closing Nonlapsing	(493,800)	(358,300)	(405,000)	(397,000)	0
Lapsing Balance	(192,000)	(98,000)	0	(7,000)	0
Total	\$7,068,700	\$6,488,600	\$6,686,300	\$7,445,100	\$8,876,100
Programs					
Administration	1,248,300	1,189,200	1,213,100	1,219,600	1,374,900
Board	21,200	17,200	19,100	15,300	23,600
Oil and Gas Conservation	1,488,800	1,573,800	1,657,100	2,228,300	2,743,900
Minerals Reclamation	440,200	451,600	494,300	573,200	754,100
Coal Reclamation	1,514,800	1,585,200	1,608,800	1,736,100	1,904,000
OGM Misc. Nonlapsing	137,500	254,200	79,900	145,300	0
Abandoned Mine	2,217,900	1,417,400	1,614,000	1,527,300	2,075,600
Total	\$7,068,700	\$6,488,600	\$6,686,300	\$7,445,100	\$8,876,100
Categories of Expenditure					
Personal Services	4,652,700	4,843,400	5,024,500	5,501,400	6,332,700
In-State Travel	66,100	59,700	65,600	60,700	68,000
Out of State Travel	36,300	45,200	32,100	26,800	53,200
Current Expense	1,001,800	866,200	1,001,800	894,900	1,125,200
DP Current Expense	190,700	111,100	129,400	161,200	135,100
DP Capital Outlay	10,600	12,000	0	12,600	0
Other Charges/Pass Thru	1,110,500	575,500	432,900	787,500	1,161,900
Cost Accounts	0	(24,500)	0	0	0
Total	\$7,068,700	\$6,488,600	\$6,686,300	\$7,445,100	\$8,876,100
Other Data					
Budgeted FTE	74.0	76.7	74.8	76.7	84.0

Table 28

OIL, GAS, AND MINING ADMINISTRATION

Function The purpose of this program is to establish policy, provide direction, and furnish administrative support to the Division’s established work programs.

This program is the principal point of contact between DNR and the Division work programs. Sound mining and oil and gas industries are essential to an industrialized society and help meet a Departmental goal of promoting appropriate energy development in Utah. Administration assures these activities are carried out in a technically sound manner and consistent with direction established by the Board, DNR, and enabling statutes.

Funding Detail Approximately half of this program’s budget comes from the General Fund, 47 percent from federal funds, and the rest from restricted funds and dedicated credits.

Budget History - Natural Resources - Oil, Gas and Mining - Administration					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	576,500	583,000	592,400	622,700	642,100
General Fund, One-time	0	1,600	3,600	0	(1,700)
Federal Funds	601,800	526,300	562,100	579,300	530,000
Dedicated Credits Revenue	26,400	28,500	28,900	28,700	33,800
GFR - Oil & Gas Conservation Account	104,400	105,800	109,100	115,600	170,700
Closing Nonlapsing	(60,000)	(51,300)	(83,000)	(126,700)	0
Lapsing Balance	(800)	(4,700)	0	0	0
Total	\$1,248,300	\$1,189,200	\$1,213,100	\$1,219,600	\$1,374,900
Categories of Expenditure					
Personal Services	918,900	945,600	938,000	946,700	1,060,900
In-State Travel	9,300	7,800	6,400	9,900	7,500
Out of State Travel	4,300	5,400	5,000	5,000	8,000
Current Expense	182,000	192,100	175,600	174,100	170,400
DP Current Expense	148,200	70,400	88,100	83,900	128,100
Other Charges/Pass Thru	(14,400)	(7,600)	0	0	0
Cost Accounts	0	(24,500)	0	0	0
Total	\$1,248,300	\$1,189,200	\$1,213,100	\$1,219,600	\$1,374,900
Other Data					
Budgeted FTE	13.8	14.1	13.6	13.6	14.0

Table 29

BOARD OF OIL, GAS, AND MINING

Function

The Board of Oil, Gas and Mining is created under the authority of UCA 40-6-4. The board conducts administrative hearings in a quasi-judicial forum to provide direction on the development of energy and mineral resources in Utah, including appropriate resource conservation, waste minimization, and environmental mitigation. The board also provides policy advice and promulgates rules for the Division.

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

Funding Detail

Budget History - Natural Resources - Oil, Gas and Mining - Board					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	25,300	24,300	24,300	24,800	23,600
Closing Nonlapsing	0	0	(5,200)	(9,500)	0
Lapsing Balance	(4,100)	(7,100)	0	0	0
Total	\$21,200	\$17,200	\$19,100	\$15,300	\$23,600
Categories of Expenditure					
Personal Services	11,000	8,700	8,900	7,200	10,000
In-State Travel	9,200	7,500	8,200	5,700	9,000
Out of State Travel	0	1,000	900	1,000	3,100
Current Expense	1,000	0	1,100	1,400	1,500
Total	\$21,200	\$17,200	\$19,100	\$15,300	\$23,600

Table 30

OIL AND GAS CONSERVATION PROGRAM

Function	The mission of the Oil and Gas Conservation program 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. In this program is included the Underground Injection Control (UIC) Program, which is an EPA program that has been assigned to the Division. The intent of the UIC program is to prevent water pollution that could result from 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.
Statutory Authority	The Oil and Gas Conservation program is created under the authority of UCA 40-6-16. 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.
Accountability	As a result of the increased demand for natural resources, and especially for oil and gas, there is a large increase in oil and gas exploration in Utah. This has impacted the workload of the Oil and Gas program. The number of drilling permits issued by staff in FY 2006 has increased by 51 percent from the previous year (from 1329 in FY 2005 to 2002 in FY 2006).
Intent Language	<i>In accordance with the building block approved in 2005 General Session for the Oil and Gas Conservation Program, it is the intent of the Legislature to allow the Division of Oil, Gas and Mining to expand its motorpool fleet by 2 vehicles in FY 2006.</i>
Funding Detail	This program is funded primarily from the restricted Oil and Gas Conservation Account. There are no General Funds. Dedicated Credits come from user fees for records compilation or copying, and for creation of customized maps.

Budget History - Natural Resources - Oil, Gas and Mining - Oil and Gas Conservation					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Federal Funds	60,400	24,700	57,100	25,700	62,200
Dedicated Credits Revenue	21,200	23,400	16,300	18,600	13,300
GFR - Oil & Gas Conservation Account	1,564,800	1,601,900	1,651,800	2,319,200	2,668,400
Closing Nonlapsing	(60,000)	(60,000)	(68,100)	(135,200)	0
Lapsing Balance	(97,600)	(16,200)	0	0	0
Total	\$1,488,800	\$1,573,800	\$1,657,100	\$2,228,300	\$2,743,900
Categories of Expenditure					
Personal Services	1,325,700	1,426,600	1,528,800	1,761,900	2,011,900
In-State Travel	12,500	11,400	14,500	13,100	15,200
Out of State Travel	20,900	20,400	14,000	12,300	22,500
Current Expense	102,600	94,600	94,500	240,100	228,300
DP Current Expense	21,800	8,800	5,300	55,600	6,000
DP Capital Outlay	5,300	12,000	0	5,500	0
Other Charges/Pass Thru	0	0	0	139,800	460,000
Total	\$1,488,800	\$1,573,800	\$1,657,100	\$2,228,300	\$2,743,900
Other Data					
Budgeted FTE	23.1	24.4	24.6	26.7	30.0

Table 31

MINERALS RECLAMATION PROGRAM

Function The Minerals Reclamation 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 affected lands returned to viable use.

Accountability During FY 2006 this program has issued 654 permits for mining minerals. This is eight percent more than the permits issued during FY 2005, which is an indication of the increased interests in exploring minerals in Utah. The higher activity requires more oversight. In FY 2006 staff has completed 285 field inspections, which is 56 percent higher than the inspections completed in FY 2005.

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

This language allows the agency to carry forward unspent dedicated credits in case a major operator sets up business in Utah. If the Division needs to keep more than 125 percent of its dedicated credits appropriation, it can request a supplemental appropriation later.

Funding Detail Most of this budget comes from the General Fund. The dedicated credits come from mining permit fees.

Budget History - Natural Resources - Oil, Gas and Mining - Minerals Reclamation					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	347,400	338,700	346,800	377,000	579,900
General Fund, One-time	0	1,000	2,200	0	(1,200)
Dedicated Credits Revenue	121,300	123,400	145,200	162,600	175,400
Closing Nonlapsing	(28,500)	(11,500)	100	33,600	0
Total	\$440,200	\$451,600	\$494,300	\$573,200	\$754,100
Categories of Expenditure					
Personal Services	417,800	426,500	455,300	544,200	694,000
In-State Travel	5,100	5,500	7,800	7,300	8,300
Out of State Travel	2,500	3,100	700	1,700	3,800
Current Expense	14,800	16,400	30,500	20,000	48,000
DP Current Expense	0	100	0	0	0
Total	\$440,200	\$451,600	\$494,300	\$573,200	\$754,100
Other Data					
Budgeted FTE	6.0	6.0	6.2	6.2	7.0

Table 32

COAL RECLAMATION PROGRAM

Function The Coal program reviews applications for mining and reclamation plans for all coal mines and coal exploration activities in Utah. Upon approval of a permit application a reclamation bond is posted to assure final reclamation is conducted under terms of the permit.

Statutory Authority Activities in this regulatory program have been delegated to the Division under a cooperative agreement with the Secretary of the Interior. Provisions for the program are found in UCA 40-10.

Accountability In FY 2006 this program issued 33 coal mining permits. This number has increased from the prior year by 22 percent.

When mining begins, operations are inspected for compliance with the permit. The reclamation process can take several years after the mining ends, depending on the size of the mine.

Funding Detail Funding for the Coal Reclamation Program in FY 2006 was 78 percent from Federal Funds and 13 percent from the General Fund.

Budget History - Natural Resources - Oil, Gas and Mining - Coal Reclamation					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	252,200	211,300	216,900	233,300	261,300
General Fund, One-time	0	800	1,500	0	(700)
Federal Funds	1,345,100	1,392,100	1,343,900	1,350,200	1,642,900
Dedicated Credits Revenue	0	0	0	0	500
Transfers	(8,600)	0	0	0	0
Closing Nonlapsing	0	0	46,500	152,600	0
Lapsing Balance	(73,900)	(19,000)	0	0	0
Total	\$1,514,800	\$1,585,200	\$1,608,800	\$1,736,100	\$1,904,000
Categories of Expenditure					
Personal Services	1,380,600	1,432,700	1,493,400	1,575,800	1,807,500
In-State Travel	6,600	10,900	9,300	10,300	8,000
Out of State Travel	3,800	10,300	3,400	1,300	7,000
Current Expense	123,100	109,400	102,500	147,500	81,000
DP Current Expense	700	1,600	200	1,200	500
Cost Accounts	0	20,300	0	0	0
Total	\$1,514,800	\$1,585,200	\$1,608,800	\$1,736,100	\$1,904,000
Other Data					
Budgeted FTE	21.5	22.4	21.5	20.7	23.0

Table 33

ABANDONED MINE RECLAMATION PROGRAM

Function 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.

Funding Detail This is another of the Division’s programs funded primarily from federal funds (94 percent). Dedicated Credits come from DNR’s Species Protection Program for conducting bat studies in abandoned mines. Current Expenses are used mostly on construction contracts to shut down abandoned mines.

Budget History - Natural Resources - Oil, Gas and Mining - Abandoned Mine					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	76,700	99,800	100,900	114,900	104,100
General Fund, One-time	0	200	50,300	(75,000)	(200)
Federal Funds	2,104,000	1,363,800	1,479,100	1,469,800	1,948,500
Dedicated Credits Revenue	28,600	600	600	1,700	23,200
OGM Abandoned Mine Reclamation	0	0	0	75,000	0
Transfers	8,600	0	0	0	0
Closing Nonlapsing	0	0	(16,900)	(59,100)	0
Lapsing Balance	0	(47,000)	0	0	0
Total	\$2,217,900	\$1,417,400	\$1,614,000	\$1,527,300	\$2,075,600
Categories of Expenditure					
Personal Services	589,400	577,400	559,300	649,700	748,400
In-State Travel	23,400	16,600	19,400	14,400	20,000
Out of State Travel	4,800	5,000	8,100	5,500	8,800
Current Expense	578,300	448,700	594,100	310,000	596,000
DP Current Expense	200	200	200	0	500
Other Charges/Pass Thru	1,021,800	389,800	432,900	547,700	701,900
Cost Accounts	0	(20,300)	0	0	0
Total	\$2,217,900	\$1,417,400	\$1,614,000	\$1,527,300	\$2,075,600
Other Data					
Budgeted FTE	9.6	9.8	8.9	9.5	10.0

Table 34

MISCELLANEOUS NONLAPSING

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

Funding Detail

Budget History - Natural Resources - Oil, Gas and Mining - OGM Misc. Nonlapsing					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Beginning Nonlapsing	498,400	493,700	358,300	405,000	0
Closing Nonlapsing	(345,300)	(235,500)	(278,400)	(252,700)	0
Lapsing Balance	(15,600)	(4,000)	0	(7,000)	0
Total	\$137,500	\$254,200	\$79,900	\$145,300	\$0
Categories of Expenditure					
Personal Services	9,300	25,900	40,800	15,900	0
Current Expense	0	5,000	3,500	1,800	0
DP Current Expense	19,800	30,000	35,600	20,500	0
DP Capital Outlay	5,300	0	0	7,100	0
Other Charges/Pass Thru	103,100	193,300	0	100,000	0
Total	\$137,500	\$254,200	\$79,900	\$145,300	\$0

Table 35

CHAPTER 5 DIVISION OF WILDLIFE RESOURCES**Function**

The mission of the Division of Wildlife Resources (DWR) is: “To serve the people of Utah as trustee and guardian of the state’s wildlife and to ensure its future and values through management, protection, conservation, and education.”

In UCA 23-13-3 the Legislature declared that all wildlife within the state, not held by private ownership, is managed by the state. DWR 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 fish and wildlife species, regulates hunting, fishing and trapping, and conducts non-consumptive activities. The Division employs staff in five regional offices in Ogden, Springville, Vernal, Price, Cedar City, and Salt Lake City.

Some of DWR’s current goals and objectives are:

- To conserve, protect, enhance, and manage Utah’s wildlife and ecosystems
- To enhance wildlife recreational experiences consistent with DWR’s goals
- To ensure broad-based public involvement in the management of Utah wildlife and ecosystems

Statutory Authority

The following laws govern operation of the Division:

- UCA 23-13-3 states that all wildlife not privately owned and legally acquired is legally considered property of the state.
- UCA 23-14-1 creates the Division of Wildlife Resources under the Department of Natural Resources. The Division is the wildlife authority of the state. Subject to the Wildlife Board, the Division shall protect, propagate, manage, conserve, and distribute protected wildlife. The Division may initiate civil and criminal proceedings.

Funding DetailOperating Budget

DWR’s operating budget contains several funding sources:

- General Funds: Seven percent of DWR’s operating budget in FY 2006 came from the General Fund. However, during the 2006 General Session, the Legislature appropriated \$2,220,700 to DWR and funded all benefit increases with General Funds, so that raising license fees would not be necessary. With this additional appropriation for FY 2007, the General Fund constitutes 12% of the Division’s budget.
- GFR – Wildlife Resources Account: This account funds approximately 59 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: This account provides approximately five percent of the Division’s operations. Revenue comes from a portion of the sale price of licenses, permits, tags, etc. This account must be used for habitat improvement projects across the state.
- Federal funds: Approximately 24 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.

Capital Budget

The Division’s capital budget has two restricted funds set aside for its large structural projects or habitat improvements. These include:

- GFR – State Fish Hatchery Improvement Account: Revenue comes from two dollars added to the price of each annual fishing/combination license. As the account’s name suggests, funds must be used to improve state-owned fish hatcheries.
- GFR – Wildlife Resources Trust Account: This account maintains revenues from past lifetime license sales. Lifetime licenses are no longer sold. The Legislature has authorized DNR to borrow money from this account to acquire land and construct a building for a regional office in Price. Funds must be paid back to the account at a minimum three percent interest.

The following table shows the year-end balances of DWR's restricted accounts over time:

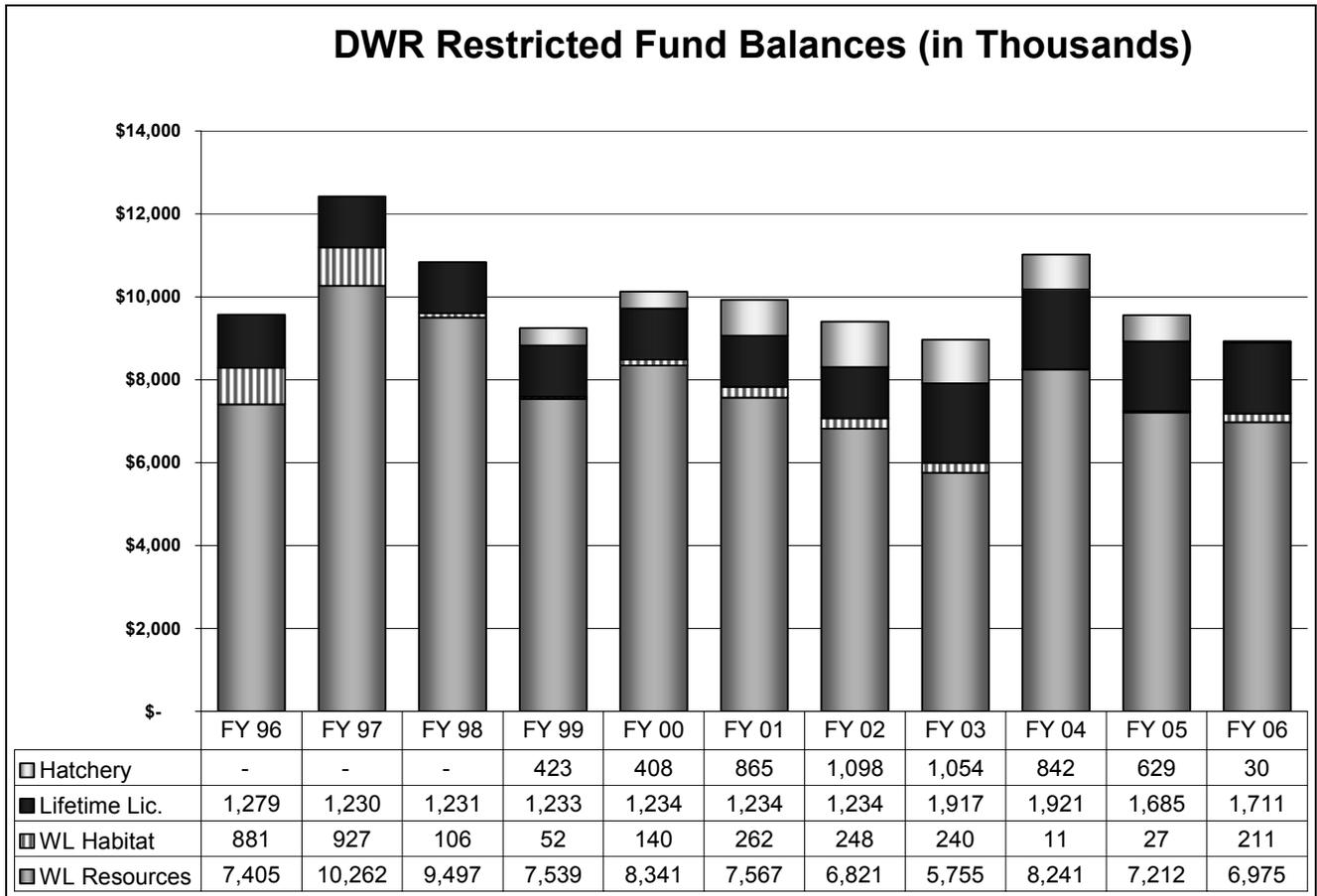


Figure 5

A significant revenue challenge for DWR is the fact that the numbers of hunters and anglers is declining, and the average age of hunters and anglers is increasing. In the future it may be necessary to increase the use of non-consumptive revenue sources for wildlife operations.

WILDLIFE OPERATING LINE ITEM

Function The Division of Wildlife Resources consists of a Salt Lake administrative office and five regional offices in Vernal, Ogden, Springville, Price, and Cedar City. For law enforcement purposes, Utah is divided into districts, with conservation officers assigned to each districts.

Funding Detail Sixty two percent of the Division’s operating budget for FY 2006 is for salaries and benefits. For the period FY 2003-2006, these expenditures have increased by 11 percent. This is due to Cost Of Living Adjustment (COLA) and Market Comparability Adjustments (MCA), as well as increases in healthcare costs funded by the Legislature. For that period, the average cost per FTE (salary and benefits) in DWR has increased by eight percent, from \$50,197 in FY 2003 to \$54,079 in FY 2006.

Budget History - Natural Resources - Wildlife Resources					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	2,664,400	2,666,900	2,800,900	2,672,000	5,025,200
General Fund, One-time	0	(202,800)	13,700	97,100	134,900
Federal Funds	8,230,100	9,928,200	10,183,900	11,750,200	10,764,900
Dedicated Credits Revenue	192,700	112,000	141,200	147,500	65,600
GFR - Wildlife Habitat	1,889,900	2,325,500	1,738,100	1,323,200	2,121,800
GFR - Wildlife Resources	23,731,800	23,741,400	24,789,200	25,891,600	25,937,400
GFR - Wolf Depredation & Mgt	0	0	0	0	15,000
Transfers	24,100	100,200	41,700	116,200	75,300
Beginning Nonlapsing	863,200	796,000	431,000	376,600	0
Closing Nonlapsing	(796,000)	(431,000)	(376,600)	(724,000)	0
Lapsing Balance	(4,224,300)	(5,275,700)	(3,586,700)	(2,909,400)	0
Total	\$32,575,900	\$33,760,700	\$36,176,400	\$38,741,000	\$44,140,100
Programs					
Director's Office	1,455,600	1,769,000	2,147,800	2,487,300	2,528,000
Administrative Services	4,940,500	4,696,100	5,562,700	5,087,200	7,748,200
Conservation Outreach	1,752,500	1,746,100	1,958,400	2,135,800	2,181,400
Law Enforcement	6,198,600	6,219,400	6,323,400	6,562,000	6,898,800
Habitat Council	2,112,900	2,359,400	1,823,600	1,376,400	2,122,300
Habitat Section	3,236,000	3,122,900	4,157,600	6,068,200	5,274,600
Wildlife Section	5,602,800	5,969,200	6,090,000	6,581,500	8,074,100
Aquatic Section	7,277,000	7,878,600	8,112,900	8,442,600	9,312,700
Total	\$32,575,900	\$33,760,700	\$36,176,400	\$38,741,000	\$44,140,100
Categories of Expenditure					
Personal Services	19,993,400	20,432,400	21,468,900	22,176,600	27,414,600
In-State Travel	204,400	222,400	246,700	250,400	274,300
Out of State Travel	77,200	88,400	107,000	97,800	117,500
Current Expense	9,578,000	9,977,400	10,134,000	11,154,800	13,337,600
DP Current Expense	368,900	335,900	640,300	490,300	607,600
DP Capital Outlay	0	0	10,700	2,400	10,700
Capital Outlay	1,148,600	752,900	1,323,000	1,766,000	252,800
Other Charges/Pass Thru	1,205,400	1,960,600	2,245,800	2,796,100	2,087,000
Cost Accounts	0	(9,300)	0	6,600	38,000
Total	\$32,575,900	\$33,760,700	\$36,176,400	\$38,741,000	\$44,140,100
Other Data					
Budgeted FTE	398.3	395.2	409.3	410.1	411.0

Table 36

WILDLIFE DIRECTOR'S OFFICE

Function Responsible for the management of the Division, this program has responsibility for strategic, programmatic and operational direction, 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.

Accountability There has been a high demand by both Utah residents and people from other states to participate in Utah's once-in-a-lifetime draw. The number of applicants has been increased from 20 applicants per permit in calendar year 2002 to 33 applicants per available permit in 2006. Many Utah sportsmen have expressed the desire to see the number of applicants reduced, so that their chances of drawing the permit would increase.

Funding Detail Nearly 65 percent of the funding for this program comes from the GFR – Wildlife Resources Account.

Budget History - Natural Resources - Wildlife Resources - Director's Office					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	314,700	508,400	671,900	549,800	687,300
General Fund, One-time	0	500	1,200	(2,900)	(800)
Federal Funds	112,600	220,400	240,100	394,200	122,000
Dedicated Credits Revenue	21,000	(9,000)	46,100	38,000	0
GFR - Wildlife Resources	5,207,500	5,875,100	4,733,500	4,637,600	1,644,200
Transfers	24,100	75,200	41,700	116,200	75,300
Beginning Nonlapsing	0	0	0	376,600	0
Closing Nonlapsing	0	0	0	(724,000)	0
Lapsing Balance	(4,224,300)	(4,901,600)	(3,586,700)	(2,898,200)	0
Total	\$1,455,600	\$1,769,000	\$2,147,800	\$2,487,300	\$2,528,000
Categories of Expenditure					
Personal Services	1,110,200	1,253,000	1,261,000	1,358,600	1,733,200
In-State Travel	41,100	43,300	49,300	56,000	48,800
Out of State Travel	23,200	26,900	29,300	35,100	28,700
Current Expense	260,400	214,600	306,000	827,100	298,800
DP Current Expense	11,700	13,200	22,700	19,800	22,100
Capital Outlay	3,600	0	0	0	0
Other Charges/Pass Thru	5,400	218,800	479,500	190,700	396,400
Cost Accounts	0	(800)	0	0	0
Total	\$1,455,600	\$1,769,000	\$2,147,800	\$2,487,300	\$2,528,000
Other Data					
Budgeted FTE	13.2	14.7	14.2	14.6	15.0

Table 37

ADMINISTRATIVE SERVICES PROGRAM

Function 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 Program issues and reconciles all hunting and fishing licenses with the regions and retail outlets.

Funding Detail In FY 2006 approximately half of this budget goes to Current Expenses. Significant costs include Division-wide contracts (such as aircraft), insurance and bonds, printing costs, credit card collections, and professional and technical services.

Budget History - Natural Resources - Wildlife Resources - Administrative Services					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	182,000	189,000	205,200	167,400	2,450,600
General Fund, One-time	0	0	1,500	0	39,400
Federal Funds	99,300	109,600	80,600	93,200	91,900
GFR - Wildlife Resources	4,659,200	4,397,500	5,275,400	4,826,600	5,151,300
GFR - Wolf Depredation & Mgt	0	0	0	0	15,000
Total	\$4,940,500	\$4,696,100	\$5,562,700	\$5,087,200	\$7,748,200
Categories of Expenditure					
Personal Services	2,283,300	2,345,400	2,530,100	2,608,700	4,968,700
In-State Travel	13,800	16,900	24,700	19,400	25,600
Out of State Travel	4,800	2,700	5,800	3,000	8,900
Current Expense	2,418,800	2,221,800	2,479,900	2,181,300	2,325,100
DP Current Expense	219,800	108,300	367,300	274,800	361,700
DP Capital Outlay	0	0	5,600	0	5,600
Capital Outlay	0	0	149,300	0	12,600
Other Charges/Pass Thru	0	1,000	0	0	40,000
Total	\$4,940,500	\$4,696,100	\$5,562,700	\$5,087,200	\$7,748,200
Other Data					
Budgeted FTE	48.4	46.2	47.9	45.6	50.0

Table 38

CONSERVATION OUTREACH

Function 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/media releases.

Funding Detail In FY 2006 approximately 86 percent of this program’s budget came from the GFR – Wildlife Resources Account.

Budget History - Natural Resources - Wildlife Resources - Conservation Outreach					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	132,000	157,700	194,400	200,700	228,400
General Fund, One-time	0	300	1,300	0	(700)
Federal Funds	12,700	2,800	11,300	900	3,200
Dedicated Credits Revenue	25,100	89,500	95,100	95,900	65,600
GFR - Wildlife Resources	1,582,700	1,470,800	1,656,300	1,838,300	1,884,900
Transfers	0	25,000	0	0	0
Total	\$1,752,500	\$1,746,100	\$1,958,400	\$2,135,800	\$2,181,400
Categories of Expenditure					
Personal Services	1,114,400	1,161,300	1,300,900	1,439,400	1,461,400
In-State Travel	10,700	11,500	14,800	15,900	12,400
Out of State Travel	2,300	2,200	6,400	4,800	12,700
Current Expense	605,700	531,600	575,000	607,700	635,300
DP Current Expense	18,400	31,900	55,200	20,000	53,500
DP Capital Outlay	0	0	5,100	17,400	5,100
Capital Outlay	0	1,200	0	0	0
Other Charges/Pass Thru	1,000	6,500	1,000	30,600	1,000
Cost Accounts	0	(100)	0	0	0
Total	\$1,752,500	\$1,746,100	\$1,958,400	\$2,135,800	\$2,181,400
Other Data					
Budgeted FTE	23.5	24.6	24.2	24.8	27.0

Table 39

LAW ENFORCEMENT PROGRAM

Function

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 wildlife law enforcement section have all the powers of law enforcement officers throughout the state.

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. One dollar from each hunting license sold goes to fund Hunter Education.

Funding Detail

Personal Services comprise approximately 83 percent of this program’s budget. The retirement benefit rate for the Public Safety Noncontributory system is approximately 27 percent of salary, compared to approximately 14 percent for the civilian Noncontributory system.

Budget History - Natural Resources - Wildlife Resources - Law Enforcement					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	659,900	537,600	821,900	752,600	459,800
General Fund, One-time	0	2,500	4,100	0	(1,600)
Federal Funds	371,400	427,200	448,400	432,400	488,200
Dedicated Credits Revenue	99,400	19,400	0	13,600	0
GFR - Wildlife Resources	5,067,900	5,232,700	5,049,000	5,363,400	5,952,400
Total	\$6,198,600	\$6,219,400	\$6,323,400	\$6,562,000	\$6,898,800
Categories of Expenditure					
Personal Services	4,939,300	4,842,700	4,832,600	5,009,200	5,725,200
In-State Travel	22,000	25,600	25,700	27,300	33,300
Out of State Travel	4,200	9,700	9,500	10,400	15,000
Current Expense	1,182,300	1,295,800	1,389,300	1,336,100	1,058,400
DP Current Expense	22,500	27,300	42,400	50,400	38,700
Capital Outlay	25,800	17,900	23,100	28,800	23,100
Other Charges/Pass Thru	2,500	1,500	800	100,900	5,100
Cost Accounts	0	(1,100)	0	(1,100)	0
Total	\$6,198,600	\$6,219,400	\$6,323,400	\$6,562,000	\$6,898,800
Other Data					
Budgeted FTE	83.1	79.6	79.1	79.5	80.0

Table 40

HABITAT COUNCIL

Function 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 that are funded by the Wildlife Habitat Account.

Intent Language *It is the intent of the Legislature that appropriations from the General Fund Restricted – Wildlife Habitat Account be nonlapsing.*

Funding Detail

Budget History - Natural Resources - Wildlife Resources - Habitat Council					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Federal Funds	68,000	63,000	85,500	53,200	500
GFR - Wildlife Habitat	1,889,900	2,325,500	1,738,100	1,323,200	2,121,800
Beginning Nonlapsing	500,000	345,000	0	0	0
Closing Nonlapsing	(345,000)	0	0	0	0
Lapsing Balance	0	(374,100)	0	0	0
Total	\$2,112,900	\$2,359,400	\$1,823,600	\$1,376,400	\$2,122,300
Categories of Expenditure					
Personal Services	333,300	392,600	672,200	335,300	330,800
In-State Travel	6,000	12,600	14,000	8,600	5,000
Out of State Travel	2,900	8,300	5,300	0	0
Current Expense	1,152,400	1,096,100	978,600	760,500	1,623,500
DP Current Expense	400	1,400	9,300	4,800	0
Capital Outlay	436,800	348,700	62,500	600	85,000
Other Charges/Pass Thru	181,100	499,700	81,700	266,200	78,000
Cost Accounts	0	0	0	400	0
Total	\$2,112,900	\$2,359,400	\$1,823,600	\$1,376,400	\$2,122,300
Other Data					
Budgeted FTE	14.5	15.7	6.9	10.0	7.0

Table 41

HABITAT SECTION

Function

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 and restore wildlife habitats. 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.

Funding Detail

Budget History - Natural Resources - Wildlife Resources - Habitat Section					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	297,300	291,700	284,800	219,900	292,000
General Fund, One-time	0	600	1,300	0	(500)
Federal Funds	1,019,200	1,163,400	1,802,100	3,074,600	1,338,500
Dedicated Credits Revenue	0	12,100	0	0	0
GFR - Wildlife Resources	1,919,500	1,655,100	2,069,400	2,784,900	3,644,600
Lapsing Balance	0	0	0	(11,200)	0
Total	\$3,236,000	\$3,122,900	\$4,157,600	\$6,068,200	\$5,274,600
Categories of Expenditure					
Personal Services	1,856,600	2,016,500	2,134,000	2,357,800	2,231,000
In-State Travel	21,000	18,500	16,600	27,000	30,700
Out of State Travel	3,900	2,500	10,000	2,600	14,200
Current Expense	728,600	786,000	965,000	1,285,000	2,691,800
DP Current Expense	21,600	36,400	65,000	24,800	44,600
DP Capital Outlay	0	0	0	(1,100)	0
Capital Outlay	593,300	18,400	958,000	1,632,400	100
Other Charges/Pass Thru	11,000	244,500	9,000	739,400	224,200
Cost Accounts	0	100	0	300	38,000
Total	\$3,236,000	\$3,122,900	\$4,157,600	\$6,068,200	\$5,274,600
Other Data					
Budgeted FTE	41.6	42.0	61.8	66.5	51.0

Table 42

WILDLIFE SECTION**Function**

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

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 up to \$200,000 be spent on cougar/bear depredation. \$150,000 will be general fund and up to \$50,000 will be from the Wildlife Restricted Account.

It is the intent of the Legislature that the Division shall expend for big game depredation up to \$250,000 from the General Fund and up to \$250,000 from the General Fund Restricted – Wildlife Resources Account. This funding shall be nonlapsing.

Funding Detail

Budget History - Natural Resources - Wildlife Resources - Wildlife Section					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	721,500	790,100	466,500	642,100	605,200
General Fund, One-time	0	(207,900)	2,100	100,000	99,500
Federal Funds	2,630,600	3,042,000	3,297,100	3,039,300	3,761,800
GFR - Wildlife Resources	2,163,500	2,352,000	2,241,300	2,800,100	3,607,600
Beginning Nonlapsing	363,200	276,000	283,000	0	0
Closing Nonlapsing	(276,000)	(283,000)	(200,000)	0	0
Total	\$5,602,800	\$5,969,200	\$6,090,000	\$6,581,500	\$8,074,100
Categories of Expenditure					
Personal Services	3,444,600	3,355,600	3,327,100	3,542,100	4,901,400
In-State Travel	39,100	50,500	47,700	41,500	55,700
Out of State Travel	19,000	25,500	20,600	21,800	19,500
Current Expense	1,640,600	1,951,400	1,875,800	1,914,600	2,280,000
DP Current Expense	29,700	36,400	50,500	38,300	38,200
DP Capital Outlay	0	0	0	(5,900)	0
Capital Outlay	11,900	71,000	32,000	24,900	33,900
Other Charges/Pass Thru	417,900	486,400	736,300	1,004,200	745,400
Cost Accounts	0	(7,600)	0	0	0
Total	\$5,602,800	\$5,969,200	\$6,090,000	\$6,581,500	\$8,074,100
Other Data					
Budgeted FTE	71.8	72.2	68.2	67.3	71.0

Table 43

AQUATIC SECTION

Function

The Aquatic Section manages and conserves 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 usually 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. 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

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.

Funding Detail

Personal Services comprise 65 percent of the Section budget. Significant Current Expenses include rental of motor pool vehicles; wildlife stock; feed; electrical utilities; and other equipment.

Budget History - Natural Resources - Wildlife Resources - Aquatic Section					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	357,000	192,400	156,200	139,500	301,900
General Fund, One-time	0	1,200	2,200	0	(400)
Federal Funds	3,916,300	4,899,800	4,218,800	4,662,400	4,958,800
Dedicated Credits Revenue	47,200	0	0	0	0
GFR - Wildlife Resources	3,131,500	2,758,200	3,764,300	3,640,700	4,052,400
Beginning Nonlapsing	0	175,000	148,000	0	0
Closing Nonlapsing	(175,000)	(148,000)	(176,600)	0	0
Total	\$7,277,000	\$7,878,600	\$8,112,900	\$8,442,600	\$9,312,700
Categories of Expenditure					
Personal Services	4,911,700	5,065,300	5,411,000	5,525,500	6,062,900
In-State Travel	50,700	43,500	53,900	54,700	62,800
Out of State Travel	16,900	10,600	20,100	20,100	18,500
Current Expense	1,589,200	1,880,100	1,564,400	2,242,500	2,424,700
DP Current Expense	44,800	81,000	27,900	57,400	48,800
DP Capital Outlay	0	0	0	(8,000)	0
Capital Outlay	77,200	295,700	98,100	79,300	98,100
Other Charges/Pass Thru	586,500	502,200	937,500	464,100	596,900
Cost Accounts	0	200	0	7,000	0
Total	\$7,277,000	\$7,878,600	\$8,112,900	\$8,442,600	\$9,312,700
Other Data					
Budgeted FTE	102.2	100.2	107.0	101.9	110.0

Table 44

PREDATOR CONTROL LINE ITEM

Function 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. These funds are transferred to the Department of Agriculture and Food.

Budget History - Natural Resources - Predator Control					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	66,400	76,700	59,600	59,600	59,600
General Fund, One-time	0	0	0	9,700	7,100
Transfers - Natural Resources	(66,400)	0	0	0	0
Total	\$0	\$76,700	\$59,600	\$69,300	\$66,700
Categories of Expenditure					
Other Charges/Pass Thru	0	76,700	59,600	69,300	66,700
Total	\$0	\$76,700	\$59,600	\$69,300	\$66,700

Table 45

REIMBURSEMENT LINE ITEM

Function

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/reduced price 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.

Funding Detail

Since budget cuts took place in the last two to three years, the Legislature hasn't been reimbursing the full amount of the Division's losses. To reimburse the Division fully for calendar year 2005, it would have required an appropriation of \$208,700.

Budget History - Natural Resources - License Reimbursement					
Sources of Finance	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Appropriated
General Fund	68,000	68,000	74,800	74,800	74,800
General Fund, One-time	0	0	0	58,200	0
Total	\$68,000	\$68,000	\$74,800	\$133,000	\$74,800
<hr/>					
Categories of Expenditure					
Other Charges/Pass Thru	68,000	68,000	74,800	133,000	74,800
Total	\$68,000	\$68,000	\$74,800	\$133,000	\$74,800

Table 46

CONTRIBUTED RESEARCH LINE ITEM

Function 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.

Intent Language *It is the intent of the Legislature that the appropriation to the Contributed Research program be nonlapsing.*

Funding Detail

Budget History - Natural Resources - Contributed Research					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Federal Funds	15,300	12,900	0	0	15,000
Dedicated Credits Revenue	813,700	1,381,300	687,100	822,700	340,600
Total	\$829,000	\$1,394,200	\$687,100	\$822,700	\$355,600
Categories of Expenditure					
Personal Services	57,100	89,600	28,100	83,100	28,100
In-State Travel	2,300	5,400	8,500	1,600	8,500
Out of State Travel	2,700	9,200	2,500	5,900	2,500
Current Expense	573,800	559,500	473,300	456,800	141,800
DP Current Expense	0	26,200	400	12,900	400
DP Capital Outlay	0	0	0	5,900	0
Capital Outlay	71,300	128,500	130,700	80,300	130,700
Other Charges/Pass Thru	121,800	575,800	43,600	176,200	43,600
Total	\$829,000	\$1,394,200	\$687,100	\$822,700	\$355,600
Other Data					
Budgeted FTE	1.0	0.9	0.5	0.0	1.0

Table 47

COOPERATIVE ENVIRONMENTAL STUDIES LINE ITEM

Function This line item accounts for spending on studies done in cooperation with federal agencies, local government agencies, or other entities. The agencies supply the funding and DWR provides field teams to conduct the studies. Therefore, FTEs can fluctuate up or down depending on the number of projects.

The Legislature appropriates these funds, but since they are not “state funds” receipt of the funds depends on non-state entities. The Division can only spend what funding it receives in this line item.

Intent Language *It is the intent of the Legislature that the appropriation to the Cooperative Environmental Studies program be nonlapsing.*

Funding Detail Revenues to this line item come from federal funds and Dedicated Credits.

Budget History - Natural Resources - Cooperative Agreements					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Federal Funds	3,741,200	4,199,300	4,239,300	7,238,400	4,211,600
Dedicated Credits Revenue	729,900	484,700	848,800	1,221,900	527,900
Transfers	1,154,600	1,130,800	1,386,600	2,640,200	509,300
Total	\$5,625,700	\$5,814,800	\$6,474,700	\$11,100,500	\$5,248,800
Categories of Expenditure					
Personal Services	2,056,600	2,406,600	2,728,700	2,902,500	2,128,300
In-State Travel	42,900	61,600	71,600	54,000	71,600
Out of State Travel	10,600	16,800	23,500	13,000	23,500
Current Expense	1,172,500	1,579,600	2,770,700	3,735,700	2,145,200
DP Current Expense	32,900	65,900	99,300	39,100	99,300
DP Capital Outlay	0	0	0	20,000	0
Capital Outlay	322,500	57,600	247,300	638,500	247,300
Other Charges/Pass Thru	1,987,700	1,617,400	533,600	3,697,700	533,600
Cost Accounts	0	9,300	0	0	0
Total	\$5,625,700	\$5,814,800	\$6,474,700	\$11,100,500	\$5,248,800
Other Data					
Budgeted FTE	45.3	55.3	52.9	43.6	48.5

Table 48

RANGE CREEK LINE ITEM

Function

Hidden in the Book Cliffs of Emery County between the Tavaputs Plateau and the Green River, Range Creek valley was once the site of numerous Fremont Indian villages. Until recently, this remote canyon was private property and was off-limits to the general public. Because of its isolation, the thousand-year-old Fremont Indian artifacts are numerous and well preserved. Recently, the Utah Division of Wildlife Resources obtained ownership to this area and implemented a policy of limited public access.

In FY2004, the property was acquired with Land and Water Conservation funding. During that Legislative session, DNR received an appropriation to manage and secure the property. The Division of Wildlife Resources was given the charge to define and implement a management plan. Future operations of Range Creek Wildlife Management Area will continue as outlined in the management plan with the primary focus being security. This property will stay in public ownership regardless of the managing agency.

Funding Detail

Budget History - Natural Resources - Range Creek					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	0	0	50,000	154,000	161,000
General Fund, One-time	0	0	102,000	57,000	(300)
Lapsing Balance	0	0	0	(11,200)	0
Total	\$0	\$0	\$152,000	\$199,800	\$160,700
Categories of Expenditure					
Personal Services	0	0	0	103,100	6,700
In-State Travel	0	0	0	1,000	0
Current Expense	0	0	0	81,900	0
DP Current Expense	0	0	0	2,300	0
Capital Outlay	0	0	0	11,500	0
Other Charges/Pass Thru	0	0	152,000	0	154,000
Total	\$0	\$0	\$152,000	\$199,800	\$160,700
Other Data					
Budgeted FTE	0.0	0.0	0.0	1.1	0.0

Table 49

WILDLIFE RESOURCES CAPITAL LINE ITEM

Purpose Large structural projects or habitat improvements are included in the Wildlife Resources – Capital Budget. They include projects that improve wildlands or related structures.

Intent Language *It is the intent of the Legislature that the appropriation to the Wildlife Resources – Capital be nonlapsing.*

Funding Detail The Legislature appropriated for FY 2006 a one-time increase of \$750,000 from the Fish Hatchery Maintenance Account for the rebuilding of the Mantua Hatchery.

Budget History - Natural Resources - Wildlife Resources Capital					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	800,000	800,000	800,000	800,000	800,000
Federal Funds	10,769,300	4,716,600	660,600	777,300	11,520,300
GFR - State Fish Hatch Maint	1,000,000	1,205,000	1,205,000	1,955,000	1,205,000
GFR - Wildlife Resources	205,000	0	0	0	0
Beginning Nonlapsing	2,568,700	1,000,000	992,500	934,200	250,000
Closing Nonlapsing	(1,000,000)	(992,500)	(934,200)	(1,343,100)	0
Lapsing Balance	(1,006,400)	(205,000)	(205,000)	(567,800)	0
Total	\$13,336,600	\$6,524,100	\$2,518,900	\$2,555,600	\$13,775,300
Programs					
Fisheries	12,677,900	6,524,100	2,518,900	2,555,600	13,775,300
Game Management	658,700	0	0	0	0
Total	\$13,336,600	\$6,524,100	\$2,518,900	\$2,555,600	\$13,775,300
Categories of Expenditure					
Personal Services	32,600	0	16,900	38,600	0
In-State Travel	2,600	0	0	0	0
Out of State Travel	600	0	0	0	0
Current Expense	414,400	875,400	906,000	295,000	2,208,300
DP Current Expense	400	0	0	0	11,567,000
Capital Outlay	6,293,300	1,705,200	775,700	29,700	0
Other Charges/Pass Thru	6,592,700	3,943,500	820,300	2,192,300	0
Total	\$13,336,600	\$6,524,100	\$2,518,900	\$2,555,600	\$13,775,300

Table 50

FISHERIES PROGRAM

Function This program is used to improve fisheries access, enhance motorboat access and facilities, improve fish hatcheries, and enlarge fish habitat.

The Division operates ten hatcheries in Bicknell, Hatch, Fountain Green, Mantua, Glenwood, Kamas, Springville, Loa, Midway and Whiterocks. The Utah Reclamation Mitigation and Conservation Commission (URMCC) has committed funds to rebuild or repair the facilities as part of Central Utah Project (CUP) mitigation. For the past several years the Legislature has appropriated \$800,000 General Funds per year to the Division to match the CUP funds.

Intent Language

It is the intent of the Legislature that the Division of Wildlife Resources – Capital Budget be nonlapsing.

Funding Detail

The General Fund base in this program was first authorized by the 1997 Legislature. A large amount of federal funds were granted in FY 2003 for protection of endangered species. The Division also anticipates a large amount of the Federal funding in FY 2007.

Budget History - Natural Resources - Wildlife Resources Capital - Fisheries					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	800,000	800,000	800,000	800,000	800,000
Federal Funds	10,769,300	4,716,600	660,600	777,300	11,520,300
GFR - State Fish Hatch Maint	1,000,000	1,205,000	1,205,000	1,955,000	1,205,000
GFR - Wildlife Resources	205,000	0	0	0	0
Beginning Nonlapsing	1,910,000	1,000,000	992,500	934,200	250,000
Closing Nonlapsing	(1,000,000)	(992,500)	(934,200)	(1,343,100)	0
Lapsing Balance	(1,006,400)	(205,000)	(205,000)	(567,800)	0
Total	\$12,677,900	\$6,524,100	\$2,518,900	\$2,555,600	\$13,775,300
Categories of Expenditure					
Personal Services	32,600	0	16,900	38,600	0
In-State Travel	2,600	0	0	0	0
Out of State Travel	600	0	0	0	0
Current Expense	414,400	875,400	906,000	295,000	2,208,300
DP Current Expense	400	0	0	0	11,567,000
Capital Outlay	5,634,600	1,705,200	775,700	29,700	0
Other Charges/Pass Thru	6,592,700	3,943,500	820,300	2,192,300	0
Total	\$12,677,900	\$6,524,100	\$2,518,900	\$2,555,600	\$13,775,300

Table 51

GAME MANAGEMENT PROGRAM

Function 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

Funding Detail No appropriations were made since FY 2004.

Budget History - Natural Resources - Wildlife Resources Capital - Game Management					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Beginning Nonlapsing	658,700	0	0	0	0
Total	\$658,700	\$0	\$0	\$0	\$0
Categories of Expenditure					
Capital Outlay	658,700	0	0	0	0
Total	\$658,700	\$0	\$0	\$0	\$0

Table 52

CHAPTER 6 DIVISION OF PARKS AND RECREATION**Function**

The mission of the Division of Parks and Recreation is to “Improve the quality of life in Utah through parks, programs and employees serving the public.” Currently Utah has 42 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.

Statutory Authority

The following laws govern operation of the Division:

- UCA 63-11-3 allows This is the Place heritage park to be governed by a foundation and sets terms for a management agreement with the foundation.
- UCA 63-11-12 creates the Board of Parks and Recreation and makes it the policy making body of the Division.
- UCA 63-11-13 requires the board to formulate and execute a long-range comprehensive plan and program for acquisition, planning, protection, O&M, development, and wise use of valuable areas.
- UCA 63-11-16.5 creates the Riverway Enhancement Program.
- UCA 63-11-17 gives the board and Division power and duties
- UCA 63-11-17 creates the Riverway Enhancement Advisory Council and authorizes giving matching grants to other agencies.
- UCA 63-11-17.1 creates the Division of Parks and Recreation within the Department of Natural Resources.
- UCA 63-11-17.2 requires the Division to protect people and property with law enforcement. Park Rangers are given full law enforcement powers.
- UCA 63-11-19.5 establishes user fees for golf. These are included with the greens fees. Fees are \$1.50 per nine holes, and are to be used at the park where they are collected, on development or equipment, and are nonlapsing.
- UCA 63-11-21 states that park operating and administrative expenses for administering the boating account may be charged to the boating account.
- UCA 63-11-66 creates the GFR – State Park Fees Account. Revenues come from all fees collected except golf user fees and the first \$75,000 of buffalo sales proceeds.
- UCA 63-11a-102 requires the Division to plan and develop a recreational trail system, work with federal land management agencies, local governments, private owners, and other state agencies to build a trails network.

- UCA 63-11a-401 creates the Recreational Trails Advisory Council
- UCA 63-11a-503 creates the Centennial Non-Motorized Paths and Trails Crossing Program.
- UCA 41-22-10 gives the board power to appoint the Off-Highway Vehicle (OHV) Advisory Council and seek their recommendations. The Division has the duty to seek the establishment of an OHV trail system and provide law enforcement.
- UCA 41-22-19 requires registration fees from Off-Highway Vehicles be deposited in the GFR – Off-Highway Vehicle Account. However, \$1.50 from each registration must go to the Land Grant Management Fund for use by SITLA on its lands.
- UCA 73-18-3 gives the board and Division power and duty to make rules and enforce boating activities in the state.
- UCA 73-18-22 creates the GFR – Boating Account. Revenues come from registration fees, gasoline taxes, and related monies.

Funding Detail

The Division of Parks and Recreation has two line items in its budget: Operations and Capital. The funding from the Operations line item is used for the management and development of all state parks, statewide boating safety and statewide off-highway vehicle safety. The funds from the Capital line item are used for the capital improvements and development of the facilities and infrastructure of the state parks.

The 2006 Legislature appropriated the following additional funding to the Division:

Employee Benefits

During the 2006 General Session, the Legislature appropriated \$510,600 the Division to fund benefit increases with General Funds, so that raising park fees would not be necessary.

Capital Facilities Improvements

To address some of the needs related to the maintenance and capital improvement of state parks, the Legislature provided a one-time appropriation of \$3,000,000.

Park Trails

The Legislature provided a one-time appropriation of \$250,000 for park trails.

Green River

The Legislature provided a one-time appropriation of \$100,000 for the improvement of the Green River golf course cart paths.

Existing Operations

The Legislature appropriated \$300,000 from the restricted account in both FY 2006 and FY 2007 to offset potential shortfalls in projected fee revenues.

Utah Field House of Natural History Operations

The Legislature appropriated \$80,000 from the restricted account for the Operations and Maintenance of the Field House of Natural History. The Legislature has appropriated General Funds for this purpose the past two years.

Off Highway Vehicle Right-Of-Way Purchases

The Legislature provided a one-time appropriation of \$75,000 for purchases of OHV Rights-Of-Way.

PARKS AND RECREATION OPERATIONS LINE ITEM

Function The Division is responsible for management and development of all state parks, statewide boating safety and statewide off-highway vehicle safety.

In 2006 the Division management restructured the programs in Parks Operations line item. The total number of programs was reduced, and staff and resources were reorganized. This restructuring does not affect the total expenditures of the Operations line item but it does have an impact on the historical trends of the individual programs. The FY 2006 figures are based on the new structure.

Accountability A major portion of the Division revenues come from collected fees. Below is a three year summary of the revenues collected by type of fee. In spite of the drought in FY 2004 and 2005, the total revenues from fees have been increasing. The overall revenues have increased by more than 34 percent in the last three years, with the most significant growth in revenues from golf and entrance fees.

Revenues from Fee Collections Over Time				
Fee Revenue Type	FY04	FY05	FY06	% Change (04-06)
Leases/Rentals	\$193,366	\$259,733	\$305,413	57.9%
Golf Revenues	\$2,098,213	\$2,836,251	\$2,994,630	42.7%
Day Use/Entrance Fees	\$2,576,592	\$2,939,336	\$3,527,228	36.9%
Reservation Fees	\$195,766	\$225,083	\$265,646	35.7%
Camping Fees	\$1,603,306	\$1,683,247	\$2,123,585	32.5%
Resale Merchandise	\$405,048	\$490,445	\$509,964	25.9%
Boat Mooring/Storage Fees	\$698,570	\$689,264	\$753,067	7.8%
Other Fees	\$169,678	\$148,285	\$142,516	-16.0%
Total	\$7,940,539	\$9,271,644	\$10,622,048	33.8%

Table 53

Funding Detail The two primary funding sources of the Division are: 1) The General Fund, and 2) park collections deposited in the GFR – State Park Fees Account. In FY 2006 the General Funds and the revenues from park collections accounted for 73 percent of the Division’s Operating budget. Other funding sources include Federal Funds (3 percent), the GFR – Boating account (13 percent) and the GFR Off-Highway Vehicle account (11 percent).

Over 60 percent of the Division’s expenditures in FY 2006 were for employees’ salaries and benefits. These expenditures have increased since FY 2003 by 17 percent. This is due to increases in the number of full-time equivalents (FTE), Cost Of Living Adjustment (COLA) and Market Comparability Adjustments (MCA), increases in healthcare costs funded by the Legislature, as well as additional salary increases. For that period, the average cost per FTE (salary and benefits) in the Division has increased by 7 percent, from \$43,300 in FY 2003 to \$46,300 in FY 2006.

Budget History - Natural Resources - Parks & Recreation					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	8,185,000	8,269,900	8,526,000	9,636,300	10,654,500
General Fund, One-time	0	22,200	294,900	200,000	(20,800)
Federal Funds	950,500	490,100	1,268,800	755,100	879,000
Dedicated Credits Revenue	7,994,900	299,200	326,600	481,800	498,500
GFR - Boating	3,159,700	3,343,800	3,366,500	3,537,200	3,718,900
GFR - Off-highway Vehicle	2,075,200	2,407,300	2,477,400	2,956,200	3,085,500
GFR - State Park Fees	0	7,926,500	9,297,900	9,672,300	10,274,700
Transfers	66,500	58,400	28,400	32,900	64,900
Pass-through	0	100,000	0	0	0
Beginning Nonlapsing	315,400	494,700	328,700	371,500	0
Closing Nonlapsing	(494,700)	(328,700)	(371,500)	(443,300)	0
Lapsing Balance	(94,200)	(148,400)	(55,100)	(577,500)	0
Total	\$22,158,300	\$22,935,000	\$25,488,600	\$26,622,500	\$29,155,200
Programs					
Executive Management	386,700	369,800	272,300	1,253,100	285,700
Board	14,300	21,100	17,200	0	16,700
Park Operation Management	16,334,300	17,278,000	19,380,100	19,211,200	22,313,700
Planning and Design	328,200	307,200	332,400	622,400	297,100
Support Services	536,300	559,200	562,900	2,098,100	757,200
Recreation Services	411,300	430,500	465,700	2,725,300	511,300
Reservations	250,100	241,900	256,100	0	266,300
Law Enforcement	164,400	120,900	132,400	0	309,700
Fiscal and Accounting	740,900	752,200	800,600	0	962,700
Boating	829,100	433,900	1,027,200	0	1,018,400
OHV	1,204,200	1,271,800	1,234,000	0	1,379,600
Grants and Trails	258,300	239,400	280,100	0	315,000
Park Management Contracts	700,200	909,100	727,600	712,400	721,800
Total	\$22,158,300	\$22,935,000	\$25,488,600	\$26,622,500	\$29,155,200
Categories of Expenditure					
Personal Services	13,979,200	14,080,500	15,420,600	16,295,800	18,992,800
In-State Travel	148,000	179,200	157,100	164,100	215,300
Out of State Travel	25,800	33,600	27,100	34,100	35,500
Current Expense	5,190,600	6,068,400	6,941,100	7,048,900	5,889,500
DP Current Expense	196,300	251,800	270,700	258,000	558,300
DP Capital Outlay	0	15,500	0	0	0
Capital Outlay	1,377,000	805,400	713,500	614,200	1,271,100
Other Charges/Pass Thru	1,241,400	1,500,600	1,958,500	2,207,400	2,192,700
Total	\$22,158,300	\$22,935,000	\$25,488,600	\$26,622,500	\$29,155,200
Other Data					
Budgeted FTE	322.5	320.3	341.4	351.7	373.0

Table 54

EXECUTIVE MANAGEMENT

Function This program includes the Director and Parks Board. 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.” The Board includes nine members appointed from each judicial district and one from the public at-large, no more than five of which may be from the same political party. UCA 63-11-12 specifies the function of the Board. This program also contains the two Deputy Directors and an administrative secretary.

Funding Detail The increase in expenditures and number of FTEs in FY 2006 is due to the Division restructuring. The FY 2007 Appropriated figures, however, come directly from the 2006 appropriations, which took place before the restructuring, and are not reflecting the changes. The adjusted FY 2007 figures will be updated during the 2007 General Session.

Budget History - Natural Resources - Parks & Recreation - Executive Management					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	392,000	350,500	297,100	1,191,000	286,300
General Fund, One-time	0	1,100	1,500	0	(600)
Federal Funds	0	13,500	0	0	0
Lapsing Balance	(5,300)	4,700	(26,300)	62,100	0
Total	\$386,700	\$369,800	\$272,300	\$1,253,100	\$285,700
Categories of Expenditure					
Personal Services	293,500	257,000	174,700	501,100	209,200
In-State Travel	2,600	5,400	2,300	12,400	3,000
Out of State Travel	13,700	16,900	15,400	19,200	20,000
Current Expense	74,200	87,400	74,900	619,100	53,500
DP Current Expense	2,700	3,100	5,000	31,400	0
Capital Outlay	0	0	0	69,900	0
Total	\$386,700	\$369,800	\$272,300	\$1,253,100	\$285,700
Other Data					
Budgeted FTE	3.4	2.8	2.0	7.1	2.0

Table 55

PARK OPERATIONS MANAGEMENT PROGRAM

Function

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.

Park Rangers also enforce water safety at non-park sites such as Lake Powell, and Flaming Gorge. They also enforce OHV regulations and help police the trail system. During the winter they assist with trail grooming and other needs.

State parks are divided into three categories: Heritage, Recreation, or Scenic. Each park is unique and requires unique knowledge and experience from the park manager.

Funding Detail

This program accounts for 72 percent of the total Operating budget during FY 2006. The majority of the funding comes from fee collections (GFR – State Park Fees).

Budget History - Natural Resources - Parks & Recreation - Park Operation Management					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	4,591,000	4,604,500	4,805,000	5,009,100	6,874,700
General Fund, One-time	0	14,500	275,200	200,000	(13,900)
Federal Funds	128,100	100,800	331,600	134,400	25,000
Dedicated Credits Revenue	7,814,300	282,900	307,000	463,400	478,600
GFR - Boating	2,858,200	3,048,900	3,047,400	2,727,600	3,218,900
GFR - Off-highway Vehicle	1,017,900	1,267,900	1,322,600	1,749,000	1,605,100
GFR - State Park Fees	0	7,776,500	9,055,000	9,477,300	10,060,400
Transfers	66,500	58,400	28,400	32,900	64,900
Beginning Nonlapsing	315,400	494,700	328,700	371,500	0
Closing Nonlapsing	(494,700)	(328,700)	(371,500)	(443,300)	0
Lapsing Balance	37,600	(42,400)	250,700	(510,700)	0
Total	\$16,334,300	\$17,278,000	\$19,380,100	\$19,211,200	\$22,313,700
Categories of Expenditure					
Personal Services	11,006,200	11,198,200	12,001,000	12,528,900	15,280,500
In-State Travel	113,400	122,700	111,900	98,400	147,100
Out of State Travel	3,800	7,200	600	1,700	3,000
Current Expense	4,086,800	4,957,600	5,598,600	4,783,200	4,674,800
DP Current Expense	77,300	86,000	95,000	76,800	408,100
DP Capital Outlay	0	11,500	0	0	0
Capital Outlay	506,900	315,200	366,500	250,700	328,300
Other Charges/Pass Thru	539,900	579,600	1,206,500	1,471,500	1,471,900
Total	\$16,334,300	\$17,278,000	\$19,380,100	\$19,211,200	\$22,313,700
Other Data					
Budgeted FTE	265.7	267.2	287.8	289.4	310.0

Table 56

PLANNING AND DESIGN

Function

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. This program also coordinates construction of facilities and implementation of development priorities within the Division. The personnel in this program work with the Division of Facilities Construction and Management in ensuring the most effective use of State development funds.

Funding Detail

The increase in expenditures and number of FTEs in FY 2006 is due to the Division restructuring. The FY 2007 Appropriated figures, however, come directly from the 2006 appropriations, which took place before the restructuring, and are not reflecting the changes. The adjusted FY 2007 figures will be updated during the 2007 General Session.

Budget History - Natural Resources - Parks & Recreation - Planning and Design					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	334,600	313,500	355,800	832,100	263,100
General Fund, One-time	0	1,100	2,700	0	(700)
GFR - Boating	0	0	0	0	17,600
GFR - Off-highway Vehicle	0	0	0	0	17,100
Lapsing Balance	(6,400)	(7,400)	(26,100)	(209,700)	0
Total	\$328,200	\$307,200	\$332,400	\$622,400	\$297,100
Categories of Expenditure					
Personal Services	253,600	243,600	293,700	530,100	245,700
In-State Travel	2,600	4,800	3,300	5,000	3,700
Out of State Travel	0	0	0	100	0
Current Expense	61,500	29,800	24,900	72,800	47,700
DP Current Expense	9,000	25,000	10,500	14,400	0
DP Capital Outlay	0	4,000	0	0	0
Other Charges/Pass Thru	1,500	0	0	0	0
Total	\$328,200	\$307,200	\$332,400	\$622,400	\$297,100
Other Data					
Budgeted FTE	3.9	3.8	4.7	7.6	4.0

Table 57

SUPPORT SERVICES PROGRAM

Function This program is responsible for the public information, volunteer coordination, information technology, fiscal management, reservation services, grant administration, and protective services and training (UCA 63-11-17.2).

Funding Detail The drastic increase in expenditures and number of FTEs in FY 2006 is due to the Division restructuring. The FY 2007 Appropriated figures, however, come directly from the 2006 appropriations, which took place before the restructuring, and are not reflecting the changes. The adjusted FY 2007 figures will be updated during the 2007 General Session.

Budget History - Natural Resources - Parks & Recreation - Support Services					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	555,900	570,800	593,700	1,618,500	711,100
General Fund, One-time	0	1,500	3,900	0	(1,800)
Federal Funds	0	0	0	123,000	0
GFR - Boating	0	0	0	0	23,600
GFR - Off-highway Vehicle	0	0	0	0	24,300
GFR - State Park Fees	0	0	0	195,000	0
Lapsing Balance	(19,600)	(13,100)	(34,700)	161,600	0
Total	\$536,300	\$559,200	\$562,900	\$2,098,100	\$757,200
Categories of Expenditure					
Personal Services	432,400	448,400	465,200	1,503,000	623,500
In-State Travel	1,600	3,300	3,200	11,800	6,500
Out of State Travel	0	0	0	1,400	0
Current Expense	96,500	97,500	86,200	440,500	123,700
DP Current Expense	5,800	10,000	8,300	115,500	3,500
Other Charges/Pass Thru	0	0	0	25,900	0
Total	\$536,300	\$559,200	\$562,900	\$2,098,100	\$757,200
Other Data					
Budgeted FTE	7.5	7.6	7.4	26.8	9.0

Table 58

RECREATION SERVICES PROGRAM

Function This is one of the newly created programs that now encompass the statewide Boating Coordination, OHV Coordination, Trails Coordination, Heritage Coordination, and Maintenance Services. The Division has statutory responsibility for the administration and enforcement of the State Boating Act (UCA 73-18-3). UCA 41-22-10, 41-22-31, and 63-11-17.1 give the Division statutory authority for OHV administration and enforcement.

Funding Detail The increase in expenditures and number of FTEs in FY 2006 is due to the Division restructuring. This program is now using General Funds, restricted as well as Federal Funds. The Federal Funds come from the U.S. Coast Guard for boating safety equipment and programs. The FY 2007 Appropriated figures, however, come directly from the 2006 appropriations, which took place before the restructuring, and are not reflecting the changes. The adjusted FY 2007 figures will be updated during the 2007 General Session.

Budget History - Natural Resources - Parks & Recreation - Recreation Services					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	438,500	437,600	469,600	273,200	436,500
General Fund, One-time	0	1,200	3,100	0	(1,100)
Federal Funds	0	0	0	497,700	0
Dedicated Credits Revenue	0	0	0	18,400	0
GFR - Boating	0	0	0	809,600	62,500
GFR - Off-highway Vehicle	0	0	0	1,207,200	13,400
Lapsing Balance	(27,200)	(8,300)	(7,000)	(80,800)	0
Total	\$411,300	\$430,500	\$465,700	\$2,725,300	\$511,300
Categories of Expenditure					
Personal Services	361,300	372,400	398,100	1,232,700	444,000
In-State Travel	5,100	8,600	5,400	36,500	5,000
Out of State Travel	0	0	0	11,700	0
Current Expense	41,200	45,800	37,300	1,130,900	12,300
DP Current Expense	3,700	3,700	8,900	19,900	0
Capital Outlay	0	0	16,000	293,600	50,000
Total	\$411,300	\$430,500	\$465,700	\$2,725,300	\$511,300
Other Data					
Budgeted FTE	6.0	5.9	5.8	20.7	6.0

Table 59

PARK MANAGEMENT CONTRACTS PROGRAM

Function 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 (though the Legislature may appropriate less) as a management fee, and upon appropriation, provide appropriated funds to the Foundation to assist in the maintenance and operation of the park.

The 2006 Legislature appropriated to the Foundation \$2 million supplemental appropriation through the Department of Natural Resources. The one-time funding was to assist the Foundation overcome the financial difficulties and continue to manage This Is The Place Heritage Park.

Intent Language *It is the intent of the Legislature that the Division of Parks and Recreation provide a management fee to the This is the Place Foundation not to exceed \$700,000.*

Funding Detail

Budget History - Natural Resources - Parks & Recreation - Park Management Contracts					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	700,000	809,000	808,500	712,400	721,800
Pass-through	0	100,000	0	0	0
Lapsing Balance	200	100	(80,900)	0	0
Total	\$700,200	\$909,100	\$727,600	\$712,400	\$721,800
Categories of Expenditure					
Current Expense	200	3,100	2,600	2,400	1,000
Other Charges/Pass Thru	700,000	906,000	725,000	710,000	720,800
Total	\$700,200	\$909,100	\$727,600	\$712,400	\$721,800

Table 60

PARKS CAPITAL LINE ITEM

Function This line item separates appropriations and expenditures for park capital facilities from operating budgets.

Intent Language *It is the intent of the Legislature that the Division of Parks and Recreation – Capital Budget be nonlapsing.*

Funding Detail Two types of expenditures are made through the Parks 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.

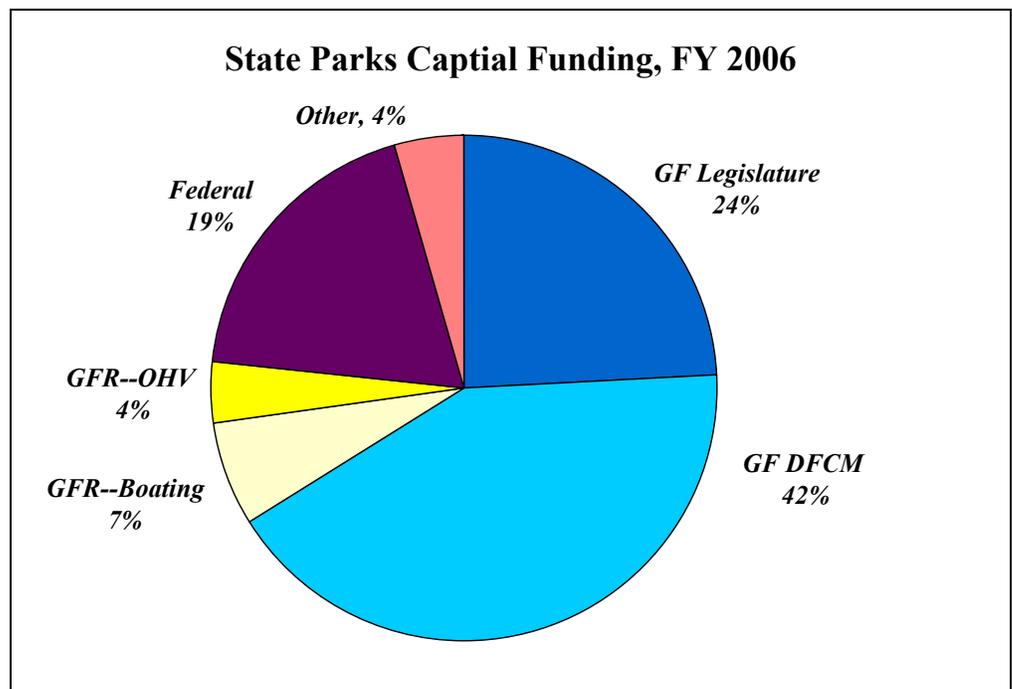


Figure 6

Each funding source typically has specific restrictions on types of projects the money can be used. For example, boating money can only be used for construction directly related to boating and fishing in the area. Some projects, however, also qualify for and are funded from more than one funding source. The Legislature has granted non-lapsing authority to Parks’ Capital Budget, allowing the Division to carry forward unused balances from one year to another.

A summary for each of the major funding sources for the Division's capital needs, along with the general criteria of how the funding can be used is listed below.

State Funds

Direct Legislative Appropriation of State General Funds

The Legislature periodically appropriates one-time General Funds for the State Parks' capital needs. Since FY 2001, the Division received \$10 million: \$5 million in FY 2001, \$2 million in FY 2006, and \$3 million in FY 2007.

According to Division administration, the criteria used for deciding which projects to be funded from this source are as follows:

- The project can be directly utilized by the public and it directly meets a recreation-related need;
- The project would provide added value to a park (increased revenue, reduced expenditures, etc.);
- The project would increase visitation; and
- The project would receive matching funds through public or private partnerships.

DFCM Improvement Funds

The Division of Facilities and Construction Management (DFCM) allocate approximately \$2 million annually in General Funds for capital maintenance and improvements to State Parks. The primary purpose of these funds is to ensure:

- Human health and safety,
- Continued operations, and
- Replacement of facilities/infrastructure beyond its useful life.

One million dollars of DFCM improvement funds are used to leverage a match of one million dollars from the Bureau of Reclamation for renovation projects at a specific state park. Currently, the money is used for improvements at East Canyon State Park.

DFCM Capital Development Funds

This fund is available to all state agencies to apply for potential development of new projects exceeding \$250,000 and renovation of existing facilities with cost over \$1.5 million. However, competition for these funds is very keen and Parks' historical funding cycle for receipt of these funds is more than five years. The criteria for these funds are as follows:

- The project eliminates life, safety, or other risks;
- The project addresses essential program growth and capacity requirements;
- The project is cost effective; and

- The project improves program effectiveness and provides facilities necessary to support critical programs and initiatives.

Federal Funds

Bureau of Reclamation (BOR) Funds

The Bureau of Reclamation (BOR) makes funding available on a 50/50 matching basis for the capital needs of State Parks on BOR properties. The 50 percent match is provided from General Funds through the DFCM Capital Improvement Funds.

Currently, there are 11 State Parks that are on BOR property: East Canyon, Willard Bay, Rockport, Deer Creek, Huntington, Scofield, Hyrum, Jordanelle, Red Fleet, Starvation, and Steinaker. The first four Parks in the above list have been renovated through BOR funding, with funding averaging \$6-\$7 million over a period of three to four years. Currently the East Canyon State Park is the recipient of these funds and the construction is expected to be completed in FY 2008.

Federal Motorboat Access (MBA) Funds

The funding from the Federal Motorboat Access Funds is restricted to potential projects that are directly related to motorized boating recreation, such as ramp extensions, courtesy docks, restrooms adjacent to boat ramps or docks, dredging for access, etc. Also, all projects must be available to the general public.

Restricted Funds

State Boating Restricted Funds

The state Boating funds come from revenues collected from boat registration fees as well as from gasoline tax. Like the Motor Boat Access funds, potential projects must be directly related to boating recreation and be available to the general public.

State Off-Highway Vehicle (OHV) Restricted Funds

The state Off-Highway Vehicle (OHV) funds are generated from off-highway vehicles registration fees and gasoline tax. OHV funds are generally limited in scope and are usually solicited to leverage federal matching funds (such as Land and Water Conservation Fund) for projects that have an OHV recreational component. Examples include trailhead development, campground facilities for OHV users, restrooms near trails, and motocross tracks. These funds are generally limited in amount and are available on an “ad-hoc” basis.

More than 80 capital projects in 29 State Parks in FY 2006 benefited primarily the park visitors. The projects ranged from fixing old bathrooms to building new campgrounds, entrance stations, and roads. The total construction cost was \$6.2 million.

Budget History - Natural Resources - Parks & Recreation Capital					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	914,200	94,200	94,200	94,200	94,200
General Fund, One-time	(850,000)	0	0	2,010,000	3,425,000
Federal Funds	1,299,900	1,338,300	2,821,700	2,376,400	1,200,000
Dedicated Credits Revenue	1,022,100	602,200	368,500	615,300	25,000
GFR - Boating	833,400	350,000	350,000	350,000	350,000
GFR - Off-highway Vehicle	2,025,000	175,000	(85,000)	56,900	175,000
GFR - State Park Fees	0	175,000	150,000	268,100	150,000
GFR - Trails and Streams	700,000	0	0	0	0
Transfers	5,902,400	3,682,100	213,100	632,400	350,000
Beginning Nonlapsing	10,798,100	11,388,800	6,905,300	5,032,000	0
Closing Nonlapsing	(11,388,900)	(6,905,300)	(5,032,000)	(5,303,300)	0
Lapsing Balance	(700,000)	(25,000)	0	0	0
Total	\$10,556,200	\$10,875,300	\$5,785,800	\$6,132,000	\$5,769,200
Programs					
Facilities Acquisition and Development	745,300	2,680,400	1,848,700	1,347,600	289,200
Five Million Park Renovation	288,600	224,300	59,200	1,654,300	3,000,000
Riverway Enhancement Grants	566,400	256,400	331,300	0	0
Trail Grants	476,200	284,800	456,200	83,900	280,000
National Recreation Trails	450,600	538,600	515,100	480,900	500,000
Donated Capital Projects	49,200	28,500	37,900	70,500	25,000
Region Renovation and Roads	149,500	95,500	88,600	102,900	100,000
Land and Water Conservation	0	0	0	0	700,000
Boat Access Grants	1,024,200	1,906,000	869,400	502,700	700,000
Off-highway Vehicle Grants	286,700	850,200	521,900	891,200	175,000
Miscellaneous Nonlapsing Projects	6,519,500	4,010,600	1,057,500	998,000	0
Total	\$10,556,200	\$10,875,300	\$5,785,800	\$6,132,000	\$5,769,200
Categories of Expenditure					
Personal Services	0	0	0	72,000	0
In-State Travel	0	500	0	500	0
Current Expense	1,082,300	2,832,600	1,889,900	1,289,100	3,375,000
DP Current Expense	7,100	38,600	3,500	1,100	114,200
Capital Outlay	5,872,200	3,838,000	139,600	198,500	100,000
Other Charges/Pass Thru	3,594,600	4,165,600	3,752,800	4,570,800	2,180,000
Total	\$10,556,200	\$10,875,300	\$5,785,800	\$6,132,000	\$5,769,200

Table 61

FACILITIES ACQUISITION AND DEVELOPMENT PROGRAM

Function

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.

Funding Detail

Budget History - Natural Resources - Parks & Recreation Capital - Facilities Acquisition and Development					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	64,200	64,200	64,200	94,200	64,200
General Fund, One-time	0	0	0	0	175,000
Federal Funds	138,000	25,000	1,076,000	809,800	0
Dedicated Credits Revenue	829,500	536,400	0	0	0
GFR - Boating	483,400	0	0	0	0
GFR - Off-highway Vehicle	350,000	0	0	0	0
GFR - State Park Fees	0	50,000	50,000	168,100	50,000
Transfers	388,200	445,900	0	9,800	0
Beginning Nonlapsing	2,269,300	3,777,300	2,218,400	1,559,900	0
Closing Nonlapsing	(3,777,300)	(2,218,400)	(1,559,900)	(1,294,200)	0
Total	\$745,300	\$2,680,400	\$1,848,700	\$1,347,600	\$289,200
Categories of Expenditure					
Current Expense	(25,600)	1,835,600	1,238,100	217,400	0
DP Current Expense	3,000	0	1,000	0	114,200
Capital Outlay	30,600	48,800	95,600	21,600	100,000
Other Charges/Pass Thru	737,300	796,000	514,000	1,108,600	75,000
Total	\$745,300	\$2,680,400	\$1,848,700	\$1,347,600	\$289,200

Table 62

CAPITAL IMPROVEMENT PROGRAM (KNOWN AS FIVE MILLION PARK RENOVATION)

Purpose 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 eliminated \$5 million. The program was created to plainly track how the one-time \$5 million General Fund appropriation is being used.

Funding Detail The 2006 Legislature appropriated for FY 2007 \$3 million one-time General Fund for this program.

Budget History - Natural Resources - Parks & Recreation Capital - Five Million Park Renovation					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund, One-time	0	0	0	2,000,000	3,000,000
Dedicated Credits Revenue	3,000	0	0	0	0
Transfers	131,300	(87,600)	0	0	0
Beginning Nonlapsing	618,100	463,700	151,800	92,600	0
Closing Nonlapsing	(463,800)	(151,800)	(92,600)	(438,300)	0
Total	\$288,600	\$224,300	\$59,200	\$1,654,300	\$3,000,000
Categories of Expenditure					
Current Expense	99,700	26,300	16,500	290,500	3,000,000
Capital Outlay	30,000	198,000	0	113,000	0
Other Charges/Pass Thru	158,900	0	42,700	1,250,800	0
Total	\$288,600	\$224,300	\$59,200	\$1,654,300	\$3,000,000

Table 63

Trails Grants Program

Function

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. The Recreational Trails Advisory Council makes recommendations to the Board and the Division regarding the program.

Funding Detail

The \$30,000 ongoing General Fund and \$250,000 one-time General Fund appropriated for FY 2007 in this program are what remain for trails grants and riverway enhancement grants. Prior to FY 2002 these programs combined had \$950,000 per year.

Budget History - Natural Resources - Parks & Recreation Capital - Trail Grants					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	475,000	15,000	30,000	0	30,000
General Fund, One-time	(475,000)	0	0	10,000	250,000
GFR - Trails and Streams	400,000	0	0	0	0
Transfers	0	15,000	0	40,000	0
Beginning Nonlapsing	1,340,500	864,300	609,500	183,300	0
Closing Nonlapsing	(864,300)	(609,500)	(183,300)	(149,400)	0
Lapsing Balance	(400,000)	0	0	0	0
Total	\$476,200	\$284,800	\$456,200	\$83,900	\$280,000
Categories of Expenditure					
Current Expense	0	0	0	0	250,000
Other Charges/Pass Thru	476,200	284,800	456,200	83,900	30,000
Total	\$476,200	\$284,800	\$456,200	\$83,900	\$280,000

Table 64

NATIONAL RECREATIONAL TRAILS PROGRAM

Function 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.

Funding Detail This budget is comprised entirely of federal funds.

Budget History - Natural Resources - Parks & Recreation Capital - National Recreation Trails					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Federal Funds	485,100	504,100	671,500	452,500	500,000
Beginning Nonlapsing	0	34,500	0	156,400	0
Closing Nonlapsing	(34,500)	0	(156,400)	(128,000)	0
Total	\$450,600	\$538,600	\$515,100	\$480,900	\$500,000
Categories of Expenditure					
Personal Services	0	0	0	72,000	0
Current Expense	0	0	0	66,000	0
Other Charges/Pass Thru	450,600	538,600	515,100	342,900	500,000
Total	\$450,600	\$538,600	\$515,100	\$480,900	\$500,000

Table 65

DONATED CAPITAL PROJECTS PROGRAM

Function 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.

Funding Detail This budget is comprised entirely of donations for capital projects.

Budget History - Natural Resources - Parks & Recreation Capital - Donated Capital Projects					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Dedicated Credits Revenue	38,400	37,500	49,400	101,100	25,000
GFR - State Park Fees	0	25,000	0	0	0
Beginning Nonlapsing	114,800	104,000	113,000	124,200	0
Closing Nonlapsing	(104,000)	(113,000)	(124,500)	(154,800)	0
Lapsing Balance	0	(25,000)	0	0	0
Total	\$49,200	\$28,500	\$37,900	\$70,500	\$25,000
Categories of Expenditure					
In-State Travel	0	500	0	500	0
Current Expense	47,400	0	35,400	68,900	25,000
DP Current Expense	1,800	28,000	2,500	1,100	0
Total	\$49,200	\$28,500	\$37,900	\$70,500	\$25,000

Table 66

REGION ROADS AND RENOVATION PROGRAM

Function This program accounts for nonlapsing balances rolled forward from previous years for park interior road construction. This money is used to pay Division of Facilities and Construction Management (DFCM) for miscellaneous projects.

Funding Detail Funding for this program comes entirely from park collections.

Budget History - Natural Resources - Parks & Recreation Capital - Region Renovation and Roads					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Dedicated Credits Revenue	100,000	0	0	0	0
GFR - State Park Fees	0	100,000	100,000	100,000	100,000
Transfers	(10,000)	0	0	0	0
Beginning Nonlapsing	154,000	94,500	99,000	110,400	0
Closing Nonlapsing	(94,500)	(99,000)	(110,400)	(107,500)	0
Total	\$149,500	\$95,500	\$88,600	\$102,900	\$100,000
Categories of Expenditure					
Current Expense	117,000	95,000	82,600	95,900	100,000
DP Current Expense	100	0	0	0	0
Capital Outlay	3,000	500	6,000	0	0
Other Charges/Pass Thru	29,400	0	0	7,000	0
Total	\$149,500	\$95,500	\$88,600	\$102,900	\$100,000

Table 67

BOATING ACCESS GRANTS PROGRAM

Function 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.

Funding Detail This program typically has a 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.

Budget History - Natural Resources - Parks & Recreation Capital - Boat Access Grants					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Federal Funds	22,600	0	44,800	0	0
Dedicated Credits Revenue	0	26,500	0	0	0
GFR - Boating	350,000	350,000	350,000	350,000	350,000
Transfers	25,800	539,700	213,100	582,600	350,000
Beginning Nonlapsing	2,882,200	2,256,400	1,266,600	1,005,100	0
Closing Nonlapsing	(2,256,400)	(1,266,600)	(1,005,100)	(1,435,000)	0
Total	\$1,024,200	\$1,906,000	\$869,400	\$502,700	\$700,000
Categories of Expenditure					
Current Expense	654,300	321,300	65,500	428,300	0
Capital Outlay	29,900	209,400	38,000	58,700	0
Other Charges/Pass Thru	340,000	1,375,300	765,900	15,700	700,000
Total	\$1,024,200	\$1,906,000	\$869,400	\$502,700	\$700,000

Table 68

OFF-HIGHWAY VEHICLE TRAIL GRANTS

Function

This program provides for matching grants with federal agencies and local governments in the acquisition of land and development of Off-Highway Vehicles (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.

Funding Detail

This budget is comprised entirely of restricted OHV funds.

Budget History - Natural Resources - Parks & Recreation Capital - Off-highway Vehicle Grants					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Federal Funds	0	0	0	127,700	0
GFR - Off-highway Vehicle	1,675,000	175,000	(85,000)	56,900	175,000
Transfers	0	(32,100)	0	0	0
Beginning Nonlapsing	1,193,600	2,581,900	1,874,600	1,267,700	0
Closing Nonlapsing	(2,581,900)	(1,874,600)	(1,267,700)	(561,100)	0
Total	\$286,700	\$850,200	\$521,900	\$891,200	\$175,000
Categories of Expenditure					
Current Expense	135,500	537,000	420,900	108,700	0
Capital Outlay	0	205,800	0	5,200	0
Other Charges/Pass Thru	151,200	107,400	101,000	777,300	175,000
Total	\$286,700	\$850,200	\$521,900	\$891,200	\$175,000

Table 69

MISCELLANEOUS NONLAPSING PROJECTS

Function 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.

Funding Detail The only funds appropriated to this program are federal Land and Water Conservation Funds and Dedicated Credits. The state may use up to 25 percent of these funds; the rest are passed through to local governments with qualifying projects.

Budget History - Natural Resources - Parks & Recreation Capital - Miscellaneous Nonlapsing Projects					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Federal Funds	654,200	809,200	1,029,400	986,400	0
Dedicated Credits Revenue	51,200	1,800	319,100	514,200	0
Transfers	5,367,100	2,816,200	0	0	0
Beginning Nonlapsing	1,071,500	624,500	241,100	532,400	0
Closing Nonlapsing	(624,500)	(241,100)	(532,100)	(1,035,000)	0
Total	\$6,519,500	\$4,010,600	\$1,057,500	\$998,000	\$0
Categories of Expenditure					
Current Expense	54,000	17,400	30,900	13,400	0
DP Current Expense	2,200	10,600	0	0	0
Capital Outlay	5,778,700	3,175,500	0	0	0
Other Charges/Pass Thru	684,600	807,100	1,026,600	984,600	0
Total	\$6,519,500	\$4,010,600	\$1,057,500	\$998,000	\$0

Table 70

CHAPTER 7 UTAH GEOLOGICAL SURVEY**Function**

The Utah Geological Survey (UGS) is an applied scientific agency that creates, interprets, and provides information about Utah's geologic environment, resources, and hazards to promote safe, beneficial, and wise use of the land.

The Survey does not have regulatory power except in areas concerning paleontology. Otherwise, the agency must "assist," "advise," and "cooperate with" other groups.

UGS is organized in two areas: Support and Technical programs. The two support programs for the six technical programs are Technical Assistance and Administration. The Technical programs include:

- Geological Hazards
- Mapping Geology
- Energy and Mineral Resources
- Ground Water & Paleontology
- Geologic Information and Outreach
- State Energy Program

Statutory Authority

The following laws govern operation of the division:

- UCA 63-73-2 and 3 create the Board of Utah Geological Survey. It consists of seven members with various backgrounds. The director of the School and Institutional Trust Lands Administration sits as an ex officio member.
- UCA 63-73-9 allows survey employees to trespass on any lands while on official business.
- UCA 63-73-11 requires the survey to protect paleontological resources on school and institutional trust lands.
- UCA 63-73-12 prohibits anyone from excavating for critical paleontological resources on state/locally controlled land without first getting a permit from the survey.
- UCA 63-73-14 requires collections recovered from state/locally controlled lands to be owned by the state or a SITLA beneficiary.
- UCA 63-73-20 requires the survey to develop a curriculum and materials for volunteers who assist paleontologists.
- UCA 63-73-21 creates a special revenue fund known as the "Utah Geological Survey Sample Library Fund" consisting of donations and interest. The director administers the fund. The Division may only spend up to the amount of interest generated in the previous fiscal year.

Funding Detail

The passage of S.B.199 in FY 2005 transferred from Utah Energy Office to UGS the authority for the Renewable Tax Credit and certain federally-related programs as well as additional \$81,600 in General Funds. In FY 2006, \$986,671 in Federal funds were expended.

In 2006, the Legislature allocated \$122,000 of ongoing General Funds to the Ground Water and Paleontology program for hydrogeologic studies, after two years of one-time funding. This work supported by this funding is prioritized in collaboration with the Division of Water Rights in order to continue to provide information to agencies regarding best practices and protection of ground water resources.

Statute (UCA 59-21-1 and 2) allocates 2.25 percent of the state's share of federal mineral lease royalties to the survey. These receipts are a crucial part of the Division's revenue, and in recent years have ranged between 20 and 40% of the total budget, depending on current energy prices. Typically mineral lease revenues follow natural gas prices with a two-month lag, but are difficult to predict due to variable production reporting systems.

The Division reports that in FY 2006 mineral lease revenue peaked at \$2.8 million due to the effects of Hurricane Katrina on natural gas production in the Gulf of Mexico. In FY 2007, the natural gas price in Utah has decreased to about half the peak price in FY2006, and the mineral lease funding is expected to be about \$2.1 million. The volatility in mineral lease receipts makes long-term financial planning difficult. Thus, the Analyst typically recommends mineral lease appropriations be nonlapsing.

The 2006 Legislature reallocated \$200,000 of one-time funding from the UGS' budget to fund programs in other divisions.

Seventy three percent of the Division's operating budget for FY 2006 is for salaries and benefits. For the period FY 2003-2006, these expenditures have increased by 47 percent. This is primarily due to the transfer of the funding and responsibilities from the State Energy Office. Other contributing factors were the Cost Of Living Adjustment (COLA) and Market Comparability Adjustments (MCA), as well as increases in healthcare costs funded by the Legislature. For that period, the average cost per FTE (salary and benefits) in the Division has increased by 16 percent, from \$55,700 in FY 2003 to \$64,600 in FY 2006.

Budget History - Natural Resources - Utah Geological Survey					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	2,127,600	2,107,100	2,190,700	2,385,400	2,669,700
General Fund, One-time	0	6,100	142,600	66,500	(156,900)
Federal Funds	572,500	689,400	676,200	1,534,900	1,223,800
Dedicated Credits Revenue	435,800	833,200	868,100	664,700	659,300
Federal Mineral Lease	912,400	1,229,900	1,685,800	2,849,300	2,158,500
Transfers	320,200	0	0	0	0
Beginning Nonlapsing	524,500	367,700	609,000	209,900	100,800
Closing Nonlapsing	(367,700)	(609,000)	(209,900)	(726,800)	(77,000)
Total	\$4,525,300	\$4,624,400	\$5,962,500	\$6,983,900	\$6,578,200
Programs					
Administration	590,400	635,800	610,600	799,300	771,400
Technical Services	500,500	482,200	596,900	528,800	499,300
Geologic Hazards	477,400	530,700	746,000	811,600	830,600
Board	3,000	5,400	900	4,200	3,500
Geologic Mapping	639,500	642,200	903,000	889,800	758,700
Energy and Minerals	1,233,000	1,091,700	1,442,800	1,441,600	1,621,100
Ground Water and Paleontology	529,800	632,200	1,005,600	1,037,700	825,200
Information and Outreach	551,700	604,200	656,700	686,600	599,100
State Energy Program	0	0	0	784,300	669,300
Total	\$4,525,300	\$4,624,400	\$5,962,500	\$6,983,900	\$6,578,200
Categories of Expenditure					
Personal Services	3,450,500	3,690,400	4,354,200	5,064,200	4,702,900
In-State Travel	33,400	39,800	49,000	52,500	42,800
Out of State Travel	24,100	28,600	30,300	33,000	33,800
Current Expense	526,100	546,700	856,100	751,800	1,149,600
DP Current Expense	167,700	192,400	282,700	239,000	172,100
DP Capital Outlay	39,700	21,400	48,900	21,300	0
Capital Outlay	6,200	5,300	121,300	37,400	0
Other Charges/Pass Thru	277,600	99,800	220,000	784,700	477,000
Total	\$4,525,300	\$4,624,400	\$5,962,500	\$6,983,900	\$6,578,200
Other Data					
Budgeted FTE	61.9	64.8	71.6	78.4	65.0

Table 71

UGS BOARD

Function

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.

Funding Detail

The following table shows the board’s support costs.

Budget History - Natural Resources - Utah Geological Survey - Board					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	3,000	5,400	900	4,200	3,500
Total	\$3,000	\$5,400	\$900	\$4,200	\$3,500
Categories of Expenditure					
Personal Services	700	700	300	300	1,500
In-State Travel	300	1,400	0	2,300	1,400
Current Expense	2,000	3,300	600	1,600	600
Total	\$3,000	\$5,400	\$900	\$4,200	\$3,500

Table 72

UGS ADMINISTRATION

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

This program also manages the general building needs of the Utah Core Research Center.

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

Funding Detail As with most administrative programs, a high percentage of this program's budget is expended on personal services.

Budget History - Natural Resources - Utah Geological Survey - Administration					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	555,800	556,000	569,000	664,600	762,800
General Fund, One-time	0	1,800	14,100	116,500	(2,000)
Federal Funds	0	0	0	0	10,600
Dedicated Credits Revenue	33,100	78,000	27,500	18,200	0
Transfers	1,500	0	0	0	0
Total	\$590,400	\$635,800	\$610,600	\$799,300	\$771,400
Categories of Expenditure					
Personal Services	505,400	524,300	511,000	605,200	584,900
In-State Travel	1,200	1,200	1,200	500	1,200
Out of State Travel	5,600	9,400	4,200	3,800	4,200
Current Expense	75,900	69,000	92,600	187,400	179,500
DP Current Expense	2,300	1,100	1,600	2,400	1,600
Other Charges/Pass Thru	0	30,800	0	0	0
Total	\$590,400	\$635,800	\$610,600	\$799,300	\$771,400
Other Data					
Budgeted FTE	8.1	8.5	7.0	8.0	7.0

Table 73

TECHNICAL SERVICES PROGRAM

Function The Technical Services program includes the Editorial section, which prepares reports and maps for publication, and maintains a variety of databases.

Funding Detail Dedicated Credits come from sales of publications.

Budget History - Natural Resources - Utah Geological Survey - Technical Services					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	488,300	480,300	594,100	490,700	431,800
General Fund, One-time	0	800	2,800	0	(800)
Federal Funds	0	0	0	38,100	0
Dedicated Credits Revenue	12,200	1,100	0	0	68,300
Total	\$500,500	\$482,200	\$596,900	\$528,800	\$499,300
Categories of Expenditure					
Personal Services	290,400	273,400	293,200	266,700	322,500
In-State Travel	0	0	600	0	0
Current Expense	39,200	16,000	16,000	9,800	14,000
DP Current Expense	157,100	177,400	263,700	217,600	162,800
DP Capital Outlay	13,800	15,400	23,400	21,300	0
Capital Outlay	0	0	0	13,400	0
Total	\$500,500	\$482,200	\$596,900	\$528,800	\$499,300
Other Data					
Budgeted FTE	6.1	6.0	6.0	5.5	6.0

Table 74

GEOLOGIC HAZARDS PROGRAM

Function

The purpose of this program is to help protect Utah citizens by reducing losses from geologic hazards. This is done by characterizing significant landslide and earthquake risks, completing detailed hazard maps (1:24,000) for major urban areas, helping state and local government agencies responsibly address hazards, and promoting hazard reduction through education.

This program’s objective is to improve the geologic safety of essential public facilities and proposed development, to improve understanding of geologic hazards, to minimize adverse interaction between human activities and the geologic environment, and to respond to geologic-hazard emergencies.

Accountability

During FY 2006, the program has:

- Completed 46 reviews of geologic reports for regulators (19 in FY2005)
- Completed 21 geologic hazard studies
- Responded to 12 geological hazard emergencies

Funding Detail

Budget History - Natural Resources - Utah Geological Survey - Geologic Hazards					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	378,200	361,100	116,200	482,800	163,700
General Fund, One-time	0	1,000	3,300	(50,000)	(152,000)
Federal Funds	57,700	147,200	101,400	109,400	23,800
Dedicated Credits Revenue	27,800	21,400	5,000	0	5,400
Federal Mineral Lease	0	0	520,100	269,400	789,700
Transfers	5,000	0	0	0	0
Beginning Nonlapsing	8,700	0	0	0	0
Total	\$477,400	\$530,700	\$746,000	\$811,600	\$830,600
Categories of Expenditure					
Personal Services	434,100	470,500	631,200	677,200	665,200
In-State Travel	3,300	3,900	3,700	6,100	3,700
Out of State Travel	5,800	6,200	4,400	7,100	4,400
Current Expense	33,600	32,900	52,600	78,900	156,700
DP Current Expense	600	400	600	9,200	600
Capital Outlay	0	0	40,600	0	0
Other Charges/Pass Thru	0	16,800	12,900	33,100	0
Total	\$477,400	\$530,700	\$746,000	\$811,600	\$830,600
Other Data					
Budgeted FTE	6.9	6.8	9.5	10.0	9.0

Table 75

GEOLOGIC MAPPING PROGRAM

Function

This program produces printed and digital geologic maps, most at 1:100,000 and 1:24,000 scales. Mapping priorities are set each year by a State Mapping Advisory Committee represented the main land management agencies in the state. Program goals are to complete 1:100,000 scale maps by 2015 and map selected areas at 1:24,000 in the rapid urban growth areas as priorities dictate. Maps provide detailed geologic information needed for proper land use decisions, and most include booklets describing the geology within the map.

Funding Detail

Budget History - Natural Resources - Utah Geological Survey - Geologic Mapping					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	183,500	83,200	193,200	156,000	263,900
General Fund, One-time	0	800	500	0	(600)
Federal Funds	169,100	278,400	279,600	16,400	266,900
Dedicated Credits Revenue	0	29,800	0	249,300	0
Federal Mineral Lease	284,900	250,000	429,700	468,100	228,500
Transfers	2,000	0	0	0	0
Total	\$639,500	\$642,200	\$903,000	\$889,800	\$758,700
Categories of Expenditure					
Personal Services	491,400	524,500	612,000	723,100	617,700
In-State Travel	9,900	10,800	19,800	17,600	14,100
Out of State Travel	2,100	1,500	1,500	2,800	1,500
Current Expense	57,800	65,500	202,700	79,900	103,900
DP Current Expense	2,400	900	4,700	400	1,500
DP Capital Outlay	20,900	0	16,000	0	0
Other Charges/Pass Thru	55,000	39,000	46,300	66,000	20,000
Total	\$639,500	\$642,200	\$903,000	\$889,800	\$758,700
Other Data					
Budgeted FTE	8.1	8.7	9.2	10.5	8.0

Table 76

ENERGY AND MINERALS PROGRAM**Function**

This program encourages energy and mineral resource development through a variety of studies to inventory and characterize the state's deposits. Many of these projects are funded in part by the U.S. Department of Energy, the U.S. Geological Survey, or the U.S. Bureau of Land Management, and may include industry, academic, or consulting partners. The results of these projects help industry, the general public, and other governmental agencies make decisions about managing and developing resources in Utah. This program also maintains the Utah Core Research Center, which contains cuttings from wells and cores across the state.

Division administration has reported that even though coalbed methane production has peaked and is now declining, new discoveries of natural gas from deeper formations within the Uinta Basin caused 2006 to be a record year for sold gas production. Natural gas is now the most important fossil fuel in the state for revenue generation, surpassing coal, which led during most of the 1990s, and oil, which dominated the 1980s. Increased oil production is also occurring due to the central Utah thrust belt discovery, and increased oil production from the Uinta Basin.

UGA has reported that in FY2006, the Division has released a compilation of industry data on the oil shale resource and the tar sands of eastern Utah. It also began phase II of a federally funded project to investigate the fate of carbon dioxide injected into the Paradox Basin, San Juan County, in partnership with industry and many other collaborators. A reassessment of the Alton coalfield significantly revised (upwards) the available recoverable resources.

Funding Detail

In FY2006, 45 percent of total expenditure was provided by Federal Funds and Dedicated Credits. Fourteen percent of the pass-through expenditures went to industry partners participating in projects.

Budget History - Natural Resources - Utah Geological Survey - Energy and Minerals					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	0	216,400	0	119,500	500
General Fund, One-time	0	300	0	0	0
Federal Funds	253,700	181,800	217,400	647,400	248,200
Dedicated Credits Revenue	28,900	227,700	311,700	0	245,900
Federal Mineral Lease	627,500	706,800	514,600	1,191,600	1,102,700
Transfers	174,800	0	0	0	0
Beginning Nonlapsing	515,800	367,700	609,000	209,900	100,800
Closing Nonlapsing	(367,700)	(609,000)	(209,900)	(726,800)	(77,000)
Total	\$1,233,000	\$1,091,700	\$1,442,800	\$1,441,600	\$1,621,100
Categories of Expenditure					
Personal Services	898,100	945,700	1,056,000	1,120,400	1,087,500
In-State Travel	6,700	10,800	8,200	7,400	8,200
Out of State Travel	6,200	7,200	16,600	13,200	15,600
Current Expense	85,700	98,000	213,900	103,000	507,800
DP Current Expense	2,500	10,800	6,100	2,500	2,000
DP Capital Outlay	5,000	6,000	0	0	0
Capital Outlay	6,200	0	33,200	0	0
Other Charges/Pass Thru	222,600	13,200	108,800	195,100	0
Total	\$1,233,000	\$1,091,700	\$1,442,800	\$1,441,600	\$1,621,100
Other Data					
Budgeted FTE	15.8	16.5	17.6	16.9	14.0

Table 77

GROUND WATER AND PALEONTOLOGY PROGRAM (ENVIRONMENTAL SCIENCES)

Function This program evaluates the quantity and quality of Utah’s ground-water resources; and helps identify, protect, and preserve Utah’s fossil resources through public outreach programs and through inventory and recovery projects that reconcile preservation and development needs.

UGS reported that in FY2006, hydrogeologic studies were carried out in Curlew Valley (Box Elder County), Cedar Fort Valley (Utah), Snake Valley (Millard), Castle Valley (Grand), Moab and Spanish Valley (Grand and San Juan), Blanding (San Juan), San Pete Valley, and Beaver City.

Funding Detail

Budget History - Natural Resources - Utah Geological Survey - Ground Water and Paleontology					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	268,600	87,800	345,800	0	676,600
General Fund, One-time	0	700	119,100	0	(200)
Federal Funds	92,000	82,000	77,800	20,900	5,000
Dedicated Credits Revenue	35,300	188,600	241,500	117,900	106,200
Federal Mineral Lease	0	273,100	221,400	898,900	37,600
Transfers	133,900	0	0	0	0
Total	\$529,800	\$632,200	\$1,005,600	\$1,037,700	\$825,200
Categories of Expenditure					
Personal Services	472,800	552,300	781,800	902,600	745,300
In-State Travel	11,900	11,200	15,100	17,400	8,800
Out of State Travel	3,300	4,300	3,600	2,000	3,400
Current Expense	40,700	58,600	105,200	103,100	67,300
DP Current Expense	1,100	500	400	5,100	400
Capital Outlay	0	5,300	47,500	0	0
Other Charges/Pass Thru	0	0	52,000	7,500	0
Total	\$529,800	\$632,200	\$1,005,600	\$1,037,700	\$825,200
Other Data					
Budgeted FTE	9.6	11.4	14.4	15.1	11.0

Table 78

STATE ENERGY PROGRAM**Function**

The State Energy Program (SEP) program was transferred from DNR's Division of Energy to UGS in FY 2006. It promotes renewable energy and energy efficiency and conservation throughout the state. This is done through the administration of incentive programs such as the Renewable Energy Tax Credit (UCA 59-7-614 and UCA 59-10-1014) and Public Facilities Energy Efficiency Pilot Program. Support is given to the development of wind energy in the state through the Anemometer Loan Program and other SEP activities that aid in characterizing the state's wind resources and providing other assistance to prospective wind developers. SEP also serves as a repository of technical and policy information that is used by government and private partners in the development of energy programs and policies.

Public information is an important aspect of SEP's activities, including general public education on energy efficiency and renewable energy and the funding of special outreach programs, such as energy education in public schools and energy codes training to the building industry. The program supports and manages state working groups on energy efficiency, and geothermal, wind, and solar energy. SEP also maintains an extensive set of energy information tables and figures on the UGS website to assist both the general public and researchers regarding Utah's energy production, consumptions, resources, and prices.

Funding

This program is funded primarily through an annual federal formula grant that varies by year. FY2006 formula grant funding was \$448,000 and FY 2007 funding is \$344,000. A 20 percent state match is required for receipt of most SEP federal funds; \$81,600 is General Funds is being used for this. In addition, SEP may receive other federal and private funds for its activities. In FY 2006, SEP received federal "Special Projects" funds totaling \$538,671 that are being used to fund Utah organizations for energy education, training, and for the use of alternative fuels in transportation (e.g. natural gas and biodiesel). SEP also periodically receives small "omnibus" awards from the U.S. Department of Energy to support specific energy activities. Other grant opportunities are pursued when appropriate.

Budget History - Natural Resources - Utah Geological Survey - State Energy Program					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	0	0	0	81,600	0
Federal Funds	0	0	0	702,700	669,300
Total	\$0	\$0	\$0	\$784,300	\$669,300
Categories of Expenditure					
Personal Services	0	0	0	224,800	190,100
In-State Travel	0	0	0	900	5,000
Out of State Travel	0	0	0	4,100	4,700
Current Expense	0	0	0	46,800	10,000
DP Current Expense	0	0	0	700	2,500
Capital Outlay	0	0	0	24,000	0
Other Charges/Pass Thru	0	0	0	483,000	457,000
Total	\$0	\$0	\$0	\$784,300	\$669,300
Other Data					
Budgeted FTE	0.0	0.0	0.0	3.4	3.0

Table 79

GEOLOGIC INFORMATION AND OUTREACH PROGRAM

Function

This program answers public inquiries, performs public, teacher, and media outreach, prepares translated publications for a non-technical audience, manages the UGS web site (geology.utah.gov), manages the DNR Bookstore and its web site (mapstore.utah.gov), and the DNR Library. The program also prepares publications for non-technical users of UGS information.

Funding Detail

Dedicated Credits come mostly from sales at the DNR bookstore.

Budget History - Natural Resources - Utah Geological Survey - Information and Outreach					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	250,200	316,900	371,500	386,000	366,900
General Fund, One-time	0	700	2,800	0	(1,300)
Dedicated Credits Revenue	298,500	286,600	282,400	279,300	233,500
Federal Mineral Lease	0	0	0	21,300	0
Transfers	3,000	0	0	0	0
Total	\$551,700	\$604,200	\$656,700	\$686,600	\$599,100
Categories of Expenditure					
Personal Services	357,600	399,000	468,700	543,900	488,200
In-State Travel	100	500	400	300	400
Out of State Travel	1,100	0	0	0	0
Current Expense	191,200	203,400	172,500	141,300	109,800
DP Current Expense	1,700	1,300	5,600	1,100	700
DP Capital Outlay	0	0	9,500	0	0
Total	\$551,700	\$604,200	\$656,700	\$686,600	\$599,100
Other Data					
Budgeted FTE	7.3	6.9	8.0	9.1	7.0

Table 80

CHAPTER 8 DIVISION OF WATER RESOURCES**Function**

The Division of Water Resources is 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 to 3.8 million in 2030, an increase of over 60% since 2002.

According to some estimates, water infrastructure will require more than \$5.3 billion in improvements over the next 20 years.

Statutory Authority

The following laws govern operations of the Division:

- UCA 73-10-1.5 creates the Board of Water Resources within DNR as the policy-making body of the Division. The board has eight members.
- UCA 73-10-5 requires the board to cause plans and cost estimates to be prepared for construction projects it selects. It can enter into contracts if funding availability is certified by the Division of Finance.
- UCA 73-10-8 creates the revolving Water Resources Construction Fund. Revenues come from appropriations, repayments, money from the 500,000 acres of trust land designated for reservoirs at statehood, charges to water users, and interest. Uses include developing water conservation projects (including related expenses), and issuing loans or grants for dam safety projects. Repayment of related costs (engineering, etc.) should be paid back first and deposited in a sub-account known as the Investigation Account. Loans to dam owners must be secured by taking water rights.
- UCA 73-10-18 creates the Division of Water Resources in DNR. Subject to the board, the Division can make studies, plan for full development and utilization of the state's water, initiate investigations to develop the state water plan, and file applications in the state's name for water rights.
- UCA 73-10-22 creates the Cities Water Loan Fund. Loans may be made to benefit cities, towns, or districts.
- UCA 73-10-24 creates the Revolving Conservation and Development (C&D) fund, to be administered by the board. It may be used for construction, operation, and maintenance of projects considered by the board to be outside the scope of financing by the Construction Fund.
- UCA 73-10-25.1 allows the board to enter into credit enhancements and interest buy-down agreements to enhance the ability of political sub-Divisions to obtain funding.
- UCA 73-10-27 requires C&D projects to be in the public interest and adequately designed. Priority for funds is given to: State or political subdivisions; Critical local needs, Projects with greater economic

feasibility; Projects which will yield revenue within a reasonable time or interest rate

- UCA 73-10-31 requires that at least ten percent of the combined funding from the three loan funds be for credit enhancements and interest buy-downs.
- UCA 73-10-32 requires the Division to help water providers prepare and adopt a water conservation plan. The board must provide guidelines. The board must publish the non-compliers in a newspaper and cannot give public funds to them.
- UCA 73-23-3 requires the Division to provide for the construction, operation and maintenance of the West Desert Pumping Project.
- UCA 73-26-104 directs the Division to develop the surface waters of the Bear River.
- UCA 73-28-201 directs the board to construct, own, maintain, and operate the Lake Powell Pipeline project.

Funding Detail

The operating budget is funded primarily from the General Fund and transfers from the Conservation and Development (C&D) Fund. The amount transferred from the C&D fund to the Operating Budget is used to pay the engineering and other operating costs of the Construction Program and the Water Conservation/Education Program.

Seventy five percent of the Division's operating budget for FY 2006 is for salaries and benefits. For the period FY 2003-2006, these expenditures have increased by 10 percent. This is due to Cost Of Living Adjustment (COLA) and Market Comparability Adjustments (MCA), as well as increases in healthcare costs funded by the Legislature. For that period, the average cost per FTE (salary and benefits) in the Division has increased by 11 percent, from \$69,300 in FY 2003 to \$76,600 in FY 2006.

The 2006 Legislature provided additional funding to restore 10 gauges and to ensure that no essential gauges will be cut, the Legislature appropriated a FY 2006 Supplemental of \$38,000 and \$118,000 (\$78,000 one-time) in FY 2007 to the Division of Water Resources.

The capital budget consists of the following three revolving loan funds:

- Cities Water Loan Fund,
- Revolving Construction Fund, and
- Conservation and Development Fund.

More detail on these funds will be provided later in this chapter.

Budget History - Natural Resources - Water Resources					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	2,416,700	2,408,700	2,460,000	2,602,400	2,796,000
General Fund, One-time	0	6,400	13,400	38,000	71,300
Federal Funds	0	243,600	64,500	0	0
Dedicated Credits Revenue	34,100	30,500	28,000	29,800	30,000
Water Resources C&D	1,863,200	1,902,400	1,957,400	2,071,700	2,211,800
Water Res Construction	150,000	150,000	150,000	150,000	150,000
Beginning Nonlapsing	86,000	67,000	40,300	14,200	10,000
Closing Nonlapsing	(67,000)	(40,300)	(14,200)	(37,400)	(8,000)
Lapsing Balance	(30,800)	(24,400)	(17,800)	0	0
Total	\$4,452,200	\$4,743,900	\$4,681,600	\$4,868,700	\$5,261,100
Programs					
Administration	394,100	386,500	375,200	423,400	455,200
Board	37,300	28,800	36,800	29,300	31,700
Interstate Streams	266,700	263,000	281,400	294,000	294,000
Planning	1,694,500	1,747,400	1,800,000	1,883,700	2,075,800
Cloudseeding	144,300	386,100	171,700	150,000	150,000
City Loans Administration	101,200	93,800	64,300	0	0
Construction	1,574,900	1,635,000	1,725,700	1,911,500	2,051,300
Water Conservation/Education	162,000	156,700	166,600	159,900	160,500
Bear River/Wasatch Front	11,200	0	0	0	0
West Desert Ops	2,600	10,800	4,300	8,700	10,600
Cooperative Water Conservation	63,400	35,800	55,600	8,200	32,000
Total	\$4,452,200	\$4,743,900	\$4,681,600	\$4,868,700	\$5,261,100
Categories of Expenditure					
Personal Services	3,325,400	3,438,100	3,510,200	3,643,400	4,154,600
In-State Travel	53,100	44,300	51,600	46,700	45,500
Out of State Travel	23,700	20,800	30,600	43,700	22,300
Current Expense	521,200	735,300	538,600	556,100	387,500
DP Current Expense	118,500	91,000	123,900	106,000	112,800
DP Capital Outlay	0	0	8,400	11,900	0
Other Charges/Pass Thru	410,300	414,400	418,300	460,900	538,400
Total	\$4,452,200	\$4,743,900	\$4,681,600	\$4,868,700	\$5,261,100
Other Data					
Budgeted FTE	48.0	48.6	47.7	47.6	51.0

Table 81

WATER RESOURCES ADMINISTRATION

Function Administration provides leadership and support to the other programs in the Division. This program also includes budget, accounting, and public information functions.

Funding Detail Personal Services comprise more than 91 percent of the Administration program's budget.

Budget History - Natural Resources - Water Resources - Administration					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	394,100	385,200	373,400	422,100	456,500
General Fund, One-time	0	1,300	3,100	0	(1,300)
Beginning Nonlapsing	0	0	0	1,300	0
Closing Nonlapsing	0	0	(1,300)	0	0
Total	\$394,100	\$386,500	\$375,200	\$423,400	\$455,200
Categories of Expenditure					
Personal Services	351,400	348,800	323,600	346,100	413,500
In-State Travel	5,100	6,400	5,100	5,900	5,100
Out of State Travel	2,300	2,800	5,100	11,000	2,800
Current Expense	19,500	20,000	22,200	48,900	14,600
DP Current Expense	15,800	8,500	19,200	11,500	19,200
Total	\$394,100	\$386,500	\$375,200	\$423,400	\$455,200
Other Data					
Budgeted FTE	5.6	5.5	4.9	5.1	6.0

Table 82

WATER RESOURCES BOARD

Function The board oversees comprehensive water planning, protection of rights to interstate waters, and management of water resource project construction programs. The board consists of eight members, with no more than four from the same political party. One member is appointed from each major drainage basin.

Statutory Authority Created under UCA 73-10-1.5, the board is the policy-making body of the Division.

Funding Detail The following table shows the board’s per diem and administrative costs.

Budget History - Natural Resources - Water Resources - Board					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	37,300	28,800	36,800	29,300	31,700
Total	\$37,300	\$28,800	\$36,800	\$29,300	\$31,700
Categories of Expenditure					
Personal Services	12,200	10,100	11,600	9,400	10,800
In-State Travel	19,700	14,200	18,100	14,300	16,100
Out of State Travel	900	700	1,600	1,900	1,000
Current Expense	4,500	3,800	5,500	3,700	3,800
Total	\$37,300	\$28,800	\$36,800	\$29,300	\$31,700

Table 83

INTERSTATE STREAMS PROGRAM

Function

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 approximately 1 million.

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.

Funding Detail

Budget History - Natural Resources - Water Resources - Interstate Streams					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	266,700	262,700	280,900	294,000	294,400
General Fund, One-time	0	300	500	0	(400)
Total	\$266,700	\$263,000	\$281,400	\$294,000	\$294,000
Categories of Expenditure					
Personal Services	92,600	93,300	101,200	109,000	117,100
In-State Travel	1,000	700	900	1,300	900
Out of State Travel	14,500	10,800	20,500	20,800	15,100
Current Expense	2,700	3,200	2,800	2,800	2,800
DP Current Expense	1,000	500	1,500	3,500	1,500
Other Charges/Pass Thru	154,900	154,500	154,500	156,600	156,600
Total	\$266,700	\$263,000	\$281,400	\$294,000	\$294,000
Other Data					
Budgeted FTE	1.0	1.0	1.0	1.0	1.0

Table 84

PLANNING PROGRAM

Function

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 (updated in 2001) 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, the federal Natural Resource Conservation Service, and Utah water user groups (such as cities and water districts) on a cost share basis. These studies provide data for the state water plan.

Funding Detail

This budget comes entirely from the General Fund. Pass-through expenditures go to the Natural Resources Conservation Service for snow data, and the U.S. Geological Survey for stream gauging data.

Budget History - Natural Resources - Water Resources - Planning					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	1,716,000	1,721,200	1,764,600	1,848,300	2,002,800
General Fund, One-time	0	4,800	9,800	38,000	73,000
Federal Funds	0	0	25,000	0	0
Dedicated Credits Revenue	0	0	500	0	0
Beginning Nonlapsing	0	21,500	100	0	0
Closing Nonlapsing	(21,500)	(100)	0	(2,600)	0
Total	\$1,694,500	\$1,747,400	\$1,800,000	\$1,883,700	\$2,075,800
Categories of Expenditure					
Personal Services	1,277,900	1,341,900	1,405,200	1,357,000	1,583,100
In-State Travel	9,800	10,200	11,100	8,200	10,200
Out of State Travel	3,400	1,400	2,100	8,200	2,100
Current Expense	81,200	87,200	60,200	139,100	45,500
DP Current Expense	66,800	46,800	57,600	55,000	53,100
DP Capital Outlay	0	0	0	11,900	0
Other Charges/Pass Thru	255,400	259,900	263,800	304,300	381,800
Total	\$1,694,500	\$1,747,400	\$1,800,000	\$1,883,700	\$2,075,800
Other Data					
Budgeted FTE	18.4	18.6	18.8	17.3	19.0

Table 85

CLOUD SEEDING PROGRAM

Function

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 to twenty percent. Technological advances and added reservoir storage capacity will hopefully enhance the benefit of this program in the future.

Funding Detail

Financing comes from the Revolving Construction Fund and is expended entirely on contractual services. Beginning in 2006, UCA 59-12-103(5) transfers \$150,000 as dedicated credit of the amount of sales tax exceeding the \$17.5 million to this program.

Budget History - Natural Resources - Water Resources - Cloudseeding					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Federal Funds	0	243,600	39,500	0	0
Water Res Construction	150,000	150,000	150,000	150,000	150,000
Lapsing Balance	(5,700)	(7,500)	(17,800)	0	0
Total	\$144,300	\$386,100	\$171,700	\$150,000	\$150,000
Categories of Expenditure					
In-State Travel	0	300	0	0	0
Current Expense	144,300	378,600	171,600	150,000	150,000
DP Current Expense	0	7,200	100	0	0
Total	\$144,300	\$386,100	\$171,700	\$150,000	\$150,000

Table 86

CONSTRUCTION PROGRAM

Function 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 provide general public assistance.

Funding Detail

Budget History - Natural Resources - Water Resources - Construction					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Dedicated Credits Revenue	0	0	0	3,000	0
Water Resources C&D	1,600,000	1,635,000	1,726,500	1,911,800	2,051,300
Beginning Nonlapsing	0	0	0	800	0
Closing Nonlapsing	0	0	(800)	(4,100)	0
Lapsing Balance	(25,100)	0	0	0	0
Total	\$1,574,900	\$1,635,000	\$1,725,700	\$1,911,500	\$2,051,300
Categories of Expenditure					
Personal Services	1,382,600	1,437,600	1,487,300	1,697,600	1,895,100
In-State Travel	14,900	9,200	13,500	14,400	11,000
Out of State Travel	900	4,200	900	800	900
Current Expense	146,400	160,600	174,800	166,600	108,400
DP Current Expense	30,100	23,400	40,800	32,100	35,900
DP Capital Outlay	0	0	8,400	0	0
Total	\$1,574,900	\$1,635,000	\$1,725,700	\$1,911,500	\$2,051,300
Other Data					
Budgeted FTE	19.5	20.0	19.9	22.2	23.0

Table 87

WATER CONSERVATION/EDUCATION PROGRAM

Function

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.

Accountability

Water use reductions are a gage of the effectiveness of state and local water conservation programs. This is a measure of the public's response to these programs.

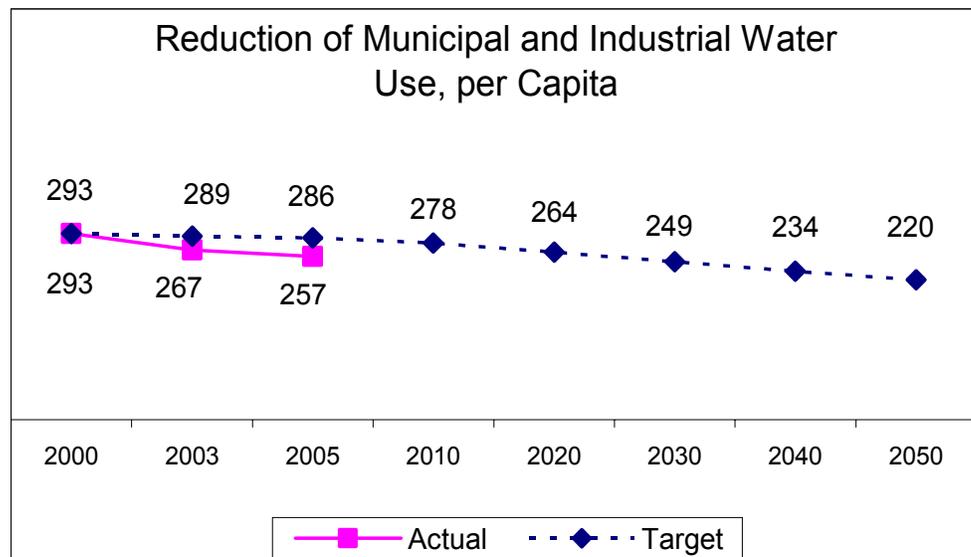


Figure 7

Measure: Reductions in per capita municipal and industrial (M&I) water use are measured for each year. Per capita measurements account for growing population.

Goal: The state's water conservation goal is to reduce the year 2000 per capita M&I water use by at least 25% before 2050.

Methodology: M&I water use data is collected from each public community water system in the state, on a rotating basis, and divided by the population served by that system to obtain per capita water use.

Measure Type: Outcome

The latest actual number available for statewide water use is for calendar year 2005. The trend of the actual conservation has been far ahead of where it was expected to be at this point. In addition to response to the conservation campaigns, there is certainly some response to the recent drought. The long-term average use will reflect annual temperature and precipitation conditions

and is expected to rise or fall irregularly. The key will be the long-term trend of reducing per capita water use.

Funding Detail

This program is funded entirely from the C&D Fund.

Budget History - Natural Resources - Water Resources - Water Conservation/Education					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Water Resources C&D	162,000	156,700	166,600	159,900	160,500
Total	\$162,000	\$156,700	\$166,600	\$159,900	\$160,500
Categories of Expenditure					
Personal Services	110,700	118,500	120,500	124,300	135,000
In-State Travel	2,600	3,300	2,900	2,600	2,200
Out of State Travel	1,700	900	400	1,000	400
Current Expense	43,300	32,800	39,700	28,100	19,800
DP Current Expense	3,700	1,200	3,100	3,900	3,100
Total	\$162,000	\$156,700	\$166,600	\$159,900	\$160,500
Other Data					
Budgeted FTE	2.0	2.1	2.1	2.0	2.0

Table 88

WEST DESERT OPERATION

Function

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.

Funding Detail

There are no personal services allocated to this program. All financing comes from the General Fund.

Budget History - Natural Resources - Water Resources - West Desert Ops					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	2,600	10,800	4,300	8,700	10,600
Total	\$2,600	\$10,800	\$4,300	\$8,700	\$10,600
Categories of Expenditure					
Current Expense	2,600	10,800	4,300	8,700	10,600
Total	\$2,600	\$10,800	\$4,300	\$8,700	\$10,600

Table 89

COOPERATIVE WATER CONSERVATION

Function This program receives contributions from water conservancy districts and municipalities to help fund and expand the Division’s water conservation / education programs.

Intent Language *It is the intent of the Legislature that the appropriation to the Cooperative Water Conservation Program be nonlapsing.*

This language helps donors be sure their contributions will not lapse to the state’s General Fund.

Funding Detail This program’s budget is comprised entirely from donations (dedicated credits) and prior-year donations carried forward (nonlapsing balances).

Budget History - Natural Resources - Water Resources - Cooperative Water Conservation					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Dedicated Credits Revenue	34,100	30,500	27,500	26,800	30,000
Beginning Nonlapsing	74,800	45,500	40,200	12,100	10,000
Closing Nonlapsing	(45,500)	(40,200)	(12,100)	(30,700)	(8,000)
Total	\$63,400	\$35,800	\$55,600	\$8,200	\$32,000
Categories of Expenditure					
Current Expense	63,400	35,800	55,600	8,200	32,000
Total	\$63,400	\$35,800	\$55,600	\$8,200	\$32,000

Table 90

WATER RESOURCES CAPITAL LINE ITEM**Function**

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 of the state. 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 Water Resources Board manages three loan funds:

- The Revolving Construction Fund, established in 1947,
- The Cities Water Loan Fund, established in 1974, and
- The Conservation and Development Fund, established in 1978

Beginning in FY 1998, legislation directed a portion of revenues from a 1/16 percent sales tax to be deposited in the Conservation and Development Fund. With changes in the legislation in 2006, Division management is anticipating additional \$13 to \$14 million per year for various projects, including preliminary work on Bear River Development and Lake Powell Pipeline, dam safety mandates, engineering and planning, and local water development projects. More information on the use of the sales tax money can be found in the Conservation and Development Fund section.

The Water Resources Board has a goal to reduce the year 2000 per capita water consumption in Utah by at least 25% before 2050. If this can be accomplished, it would provide the same benefit as development of 500,000 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.

Statutory Authority

UCA 73-10-1 includes policy statements regarding the value and need for a revolving fund.

REVOLVING CONSTRUCTION FUND

Function The fund may pay for construction, engineering, investigation, and inspection of water projects to conserve the water resources of the state for the best interests of the citizens. This fund is used to build smaller projects for incorporated entities such as private irrigation and water companies. Project sponsors receiving financial assistance enter into installment purchase contracts with the board, deeding water rights and irrigation facilities as security.

Statutory Authority Established in UCA 73-10-8, 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.

Accountability Revolving Construction Fund financial position at the end of FY 2006:

Construction Fund, Capital FY 2006 Year End Balance	
ASSETS	
Current Assets:	
Cash and Cash Equivalents	7,745,000
Investments	-
Receivables:	
Accounts, Net	27,000
Accrued Interest	25,000
Accrued Taxes	-
Notes/Loans/Mortgages	2,310,000
Due From Other Funds	61,000
Total Current Assets	\$10,168,000
Noncurrent Assets:	
Notes/Loans/Mortgages Receivables	28,057,000
Accrued Interest Receivable	-
Total Noncurrent Assets	\$28,057,000
Total Assets	\$38,225,000
LIABILITIES	
Current Liabilities	
Accounts Payable and Accrued Liabilities	504,000
Accrued Liabilities	-
Due To Other Funds	-
Unearned Revenue	61,000
Total Liabilities	\$565,000
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	-
Unrestricted (Deficit)	37,660,000
Total Net Assets	\$37,660,000

Table 91

Funding Detail

Funding comes to the account from:

- Repayments.
- Revenue from the 500,000 acres of land (currently 45,814 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. The Division transfers in \$3,800,000 annually from the Conservation and Development Fund for grants for state-mandated dam safety improvements.

This budget typically consists of \$539,100 from the General Fund 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.

Budget History - Water Resources - Revolving Construction					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	539,100	539,100	539,100	539,100	539,100
Water Resources C&D	2,810,000	3,800,000	3,800,000	3,800,000	3,800,000
Total	\$3,349,100	\$4,339,100	\$4,339,100	\$4,339,100	\$4,339,100
Categories of Expenditure					
Other Charges/Pass Thru	3,349,100	4,339,100	4,339,100	4,339,100	4,339,100
Total	\$3,349,100	\$4,339,100	\$4,339,100	\$4,339,100	\$4,339,100

Table 92

The information below is only for purposes of Committee oversight.

Budget History - Water Resources - Revolving Construction, NOT APPROPRIATED					
	2003	2004	2005	2006	2007
Financing	Actual	Actual	Actual	Actual	Estimated
Repayments	2,963,600	3,273,000	3,432,300	3,221,400	2,982,300
Beginning Nonlapsing	3,368,200	4,490,800	6,203,300	5,878,800	7,231,500
Closing Nonlapsing	(4,490,800)	(6,203,300)	(5,878,800)	(7,231,500)	(2,000,000)
Total	\$1,841,000	\$1,560,500	\$3,756,800	\$1,868,700	\$8,213,800
Expenditures					
Other Charges/Pass Thru	1,841,000	1,560,500	3,756,800	1,868,700	8,213,800
Total	\$1,841,000	\$1,560,500	\$3,756,800	\$1,868,700	\$8,213,800

Table 93

CITIES WATER LOAN FUND

Function 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. Generally the Board of Water Resources buys general obligation or revenue bonds from the municipality. Today all funding comes from repayments. The State Treasurer invests any funds not loaned out, with interest accruing to the account.

Accountability The table below presents the FY 2006 year-end balance sheet for the Cities Water Loans

Cities Water Loans, Capital FY 2006 Year End Balance	
ASSETS	
Current Assets:	
Cash and Cash Equivalents	3,178,000
Investments	-
Receivables:	
Accounts, Net	-
Accrued Interest	350,000
Accrued Taxes	-
Notes/Loans/Mortgages	1,471,000
Due From Other Funds	-
Total Current Assets	\$4,999,000
Noncurrent Assets:	
Notes/Loans/Mortgages Receivables	22,469,000
Accrued Interest Receivable	24,000
Total Noncurrent Assets	\$22,493,000
Total Assets	\$27,492,000
LIABILITIES	
Current Liabilities	
Accounts Payable and Accrued Liabilities	-
Accrued Liabilities	-
Due To Other Funds	-
Unearned Revenue	-
Total Liabilities	\$0
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	-
Unrestricted (Deficit)	\$27,492,000
Total Net Assets	\$27,492,000

Table 94

Funding Detail

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.

Cities Water Loans, Capital, Not Appropriated					
	2003	2004	2005	2006	2007
Financing	Actual	Actual	Actual	Actual	Estimated
Repayments	1,626,500	1,913,000	2,562,900	1,734,000	1,778,500
Beginning Nonlapsing	684,300	432,200	669,000	3,231,900	3,179,900
Closing Nonlapsing	(432,200)	(669,000)	(3,231,900)	(3,179,900)	
Total	\$1,878,600	\$1,676,200	\$0	\$1,786,000	\$4,958,400
Expenditures					
Other Charges/Pass Thru	1,878,600	1,676,200	0	1,786,000	4,958,400
Total	\$1,878,600	\$1,676,200	\$0	\$1,786,000	\$4,958,400

Table 95

WATER CONSERVATION AND DEVELOPMENT FUND

Function The Conservation and Development (C & D) Fund generally helps sponsors 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.

Statutory Authority Established in UCA 73-10-24, the C & D Fund was created in 1978 when the federal government sharply reduced its funding of western water projects.

Accountability Conservation and Development Fund financial position at the end of FY 2006:

Conservation and Development, Capital FY 2006 Year End Balance	
ASSETS	
Current Assets:	
Cash and Cash Equivalents	14,202,000
Investments	-
Receivables:	
Accounts, Net	-
Accrued Interest	2,277,000
Accrued Taxes	-
Notes/Loans/Mortgages	6,208,000
Due From Other Funds	-
Total Current Assets	\$22,687,000
Noncurrent Assets:	
Notes/Loans/Mortgages Receivables	160,325,000
Accrued Interest Receivable	3,879,000
Total Noncurrent Assets	\$164,204,000
Total Assets	\$186,891,000
LIABILITIES	
Current Liabilities	
Accounts Payable and Accrued Liabilities	-
Accrued Liabilities	-
Due To Other Funds	-
Unearned Revenue	-
Total Liabilities	\$0
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	-
Unrestricted (Deficit)	\$186,891,000
Total Net Assets	\$186,891,000

Table 96

Funding Detail

Funding comes to the account from:

- Appropriations made by the Legislature. Approximately \$1,000,000 in General Funds has been appropriated annually in the past.
- Designated sales tax revenue. UCA 59-12-103(4) earmarks \$17,500,000 from a 1/16 percent sales tax for water projects. The Conservation and Development Fund receives 41 percent, or \$7,175,000. UCA 59-12-103(5) earmarks the remainder of the 1/16 percent sales tax above \$17,500,000 for water projects. Division management expects the Conservation and Development Fund to receive an additional \$5,000,000 to \$7,000,000 from this source.
- 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 \$3,800,000 to the Construction Fund for dam safety grants.

The base appropriation typically is \$1,043,200 General Funds. The sales tax transfer is in statute and will be handled by the Tax Commission. Other monies shown in Table 8-19 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.

Budget History - Natural Resources - W Res Conserv & Develop					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	1,043,200	1,043,200	1,043,200	1,043,200	1,043,200
Total	\$1,043,200	\$1,043,200	\$1,043,200	\$1,043,200	\$1,043,200
Categories of Expenditure					
Other Charges/Pass Thru	1,043,200	1,043,200	1,043,200	1,043,200	1,043,200
Total	\$1,043,200	\$1,043,200	\$1,043,200	\$1,043,200	\$1,043,200

Table 97

The information below is for purposes of Committee oversight only.

Budget History - Natural Resources - W Res Conserv & Development, NOT APPROPRIATED					
	2003	2004	2005	2006	2007
Financing	Actual	Actual	Actual	Actual	Estimated
Repayments	11,484,300	12,171,600	14,209,000	12,702,400	11,846,100
Designated Sales Tax	1,628,600	6,918,000	7,175,000	7,175,000	14,000,000
Transfers	(4,648,100)	(5,685,500)	(5,757,400)	(5,871,700)	(6,011,800)
Beginning Nonlapsing	7,714,500	6,994,900	5,676,600	16,096,300	13,904,500
Closing Nonlapsing	(6,994,900)	(5,676,600)	(16,096,300)	(13,904,500)	(15,000,000)
Total	\$9,184,400	\$14,722,400	\$5,206,900	\$16,197,500	\$18,738,800
Expenditures					
Current Expense	68,000	32,800	0	0	0
Other Charges/Pass Thru	9,116,400	14,689,600	5,206,900	16,197,500	18,738,800
Total	\$9,184,400	\$14,722,400	\$5,206,900	\$16,197,500	\$18,738,800

Table 98

Distribution of 1/16% Sales Tax for Water - See UCA 59-12-103(4)

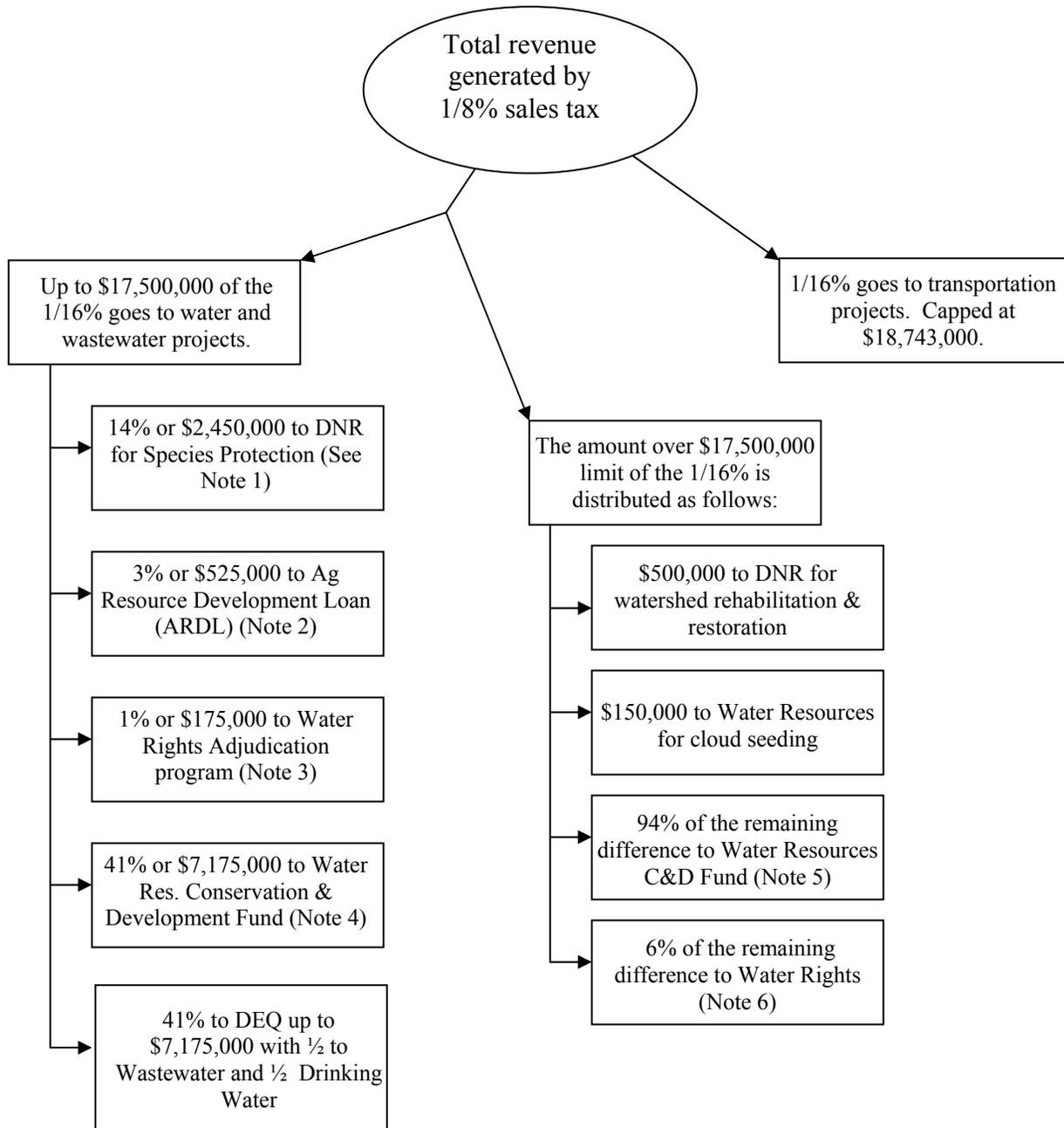


Figure 8

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. H.B. 6004 changed the program’s dedicated funding to \$2,450,000.

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). H.B. 6004 changed the program's dedicated funding to \$525,000.

Note 3: Division of Water Rights' Adjudication Program

Current 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 \$3.8 million of the sales tax revenue that goes to the Water Resources C&D fund each year is 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 \$1.9 million per year is transferred to the Water Resources operating budget to investigate applications and manage construction.

Note 5: 94% of the Remaining Difference to Water Resources C&D Fund

After transferring the \$500,000 to DNR watershed and \$150,000 to Water Resources for Cloudseeding, 94% of the remaining funds will be deposited in the Water Resources' Conservation and Development Fund for preconstruction costs for projects defined in the Bear River Development Act (Title 73, Chapter 26) and the Lake Powell Pipeline Development Act (Title 73, Chapter 28), the cost of a civil engineer to oversee the Bear River Development Project and the Lake Powell Pipeline Project (Title 59-12-103 (5)). Any unexpended monies are to be nonlapsing.

Note 6: 6% of the Remaining Difference to Water Rights

After transferring the \$500,000 to DNR watershed and \$150,000 to Water Resources for Cloudseeding, six percent of the remaining funds will be transferred each year as dedicated credits to Water Rights to cover the costs of additional technical staff for the administration of water rights. The unexpended funds over \$150,000 will lapse to the Water Resources C&D Fund.

CHAPTER 9 DIVISION OF WATER RIGHTS

Function	Directed by the State Engineer, the Division is responsible for the administration and management of the State's water resources. The Division's primary workload is the processing of water right applications while managing the existing water rights' records and regulating the diversion and use of water. It also oversees dam safety, stream channel alterations and water well drilling. The Division of Water Rights is the only Division in the Department of Natural Resources that does not have a board.
Statutory Authority	<p>The following laws govern operations of the Division:</p> <ul style="list-style-type: none">➤ UCA 73-2-1 establishes the position of state engineer and makes him/her responsible for the general administrative supervision of the waters of the state.➤ UCA 73-2-11 requires all of the state engineer's notes, computations and facts collected to be kept on file, be the property of the state, and open to the public.➤ UCA 73-2-14 requires the state engineer to charge fees for various applications and permits. Fees must be kept as dedicated credits and used only for advertising the changes applied for.➤ UCA 73-2-21 authorizes the state engineer to plug or otherwise control artesian wells that are wasting public water. Abandoned wells on public lands may be plugged at the state's expense.➤ UCA 73-1-1 states that all waters in the state are public property, with all rights to use them subject to beneficial use.➤ UCA 73-1-4 requires waters not put to beneficial use to be subject to having the rights forfeited under certain circumstances.➤ UCA 73-1-10 states that water rights are considered real property, though the water itself is not.➤ UCA 73-3-1 states that no water right may be issued without an application to the state engineer. Water must be used for a beneficial purpose. The doctrine of "first in time, first in rights" is stated.➤ UCA 73-3-3.5 spells out how a shareholder in a mutual water company would apply for a change to an existing water right.➤ UCA 73-3-6 requires the state engineer to advertise water right applications once per week during a two week period in a newspaper of general circulation in the county in which the source is located.➤ UCA 73-3a-104 gives the state engineer power to make rules relating to exporting water out of state.➤ UCA 73-3b-103 requires the state engineer to approve permits for artificially recharging groundwater, or to recharge and recover the water later (73-3b-204).

- UCA 73-5a-106 requires dams to be classified according to hazard and use.
- UCA 73-5a-501 requires the state engineer to inspect high potential damage dams in increments commensurate with the relative risk, but not less than once every five years.
- UCA 73-5a-503 requires the state engineer, after a dam inspection, to specify what maintenance is necessary to keep the dam in satisfactory condition. The owner is responsible for the maintenance.

Funding Detail

As a regulatory agency, the Division is funded almost entirely with General Funds with the following minor exceptions:

- UCA 59-12-103(5) requires that \$175,000 (one percent of the \$17.5M 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.
- UCA 59-12-103(5) (f), (g) transfers 6% of the amount of sales tax exceeding the \$17.5 million (after the distribution of \$500,000 to DNR for watershed and \$150,000 to Water Resources for cloudseeding) as dedicated credits to the Division of Water Rights to cover the costs incurred for employing additional technical staff for the administration of water rights. The unexpended dedicated credits over \$150,000 lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24.
- HB 340 in the 2002 General Session replaced General Funds, as previously received, with a dedicated credit of up to \$150,000 of the fees collected from water right applications. The credit is used solely for advertising costs incurred to comply with UCA 73-3-6. This credit is approximately half of the annual fees collected.
- The Division collects assessments on the river systems to pay the salaries and expenses of the water commissioners. The Division acts solely as a collection agent and doesn't use any of the funds for other than river system purposes. Neither the funds nor the commissioners are included in this analysis or the appropriations act.

Eighty percent of the Division's operating budget for FY 2006 was for salaries and benefits. For the period FY 2003-2006, these expenditures have increased by 14 percent. This is primarily due to Cost Of Living Adjustment (COLA) and Market Comparability Adjustments (MCA), as well as increases in healthcare costs funded by the Legislature. For that period, the average cost per FTE (salary and benefits) in the Division has increased by 17 percent, from \$60,300 in FY 2003 to \$70,400 in FY 2006.

The 2006 Legislature appropriated an additional \$105,000 one-time appropriation and a \$250,000 supplemental appropriation to the Division to improve the measurement and regulation of water diversion in the state.

Budget History - Natural Resources - Water Rights					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	5,596,800	5,784,400	5,962,600	6,450,600	6,869,800
General Fund, One-time	130,000	17,600	140,500	356,000	87,200
Federal Funds	0	0	38,800	49,800	25,000
Dedicated Credits Revenue	262,500	362,500	321,800	325,000	342,500
Beginning Nonlapsing	107,100	50,000	98,000	98,200	0
Closing Nonlapsing	(50,000)	(98,000)	(98,200)	(394,500)	0
Lapsing Balance	(93,700)	(37,600)	0	0	0
Total	\$5,952,700	\$6,078,900	\$6,463,500	\$6,885,100	\$7,324,500
Programs					
Administration	671,500	487,800	543,700	704,200	712,900
Applications and Records	665,800	675,900	746,300	811,200	876,600
Dam Safety	595,900	633,800	612,900	650,600	696,700
Field Services	629,900	654,900	809,800	1,061,400	1,075,400
Cooperative Studies	374,300	499,900	617,000	418,700	394,400
Technical Services	585,800	621,300	577,900	656,300	664,400
Advertising	139,700	149,900	146,800	150,000	150,000
Regional Offices	2,289,800	2,355,400	2,409,100	2,432,700	2,754,100
Total	\$5,952,700	\$6,078,900	\$6,463,500	\$6,885,100	\$7,324,500
Categories of Expenditure					
Personal Services	4,803,700	4,909,900	5,075,800	5,488,500	6,070,800
In-State Travel	25,700	29,400	28,200	38,600	36,000
Out of State Travel	3,700	10,400	9,900	11,300	11,000
Current Expense	536,400	533,400	697,500	799,900	740,100
DP Current Expense	258,500	160,200	155,000	148,800	142,600
DP Capital Outlay	0	10,600	0	0	0
Capital Outlay	0	0	0	13,300	0
Other Charges/Pass Thru	324,700	425,000	497,100	384,700	324,000
Total	\$5,952,700	\$6,078,900	\$6,463,500	\$6,885,100	\$7,324,500
Other Data					
Budgeted FTE	79.7	80.9	79.3	77.9	85.0

Table 99

WATER RIGHTS ADMINISTRATION

Function The State Engineer is the Director of the Division and is responsible for 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.

Funding Detail

Budget History - Natural Resources - Water Rights - Administration					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	532,100	641,700	441,300	644,500	609,000
General Fund, One-time	100,000	1,300	102,600	356,000	103,900
Beginning Nonlapsing	22,200	50,000	98,000	98,200	0
Closing Nonlapsing	17,200	(205,200)	(98,200)	(394,500)	0
Total	\$671,500	\$487,800	\$543,700	\$704,200	\$712,900
Categories of Expenditure					
Personal Services	268,000	254,600	235,600	291,000	332,200
In-State Travel	1,900	4,200	1,900	5,000	2,400
Out of State Travel	600	2,400	3,200	2,600	3,500
Current Expense	258,900	227,600	254,000	386,100	329,900
DP Current Expense	142,100	(1,000)	49,000	19,500	44,900
Total	\$671,500	\$487,800	\$543,700	\$704,200	\$712,900
Other Data					
Budgeted FTE	5.9	6.0	5.1	5.0	5.0

Table 100

APPLICATIONS AND RECORDS PROGRAM (APPROPRIATION)

Function 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. Un-appropriated 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 rejection of the applications. This program also processes proof of beneficial use and issues the certificates of beneficial use. All water right files are of public record and are maintained on file and are accessible on the division's web site.

Funding Detail Personal Services comprise 96 percent of the program's budget.

Budget History - Natural Resources - Water Rights - Applications and Records					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	577,700	792,700	739,900	811,200	879,400
General Fund, One-time	0	2,700	6,400	0	(2,800)
Beginning Nonlapsing	4,900	0	0	0	0
Closing Nonlapsing	83,200	(119,500)	0	0	0
Total	\$665,800	\$675,900	\$746,300	\$811,200	\$876,600
Categories of Expenditure					
Personal Services	646,600	636,700	711,100	769,400	844,300
In-State Travel	2,700	3,100	3,900	3,800	4,200
Out of State Travel	0	0	0	0	400
Current Expense	15,800	25,500	20,500	17,700	17,600
DP Current Expense	700	10,600	10,800	20,300	10,100
Total	\$665,800	\$675,900	\$746,300	\$811,200	\$876,600
Other Data					
Budgeted FTE	13.2	13.7	15.0	16.1	16.0

Table 101

DAM SAFETY PROGRAM

Function 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 addresses 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 regularly. This section, in cooperation with the Corps of Engineers, also handles stream channel alteration and gold dredging permits.

Funding Detail

Personal Services comprise 91 percent of this program’s budget.

Budget History - Natural Resources - Water Rights - Dam Safety					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	569,700	593,600	569,700	600,800	673,600
General Fund, One-time	0	2,000	4,400	0	(1,900)
Federal Funds	0	0	38,800	49,800	25,000
Closing Nonlapsing	26,200	38,200	0	0	0
Total	\$595,900	\$633,800	\$612,900	\$650,600	\$696,700
Categories of Expenditure					
Personal Services	583,000	606,600	548,400	574,500	633,000
In-State Travel	7,500	6,300	8,200	8,300	9,000
Out of State Travel	0	1,600	1,600	2,700	1,600
Current Expense	(30,900)	11,700	43,300	41,100	40,700
DP Current Expense	36,300	7,600	11,400	10,700	12,400
Capital Outlay	0	0	0	13,300	0
Total	\$595,900	\$633,800	\$612,900	\$650,600	\$696,700
Other Data					
Budgeted FTE	8.5	9.0	8.0	5.9	8.0

Table 102

FIELD SERVICES PROGRAM (ADJUDICATION)

Function

Within this section there are three managed functions: Distribution, Adjudication and Well Drilling.

Distribution

In conjunction with the local water users: the Division operates about 45 water distribution systems in the State. Water Commissioners are selected for each system and under the direction of the State Engineer, they are responsible to regulate the diversions and record the quantity of water used. These systems are created and organized, either through a court order or by the State Engineer. Distribution systems are funded through assessments to water users. The Division handles the accounts payable, payroll, and other accounting functions for the systems.

Adjudication

An adjudication of water rights is an action in a district court to determine the water rights on the source or in the area involved in the action. The State Engineer has the statutory responsibility to prepare a proposed determination of water rights (PDET), which serves as the basis for the court's decree. As part of this effort, a thorough search is made of the Division's records and the County Recorder and Clerk Offices to identify water rights in the area. Hydrographic surveys and field investigations are completed to verify sources of water, points of diversion, and nature of water use. An evaluation is made of the water right based on the current use of water or the use of water within the recent past (five years). This programs works with the Attorney General’s Office, and the Division pays the salary for 2 attorneys who deal with just adjudication matters.

Well Drilling

The Division licenses about 150 well drillers and 150 registered operators each year and over sees their work activities.

Accountability

The Division regulates the measurement, distribution and reporting of water use on 45 river or ground water systems throughout the state. To improve water management and reduce conflicts, the Division is striving to automate the measurement and make the water use data available real-time via the Internet.

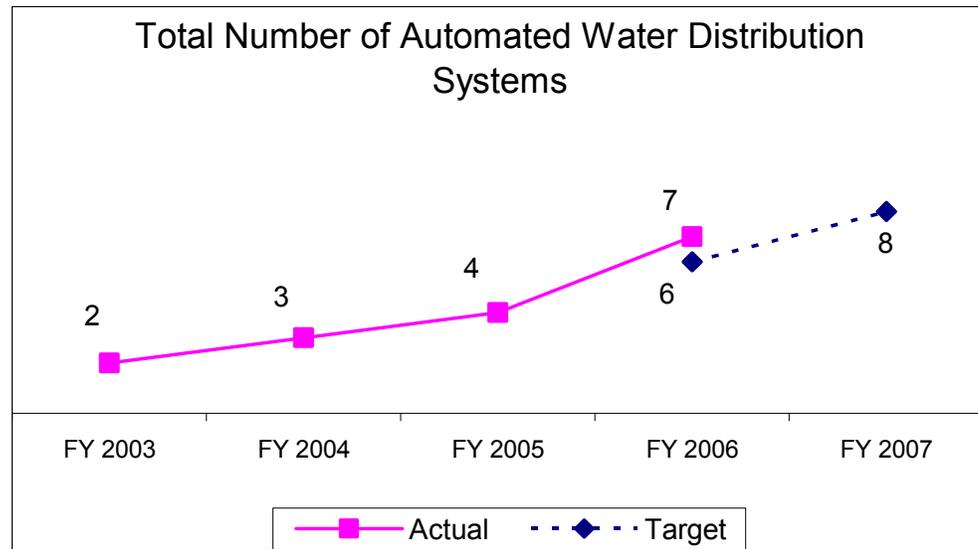


Figure 9

Measure: The performance is measured by the number of systems automated.

Goal: The goal is to automate 25 of the larger systems over the next 10 years.

Methodology: Measure the installed automated systems

Measure Type: Output

This is a relatively new goal for the Division and there needs to be a consistent effort each year in order to be able to reach the ultimate goal of automating 25 of the larger systems in 10 years. For FY 2006 the Division was able to exceed their goal and move closer to reaching their overall goal.

Funding Detail

UCA 59-12-103(5) transfers "Dedicated Credits" of \$175,000 (one percent 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.

Budget History - Natural Resources - Water Rights - Field Services					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	574,200	521,000	629,600	886,400	885,100
General Fund, One-time	0	2,100	5,200	0	(2,200)
Dedicated Credits Revenue	75,000	175,000	175,000	175,000	192,500
Closing Nonlapsing	(19,300)	(43,200)	0	0	0
Total	\$629,900	\$654,900	\$809,800	\$1,061,400	\$1,075,400
Categories of Expenditure					
Personal Services	602,000	622,100	749,500	985,700	982,800
In-State Travel	5,100	6,200	4,500	9,200	5,300
Out of State Travel	2,500	3,300	2,000	3,400	2,400
Current Expense	18,500	17,400	39,200	47,300	73,700
DP Current Expense	1,800	5,900	14,600	15,800	11,200
Total	\$629,900	\$654,900	\$809,800	\$1,061,400	\$1,075,400
Other Data					
Budgeted FTE	9.6	9.6	10.7	13.6	14.0

Table 103

COOPERATIVE STUDIES PROGRAM

Function

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 data and information is used extensively in the evaluation of whether a water right application should be granted.

Funding Detail

Pass-through expenditures go to the U.S. Geological Survey, Utah Geological Survey and universities.

Budget History - Natural Resources - Water Rights - Cooperative Studies					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	540,400	350,900	616,500	418,700	394,600
General Fund, One-time	0	200	500	0	(200)
Beginning Nonlapsing	80,000	0	0	0	0
Closing Nonlapsing	(200,200)	148,800	0	0	0
Lapsing Balance	(45,900)	0	0	0	0
Total	\$374,300	\$499,900	\$617,000	\$418,700	\$394,400
Categories of Expenditure					
Personal Services	48,700	51,900	55,800	14,800	63,900
In-State Travel	400	0	700	0	2,000
Current Expense	500	800	62,800	18,100	3,600
DP Current Expense	0	22,200	600	1,100	900
Other Charges/Pass Thru	324,700	425,000	497,100	384,700	324,000
Total	\$374,300	\$499,900	\$617,000	\$418,700	\$394,400
Other Data					
Budgeted FTE	1.0	1.0	1.0	0.0	1.0

Table 104

TECHNICAL SERVICES PROGRAM

Function This program conducts water resource studies for both surface and ground water sources to adequately define the extent and character of the resource and to develop management policies. They also coordinate the Division's databases and computer operations.

Funding Detail Personal Services comprise 95 percent of this program's budget.

Budget History - Natural Resources - Water Rights - Technical Services					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	617,800	493,000	574,000	656,300	666,400
General Fund, One-time	0	1,700	3,900	0	(2,000)
Closing Nonlapsing	(32,000)	126,600	0	0	0
Total	\$585,800	\$621,300	\$577,900	\$656,300	\$664,400
Categories of Expenditure					
Personal Services	501,700	502,600	516,500	603,200	630,100
In-State Travel	800	1,800	1,400	2,300	2,100
Out of State Travel	0	1,400	400	1,800	400
Current Expense	6,300	11,000	13,500	12,700	11,200
DP Current Expense	77,000	93,900	46,100	36,300	20,600
DP Capital Outlay	0	10,600	0	0	0
Total	\$585,800	\$621,300	\$577,900	\$656,300	\$664,400
Other Data					
Budgeted FTE	7.3	8.0	7.8	7.1	8.0

Table 105

ADVERTISING PROGRAM

Function Applications to appropriate or to change the use of water must be advertised once per week for two weeks in a local newspaper to give notice to neighboring water users. Advertising costs are paid by fees charged to applicants. This program accounts for the advertising expenditures.

Funding Detail This budget is funded entirely from dedicated credits. At one time all fees charged to applicants were deposited in the state’s General Fund; however in the 2002 General Session the Legislature modified the statute so fees are deposited and appropriated as dedicated credits to the Division.

Budget History - Natural Resources - Water Rights - Advertising					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	(30,000)	0	0	0	0
General Fund, One-time	30,000	0	0	0	0
Dedicated Credits Revenue	187,500	187,500	146,800	150,000	150,000
Lapsing Balance	(47,800)	(37,600)	0	0	0
Total	\$139,700	\$149,900	\$146,800	\$150,000	\$150,000
Categories of Expenditure					
Personal Services	37,500	95,500	85,000	89,000	85,000
Current Expense	102,200	54,400	61,800	61,000	65,000
Total	\$139,700	\$149,900	\$146,800	\$150,000	\$150,000

Table 106

WATER RIGHTS REGIONAL OFFICES

Function

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 main office and also performs field work associated with programs administered by the Division.

Funding Detail

Budget History - Natural Resources - Water Rights - Regional Offices					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	2,214,900	2,391,500	2,391,600	2,432,700	2,761,700
General Fund, One-time	0	7,600	17,500	0	(7,600)
Closing Nonlapsing	74,900	(43,700)	0	0	0
Total	\$2,289,800	\$2,355,400	\$2,409,100	\$2,432,700	\$2,754,100
Categories of Expenditure					
Personal Services	2,116,200	2,139,900	2,173,900	2,160,900	2,499,500
In-State Travel	7,300	7,800	7,600	10,000	11,000
Out of State Travel	600	1,700	2,700	800	2,700
Current Expense	165,100	185,000	202,400	215,900	198,400
DP Current Expense	600	21,000	22,500	45,100	42,500
Total	\$2,289,800	\$2,355,400	\$2,409,100	\$2,432,700	\$2,754,100
Other Data					
Budgeted FTE	34.2	33.6	31.8	30.2	33.0

Table 107

CHAPTER 10 DEPARTMENT OF AGRICULTURE AND FOOD**Overview**

The mission of the Department of Agriculture and Food (DAF) is: "To protect and promote Utah agriculture and food." Currently, DAF's focus is on marketing agricultural products, on conservation, and on noxious weeds.

DAF 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.

Though not a part of DAF, the Utah State Fair Corporation has been included as a line item in DAF's budget since FY 2003.

Funding Detail

The 2006 Legislature appropriated to Agriculture and Food for FY 2007 a total budget of \$26,227,800, which included a General Fund appropriation of 13,459,100. Compared to FY 2006, this is a five percent increase in total funding and seven percent increase in General Funds.

Approximately one half of the Department's expenditures in FY 2006 were for employees' salaries and benefits. These expenditures have increased since FY 2003 by 24 percent. This is due to increases in the number of full-time equivalents (FTE), Cost Of Living Adjustment (COLA) and Market Comparability Adjustments (MCA), as well as increases in healthcare costs funded by the Legislature. For that period, the average cost per FTE (salary and benefits) in DAF has increased by 13 percent, from \$49,200 in FY 2003 to \$55,700 in FY 2006.

During the 2006 General Session, the Legislature provided the following funding increases to the Department of Agriculture and Food:

Utah's Own Promotion

The Legislature appropriated a \$400,000 General Fund supplemental to stimulate the rural economy by encouraging consumers to buy Utah products. The money is to be used to implement the Utah's Own campaign, which will include advertising and promotion with consumers, grocers, distributors, restaurants, etc.

Rangeland and Invasive Species Program

The Legislature provided a one-time General Fund appropriation of \$400,000 for the Grazing Improvement Program. Also, the Legislature appropriated \$150,000 ongoing for the improvement of rangeland in Utah.

Veterinarian Position

The Legislature appropriated \$81,000 from the General Fund to fund one full-time veterinary position. The duties will include administering the Trichomoniasis regulations, performing hatchery inspections, and administering the National Poultry Improvement program.

Conservation Districts Operation

The Legislature appropriated \$100,000 one-time to the Conservation Districts for their operation.

Various

The Legislature also appropriated \$20,000 (one-time) for the “Ag In the Classroom” program, \$10,000 for high school rodeo competitions, \$10,000 to the Horse Racing Commission, a supplemental appropriation of \$45,000 to the Berryman Institute for Sage Grouse studies, \$50,000 (one-time) for litigation in Kane County, \$20,000 for Utah Soil Conservation Commission, and \$10,000 (one-time) for weed control.

Budget History - Department of Agriculture and Food					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	9,488,700	10,086,900	10,451,400	11,943,300	12,858,200
General Fund, One-time	375,000	1,312,300	481,700	658,000	600,900
Federal Funds	3,270,800	3,683,800	3,772,000	4,988,900	5,040,800
Dedicated Credits Revenue	3,457,500	3,916,000	5,577,200	4,580,600	4,716,800
Restricted Revenue	0	0	268,300	333,300	0
GFR - Horse Racing	50,000	50,000	50,000	50,000	50,000
GFR - Livestock Brand	700,500	751,300	816,700	931,000	916,000
GFR - Wildlife Damage Prev	527,500	540,200	554,700	582,900	611,700
Agri Resource Development	463,300	527,300	629,400	296,100	629,400
Utah Rural Rehab Loan	18,000	18,000	18,000	18,000	18,000
Transfers	1,302,900	1,694,000	741,300	1,648,800	775,200
Transfers - Fed Pass-thru	0	0	0	35,900	0
Transfers - Natural Resources	266,400	0	0	0	0
Pass-through	0	8,600	29,200	38,100	0
Beginning Nonlapsing	3,287,700	1,993,700	2,915,200	3,068,400	583,700
Closing Nonlapsing	(1,963,300)	(2,915,200)	(3,068,500)	(3,472,500)	(572,900)
Lapsing Balance	(396,900)	(459,300)	(581,700)	(693,100)	0
Total	\$20,848,100	\$21,207,600	\$22,654,900	\$25,007,700	\$26,227,800
Line Items					
Administration	14,069,900	14,707,200	15,836,600	17,925,000	19,248,200
Building Operations	264,000	270,000	270,000	270,000	270,000
Utah State Fair Corporation	3,655,800	3,524,000	3,692,300	3,685,600	3,655,700
Predatory Animal Control	1,116,300	1,214,300	1,373,100	1,418,200	1,303,200
Resource Conservation	1,496,200	1,280,100	1,278,100	1,406,200	1,436,600
Loans	245,900	212,000	204,800	302,700	314,100
Total	\$20,848,100	\$21,207,600	\$22,654,900	\$25,007,700	\$26,227,800
Categories of Expenditure					
Personal Services	9,612,900	9,984,900	10,907,900	11,907,700	13,803,800
In-State Travel	247,000	252,800	274,700	331,300	443,200
Out of State Travel	81,700	77,900	111,500	112,300	146,900
Current Expense	1,978,300	2,324,800	2,519,700	2,703,500	3,109,800
DP Current Expense	503,400	546,100	363,700	252,700	274,900
DP Capital Outlay	2,700	0	22,300	0	0
Capital Outlay	376,100	305,300	282,400	174,200	42,000
Other Charges/Pass Thru	8,046,000	7,665,700	8,123,700	9,526,000	8,407,200
Operating Transfers	0	50,100	49,000	0	0
Total	\$20,848,100	\$21,207,600	\$22,654,900	\$25,007,700	\$26,227,800
Other Data					
Budgeted FTE	195.5	200.7	208.1	213.9	226.0

Table 108

Although DAF uses multiple sources of funding to accomplish its mission, the major funding source for the Department is the state General Fund. For the last five years the General Fund has constituted 51 percent of the total Department funding. For that same time period, the Dedicated Credits and the Federal funding were 19 and 18 percent respectively.

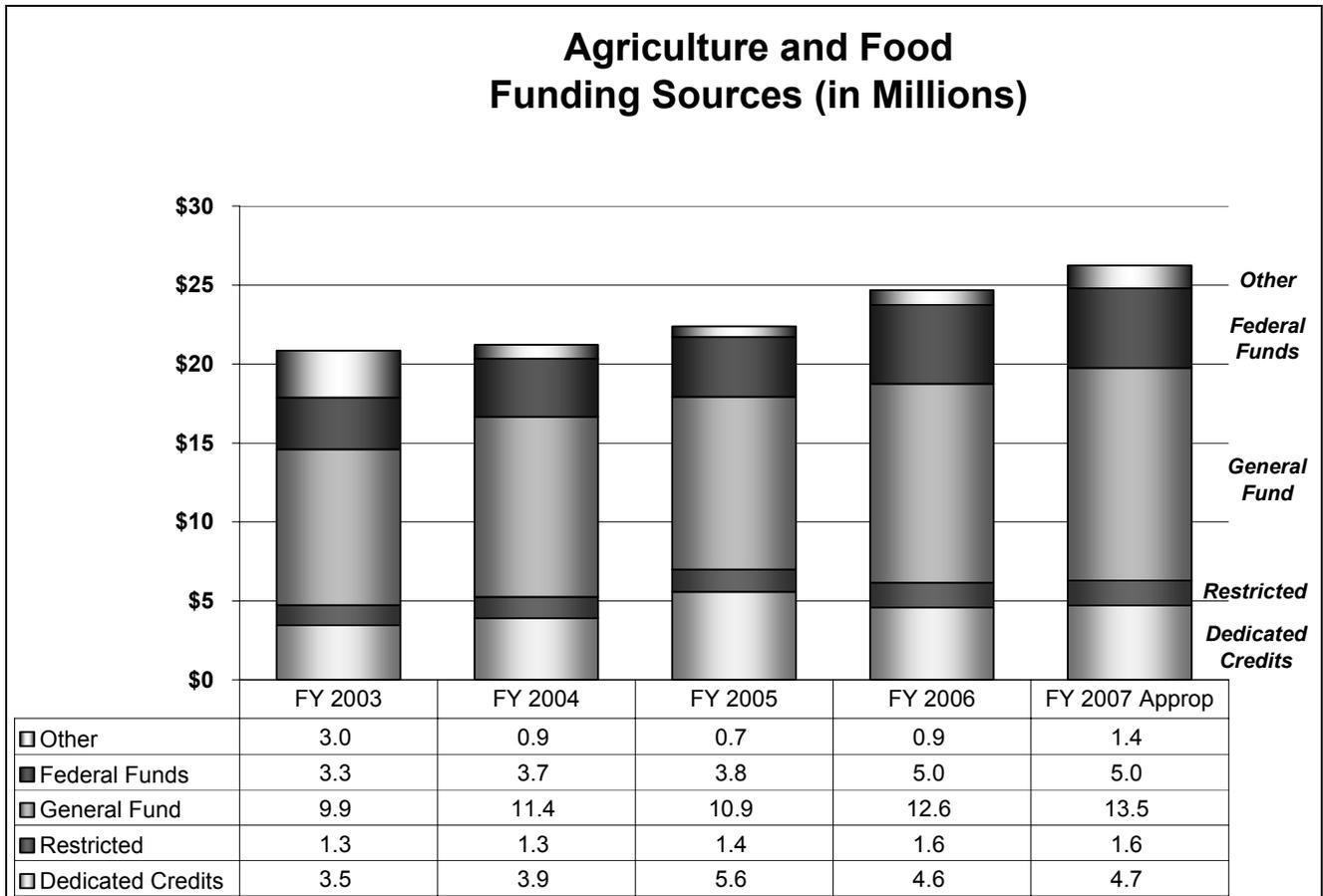


Figure 10

The Legislature appropriates funding from three GFR restricted accounts established for the department. The table below presents the FY 2006 year-end balances of these accounts.

Summary of the Restricted Funds - Department of Agriculture and Food				
Fund/Account Name	Statutory Authority	Revenue Sources	Prescribed Uses	FY 2006 Balance
Utah Livestock Brand and Anti-theft Fund	UCA 4-24-24	fee revenues	for livestock brand and anti-theft and domesticate elk	\$401,100
Horse Racing Account	UCA 4-38-16	fee revenues and fines	insurance, stewards, vets, drug testing	\$18,700
Agricultural and Wildlife Damage Prevention Account	UCA 4-23-7.5	fee revenues and contributions	by the department	\$2,400

Table 109

The Department also manages two loan funds (for details, see pages 10-38 and 10-39):

- Agricultural Resource Development Loan (ARDL) Fund
- Rural Rehabilitation Loan Fund

State Vehicle Report

Statute (UCA 63A-9-402) requires the Office of the Legislative Fiscal Analyst to submit information from the state-owned vehicle report to the appropriation subcommittee that has jurisdiction. As of October 23, 2006, the State Vehicle Report shows UDAF with the following vehicles:

Number of Vehicles Agriculture and Food						
Description	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Sedans	42	42	41	43	43	43
<1 Ton 4x2 Trucks	14	14	14	14	15	15
1+ Ton 4x2 Trucks	4	2	3	3	3	3
4x2 Vans	0	0	0	0	0	0
<1 Ton 4x4 Trucks	10	10	10	11	11	11
1+ Ton 4x4 Trucks	16	17	17	17	17	18
4x4 SUVs	16	16	17	17	16	19
Total	102	101	102	105	105	109

Table 110

DAF ADMINISTRATION LINE ITEM

Summary

The Administration line item contains most of the Department’s programs. Detail on each program can be found in the following sections.

Funding Detail

Seventy three percent of the Department’s budget is for the Administration line item. The total funding for this line item has increase by 25 percent between FY 2003 and FY 2006. The General Fund portion of the funding is 55 percent and it has increased by 39 percent between FY 2003 and FY 2007.

Budget History - Agriculture - Administration					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	7,257,200	7,836,000	7,823,100	9,275,500	10,119,900
General Fund, One-time	375,000	1,004,700	475,400	563,200	477,600
Federal Funds	3,270,800	3,683,800	3,772,000	4,966,700	5,040,800
Dedicated Credits Revenue	983,200	1,112,300	2,735,800	1,714,400	1,868,900
Restricted Revenue	0	0	268,300	0	0
GFR - Horse Racing	50,000	50,000	50,000	50,000	50,000
GFR - Livestock Brand	700,500	751,300	816,700	931,000	916,000
GFR - Wildlife Damage Prev	66,500	66,400	66,500	66,500	66,500
Transfers	1,302,900	1,427,600	228,500	1,083,700	708,500
Transfers - Fed Pass-thru	0	0	0	35,900	0
Pass-through	0	8,600	29,200	38,100	0
Beginning Nonlapsing	1,416,400	1,216,200	2,225,900	2,434,500	0
Closing Nonlapsing	(1,216,300)	(2,225,900)	(2,434,500)	(2,885,500)	0
Lapsing Balance	(136,300)	(223,800)	(220,300)	(349,000)	0
Total	\$14,069,900	\$14,707,200	\$15,836,600	\$17,925,000	\$19,248,200
Programs					
General Administration	1,487,000	1,453,300	2,188,900	2,661,600	2,930,400
Meat Inspection	1,525,600	1,629,500	1,625,100	1,752,700	1,989,300
Chemistry Laboratory	831,000	928,700	923,500	902,700	832,600
Animal Health	886,800	1,375,900	1,324,200	1,737,400	1,495,300
Plant Industry	1,587,800	1,598,700	1,664,300	1,750,500	1,939,400
Regulatory Services	2,302,900	2,335,400	2,599,500	2,704,900	2,817,300
Public Affairs	78,000	79,600	75,900	0	84,900
Sheep Promotion	26,500	35,000	17,800	19,400	50,000
Auction Market Veterinarians	72,700	72,100	69,400	68,200	72,000
Brand Inspection	1,106,800	1,065,700	1,112,500	1,335,200	1,466,900
Utah Horse Commission	27,700	28,700	28,500	20,100	50,000
Environmental Quality	2,362,800	2,604,200	2,129,500	2,766,800	1,741,000
Grain Inspection	251,600	255,600	283,800	293,700	504,400
Quarantine and Insect Inspection	536,600	885,900	1,395,900	1,372,800	2,677,500
Marketing and Development	986,100	358,900	397,800	539,000	597,200
Total	\$14,069,900	\$14,707,200	\$15,836,600	\$17,925,000	\$19,248,200
Categories of Expenditure					
Personal Services	8,585,300	8,942,600	9,840,500	10,726,500	12,580,100
In-State Travel	164,000	163,700	187,700	234,700	345,800
Out of State Travel	73,700	75,300	107,100	107,500	134,000
Current Expense	1,469,300	1,759,200	1,849,500	2,005,200	2,359,900
DP Current Expense	481,100	534,900	343,400	247,100	232,300
DP Capital Outlay	0	0	22,300	0	0
Capital Outlay	376,100	305,300	249,700	174,200	42,000
Other Charges/Pass Thru	2,920,400	2,876,100	3,187,400	4,429,800	3,554,100
Operating Transfers	0	50,100	49,000	0	0
Total	\$14,069,900	\$14,707,200	\$15,836,600	\$17,925,000	\$19,248,200
Other Data					
Budgeted FTE	173.4	178.2	185.9	190.9	203.0

Table 111

GENERAL ADMINISTRATION PROGRAM

Function	The General Administration Program ensures that all financial transactions are performed according to state laws and procedures. Other responsibilities include budgeting, human resource management, information technology services, establishment of department policies, federal grant administration, and other accounting functions.
Statutory Authority	<p>The following laws govern operation of this program:</p> <ul style="list-style-type: none">➤ UCA 4-2-1 creates the Utah Department of Agriculture and Food (UDAF), making it responsible for administration of all laws, services, and consumer programs related to agriculture.➤ UCA 4-2-2 lists powers and duties➤ UCA 4-2-3 sets administration of the department under the control of a commissioner appointed by the governor with the consent of the Senate.➤ UCA 4-2-4 allows the commissioner to organize the department into Divisions as necessary for efficient administration.➤ UCA 4-2-5 requires the commissioner to prepare and submit an itemized budget each year.➤ UCA 4-2-7 creates the Agricultural Advisory Board.
Intent Language	<p><i>It is the intent of the Legislature that the appropriation for conservation easements, whether granted to charitable organizations specified under UCA 57-18-3 or held by the Department of Agriculture and Food, be used to conserve agricultural lands and be nonlapsing.</i></p> <p><i>It is the intent of the Legislature that the appropriation for Utah's Own be non-lapsing.</i></p> <p><i>It is the intent of the Legislature to approve redistribution of \$355,000 from the funding authorized by the 2005 Legislature in S.B.3 Item 203 to be nonlapsing, according to UCA 63-38-8.1, to be used for special projects.</i></p> <p><i>It is the intent of the Legislature that the Department may not spend any of the \$500,000 one-time appropriation for the Grazing Improvement Program for grazing improvements on federal or private lands unless the Department receives matching private or federal funds at least equal to the amount to be expended by the Department from the appropriation.</i></p> <p><i>It is the intent of the Legislature that the Department may not spend any of the \$400,000 one-time appropriation for the Grazing Improvement Program for grazing improvements on federal or private lands unless the Department receives matching private or federal funds at least equal to the amount to be expended by the Department from the appropriation. This appropriation shall be nonlapsing.</i></p>

Under the terms of UCA 63-38-8.1, the Legislature intends not to lapse Item 189, Chapter 8, Laws of Utah 2005. Expenditures of these funds is limited to: Capital Equipment or Improvements \$153,000; Computer Equipment/Software \$50,000; Employee Training/Incentives \$123,000; Equipment/Supplies \$100,000; Special Projects/Studies \$350,000.

Funding Detail

While most of this program is funded with General Funds, other funds are used to pay their share of overhead costs for administrative services rendered here.

Budget History - Agriculture - Administration - General Administration					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	1,119,500	1,139,500	1,167,200	1,140,200	1,717,500
General Fund, One-time	85,000	57,300	183,100	515,200	495,500
Federal Funds	246,200	306,300	336,000	418,300	525,500
Dedicated Credits Revenue	7,400	14,000	18,900	0	4,100
Restricted Revenue	0	0	268,300	0	0
GFR - Livestock Brand	12,700	12,700	12,700	12,700	12,700
GFR - Wildlife Damage Prev	16,500	16,400	16,500	16,500	16,500
Transfers	26,200	51,900	167,400	66,400	158,600
Pass-through	0	0	10,500	14,500	0
Beginning Nonlapsing	403,800	358,100	346,800	727,400	0
Closing Nonlapsing	(358,100)	(377,200)	(308,900)	(233,100)	0
Lapsing Balance	(72,200)	(125,700)	(29,600)	(16,500)	0
Total	\$1,487,000	\$1,453,300	\$2,188,900	\$2,661,600	\$2,930,400
Categories of Expenditure					
Personal Services	1,036,300	1,086,600	1,410,800	1,591,900	1,633,700
In-State Travel	4,500	6,300	9,400	12,800	9,500
Out of State Travel	10,500	6,300	11,600	14,600	12,500
Current Expense	180,300	152,500	290,800	302,000	661,400
DP Current Expense	156,200	135,900	173,000	151,000	144,900
DP Capital Outlay	0	0	22,300	0	0
Capital Outlay	15,800	0	0	0	0
Other Charges/Pass Thru	83,400	65,700	271,000	589,300	468,400
Total	\$1,487,000	\$1,453,300	\$2,188,900	\$2,661,600	\$2,930,400
Other Data					
Budgeted FTE	17.9	18.7	22.4	23.3	24.0

Table 112

MEAT INSPECTION PROGRAM

Function Utah’s meat inspection system ensures that meat and poultry coming from state-inspected facilities is safe, wholesome, and correctly labeled and packaged as required by state law (UCA 4-32) and federal law. The program inspects and regulates raw beef, pork, lamb, chicken, and turkey, as well as ready-to-eat and other processed products. Inspectors test for the presence of pathogens, toxins, drugs and chemical residues. Inspections are done before and after slaughter. Facilities are inspected for cleanliness and sanitation. According to the USDA, consumers spend one third of their annual food dollars on meat and poultry products.

Statutory Authority UCA 4-32, “Meat and Poultry,” governs operation of this program.

Funding Detail This program is typically funded at approximately a fifty percent state / fifty percent federal split.

Budget History - Agriculture - Administration - Meat Inspection					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	756,400	776,400	822,000	878,700	944,700
General Fund, One-time	33,600	2,300	7,300	0	(2,500)
Federal Funds	763,700	807,400	821,500	876,700	1,047,100
Dedicated Credits Revenue	200	2,800	1,800	1,000	0
Beginning Nonlapsing	4,700	34,600	7,900	900	0
Closing Nonlapsing	(34,600)	36,500	(35,400)	(4,600)	0
Lapsing Balance	1,600	(30,500)	0	0	0
Total	\$1,525,600	\$1,629,500	\$1,625,100	\$1,752,700	\$1,989,300
Categories of Expenditure					
Personal Services	1,363,600	1,408,800	1,450,000	1,596,400	1,724,300
In-State Travel	10,900	10,100	9,100	14,500	20,000
Out of State Travel	2,300	6,500	4,700	4,100	13,800
Current Expense	132,100	158,500	156,500	137,200	193,800
DP Current Expense	13,600	45,600	4,800	500	37,400
Other Charges/Pass Thru	3,100	0	0	0	0
Total	\$1,525,600	\$1,629,500	\$1,625,100	\$1,752,700	\$1,989,300
Other Data					
Budgeted FTE	29.0	29.4	28.8	28.8	28.0

Table 113

CHEMISTRY LABORATORY

Function

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, groundwater, and other items as needed.

Statutory Authority

UCA 4-2 Part 2 requires the state chemist to be appointed by the commissioner and lists the chemist’s responsibilities. The state chemist performs all analytical tests required by the Agricultural Code. The lab may perform tests for other agencies or anybody else if the tests don’t interfere with work required by UDAF, and if a fee is charged.

Accountability

The following three indicators provide information on laboratory efficiency while still performing required services. Increased efficiencies should result in lowered costs and or turn around time for results.

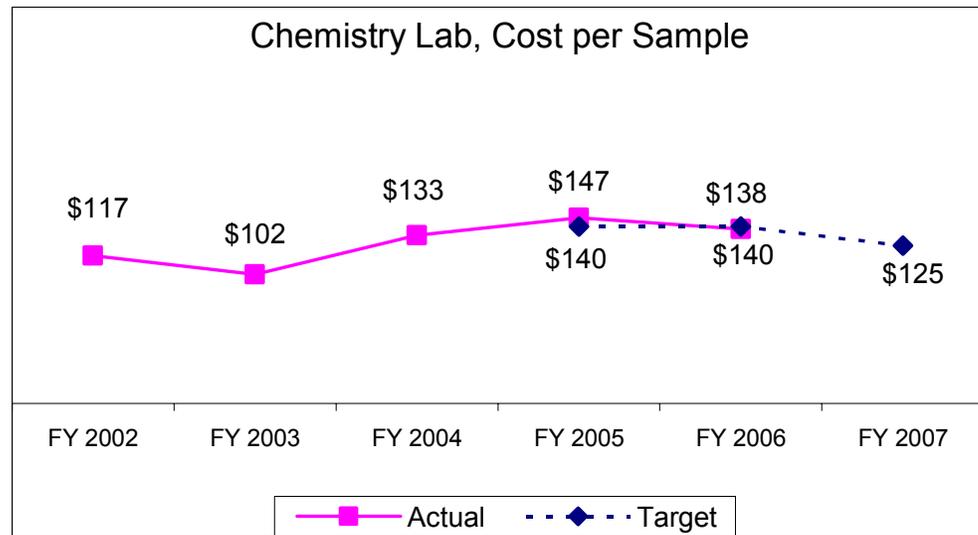


Figure 11

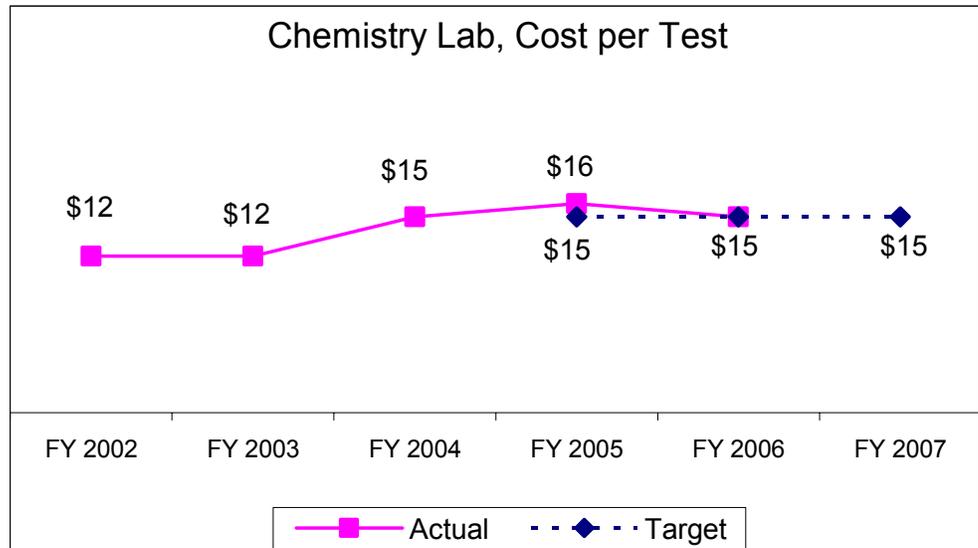


Figure 12

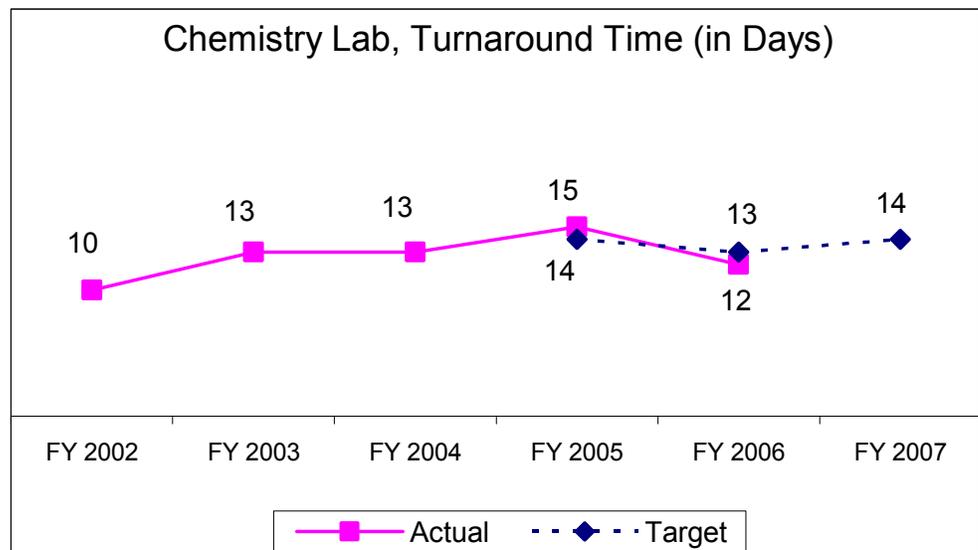


Figure 13

Measure: Cost per sample tested, cost per test performed on each sample, and time (days) required to complete all tests and report results to clients.

Goal: Lab efficiency by maintaining or reducing laboratory costs while maintaining or reducing turn around time.

Methodology: Budget spent divided by number of samples and tests performed. Turn around time is calculated based on date sample received until date results reported. This is not "working days".

Measure Type: output

Old equipment needed to be replaced and new tests were added in FY 2005, which required the purchasing of new equipment. This has led to the increase in the overall cost per sample and test.

Funding Detail

This program receives the major portion of its funding from the General Fund, but some funding is supplied by the federal government to pay for monitoring of pesticides in groundwater and inspection of meat samples.

Budget History - Agriculture - Administration - Chemistry Laboratory					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	621,900	630,300	651,600	689,500	745,800
General Fund, One-time	6,600	1,900	5,300	0	(2,200)
Federal Funds	82,100	90,200	115,400	94,700	89,000
Dedicated Credits Revenue	20,600	1,300	1,200	1,600	0
Beginning Nonlapsing	92,300	50,500	132,000	106,400	0
Closing Nonlapsing	(50,500)	(24,100)	18,000	10,500	0
Lapsing Balance	58,000	178,600	0	0	0
Total	\$831,000	\$928,700	\$923,500	\$902,700	\$832,600
Categories of Expenditure					
Personal Services	610,700	614,900	656,200	693,100	776,800
In-State Travel	600	800	500	1,300	500
Out of State Travel	5,700	2,200	6,900	7,000	3,800
Current Expense	106,400	91,000	126,800	100,500	51,500
DP Current Expense	31,500	31,500	18,700	4,800	0
Capital Outlay	61,400	188,300	114,400	96,000	0
Other Charges/Pass Thru	14,700	0	0	0	0
Total	\$831,000	\$928,700	\$923,500	\$902,700	\$832,600
Other Data					
Budgeted FTE	10.5	10.6	11.0	10.5	12.0

Table 114

ANIMAL HEALTH PROGRAM

Function	The aim of the program is to maintain the disease free status and promote the marketability of Utah animals and protect public health. This benefits the animals, the livestock industry, and the public. 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 inspections, and inspects aquaculture facilities, slaughter plants, brine shrimp plants, dog food plants, etc. A staff of veterinarians carries out most of the work. Homeland security is a significant aspect of the program. The law further provides quarantine powers to the Commissioner to prevent the spread of contagious or infectious diseases.
Statutory Authority	The following chapters of UCA 4 govern operation of this program: <ul style="list-style-type: none">➤ Chapter 7, Agricultural Products and Livestock Dealers' Act➤ Chapter 8, Agricultural Fair Trade Act➤ Chapter 21, Beef Promotion➤ Chapter 29, Diseases of Poultry➤ Chapter 30, Livestock Markets➤ Chapter 31, Livestock Inspection and Quarantine➤ Chapter 32, Meat and Poultry➤ Chapter 37, Aquaculture Act➤ Chapter 39, Domesticated Elk Act
Accountability	<p>The goal of this program is to maintain a Disease Free Status for Brucellosis, Tuberculosis, Pseudorabies, Salmonella pullorum, Mycoplasma gallisepticum, & Scabies. Utah has participated in various national disease eradication efforts over the years and has attained disease free status in the above listed diseases. This status allows for Utah livestock to move freely and without the restrictions that would be applied otherwise by other states.</p> <p>Measure: Disease Free Status for each of the listed diseases is attained through surveillance testing of animals going to slaughter or leaving the state or through flock and herd testing, vaccination programs, etc.</p> <p>Goal: The goal is to remain disease free in each of the above disease categories as attested by our surveillance activities.</p> <p>Outcomes: Disease Free</p> <p>Methodology: National standards provide that Disease Free Status will be down graded if more than 1 disease case is detected in a given year.</p>

Funding Detail

Dedicated Credits come from the sale of health certificates, veterinarian service fees, and citations. Some fees charged by this Division are deposited in the state's General Fund.

Budget History - Agriculture - Administration - Animal Health					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	689,000	957,500	1,005,500	1,313,700	1,432,300
General Fund, One-time	70,700	1,500	23,500	0	(1,700)
Federal Funds	84,600	343,800	336,400	527,500	39,200
Dedicated Credits Revenue	18,300	6,400	13,200	12,800	25,500
Transfers	19,000	86,900	53,300	41,100	0
Beginning Nonlapsing	58,300	63,200	11,800	1,200	0
Closing Nonlapsing	(63,200)	(26,500)	(119,500)	(158,900)	0
Lapsing Balance	10,100	(56,900)	0	0	0
Total	\$886,800	\$1,375,900	\$1,324,200	\$1,737,400	\$1,495,300
Categories of Expenditure					
Personal Services	528,300	618,300	685,800	739,400	799,200
In-State Travel	4,400	4,800	7,000	9,400	7,300
Out of State Travel	6,200	12,900	17,300	12,200	17,300
Current Expense	105,800	375,000	220,600	311,000	269,500
DP Current Expense	29,900	65,800	12,800	14,500	0
Capital Outlay	49,100	25,000	38,700	0	0
Other Charges/Pass Thru	163,100	274,100	342,000	650,900	402,000
Total	\$886,800	\$1,375,900	\$1,324,200	\$1,737,400	\$1,495,300
Other Data					
Budgeted FTE	7.8	8.4	9.2	8.8	8.0

Table 115

PLANT INDUSTRY PROGRAM (AGRICULTURAL INSPECTIONS)

Function	<p>This program performs a wide scope of inspection, regulatory and enforcement activities, including: pesticide product registration; fertilizer product registration and sampling; nursery licensing and inspection; Inspection and grading of fresh fruits and vegetables; USDA Restricted Use pesticide record auditing; Utah Noxious Weed Act enforcement; Animal feed product registration and sampling; and Seed inspection and sampling. District compliance specialists 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.</p> <p>The pesticide program includes applicator certification, pesticide enforcement, worker protection standards, endangered species protection, and groundwater protection.</p>
Statutory Authority	<p>The following chapters of UCA 4 govern operation of this program:</p> <ul style="list-style-type: none">➤ Chapter 12, Utah Commercial Feed Act➤ Chapter 13, Utah Fertilizer Act➤ Chapter 14, Utah Pesticide Control Act➤ Chapter 15, Utah Nursery Act➤ Chapter 16, Utah Seed Act➤ Chapter 17, Utah Noxious Weed Act
Accountability	<p>The goal of this program is to protect the citizens of Utah and the environment from product misuse. One of the performances measures is to inspect all nurseries in Utah each year and to insure they have healthy nursery stock for sale. The program staff have completed between 750 and 785 inspections in the last three years.</p> <p>Division staff conducts random sampling of products being offer for sale in Utah markets with regard to proof of guarantee. Staff also sample and test feed, seed and fertilizer products for guarantee analysis.</p>
Intent Language	<p><i>It is the intent of the Legislature that the appropriation to the Agricultural Inspection Program be nonlapsing.</i></p> <p><i>It is the intent of the Legislature that funds collected in the Organic Certification Program be nonlapsing.</i></p>

Funding Detail

The major funding source is the General Fund. Dedicated credits come from fees charged, although some fees charged by this Division are deposited in the state General Fund.

Budget History - Agriculture - Administration - Plant Industry					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	995,300	1,060,400	1,096,200	1,096,800	1,178,000
General Fund, One-time	45,900	3,500	11,400	10,000	(2,900)
Federal Funds	240,500	302,000	534,400	438,400	308,200
Dedicated Credits Revenue	270,300	452,700	510,900	528,600	456,100
Transfers	12,900	16,800	0	0	0
Pass-through	0	0	10,100	15,000	0
Beginning Nonlapsing	347,200	389,000	568,300	1,067,000	0
Closing Nonlapsing	(389,100)	(625,700)	(1,067,000)	(1,405,300)	0
Lapsing Balance	64,800	0	0	0	0
Total	\$1,587,800	\$1,598,700	\$1,664,300	\$1,750,500	\$1,939,400
Categories of Expenditure					
Personal Services	1,143,500	1,182,500	1,242,800	1,388,500	1,656,400
In-State Travel	35,800	28,300	28,000	28,000	27,500
Out of State Travel	18,700	9,800	20,600	17,000	22,500
Current Expense	254,900	170,300	217,200	219,600	200,200
DP Current Expense	67,500	100,700	34,700	20,800	0
Capital Outlay	15,800	35,500	0	8,300	0
Other Charges/Pass Thru	51,600	71,600	121,000	68,300	32,800
Total	\$1,587,800	\$1,598,700	\$1,664,300	\$1,750,500	\$1,939,400
Other Data					
Budgeted FTE	23.9	23.9	23.7	25.4	28.0

Table 116

REGULATORY SERVICES**Function**

This program can be broken down into seven areas: food compliance, dairy compliance, retail meat compliance, egg and poultry grading, product labeling, upholstery and bedding inspection, 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, and other agricultural products. The program provides public health protection to the food supply and also has an active role in Homeland Security for food protection.

Statutory Authority

The following chapters of UCA 4 govern operation of this program:

- Chapter 3, Utah Dairy Act
- Chapter 4, Eggs
- Chapter 5, Utah Wholesome Food Act
- Chapter 6, Flour and Cereal
- Chapter 9, Weights and Measures
- Chapter 10, Upholstered Furniture, Bedding and Quilted Clothing
- Chapter 33, Motor Fuel Inspection
- Chapter 34, Charitable Donation of Food

Accountability

This is a regulatory program and its goal is to ensure that businesses and customers are getting what they are paying for. Whether it is service or goods the ability to track and compute transactions is extremely important. Department’s field staff performs regular inspections.

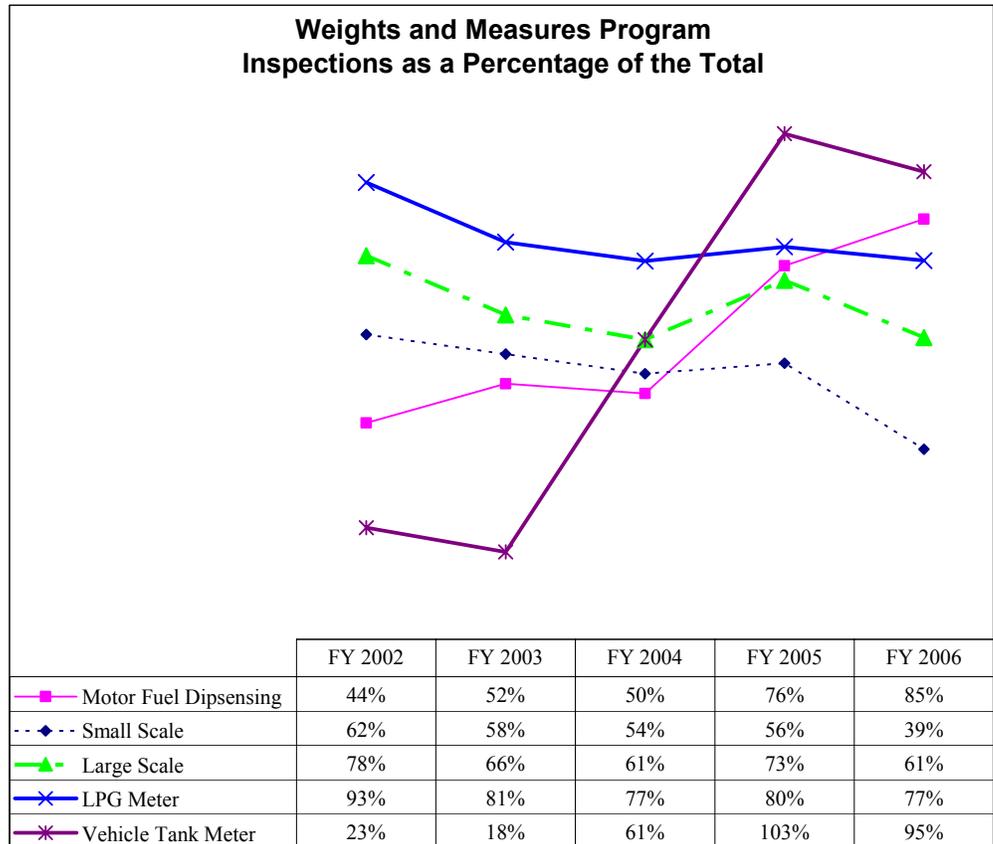


Figure 14

Device numbers are continually changing, which makes it difficult to determine exact numbers and establish defined targets. However, the Department has set goals for the different types of inspections and in the case of the Weights and Measures program, during FY 2006, the performance measure were met or exceeded.

Another major goal of this program is to ensure consumers receive a safe, wholesome supply of food, fiber and other agricultural products. The food program conducted a total of 4,530 inspections at food facilities that move product in commerce for human consumption. There were also 1,642 inspections conducted at dairy farms and processing plants.

Funding Detail

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.

Budget History - Agriculture - Administration - Regulatory Services					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	1,674,500	1,965,700	1,694,700	1,750,000	1,884,600
General Fund, One-time	74,400	4,700	167,200	0	(4,800)
Federal Funds	127,200	117,400	124,500	141,800	137,500
Dedicated Credits Revenue	330,900	320,000	866,400	832,900	800,000
Transfers - Fed Pass-thru	0	0	0	35,900	0
Beginning Nonlapsing	293,200	128,400	215,700	153,200	0
Closing Nonlapsing	(128,400)	(223,000)	(469,000)	(208,900)	0
Lapsing Balance	(68,900)	22,200	0	0	0
Total	\$2,302,900	\$2,335,400	\$2,599,500	\$2,704,900	\$2,817,300
Categories of Expenditure					
Personal Services	1,713,700	1,880,200	2,105,900	2,225,900	2,533,500
In-State Travel	30,600	38,000	35,600	36,000	40,300
Out of State Travel	11,800	13,900	19,300	15,800	34,600
Current Expense	182,500	205,500	263,700	288,300	202,400
DP Current Expense	93,100	74,000	66,800	30,300	0
Capital Outlay	234,000	56,500	56,600	0	0
Other Charges/Pass Thru	37,200	17,200	2,600	108,600	6,500
Operating Transfers	0	50,100	49,000	0	0
Total	\$2,302,900	\$2,335,400	\$2,599,500	\$2,704,900	\$2,817,300
Other Data					
Budgeted FTE	36.9	39.8	42.0	42.4	47.0

Table 117

SHEEP PROMOTION PROGRAM

Function The Department 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.

Statutory Authority UCA 4-23-8 authorizes the Department to spend up to sixteen cents per head each year from the proceeds collected from the “head tax” on sheep for the promotion, advancement, and protection of the sheep interests of the state.

Funding Detail This program is funded entirely from the General Fund Restricted - Agricultural and Wildlife Damage Prevention Account. There are no FTEs in the program.

Budget History - Agriculture - Administration - Sheep Promotion					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
GFR - Wildlife Damage Prev	50,000	50,000	50,000	50,000	50,000
Lapsing Balance	(23,500)	(15,000)	(32,200)	(30,600)	0
Total	\$26,500	\$35,000	\$17,800	\$19,400	\$50,000
Categories of Expenditure					
Other Charges/Pass Thru	26,500	35,000	17,800	19,400	50,000
Total	\$26,500	\$35,000	\$17,800	\$19,400	\$50,000

Table 118

AUCTION MARKET VETERINARIAN PROGRAM

Function There are eight auction markets held throughout the state. The markets are in Smithfield, Weber County, Roosevelt, Spanish Fork, Utah County, 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 vaccinations.

Funding Detail This program is funded entirely from Dedicated Credits. These funds are used to pay for the services of contract veterinarians. There are no FTEs in the program.

Budget History - Agriculture - Administration - Auction Market Veterinarians					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Dedicated Credits Revenue	72,700	72,100	69,400	68,200	72,000
Total	\$72,700	\$72,100	\$69,400	\$68,200	\$72,000
Categories of Expenditure					
Current Expense	72,700	72,100	69,400	68,200	72,000
Total	\$72,700	\$72,100	\$69,400	\$68,200	\$72,000

Table 119

BRAND INSPECTION PROGRAM**Function**

The Brand Inspection program was established to keep the loss of livestock through theft and stray to a minimum. 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.

Statutory Authority

The following chapters of UCA 4 govern operation of this program:

- Chapter 21, Beef Promotion
- Chapter 24, Utah Livestock Brand and Anti-theft Act
- Chapter 25, Estrays and Trespassing Animals
- Chapter 26, Dead Animals - Enclosures and Fences
- Chapter 39, Domestic Elk Act

Accountability

The goal of this program is to provide timely inspections of livestock to reduce loss, thru self compliance. The ultimate goal is to have neither ranchers' complaints nor citations. The performance measure is the number of inspections performed vs. citations and complaints of non-compliance during the year. In the last five years the staff has completed on average approximately 23,500 inspections per year and has issued 18 citations per year. The goal for FY 2006 was to perform 25,000 inspections but the actual number of inspections was 21,333.

Funding Detail

Program funds come 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).

Budget History - Agriculture - Administration - Brand Inspection					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	411,400	422,900	428,800	535,200	564,400
General Fund, One-time	0	1,000	4,600	28,000	(800)
Federal Funds	0	0	0	108,500	0
Dedicated Credits Revenue	0	0	52,100	4,000	0
GFR - Livestock Brand	687,800	738,600	804,000	918,300	903,300
Beginning Nonlapsing	2,100	200	5,700	9,900	0
Closing Nonlapsing	(200)	15,200	(45,700)	(6,700)	0
Lapsing Balance	5,700	(112,200)	(137,000)	(262,000)	0
Total	\$1,106,800	\$1,065,700	\$1,112,500	\$1,335,200	\$1,466,900
Categories of Expenditure					
Personal Services	877,100	863,700	871,600	938,900	1,203,100
In-State Travel	39,100	32,100	32,400	35,800	43,900
Out of State Travel	3,000	2,800	3,800	5,700	5,100
Current Expense	174,800	150,400	204,400	287,400	214,800
DP Current Expense	25,900	16,700	300	3,900	0
Capital Outlay	0	0	0	33,100	0
Other Charges/Pass Thru	(13,100)	0	0	30,400	0
Total	\$1,106,800	\$1,065,700	\$1,112,500	\$1,335,200	\$1,466,900
Other Data					
Budgeted FTE	23.2	23.3	23.4	24.2	24.0

Table 120

UTAH HORSE COMMISSION

Function 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

Statutory Authority The five-member Utah Horse Racing Commission was created under the Utah Horse Regulation Act (UCA 4-38).

Funding Detail All funding comes 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.

Budget History - Agriculture - Administration - Utah Horse Commission					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund, One-time	0	0	0	10,000	0
GFR - Horse Racing	50,000	50,000	50,000	50,000	50,000
Lapsing Balance	(22,300)	(21,300)	(21,500)	(39,900)	0
Total	\$27,700	\$28,700	\$28,500	\$20,100	\$50,000
Categories of Expenditure					
Personal Services	500	600	900	900	1,800
In-State Travel	1,900	1,800	1,500	2,700	2,200
Current Expense	300	1,800	1,100	300	1,000
Other Charges/Pass Thru	25,000	24,500	25,000	16,200	45,000
Total	\$27,700	\$28,700	\$28,500	\$20,100	\$50,000

Table 121

AGRICULTURAL ENVIRONMENTAL QUALITY PROGRAM

Function

This 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.

The conservation arm of this program helps farmers and ranchers protect the state’s soil and water resources through soil conservation and water quality programs, coordination of the ARDL program, the EPA 319 Water Quality program, rangeland monitoring, and a groundwater monitoring program.

Accountability

The Department is working towards reducing the salinity loadings to the Colorado River Basin.

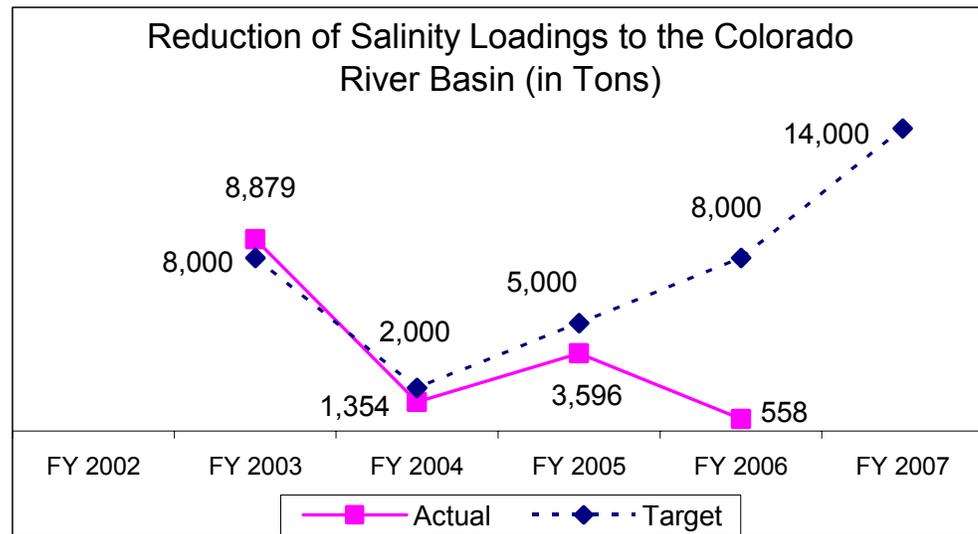


Figure 15

Measure: Reduce salinity loadings to the Colorado River Basin

Goal: To reduce salinity loading in the Colorado River from farms

Methodology: Implement Best Management Practices that will reduce salinity to the Colorado River

Measure Type: outcome

It may take two to three years for producers to spend the obligated funds and to implement the strategies, thus the results for the salinity reduction lag behind. During 2006 the Natural Resources Conservation Services (NRCS) was not able to initiate contracts for DAF to meet their target.

Funding Detail

Federal funds are granted to assist irrigators improve irrigation efficiency. The funding is also for protecting water quality and for promoting specialty crops relating to groundwater salinity. The improved irrigation reduces saline waters from entering the Colorado River System.

Budget History - Agriculture - Administration - Environmental Quality					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	291,600	297,600	302,000	296,400	326,000
General Fund, One-time	0	800	2,100	0	(900)
Federal Funds	868,300	1,113,800	934,500	1,580,800	866,000
Dedicated Credits Revenue	0	0	972,800	0	0
Transfers	1,240,200	1,272,000	0	976,200	549,900
Pass-through	0	8,600	8,600	8,600	0
Beginning Nonlapsing	46,200	46,900	2,500	700	0
Closing Nonlapsing	(46,900)	(90,000)	(93,000)	(95,900)	0
Lapsing Balance	(36,600)	(45,500)	0	0	0
Total	\$2,362,800	\$2,604,200	\$2,129,500	\$2,766,800	\$1,741,000
Categories of Expenditure					
Personal Services	400,100	411,000	419,700	442,400	515,800
In-State Travel	9,800	10,600	11,800	13,500	9,300
Out of State Travel	5,300	12,300	6,900	8,500	4,900
Current Expense	37,800	40,800	49,200	47,600	31,700
DP Current Expense	31,900	29,500	22,000	4,400	0
Other Charges/Pass Thru	1,877,900	2,100,000	1,619,900	2,250,400	1,179,300
Total	\$2,362,800	\$2,604,200	\$2,129,500	\$2,766,800	\$1,741,000
Other Data					
Budgeted FTE	7.0	7.0	6.9	7.0	7.0

Table 122

GRAIN INSPECTION PROGRAM

Function All grain 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 size to meet the demands of the industry.

Statutory Authority Grain inspection services are provided under authority of UCA 4-2 and under the authority of the Federal Grain Inspection Service.

Funding Detail This program is funded from dedicated credits. However, it is not likely that the full appropriation will be collected. The pass-through expenditure in this program goes to the Federal Grain Inspection Service.

Budget History - Agriculture - Administration - Grain Inspection					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	37,200	0	0	0	0
Dedicated Credits Revenue	214,000	198,200	190,500	214,400	504,400
Beginning Nonlapsing	0	0	300	0	0
Closing Nonlapsing	0	57,400	93,000	79,300	0
Lapsing Balance	400	0	0	0	0
Total	\$251,600	\$255,600	\$283,800	\$293,700	\$504,400
Categories of Expenditure					
Personal Services	218,400	219,800	243,300	255,100	433,200
In-State Travel	300	300	100	0	1,200
Out of State Travel	0	400	500	500	2,100
Current Expense	25,600	28,400	33,600	33,200	40,600
Other Charges/Pass Thru	7,300	6,700	6,300	4,900	27,300
Total	\$251,600	\$255,600	\$283,800	\$293,700	\$504,400
Other Data					
Budgeted FTE	5.0	5.0	5.0	5.0	9.0

Table 123

INSECT INFESTATION PROGRAM

Function State law mandates an effective control of insects that are 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 and invasive species surveys.

Statutory Authority The following chapters of UCA 4 govern operation of this program:

- Chapter 11, Bee Inspection Act
- Chapter 35, Insect Infestation Emergency Control Act
- Chapter 36, Pest Control Compact

Funding Detail

Budget History - Agriculture - Administration - Quarantine and Insect Inspection					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	198,900	203,000	206,900	628,700	669,000
General Fund, One-time	58,800	930,700	3,900	0	(700)
Federal Funds	250,400	501,700	569,300	780,000	2,008,300
Dedicated Credits Revenue	48,800	44,800	38,600	36,700	900
Beginning Nonlapsing	94,800	115,100	909,400	332,100	0
Closing Nonlapsing	(115,100)	(909,400)	(332,200)	(404,700)	0
Total	\$536,600	\$885,900	\$1,395,900	\$1,372,800	\$2,677,500
Categories of Expenditure					
Personal Services	368,600	377,100	456,800	510,500	850,000
In-State Travel	23,100	27,100	48,200	76,400	182,000
Out of State Travel	1,400	1,100	4,800	10,900	4,800
Current Expense	63,200	243,000	141,300	117,800	346,900
DP Current Expense	3,700	12,900	4,000	15,800	50,000
Capital Outlay	0	0	29,000	36,800	42,000
Other Charges/Pass Thru	76,600	224,700	711,800	604,600	1,201,800
Total	\$536,600	\$885,900	\$1,395,900	\$1,372,800	\$2,677,500
Other Data					
Budgeted FTE	6.7	7.6	8.8	10.5	10.0

Table 124

MARKETING AND DEVELOPMENT PROGRAM

Function This program helps production agriculture in economic development by expanding markets, adding value to locally-produced commodities, developing new products and promoting further in-state processing for state, national, and international markets.

Funding Detail

Budget History - Agriculture - Administration - Marketing and Development					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	384,800	305,200	369,200	946,300	572,400
General Fund, One-time	0	800	66,500	0	(1,100)
Federal Funds	607,800	101,200	0	0	20,000
Dedicated Credits Revenue	0	0	0	14,200	5,900
Transfers	4,600	0	7,800	0	0
Beginning Nonlapsing	69,600	23,200	23,400	35,700	0
Closing Nonlapsing	(23,200)	(53,400)	(69,100)	(457,200)	0
Lapsing Balance	(57,500)	(18,100)	0	0	0
Total	\$986,100	\$358,900	\$397,800	\$539,000	\$597,200
Categories of Expenditure					
Personal Services	260,100	211,500	230,800	343,500	368,400
In-State Travel	3,000	3,500	4,000	4,300	2,100
Out of State Travel	7,400	6,000	10,000	11,200	12,600
Current Expense	123,800	61,900	66,800	92,100	73,100
DP Current Expense	24,300	19,400	5,200	1,100	0
Capital Outlay	0	0	11,000	0	0
Other Charges/Pass Thru	567,500	56,600	70,000	86,800	141,000
Total	\$986,100	\$358,900	\$397,800	\$539,000	\$597,200
Other Data					
Budgeted FTE	4.5	3.6	3.6	5.0	5.0

Table 125

BUILDING OPERATIONS LINE ITEM

Function The Agriculture Building is located at 350 North Redwood Road. The purpose of this program is to contract with the Division of Facilities and Construction Management (DFCM) for building maintenance.

Funding Detail All financing is from the General Fund.

Budget History - Agriculture - Building Operations					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	264,000	264,000	270,000	270,000	270,000
General Fund, One-time	0	6,000	0	0	0
Total	\$264,000	\$270,000	\$270,000	\$270,000	\$270,000
Categories of Expenditure					
Current Expense	264,000	270,000	270,000	270,000	270,000
Total	\$264,000	\$270,000	\$270,000	\$270,000	\$270,000

Table 126

PREDATORY ANIMAL CONTROL LINE ITEM

Function This program operates 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.

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 17 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.

Statutory Authority This program is governed by UCA 4-23, the Utah Agricultural and Wildlife Damage Prevention Act.

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

Funding Detail 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.

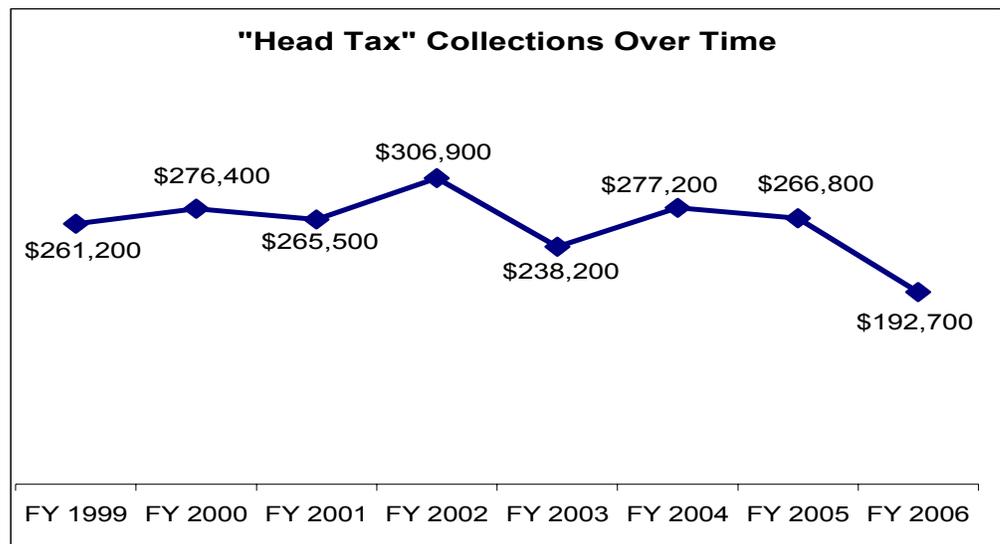


Figure 16

UCA 4-23-9 requires the Department to request General Funds at least equal to 120 percent of the money collected from the “head tax” during the previous fiscal year. The Legislature’s base appropriation is approximately two times this statutory minimum.

Budget History - Agriculture - Predatory Animal Control					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	583,900	599,400	618,500	650,700	692,600
General Fund, One-time	0	1,300	5,300	0	(1,300)
GFR - Wildlife Damage Prev	461,000	473,800	488,200	516,400	545,200
Transfers	0	266,400	512,800	565,100	66,700
Transfers - Natural Resources	266,400	0	0	0	0
Beginning Nonlapsing	192,500	127,300	19,100	19,100	0
Closing Nonlapsing	(127,300)	(19,100)	(19,100)	(400)	0
Lapsing Balance	(260,200)	(234,800)	(251,700)	(332,700)	0
Total	\$1,116,300	\$1,214,300	\$1,373,100	\$1,418,200	\$1,303,200
Categories of Expenditure					
Personal Services	674,500	701,700	732,600	743,900	825,900
In-State Travel	33,300	37,100	37,600	38,300	47,000
Out of State Travel	600	0	1,200	700	1,700
Current Expense	206,200	252,200	364,600	386,100	278,600
Other Charges/Pass Thru	201,700	223,300	237,100	249,200	150,000
Total	\$1,116,300	\$1,214,300	\$1,373,100	\$1,418,200	\$1,303,200
Other Data					
Budgeted FTE	16.3	16.9	17.0	17.0	17.0

Table 127

RESOURCE CONSERVATION LINE ITEM**Function**

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 (UACD).

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.

Statutory Authority

The following laws govern operations in this line item:

- UCA 4-18-4 creates the twelve-member Soil Conservation Commission as an agency of the state functioning within the Department of Agriculture and Food.
- UCA 4-18-5 spells out the duties of the commission. Some of these duties include:
 - Make strategies and programs to protect, conserve, utilize, and develop soil and water resources
 - Disseminate information regarding the districts' activities
 - Approve and make loans from the Agriculture Resource Development Fund for rangeland improvement, watershed and flood prevention, cropland soil and water conservation, and energy efficient farming projects
 - Coordinate soil and water protection actions of state and other entities
 - Employ an administrator and necessary technical experts as employees
- UCA 4-18-6.5 allows the commission to make grants to improve manure management or control runoff at animal feeding operations.
- UCA 4-18-14 allows any soil conservation district to implement a Utah Conservation Corps program.
- UCA 17A-3-Part 8 governs soil conservation districts. Section 805 lists the districts' functions, powers, and duties.

Funding Detail

The following table combines funding information for the three programs in this line item:

Budget History - Agriculture - Resource Conservation					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	1,040,300	944,200	946,500	953,800	982,400
General Fund, One-time	0	300	1,000	94,800	124,600
Federal Funds	0	0	0	22,100	0
Dedicated Credits Revenue	300	500	500	400	0
Restricted Revenue	0	0	0	333,300	0
Agri Resource Development	235,400	333,300	333,300	0	333,300
Beginning Nonlapsing	225,000	4,400	1,900	4,700	0
Closing Nonlapsing	(4,400)	(1,900)	(4,700)	(2,900)	(3,700)
Lapsing Balance	(400)	(700)	(400)	0	0
Total	\$1,496,200	\$1,280,100	\$1,278,100	\$1,406,200	\$1,436,600
Programs					
Resource Conservation Administration	344,600	127,700	125,200	131,900	183,800
Soil Conservation Commission	8,800	8,800	8,700	108,800	8,800
Resource Conservation	1,142,800	1,143,600	1,144,200	1,165,500	1,244,000
Total	\$1,496,200	\$1,280,100	\$1,278,100	\$1,406,200	\$1,436,600
Categories of Expenditure					
Personal Services	156,100	157,600	167,900	168,900	174,000
In-State Travel	43,500	50,100	48,400	56,500	48,300
Out of State Travel	7,400	2,600	3,200	2,500	8,300
Current Expense	12,700	21,600	14,900	20,900	158,600
DP Current Expense	8,400	5,900	4,100	500	0
Other Charges/Pass Thru	1,268,100	1,042,300	1,039,600	1,156,900	1,047,400
Total	\$1,496,200	\$1,280,100	\$1,278,100	\$1,406,200	\$1,436,600
Other Data					
Budgeted FTE	2.0	2.0	2.0	2.0	2.0

Table 128

RESOURCE CONSERVATION ADMINISTRATION

Function 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 administrative support to the Soil Conservation Commission.

Intent Language *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.*

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.

Funding Detail Funding from the Agriculture Resource Development Fund is used to cover costs of technical support to the Agricultural Resource Development Loan (ARDL) program.

Budget History - Agriculture - Resource Conservation - Resource Conservation Administration					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	118,600	119,000	121,300	128,600	157,200
General Fund, One-time	0	300	1,000	(5,200)	24,600
Restricted Revenue	0	0	0	5,700	0
Agri Resource Development	5,700	5,700	5,700	0	5,700
Beginning Nonlapsing	224,600	4,000	1,900	4,700	0
Closing Nonlapsing	(4,000)	(1,000)	(4,600)	(1,900)	(3,700)
Lapsing Balance	(300)	(300)	(100)	0	0
Total	\$344,600	\$127,700	\$125,200	\$131,900	\$183,800
Categories of Expenditure					
Personal Services	100,400	104,200	108,300	112,600	121,400
In-State Travel	3,800	4,000	3,000	3,800	4,000
Out of State Travel	1,800	1,100	2,600	2,500	2,300
Current Expense	5,200	12,500	7,200	12,500	50,900
DP Current Expense	8,400	5,900	4,100	500	0
Other Charges/Pass Thru	225,000	0	0	0	5,200
Total	\$344,600	\$127,700	\$125,200	\$131,900	\$183,800
Other Data					
Budgeted FTE	2.0	2.0	2.0	2.0	2.0

Table 129

SOIL CONSERVATION COMMISSION

Function 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.

Funding Detail This funding pays for the seven soil conservation district supervisors to attend meetings of the Soil Conservation Commission. There are no FTEs in the program.

Budget History - Agriculture - Resource Conservation - Soil Conservation Commission					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	8,800	8,800	8,800	8,800	8,800
General Fund, One-time	0	0	0	100,000	0
Closing Nonlapsing	0	0	(100)	0	0
Total	\$8,800	\$8,800	\$8,700	\$108,800	\$8,800
Categories of Expenditure					
Personal Services	2,400	2,000	1,900	2,200	3,100
In-State Travel	6,200	6,600	6,700	6,800	5,500
Current Expense	200	200	100	100	200
Other Charges/Pass Thru	0	0	0	99,700	0
Total	\$8,800	\$8,800	\$8,700	\$108,800	\$8,800

Table 130

RESOURCE CONSERVATION (SOIL CONSERVATION DISTRICTS)

Function The purpose of this program is to channel funds (pass-through) by direct payment of contracts to individual Soil Conservation Districts (SCD) and/or Utah Association of Conservation Districts 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 *It is the intent of the Legislature that the Soil Conservation Districts submit annual reports documenting supervisory expenses to the Legislative Fiscal Analyst, the Governor’s 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 Legislature.*

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

Funding Detail This program is financed through 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.

Budget History - Agriculture - Resource Conservation					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	912,900	816,400	816,400	816,400	816,400
General Fund, One-time	0	0	0	0	100,000
Federal Funds	0	0	0	22,100	0
Dedicated Credits Revenue	300	500	500	400	0
Restricted Revenue	0	0	0	327,600	0
Agri Resource Development	229,700	327,600	327,600	0	327,600
Beginning Nonlapsing	400	400	0	0	0
Closing Nonlapsing	(400)	(900)	0	(1,000)	0
Lapsing Balance	(100)	(400)	(300)	0	0
Total	\$1,142,800	\$1,143,600	\$1,144,200	\$1,165,500	\$1,244,000
Categories of Expenditure					
Personal Services	53,300	51,400	57,700	54,100	49,500
In-State Travel	33,500	39,500	38,700	45,900	38,800
Out of State Travel	5,600	1,500	600	0	6,000
Current Expense	7,300	8,900	7,600	8,300	107,500
Other Charges/Pass Thru	1,043,100	1,042,300	1,039,600	1,057,200	1,042,200
Total	\$1,142,800	\$1,143,600	\$1,144,200	\$1,165,500	\$1,244,000

Table 131

AGRICULTURAL LOANS LINE ITEM

- Function** This program is responsible for the administration of the two loan fund programs.
- Statutory Authority** The following laws govern operations of this program:
- UCA 59-12-103(5)(b) requires the Department of Agriculture and Food to manage the Agriculture Resource Development Fund.
 - UCA 4-19 makes the department responsible for the conduct and administration of the Rural Rehabilitation loan fund.
- Funding Detail** 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 1/16 percent rate be used to deposit \$525,000 (or 3% of \$17,500,000) 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). 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.

Financing to operate the loans program is transferred from the two loan funds.

Budget History - Agriculture - Loans					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Agri Resource Development	227,900	194,000	296,100	296,100	296,100
Utah Rural Rehab Loan	18,000	18,000	18,000	18,000	18,000
Lapsing Balance	0	0	(109,300)	(11,400)	0
Total	\$245,900	\$212,000	\$204,800	\$302,700	\$314,100
Categories of Expenditure					
Personal Services	197,000	183,000	166,900	268,400	223,800
In-State Travel	6,200	1,900	1,000	1,800	2,100
Out of State Travel	0	0	0	1,600	2,900
Current Expense	26,100	21,800	20,700	21,300	42,700
DP Current Expense	13,900	5,300	16,200	5,100	42,600
DP Capital Outlay	2,700	0	0	0	0
Other Charges/Pass Thru	0	0	0	4,500	0
Total	\$245,900	\$212,000	\$204,800	\$302,700	\$314,100
Other Data					
Budgeted FTE	3.8	3.6	3.2	4.0	4.0

Table 132

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

Agriculture Resource Development Loan (ARDL) Fund			
	FY 2006	FY 2007	FY 2008
	Actual	Estimated	Projected
Operating Revenues and Expenses			
<u>Revenues:</u>			
Interest on Loans	545,500	550,000	560,000
Other Revenue	916,900	900,000	930,000
Total Operating Revenues	\$1,462,400	\$1,450,000	\$1,490,000
<u>Expenses:</u>			
Personal Services	250,900	229,000	229,800
Travel	3,400	6,500	5,000
Current Expense	18,200	29,900	31,300
Other Charges	4,400	0	0
Data Processing	5,100	30,700	30,000
Total Expenses	\$282,000	\$296,100	\$296,100
Total Operating Profit (Loss)	\$1,180,400	\$1,153,900	\$1,193,900
Operating Transfer	(333,200)	(333,300)	(333,300)
Net Income	\$847,200	\$820,600	\$860,600
Balance Sheet			
<u>Assets:</u>			
Cash	523,300	389,300	600,000
Accounts Receivable	18,335,600	19,989,600	19,500,000
Accrued Interest	264,700	333,800	502,300
Other Assets	9,304,600	8,529,000	9,500,000
Fixed Assets	52,400	0	0
Total Assets	\$28,480,600	\$29,241,700	\$30,102,300
<u>Liabilities:</u>			
Accounts Payable	2,700	0	0
Accrued Liabilities	13,800	7,000	0
Due to Other Funds	18,800	0	0
Total Liabilities	\$35,300	\$7,000	\$0
Total Liabilities and Fund Equity	\$28,428,100	\$29,241,700	\$30,102,300

Table 133

Rural Rehabilitation Loan Fund			
Operating Revenues and Expenses	FY 2006 Actual	FY 2007 Estimated	FY 2008 Projected
<u>Revenues:</u>			
Interest	328,000	285,000	325,000
Other Revenue	56,600	10,000	60,000
Total Operating Revenues	<u>\$384,600</u>	<u>\$295,000</u>	<u>\$385,000</u>
<u>Expenses:</u>			
Personal Services	14,900	15,000	15,000
Travel	0	500	500
Current Expense	3,100	1,800	2,500
Data Processing	0	700	0
Total Expenses	<u>\$18,000</u>	<u>\$18,000</u>	<u>\$18,000</u>
Total Operating Profit (Loss)	<u>\$366,600</u>	<u>\$277,000</u>	<u>\$367,000</u>
Transfers Out	0	0	0
Net Income	<u>\$366,600</u>	<u>\$277,000</u>	<u>\$367,000</u>
Balance Sheet			
<u>Assets:</u>			
Cash	797,800	699,100	805,000
Accounts Receivable	6,609,900	6,693,200	6,989,300
Accrued Interest	155,300	250,000	170,000
Other Assets	1,302,300	1,500,000	1,500,000
Total Assets	<u>\$8,865,300</u>	<u>9,142,300</u>	<u>\$9,464,300</u>
<u>Liabilities:</u>			
Due to Other Funds	0	0	0
Total Liabilities	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Liabilities and Fund Equity	<u>\$8,865,300</u>	<u>\$9,142,300</u>	<u>\$9,464,300</u>

Table 134

STATE FAIR CORPORATION LINE ITEM

Overview

The purpose of the corporation is to run the State Fair and other events on the fairgrounds year-round. The State Fair is an “independent public nonprofit corporation” (UCA 9-4-1103) that operates the fair and fairgrounds year round. Subject to approval of the board of directors, the corporation may hold other exhibitions that, in its opinion, will best stimulate agricultural, industrial, artistic, and educational pursuits and the sharing of talents among the people of Utah. Utah’s first State Fair was held in 1856, just nine years after the pioneers arrived.

The Fairpark was privatized in 1995 based on the recommendations of a study committee directed to find a way to help the Fairpark become self-sufficient. However, the legislation allowed the new corporation to receive annual appropriations from the state until it could become self-sufficient. The state leases all 64 acres of Fairpark property to the corporation for \$10 per year.

Intent Language

It is the intent of the Legislature that the appropriation to the Utah State Fair Corporation be nonlapsing.

Accountability

During FY 2006 the fair grounds were visited by approximately 275,300 people during the fair. This is 3 percent increase from previous year. The corporation has estimated that additional 210,100 have visited the grounds for other events during the year.

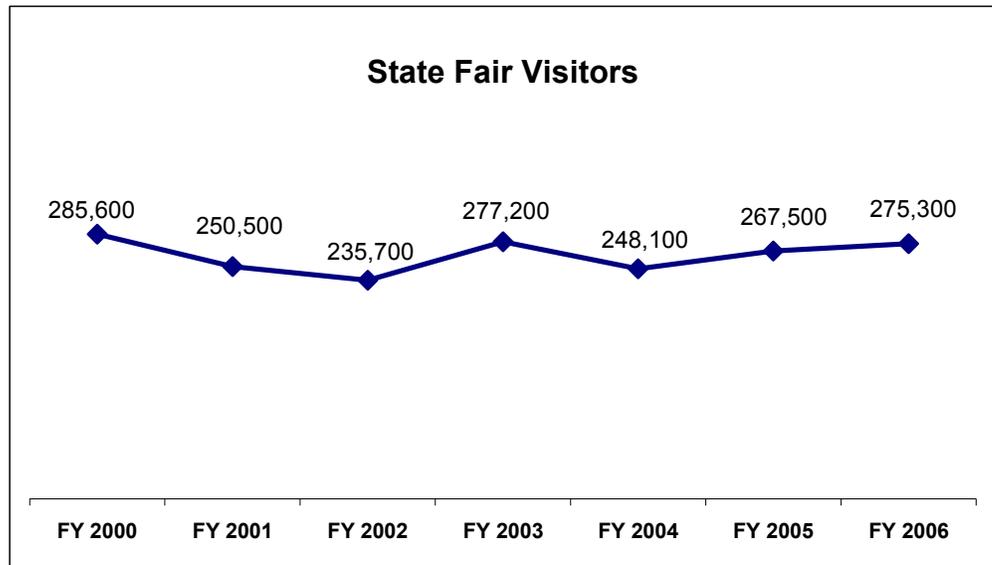


Figure 17

Statutory Authority

The following laws govern Utah State Fair Corporation

- UCA Section 9-4-1103 defines the powers and the legal status of Utah State Fair Corporation
- UCA Section 9-4-1104 defines the terms, membership, and quorum of the Board of Directors
- UCA Section 9-4-1107 specify the creation, revenues, and uses of the Enterprise fund
- UCA 63A-5-306 covers the leasing of state fair park

Funding Detail

The Legislature assigned the State Fair appropriations process to the Natural Resources Appropriations Subcommittee at the end of the 2003 General Session. Funds are appropriated to the Department of Agriculture and Food for pass-through to the corporation.

Since 1995 the corporation has attempted various ways to increase revenues. These include having private groups build a science center, aquarium, and amphitheater, and bonding to construct a large multipurpose arena and sports facility. For various reasons these proposals have all fallen through. Other ideas, such as selling the property and moving the fair, have also been reviewed. The last major study was completed by a committee in 2001, which recommended keeping the fair at its current site and finding a permanent means of funding for facilities.

Budget History - Agriculture - Utah State Fair Corporation					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	343,300	443,300	793,300	793,300	793,300
General Fund, One-time	0	300,000	0	0	0
Dedicated Credits Revenue	2,474,000	2,803,200	2,840,900	2,865,800	2,847,900
Beginning Nonlapsing	1,453,800	645,800	668,300	610,200	583,700
Closing Nonlapsing	(615,300)	(668,300)	(610,200)	(583,700)	(569,200)
Total	\$3,655,800	\$3,524,000	\$3,692,300	\$3,685,600	\$3,655,700
Categories of Expenditure					
Capital Outlay	0	0	32,700	0	0
Other Charges/Pass Thru	3,655,800	3,524,000	3,659,600	3,685,600	3,655,700
Total	\$3,655,800	\$3,524,000	\$3,692,300	\$3,685,600	\$3,655,700

Table 135

CHAPTER 11 SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION (SITLA)

Overview

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.

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, FY 2006			
Beneficiary	Original Grant	Sold Since Statehood	Current Holding
Public Schools	5,855,217	2,547,104	3,308,113
Reservoir Fund	500,000	456,314	43,686
Utah State University	200,000	171,775	28,225
University of Utah	156,080	139,360	16,720
School of Mines	100,000	92,702	7,298
Miners Hospital	100,000	93,559	6,441
Normal School	100,000	93,954	6,046
School for Deaf	100,000	94,422	5,578
Public Buildings	64,000	64,000	0
Utah State Hospital	100,000	99,575	425
School for Blind	100,000	99,544	456
Youth Development Center	100,000	99,981	19
Total	7,475,297	4,052,290	3,423,007

Table 136

Statutory Authority The following laws govern operations of SITLA:

- UCA Title 53C is known as the “School and Institutional Trust Lands Management Act.” Highlights include:
 - The state has a duty of undivided loyalty to the beneficiaries
 - The administration is an independent state agency and not a Division of any other department
 - The administration is subject to most of the usual legislative and executive department controls. Certain exceptions are made in matters of confidentiality, rulemaking, personnel issues, and the procurement code.
 - The board may create an annual incentive and bonus plan for the director and other administration employees designated by the board, based upon reaching financial performance goals and other measurable goals
 - The administration is managed by a director appointed by the board of trustees
 - The board of trustees provides policies for management of the agency
- UCA 53C-1-202 creates the seven-member Board of Trustees. Members are appointed on a nonpartisan basis by the governor with the consent of the Senate.
- UCA 53C-1-204 spells out requirements for the policies established by the board.
- UCA 53C-1-Part 3 lays out the responsibilities of the director
- UCA 53C-1-305 requires the attorney general to represent the board, director, or administration in any legal matter. However, subsection (3) allows the administration, with consent of the attorney general, employ in-house legal counsel. The board may also hire independent counsel.
- UCA 53C-2-Part 4 details disposition of mineral leases from trust lands.
- UCA 53C-3-Part 1 creates the Land Grant Management Fund. Revenue comes from:
 - All revenues derived from trust lands except revenues from the sales of those lands
 - All interest earned by the fund
 - All revenues obtained from other activities of the agency

- Money from sales of school trust lands is deposited in the Permanent State School Fund
- UCA 53C-3-101 allows the director to expend monies from the fund in accordance with the approved budget to support the agency. Any unspent amount is distributed back to the beneficiaries.
- UCA 53C-3-104 requires money from the sale or management of reservoir lands to be deposited in the Water Resources Construction Fund created in UCA 73-10-8.
- UCA 53C-3-Part 2 details distributions of mineral bonus, rental, and royalty revenues gained from lands acquired by state/federal land exchanges.

State Vehicle Report

Statute (63A-9-402) requires the office of the Legislative Fiscal Analyst to submit information from the state-owned vehicle report to the appropriation subcommittee that has jurisdiction. As of October 23, 2006 the State Vehicle Report shows SITLA with the following vehicles:

Number of Vehicles						
School and Institutional Trust Land Administration						
Description	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Sedans	1	1	1	1	1	1
<1 Ton 4x2 Trucks	0	0	0	0	0	0
1+ Ton 4x2 Trucks	0	0	0	0	0	0
4x2 Vans	0	0	0	0	0	0
<1 Ton 4x4 Trucks	5	5	5	5	5	5
1+ Ton 4x4 Trucks	0	0	0	0	0	0
4x4 SUVs	8	8	8	8	10	11
Specialty Vehicles	0	0	0	0	1	1
Total	14	14	14	14	17	18

Table 137

Accountability

SITLA’s goal is to maximize the revenues from the state trust lands on behalf of the beneficiaries. FY 2006 was a record-setting year for SITLA in terms of generated revenues: \$140 million coming from the operation.

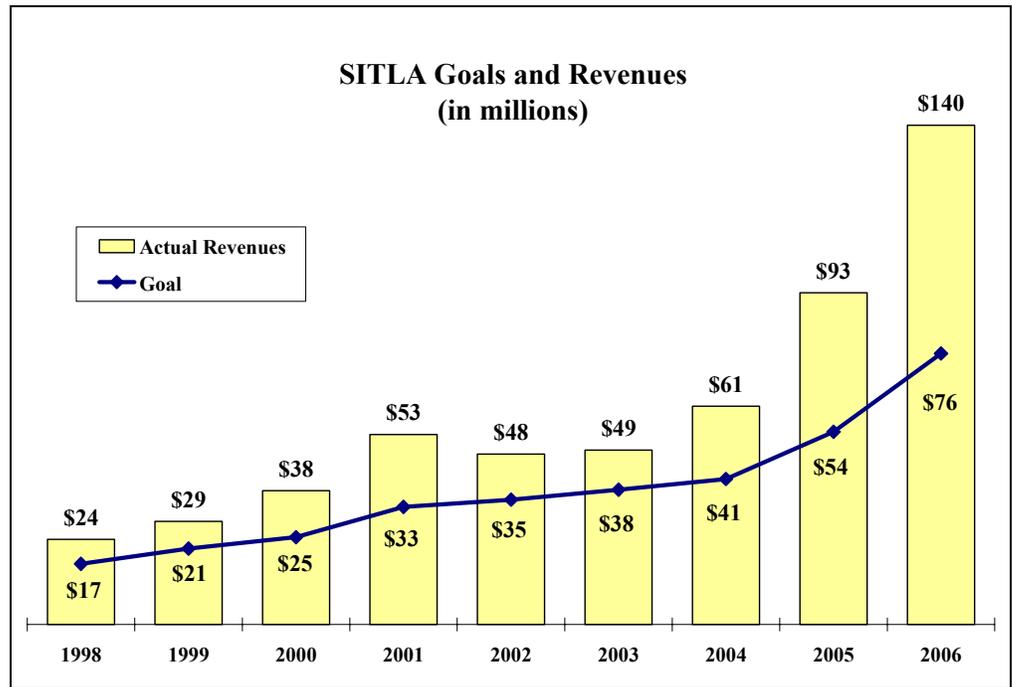


Figure 18

Measurement: Increase the revenues from trust lands

Goal: The board has set the revenue goal for FY 2006 to be \$76 million, \$17 million less than the actual revenues generated in FY 2005.

Methodology: calculate the revenues for the fiscal year

Measure Type: Output

In the last two years SITLA has generated record-high revenues from its operation. This was mainly due to the record-high energy market prices. As in the past, the majority of the revenues for FY 2006 were earned by SITLA’s Oil & Gas program (see Figure 19).

In FY 2006, SITLA has again exceeded its revenue goal. Those revenues goals have consistently been lower than the prior year’s actual revenues (see Figure 18). This practice was criticized by an audit team in A Performance Audit Of the School & Institutional Trust Land Administration (SITLA) issued in January 2006. The audit stated: “This practice seems contrary to business principles of setting goals beyond the previous year’s achievement.” As a response to the audit, SITLA board is currently in the process of altering their approach to goals setting.

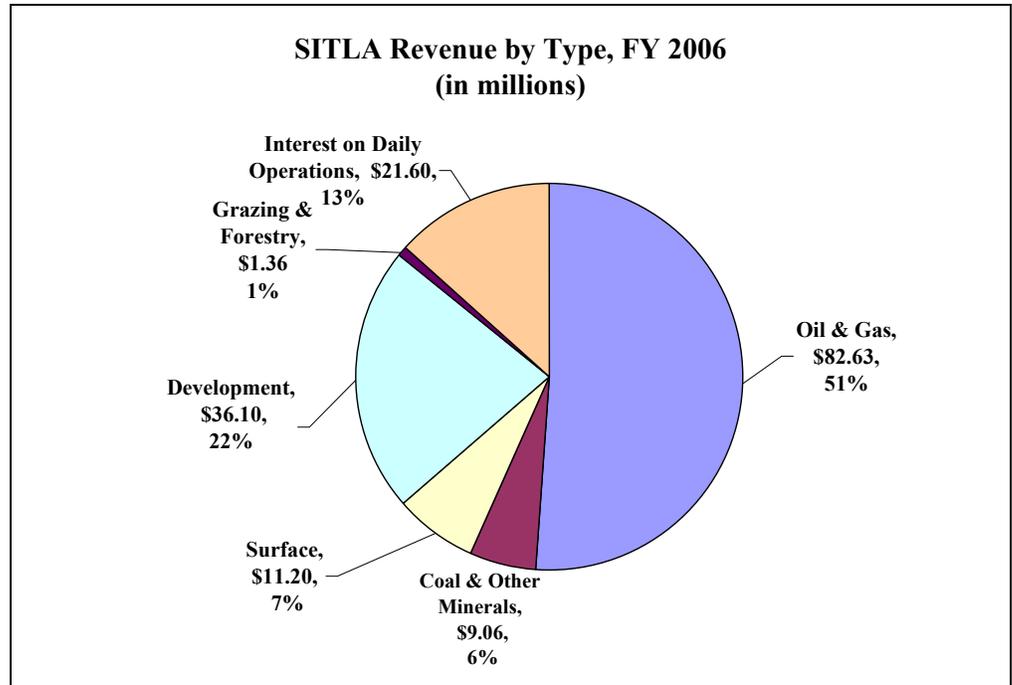


Figure 19

The generated revenues are deposited in the Permanent School Fund, less the amount covering SITLA’s operating and capital expenditures. SITLA’s total expenditures have grown more than three and a half times since 1998, from \$4.8 million in FY 1998 to \$17.5 million in FY 2007 (see Figure 20). The agency operations have more than doubled, and its capital development expenditures have grown 15 times in the last ten years.

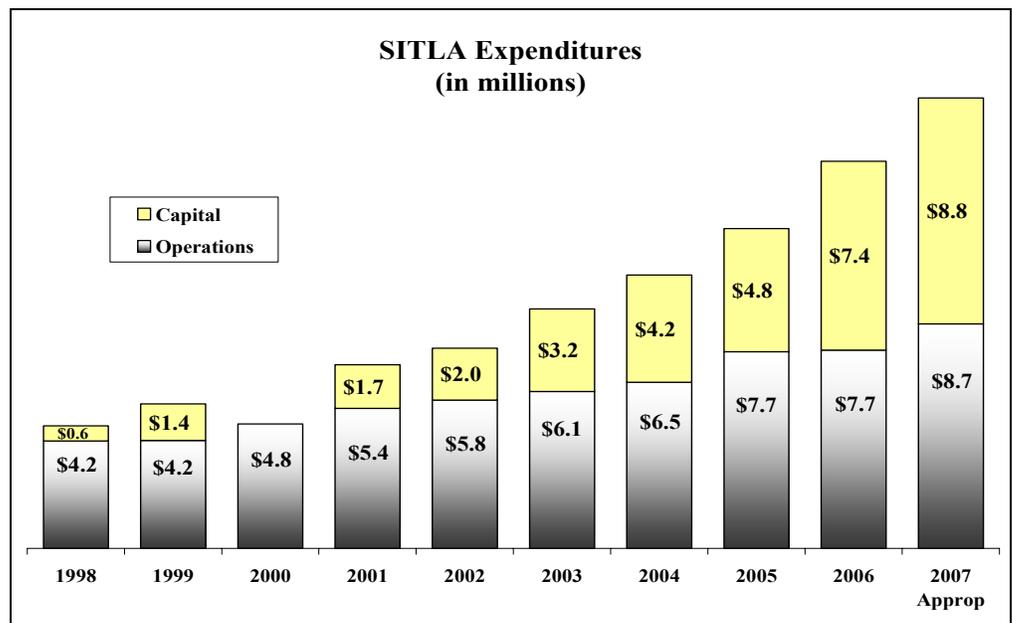


Figure 20

Funding Detail

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, permit 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 coal bed methane, and 139,000 acres of land or surface/mineral rights with readily developable commercial and mineral value. Today those acquired lands are the base of the agency's single largest revenue source, natural gas royalties.

The State Treasurer handles SITLA's investments. Interest and dividend 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.

Seventy percent of SITLA's operating budget in FY 2007 is for Personal Services (employees' salaries and benefits). This category has increased by 52 percent since FY 2003. The higher personnel costs are due to increases in salaries and bonuses for employees, as well as increases in healthcare costs funded by the Legislature. The average cost per FTE has increased by 49 percent, from \$64,400 in FY 2003 to \$95,600 in FY 2007.

The 2006 Legislature appropriated the following additional funding to SITLA:

Investigator

The Legislature appropriated \$85,000 (one-time) for a contract with the Attorney General's office to provide support to local law enforcement officials, county attorneys general, and assist in the prosecution of crimes committed against trust land assets.

Capital Development

The Legislature provided a supplemental appropriation of \$2,000,000 and an ongoing appropriation of \$3,800,000 for capital development on school trust lands.

Construction Manager

The Legislature provided a supplemental appropriation of \$62,000 and ongoing appropriation of \$103,200 for a construction manager.

West Desert Consulting

The Legislature appropriated \$50,000 for consultants exploring the feasibility of increasing revenues from trust lands in the West Desert beginning FY 2006.

OHV Administrator

The Legislature provided a supplemental appropriation of \$20,000 and an ongoing appropriation of \$78,000 for an OHV Administrator position.

Various

The Legislature also appropriated: \$10,000 for a contract auditor, \$10,000 supplemental and \$20,000 ongoing for a forestry contractor, \$62,000 ongoing for a land planner, \$70,000 supplemental for project accounting system, \$40,000 for surface contracts, and \$26,000 for a vehicle purchase.

Budget History - School & Institutional Trust Lands - School & Inst Trust Lands					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Land Grant Mgt Fund	9,324,200	10,793,000	12,453,200	15,073,800	17,539,600
Lapsing Balance	0	(149,100)	0	0	0
Total	\$9,324,200	\$10,643,900	\$12,453,200	\$15,073,800	\$17,539,600
Programs					
Board	241,900	147,600	220,300	221,500	205,400
Director	500,800	648,600	814,000	663,900	1,035,500
Public Relations	146,600	0	0	204,900	12,400
Administration	745,600	845,800	793,100	806,700	833,200
Accounting	279,500	278,300	297,500	324,600	344,900
Royalty	152,200	171,400	194,100	202,200	249,200
Minerals	664,500	734,100	920,300	856,000	1,192,700
Surface	1,204,000	1,324,800	1,308,000	1,432,000	1,620,600
Development - Operating	719,300	716,400	1,505,900	1,136,800	1,332,300
Legal/Contracts	362,100	395,200	469,800	572,100	688,800
Data Processing	807,800	867,600	754,900	875,900	804,200
Forestry and Grazing	282,200	336,500	381,600	422,700	420,400
Development - Capital	3,217,700	4,177,600	4,793,700	7,354,500	8,800,000
Total	\$9,324,200	\$10,643,900	\$12,453,200	\$15,073,800	\$17,539,600
Categories of Expenditure					
Personal Services	4,035,800	4,382,200	4,952,600	5,475,300	6,118,400
In-State Travel	77,500	94,300	110,400	106,900	111,700
Out of State Travel	50,500	42,600	48,000	78,700	47,600
Current Expense	3,425,500	1,750,000	2,300,400	4,512,600	2,459,300
DP Current Expense	231,600	156,500	228,000	286,600	168,300
DP Capital Outlay	175,400	125,700	44,400	24,700	0
Capital Outlay	1,265,500	4,241,700	4,769,400	4,488,400	8,634,300
Other Charges/Pass Thru	62,400	(149,100)	0	100,600	0
Total	\$9,324,200	\$10,643,900	\$12,453,200	\$15,073,800	\$17,539,600
Other Data					
Budgeted FTE	62.7	67.5	67.9	70.4	64.0

Table 138

BOARD

Function

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."

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.

Funding Detail

The single largest expenditure in this program is the Board's incentive award package for senior management.

Budget History - School & Institutional Trust Lands - School & Inst Trust Lands - Board					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Land Grant Mgt Fund	241,900	232,400	220,300	221,500	205,400
Lapsing Balance	0	(84,800)	0	0	0
Total	\$241,900	\$147,600	\$220,300	\$221,500	\$205,400
Categories of Expenditure					
Personal Services	187,800	181,300	200,600	209,000	176,100
In-State Travel	400	7,200	4,700	4,300	5,700
Out of State Travel	6,500	2,900	3,200	3,900	2,800
Current Expense	47,200	41,000	11,800	4,300	20,800
Other Charges/Pass Thru	0	(84,800)	0	0	0
Total	\$241,900	\$147,600	\$220,300	\$221,500	\$205,400
Other Data					
Budgeted FTE	0.0	0.5	0.5	0.0	1.0

Table 139

DIRECTOR

Function

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, associate director, block planner, the public affairs officer, and an office technician. Aside from personal services, the largest costs consist of consulting contracts.

Funding Detail

Current Expense comprises 31 percent of the appropriated amount for FY 2006. Of that amount, SITLA pays \$99,500 per year retainer fees (plus expenses) to a lobbyist in Washington DC.

Budget History - School & Institutional Trust Lands - School & Inst Trust Lands - Director					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Land Grant Mgt Fund	500,800	648,600	814,000	663,900	1,035,500
Total	\$500,800	\$648,600	\$814,000	\$663,900	\$1,035,500
Categories of Expenditure					
Personal Services	298,300	461,500	538,900	402,500	574,000
In-State Travel	7,700	12,100	14,700	11,700	14,700
Out of State Travel	22,100	16,200	24,100	44,100	24,100
Current Expense	172,500	158,500	236,100	204,000	422,500
DP Current Expense	200	300	200	1,600	200
Total	\$500,800	\$648,600	\$814,000	\$663,900	\$1,035,500
Other Data					
Budgeted FTE	3.4	4.8	5.3	5.3	3.0

Table 140

ADMINISTRATION

Function 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.

Funding Detail

Budget History - School & Institutional Trust Lands - School & Inst Trust Lands - Administration					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Land Grant Mgt Fund	745,600	845,800	793,100	806,700	833,200
Total	\$745,600	\$845,800	\$793,100	\$806,700	\$833,200
Categories of Expenditure					
Personal Services	244,400	285,100	298,300	292,500	382,000
In-State Travel	200	1,300	1,100	400	1,100
Current Expense	486,600	538,900	483,500	505,400	439,900
DP Current Expense	8,200	7,900	5,200	5,200	5,200
Capital Outlay	6,200	12,600	5,000	3,200	5,000
Total	\$745,600	\$845,800	\$793,100	\$806,700	\$833,200
Other Data					
Budgeted FTE	5.3	6.4	6.7	7.9	8.0

Table 141

ACCOUNTING

Function 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.

Funding Detail

Budget History - School & Institutional Trust Lands - School & Inst Trust Lands - Accounting					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Land Grant Mgt Fund	279,500	278,300	297,500	324,600	344,900
Total	\$279,500	\$278,300	\$297,500	\$324,600	\$344,900
Categories of Expenditure					
Personal Services	262,500	266,900	288,300	317,300	335,000
In-State Travel	0	300	200	100	500
Current Expense	13,200	7,900	6,000	4,200	6,400
DP Current Expense	3,800	3,200	3,000	3,000	3,000
Total	\$279,500	\$278,300	\$297,500	\$324,600	\$344,900
Other Data					
Budgeted FTE	4.2	4.3	4.1	4.0	5.0

Table 142

ROYALTY PROGRAM

Function This program consists of two auditors who ensure compliance with lease terms, contracts, rules, internal policies, 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.

Funding Detail Other than personal services, the largest expenditure of this program is for contract auditing services.

Budget History - School & Institutional Trust Lands - School & Inst Trust Lands - Royalty					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Land Grant Mgt Fund	152,200	171,400	194,100	202,200	249,200
Total	\$152,200	\$171,400	\$194,100	\$202,200	\$249,200
Categories of Expenditure					
Personal Services	145,100	156,200	174,000	185,800	199,500
In-State Travel	500	500	300	600	300
Out of State Travel	1,600	2,200	1,500	2,800	1,500
Current Expense	4,300	11,800	17,600	12,300	47,200
DP Current Expense	700	700	700	700	700
Total	\$152,200	\$171,400	\$194,100	\$202,200	\$249,200
Other Data					
Budgeted FTE	2.0	2.0	2.0	2.0	2.0

Table 143

MINERALS PROGRAM

Function

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 generated approximately 65 percent of the non-interest revenue for the trust in FY 2006.

Funding Detail

The most significant Current Expense is for professional and technical services, some of which goes to Divisions in the Department of Natural Resources.

Budget History - School & Institutional Trust Lands - School & Inst Trust Lands - Minerals					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Land Grant Mgt Fund	664,500	734,100	920,300	856,000	1,192,700
Total	\$664,500	\$734,100	\$920,300	\$856,000	\$1,192,700
Categories of Expenditure					
Personal Services	503,500	525,400	573,400	657,700	701,700
In-State Travel	5,600	4,500	4,700	6,600	4,700
Out of State Travel	4,300	3,500	4,300	3,200	4,300
Current Expense	148,200	197,000	334,200	184,800	478,300
DP Current Expense	2,900	3,700	3,700	3,700	3,700
Total	\$664,500	\$734,100	\$920,300	\$856,000	\$1,192,700
Other Data					
Budgeted FTE	7.2	8.0	7.9	7.9	8.0

Table 144

SURFACE PROGRAM

Function 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.

Funding Detail

Budget History - School & Institutional Trust Lands - School & Inst Trust Lands - Surface					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Land Grant Mgt Fund	1,204,000	1,324,800	1,308,000	1,432,000	1,620,600
Total	\$1,204,000	\$1,324,800	\$1,308,000	\$1,432,000	\$1,620,600
Categories of Expenditure					
Personal Services	865,400	930,400	1,030,700	1,162,500	1,309,700
In-State Travel	25,600	26,500	24,400	20,100	24,400
Out of State Travel	2,400	2,400	2,000	2,200	2,000
Current Expense	296,600	355,300	232,800	235,400	274,000
DP Current Expense	11,000	10,200	10,500	10,600	10,500
Capital Outlay	3,000	0	7,600	1,200	0
Total	\$1,204,000	\$1,324,800	\$1,308,000	\$1,432,000	\$1,620,600
Other Data					
Budgeted FTE	17.4	17.5	16.4	16.4	14.0

Table 145

LEGAL

Function 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 most agencies to use attorneys from the Attorney General's office, the Legislature has recognized the need for SITLA to keep a separate legal staff.

Funding Detail

Budget History - School & Institutional Trust Lands - School & Inst Trust Lands - Legal/Contracts					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Land Grant Mgt Fund	362,100	395,200	469,800	572,100	688,800
Total	\$362,100	\$395,200	\$469,800	\$572,100	\$688,800
Categories of Expenditure					
Personal Services	290,200	302,200	350,400	415,800	430,400
In-State Travel	2,400	4,300	13,000	9,600	13,000
Out of State Travel	6,600	6,300	3,900	2,800	3,900
Current Expense	61,000	80,400	100,300	141,600	239,300
DP Current Expense	1,900	2,000	2,200	2,300	2,200
Total	\$362,100	\$395,200	\$469,800	\$572,100	\$688,800
Other Data					
Budgeted FTE	3.9	3.9	4.1	4.6	4.0

Table 146

DATA PROCESSING

Function 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, land management, and Geographic Information System software.

Funding Detail Aside from Personal Services, most of the money in this program is spent on computer equipment and supplies.

Budget History - School & Institutional Trust Lands - School & Inst Trust Lands - Data Processing					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Land Grant Mgt Fund	807,800	867,600	754,900	875,900	804,200
Total	\$807,800	\$867,600	\$754,900	\$875,900	\$804,200
Categories of Expenditure					
Personal Services	411,700	469,800	498,300	540,400	651,700
In-State Travel	1,300	600	1,100	2,100	1,100
Out of State Travel	1,000	3,400	1,400	2,500	1,400
Current Expense	27,400	71,900	12,700	51,300	12,700
DP Current Expense	191,000	203,000	197,000	254,900	137,300
DP Capital Outlay	175,400	118,900	44,400	24,700	0
Total	\$807,800	\$867,600	\$754,900	\$875,900	\$804,200
Other Data					
Budgeted FTE	5.9	6.0	6.9	7.4	11.0

Table 147

PUBLIC RELATIONS

Function This program's goal is to gain the necessary political and public support for SITLA to accomplish its mission: "to administer the trust lands prudently and profitably for Utah's schoolchildren."

Funding Detail

Budget History - School & Institutional Trust Lands - School & Inst Trust Lands - Public Relations					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Land Grant Mgt Fund	146,600	0	0	204,900	12,400
Total	\$146,600	\$0	\$0	\$204,900	\$12,400
Categories of Expenditure					
Personal Services	122,000	0	0	166,600	12,400
In-State Travel	500	0	0	2,200	0
Out of State Travel	0	0	0	3,400	0
Current Expense	24,100	0	0	33,600	0
DP Current Expense	0	0	0	(900)	0
Total	\$146,600	\$0	\$0	\$204,900	\$12,400

Table 148

FORESTRY AND GRAZING

Function This program administers the renewable resources of approximately 3.4 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.

Funding Detail

Budget History - School & Institutional Trust Lands - School & Inst Trust Lands - Forestry and Grazing					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Land Grant Mgt Fund	282,200	336,500	381,600	422,700	420,400
Total	\$282,200	\$336,500	\$381,600	\$422,700	\$420,400
Categories of Expenditure					
Personal Services	121,300	179,000	214,700	241,300	241,100
In-State Travel	12,200	10,100	14,400	15,600	14,400
Out of State Travel	900	1,600	2,500	4,300	2,500
Current Expense	137,200	144,900	132,300	157,300	156,300
DP Current Expense	500	900	1,100	1,100	1,100
Capital Outlay	10,100	0	16,600	3,100	5,000
Total	\$282,200	\$336,500	\$381,600	\$422,700	\$420,400
Other Data					
Budgeted FTE	2.2	3.0	3.3	3.5	4.0

Table 149

DEVELOPMENT – OPERATING

Function The objective of this program is to identify and facilitate real estate development opportunities on trust land parcels.

Funding Detail The budget reflected here represents the cost of operating the Development program. The operating expenditures of this group have almost tripled during the period 2002-2005 and its business plan includes hiring additional five employees.

Budget History - School & Institutional Trust Lands - School & Inst Trust Lands - Development - Operating					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Land Grant Mgt Fund	719,300	716,400	1,505,900	1,136,800	1,332,300
Total	\$719,300	\$716,400	\$1,505,900	\$1,136,800	\$1,332,300
Categories of Expenditure					
Personal Services	583,600	624,400	785,000	883,900	1,104,800
In-State Travel	21,100	26,900	31,800	33,600	31,800
Out of State Travel	5,100	4,100	5,100	9,500	5,100
Current Expense	94,600	127,900	678,900	205,400	185,500
DP Current Expense	11,400	(75,400)	4,400	4,400	4,400
DP Capital Outlay	0	6,800	0	0	0
Capital Outlay	3,500	1,700	700	0	700
Total	\$719,300	\$716,400	\$1,505,900	\$1,136,800	\$1,332,300
Other Data					
Budgeted FTE	9.0	9.0	10.8	11.4	12.0

Table 150

DEVELOPMENT – CAPITAL

Function The objective of this program is to provide funding for the development on trust land parcels.

Funding Detail SITLA’s capital expenditures have increased more than four times in the last six years: from \$2 million in FY 2002 to \$8.8 million in FY 2007. The development section’s business plan projects the expenditures for the period 2005-2011 to be over \$64 million.

Budget History - School & Institutional Trust Lands - School & Inst Trust Lands - Development - Capital					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Land Grant Mgt Fund	3,217,700	4,241,900	4,793,700	7,354,500	8,800,000
Lapsing Balance	0	(64,300)	0	0	0
Total	\$3,217,700	\$4,177,600	\$4,793,700	\$7,354,500	\$8,800,000
Categories of Expenditure					
Current Expense	1,912,600	14,500	54,200	2,773,000	176,400
Capital Outlay	1,242,700	4,227,400	4,739,500	4,480,900	8,623,600
Other Charges/Pass Thru	62,400	(64,300)	0	100,600	0
Total	\$3,217,700	\$4,177,600	\$4,793,700	\$7,354,500	\$8,800,000

Table 151

CHAPTER 12 PUBLIC LANDS POLICY COORDINATION OFFICE**Overview**

Utah Code 63C-4-103 created the Public Lands Policy Coordinating Office (PLPCO) and the Public Lands Policy Coordinating Council in 2005. The new office was transferred from the Governor's Office for administering the Revised Statute 2477 (RS-2477) program, along with the funding and the responsibilities.

The new office is charged to partner with state agencies and political subdivisions in an effort to:

- prepare coordinated public lands policies,
- develop management plans that relate to public lands policies
- develop and maintain a statewide land use plan
- oversee archeological survey and excavation permits

The current PLLPCO objectives and initiatives include:

- review of Resource Management Plans,
- forest transportation plans (unroaded)
- coordination among state agencies in resolving livestock vs. wildlife issues
- determining the ownership of the Bear River Bird Refuge
- determining the boundaries of Utah Lake
- completing road maintenance agreements
- seeking an administrative resolution to RS-2477 roads following the Tenth Circuit Court (McConnel) decision

The PLPCO staff includes: coordinator, deputy coordinator, administrative assistant, assistant planning director, public lands policy analyst, two research analysts, and a RDCC (Resource Development Coordinating Committee) coordinator, an archeological permitting analyst and two research analysts.

The Public Lands Policy Coordinating Council is charged with providing advice and recommendations concerning the development of public lands policies to the PLPCO, the state planning coordinator, and the Governor.

The Public Lands Coordinator anticipates the following to be significant cost-driving factors:

- The actual costs of implementing the records of the claimed roads in the offices of the individual county recorders statewide.
- The preparation for and the litigation on the disputed roads
- The purchase and maintenance of the appropriate equipment and software to assure the availability of proper documentation

Statutory Authority UCA Title 63C-4-103: creation of the Public Lands Policy Coordinating Office and the Public Lands Policy Coordinating Council.

Funding Detail UCA Title 63C-4-103 allows the Legislature to appropriate monies from the Constitutional Defense Restricted Account to the Office and to the Council.

The Constitutional Defense Restricted Account receives 4.5 percent of the 97 percent of Exchanged Land Mineral Lease payments and 40 percent of the Exchanged Land Mineral Lease Bonus payments, with a two million dollar cap on the Account. The FY 2006 year-end balance was \$1,413,700.

The 2006 Legislature reduced the Public Lands Office’s budget for FY 2006 by transferring one-time \$250,000 General Funds to fund programs in other agencies.

Thirty percent of the FY 2006 expenditures were for employees’ salaries and benefits. The average cost per FTE (Full Time Equivalent) was \$92,700 per year.

Budget History - Public Lands Office - Office of Public Lands - Public Lands Coordination					
	2003	2004	2005	2006	2007
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	0	0	52,500	677,700	703,900
General Fund, One-time	0	0	0	(230,000)	(1,100)
GFR - Constitutional Defense	0	0	251,100	2,013,700	2,030,500
Beginning Nonlapsing	0	0	0	1,479,000	0
Closing Nonlapsing	0	0	0	(1,179,300)	0
Lapsing Balance	0	0	(15,300)	(677,600)	0
Total	\$0	\$0	\$288,300	\$2,083,500	\$2,733,300
Categories of Expenditure					
Personal Services	0	0	68,000	621,300	860,000
In-State Travel	0	0	5,000	48,300	60,000
Out of State Travel	0	0	3,400	13,900	80,000
Current Expense	0	0	162,900	992,900	1,144,600
DP Current Expense	0	0	49,000	313,900	288,700
DP Capital Outlay	0	0	0	0	300,000
Other Charges/Pass Thru	0	0	0	93,200	0
Total	\$0	\$0	\$288,300	\$2,083,500	\$2,733,300
Other Data					
Budgeted FTE	0.0	0.0	0.8	6.7	9.0

Table 152

GLOSSARY

Finance categories used by the state are:

<i>General Fund</i>	This is one of the state's most important sources 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.
<i>Education Fund</i>	This is another of the state's most important sources of income. Revenues come primarily from personal income taxes and corporate franchise taxes. Funds are constitutionally restricted to public and higher education. In the Capital Facilities subcommittee, these funds are used for debt service and capital improvements (alteration, repair and improvements).
<i>Transportation Funds</i>	Transportation funds are derived primarily from the gas tax and are constitutionally restricted to road and highway related issues. In the Capital Facilities subcommittee, these funds are used for debt service on highway bonds, especially for Centennial Highway Fund projects.
<i>Federal Funds</i>	Federal agencies often make funds available to the state for programs that are consistent with the needs and goals of the state and its citizens and are not prohibited by law. Generally, federal funds are accompanied by certain requirements. A common requirement is some form of state match in order to receive the federal dollars. The Legislature must review and approve most large federal grants before state agencies may receive and expend them.
<i>Dedicated Credits</i>	Dedicated Credits are funds that are paid to an agency for specific services and are dedicated to financing that service. For example, fees collected by an internal service fund agency from another state agency are dedicated credits. By law, these funds must be spent before other appropriated state funds are spent. An agency must estimate the level of its service for the following fiscal year, and thus its level of dedicated credits.
<i>Restricted Funds</i>	Restricted funds are statutorily restricted to designated purposes. The restricted funds usually receive money from specific sources, with the understanding that those funds will then be used for related purposes.
<i>Lapsing/Nonlapsing</i>	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 nonlapsing in their enabling legislation, or appropriations designated nonlapsing by annual intent language per UCA 63-38-8.1. 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 Nonlapsing balance is the balance on July 1, while the balance on the next June 30 is termed the Closing Nonlapsing balance. The Closing Nonlapsing balance from one fiscal year becomes the Beginning Nonlapsing balance of the following fiscal year. The reasoning behind nonlapsing 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:

<i>Personal Services</i>	Includes employee compensation and benefits such as health insurance, retirement, and employer taxes.
<i>Current Expenses</i>	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.
<i>Data Processing Current Expense</i>	Includes items such as small computer hardware and software, port charges, programming, training, supplies, etc.
<i>Capital Outlays</i>	Includes items that cost over \$5,000 and have a useful life greater than one year.
<i>Pass Through</i>	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:

<i>Performance Measures</i>	<p>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.</p> <p>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.</p>
<i>Intent Language</i>	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.
<i>Supplemental Appropriation</i>	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

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. Four employees each working ten 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 may contain 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.

INDEX

Accountability.. 34, 47, 49, 50, 57, 78, 103, 120, 124, 126, 128, 139, 154, 157, 159, 162, 166, 169, 186, 192	Forestry and Grazing..... 204
Adjudication..... 132, 138	Funding Increases 5, 27, 76, 112, 194
Administration ... 11, 45, 83, 101, 112, 114, 136, 150, 151, 194, 199	Funding Mix Table 3, 7, 55, 148
Administrative Services..... 14, 23, 30, 58	Funding Reallocations 4
Animal Health..... 157	Game Management..... 73
Aquatic Section..... 64	Geologic Hazards..... 103
Boating..... 76, 84, 94	Geologic Mapping 104
Boating Access Grants..... 94	Grain Inspection..... 171
Brand Inspection 166	Habitat Council..... 61, 62
Chemistry Laboratory 154	Habitat Section..... 62
Cities Water 111, 112, 123, 126, 132	Information and Education 169
Cloud Seeding..... 118	Information and Outreach..... 109
Coal Reclamation..... 41, 50	<i>Intent Language</i> ... 14, 15, 18, 26, 47, 49, 61, 63, 68, 69, 71, 72, 85, 86, 101, 122, 151, 159, 175, 179, 181, 186, 210
Comprehensive Planning..... 82	Internal Service Fund..... 20, 22, 23
Conservation Outreach..... 59	Interstate Streams..... 116
Construction. 111, 112, 118, 119, 124, 128, 129, 132, 174, 191	Law Enforcement..... 11, 16, 60
Contributed Research..... 68	Lone Peak Conservation Center..... 26, 37
Cooperative Environmental Studies 69	Meat Inspection..... 153
Cooperative Studies 141	Minerals 49, 201
Cooperative Water Conservation..... 122	Minerals Reclamation 49
Cost Per FTE..... 5, 27, 42, 56, 78, 98, 112, 134, 145, 194, 208	Miscellaneous Nonlapsing..... 52, 96
Dam Safety..... 132, 137	Motor Pool 20, 23
Data Processing..... 11, 20, 24, 203	OHV..... 76, 81, 93, 95
Department of Agriculture..... 145	Oil and Gas Conservation 41, 42, 47
Department of Natural Resources..... 5	Ombudsman 11, 17
Division of Forestry, Fire and State Lands... 106	Park Management Contracts..... 85
Division of Oil, Gas and Mining..... 29, 41	Park Operations..... 81
Division of Parks and Recreation 75, 85, 86	Planning 117, 181
Division of Water Resources 111	Predatory Animal Control..... 175
Division of Water Rights 132, 133	Program Delivery..... 26, 34, 39
Division of Wildlife Resources.... 53, 66, 67, 72, 175	Public Affairs..... 11, 15
Donated Capital Projects..... 93	Public Lands Policy Coordination Office.... 207
Energy and Minerals..... 105	Region Roads and Renovation..... 94
Environmental..... 107, 169	Regulatory Services 161
Environmental Quality..... 169	Reimbursement..... 67
Executive Director 13, 14, 29	Resource Conservation (Soil Conservation Districts)..... 181
Fire Suppression..... 26, 29, 31, 32	Resource Conservation Administration 177, 179
Fisheries 71	Royalty..... 200
	Sales Tax Revenues 18, 118, 123, 129, 131, 132, 134, 209
	Sheep Promotion..... 164, 175

SITLA	1, 76, 97, 100, 189, 197, 198	Utah Horse Commission	168
Species Protection.....	18, 51, 131	Vehicle Report	9, 149, 191
State Fair Corporation.....	186, 187	Warehouse.....	20, 22
Surface	202	Water Conservation/Education	112, 120
Technical Assistance and Consultation	33	Water Resources Conservation and Development Fund.....	132
Technical Services	102, 142	Wildlife Section	63
This Is The Place.....	14, 85	Year End Account Balances	8, 149, 208
Trail Grants	95		
Utah Geological Survey.....	22, 97, 101		