SCHOOL & INSTITUTIONAL TRUST LANDS ADMINISTRATION

NATURAL RESOURCES, AGRICULTURE, & ENVIRONMENTAL QUALITY APPROPRIATIONS SUBCOMMITTEE
STAFF: IVAN DJAMBOV & MARK BLEAZARD

BUDGET BRIEF

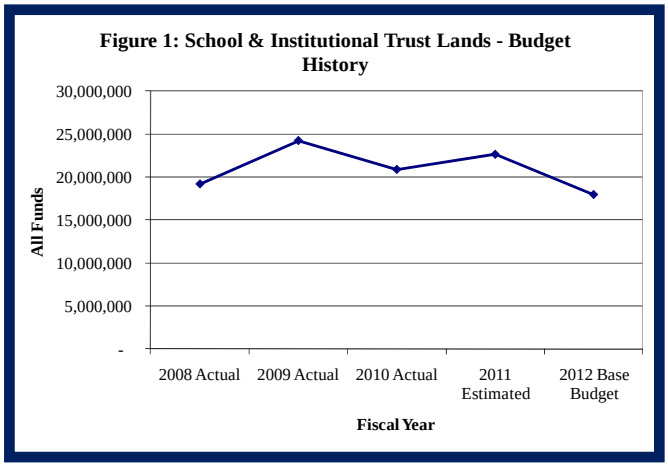
SUMMARY

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

ISSUES AND RECOMMENDATIONS

Temporary RS 2477 Resource Specialist

SITLA is working with the Public Lands Office to help counties resolve the RS 2477 claims involving trust lands. The data must be analyzed and determinations made on each claim. SITLA is requesting funding to utilize the temporary Resource Specialist hired with one-time funding appropriated in the 2008 General Session to continue to help with the RS 2477 process. The Analyst recommends the Subcommittee provide for FY 2012 a one-time appropriation of $46,300.

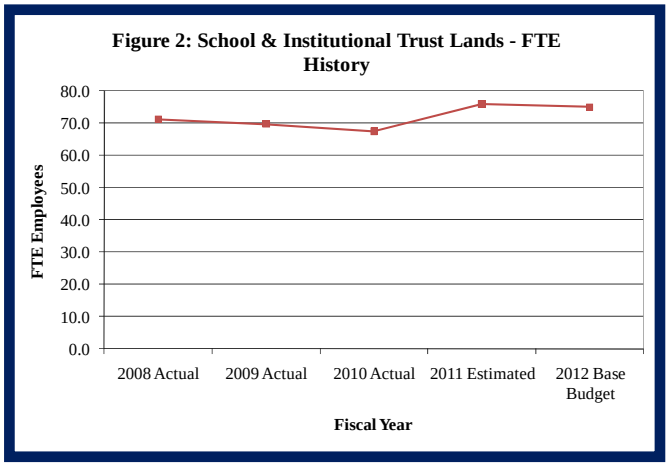


Base Budget Reduction

As a result of the economic downturn, the agency has reduced its development staff, which resulted in total base budget reduction of $312,400 from the restricted account.

Data Processing Upgrade

SITLA has requested $135,000 in one-time funding to keep its PC replacement on the five-year cycle (50 PC for $75,000) and replace four of their Local Area Network (LAN) systems for $60,000. The Analyst recommends the Legislature appropriate $135,000 for FY 2011 for the purposes requested by the agency.



Data Processing Business System Re-write

SITLA's Business System application is 11 years old. The agency uses this system for the receipt and disbursement of all the revenue, as well as to track land ownership and its business activities. The system's platform is becoming outdated and the agency is requesting $305,000 in one-time funding for the system to be rebuilt. The Analyst recommends the Legislature fund this request.

Federal Land Exchange

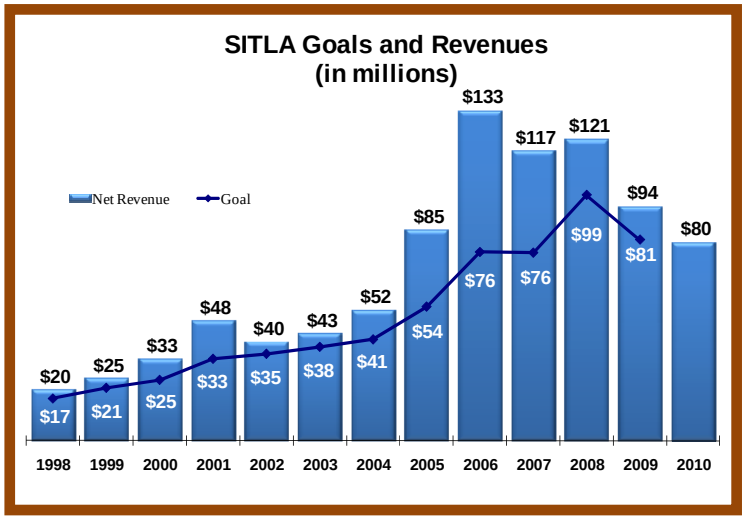
The agency is continuing to work on the land exchange program, in which sensitive parcels of trust lands (that may be involved in wilderness study areas or national monuments) can be exchanged with the federal government. Their current focus is on the following two federal legislative initiatives:

- The Utah Recreational Land Exchange Act of 2009, which allows SITLA to exchange approximately 46,000 acres of trust lands (mostly in the Colorado River corridor) for BLM lands with high mineral values (in the Uintah Basin); and
- The proposed county land bills of several rural Utah counties patterned after the Washington County Lands Bill of 2009.

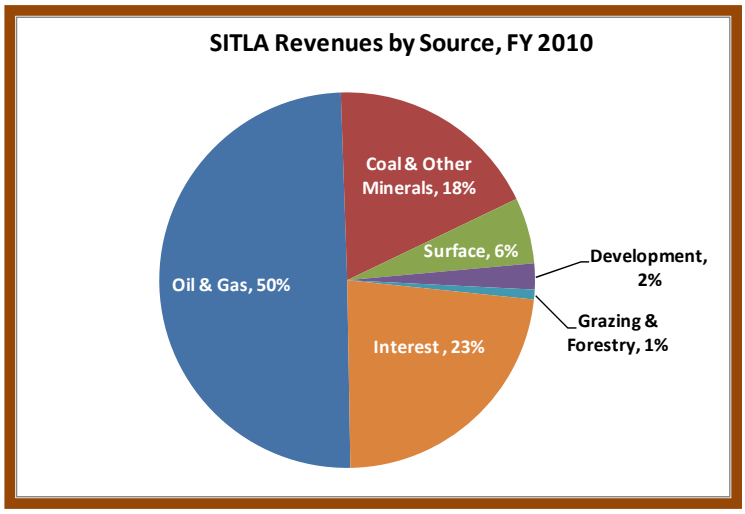
The Legislature appropriated for this purpose $300,000 one-time funds for FY 2011 during the last General Session. The agency is requesting additional one-time appropriation of $300,000 for FY 2012, and the Analyst recommends the Subcommittee fund this request.

ACCOUNTABILITY DETAIL

In FY 2010, SITLA generated $80 million in net revenues. The board did not set a monetary goal for FY 2010.



One half of SITLA's revenues came in FY 2010 from oil & gas related activities.



BUDGET DETAIL TABLE

School & Institutional Trust Lands

Sources of Finance	FY 2010 Actual	FY 2011 Appropriated	Changes	FY 2011 Revised	Changes	FY 2012* Base Budget
Land Grant Mgt Fund	22,348,600	18,262,400	0	18,262,400	(312,400)	17,950,000
Land Grant Mgt Fund, One-time	0	4,376,300	0	4,376,300	(4,376,300)	0
Lapsing Balance	(1,475,200)	0	0	0	0	0
Total	**$20,873,400**	**$22,638,700**	**$0**	**$22,638,700**	**($4,688,700)**	**$17,950,000**
Line Items						
School & Inst Trust Lands	8,586,100	10,438,700	0	10,438,700	(1,288,700)	9,150,000
SITLA Capital	12,287,300	12,200,000	0	12,200,000	(3,400,000)	8,800,000
Total	**$20,873,400**	**$22,638,700**	**$0**	**$22,638,700**	**($4,688,700)**	**$17,950,000**
Categories of Expenditure						
Personnel Services	6,397,700	6,718,100	(98,000)	6,620,100	(132,800)	6,487,300
In-state Travel	88,100	130,800	0	130,800	0	130,800
Out-of-state Travel	59,700	78,300	(1,400)	76,900	0	76,900
Current Expense	2,022,600	2,680,500	1,080,900	3,761,400	(1,509,800)	2,251,600
DP Current Expense	192,600	807,100	(582,300)	224,800	(43,300)	181,500
DP Capital Outlay	35,400	0	2,900	2,900	0	2,900
Capital Outlay	11,008,000	12,223,900	(2,922,100)	9,301,800	(3,452,800)	5,849,000
Other Charges/Pass Thru	1,069,300	0	2,520,000	2,520,000	450,000	2,970,000
Total	**$20,873,400**	**$22,638,700**	**$0**	**$22,638,700**	**($4,688,700)**	**$17,950,000**
Other Data						
Budgeted FTE	67.5	77.2	(1.2)	76.0	(1.0)	75.0
Actual FTE	73.0	0.0	0.0	0.0	0.0	0.0
Vehicles	19	18	1	19	0	19